

SCHEDULE 7.1

CHARGES AND INVOICING

Charges and Invoicing

PART A - CHARGING

1. PURPOSE OF THIS PART OF THE SCHEDULE

The purpose of this Part A of the Schedule is to set out the provisions relating to the Charges applicable to the Services.

2. MILESTONE PAYMENTS

2.1 On the issue of a Milestone Achievement Certificate in relation to a Milestone the Supplier will be entitled to deliver an invoice to the Authority in respect of the charges associated with that Milestone as set out in the table below:

Milestone Number	Milestone Description	Amount of Charge (%)
1	On contract commencement year 1 charge to be invoiced and paid	100% of year 1 total
2	Prior to commencement of year 2 the 2nd year value is to be invoiced and paid	100% of year 2 total
3	Prior to commencement of year 3 the 3rd year value is to be invoiced and paid	100% of year 3 totla

2.2 The circumstances in which a Milestone Achievement Certificate will be issued are set out in paragraph 13 of Schedule 6.2 (Testing Procedures). Payment will be made to the Supplier in accordance with Part B of this Schedule.

2.3 If a Milestone is not Achieved by its associated Milestone Date then Delay Payments will be applied in accordance with Clause 28 of the Agreement and paragraph 5 of Part A of this Schedule. If no further Milestone Payments fall due after Delay Payments accrue, the Authority shall be entitled (if it is possible so to do) to set-off such Delay Payments against any other sums payable to the Supplier under this Agreement or the Supplier shall promptly issue a credit note to the Authority and a sum equal to any such Delay Payments then outstanding shall be repayable by the Supplier to the Authority as a debt.

3. SERVICE CHARGES

3.1 The Authority will pay the Service Charges to the Supplier for all Operational Services in each month from the Operational Service Commencement Date to the end of the Term. The Service Charges shall be made up of the final annual support and

3.1 maintenance charges set out in the following table:

	Support and Maintenance Charges	Upgrade Charges
Operational Service Year 1	██████████	
Operational Service Year 2	██████████	██████████
Operational Service Year 3 (optional)		
Operational Service Year 4 (optional)	██████████	
Operational Service Year 5 (optional)	██████████	
Total 5 year support and maintenance charges:	£1,070,366.82	£234,015.66

3.2 Unless otherwise stated in this Schedule 7.1 (Charges and Invoicing), the Service Charges shall relate to and shall constitute full consideration for the provision of the Operational Services by the Supplier.

3.3 The Service Charges shall be payable annually in advance (pro rata where applicable) with effect from the Operational Service Commencement Date and each anniversary thereafter.

3.4 The Authority may in its sole discretion decommission the ACD Services at any time during the Term on giving not less than three months' prior written notice to the Supplier (the "**Decommission Notice**"). In the event that the Authority exercises this option:

3.4.1 the ACD Service Charges shall cease to be payable and the ACD Services shall cease to be delivered with effect from the date specified in the Decommission Notice;

3.4.2 the decommissioning of the ACD Services shall not constitute partial termination of the Agreement;

- 3.4.3 no Termination Payment or Compensation Payment shall be payable; and
- 3.4.4 no other sums shall be payable by the Authority to the Supplier and the Service Charges (excluding the ACD Service Charges) shall not be increased as a result of such decommissioning.

3.6 **Time and Materials Charges**

- 3.6.1 Any Services in addition to those covered by the Milestone Payments and the Service Charges which are requested by the Authority in accordance with the Change Control Procedure shall be calculated on a time and materials basis unless otherwise agreed between the Parties. The time and materials Charge in each month shall be calculated as the aggregate of man day resource consumed in that month by the Authority based on the relevant rates as set out in Rate Card in the Pricing Schedule at Appendix 1 of this Schedule.
- 3.6.2 The standard work day rates set out in the Pricing Schedule are based upon a standard working day of 7.5 hours which shall be calculated exclusive of any breaks. Save where the Authority expressly agrees in advance in writing that the standard work day rates may be increased by any out of hours premium, a standard working day is assumed to be carried out as a 'professional day' with the individual consultant managing his/her own work schedule within hours appropriate to the standard work day rate to achieve the required results. The Parties agree that on any day where less than 7.5 hours are worked, 1/7.5th of the applicable standard work day rate shall be paid for each whole hour that is worked.
- 3.6.3 The Supplier shall provide a breakdown of any time and materials Charge. For the avoidance of doubt, no risks or contingencies shall apply to the provision of Services for which time and materials Charges apply. The Supplier shall maintain full and accurate records of the time spent by the Supplier Personnel in providing the Services and shall provide such records to the Authority with each relevant invoice in accordance with Part B of this Schedule 7.1 (Charges and Invoicing).
- 3.6.4 In addition to the time and materials Charges, the Supplier shall be entitled to be reimbursed by the Authority for reasonable travel and subsistence (eg hotel and food) expenses ("Reimbursable Expenses") properly and necessarily incurred in the performance of those Services, other than:

- 3.6.5 travel expenses incurred as a result of Supplier Personnel travelling to and from the Supplier's usual place of work at the Supplier's offices, or to and from the premises at which the Services are to be principally performed; or
- 3.6.6 subsistence expenses incurred whilst performing the Services at the Supplier's usual place of work at the Supplier's offices, or to and from the premises at which the Services are to be principally performed.
- 3.6.7 The Authority shall reimburse the Supplier for the Reimbursable Expenses reasonably incurred by the Supplier at the rates and in accordance with the Authority's policy current from time to time. The Authority shall provide a copy of such rates and policy to the Supplier upon request.

5 **DELAY PAYMENTS**

- 5.1 If a Milestone (as detailed in the table below as having Delay Payments linked to it) has not been Achieved by the relevant Milestone Date (as amended, if at all, in accordance with the Change Control Procedure), the Supplier shall pay to the Authority Delay Payments in accordance with the following table for each day of delay from and including the relevant Milestone Date until and including the date on which the relevant Milestone criteria are actually achieved and the Authority provides the Supplier with a Milestone Achievement Certificate. **[NOT APPLICABLE TO THIS CONTRACT AS WE ARE ONLY PROCURING THE SUPPORT AND MAINTENANCE]**

Milestone Number	Delay Payment	Delay Deduction Period
1		100 days
2		100 days
3		100 days
4		100 days
5		100 days
6		100 days
7		100 days
8		100 days
9		100 days

5.2 The liability of the Supplier in respect of Delay Payments will be limited in accordance with clause 25 (Limitations on Liability).

6 RETENTIONS

The Authority shall hold by way of a retention 10% of any payment of a Milestone in respect of a Milestone Achievement Certificate which has been issued subject to any condition(s) in accordance with paragraph 13.1 of Schedule 6.2 (Testing Procedures) and shall not be required to release such retained amount until the Supplier has fulfilled all of the conditions to which the Milestone Achievement Certificate was subject.

7 CHARGES FOR CHANGE CONTROL

7.1 The Supplier shall be entitled to reimbursement solely for the provision of the Services set out in this Agreement and the provision of, and application of any Charges for, future service projects would be as a result of the Change Control Procedure and with the prior consent of the Authority.

7.2 Where a Change is requested then the Supplier will prepare a quotation for the cost which shall:

7.2.1 include estimated volumes of each type of resource to be employed;

7.2.2 include full disclosure of any assumptions underlying such quotation; and

7.2.3 include evidence of the cost of any assets required for the Change.

7.3 Any Changes to the Charges shall be developed and agreed by the Parties in accordance with the Pricing Schedule but, for the avoidance of doubt, both Parties accept and acknowledge that any Changes to the Charges shall not have the effect of altering the economic balance of this Agreement in favour of the Supplier in a manner not provided for in the terms of this Agreement.

8 INDEXATION

8.1 Indexation shall not apply to this contract for the initial 3 year. The contract costs will be as stated in this document for the duration of the contract. From year 4 onwards support charges will be increased on an annual basis in line with the published rate of CPI, or by 2%, whichever is greater.

8.2 Indexation shall not apply to the Milestone Payments.

9 CERTIFICATION OF COSTS

9.1 The Supplier shall, on each anniversary of the Effective Date and also at the request of the Authority (such additional requests not to exceed five occasions over the Term) within 15 Working Days of such request provide, to the Authority a Certificate of Costs in the format as set out in Appendix 2 to this Schedule. The Certificate of Costs shall be signed by a director of the Supplier.

9.2 The Certificate of Costs shall set out the Supplier's actual costs, expenses and profits in providing the services over the preceding year of the Agreement, including details of at least the following:

9.2.1 the actual capital expenditure, including capital replacement costs (including details of expected asset lives);

- 9.2.2 actual operating expenditure relating to the provision of the Services, with labour costs, consumables, sub-contracted and bought-in services;
 - 9.2.3 all interest expenses and other third party financing costs;
 - 9.2.4 details of the overhead recoveries that have been made to the extent detailed in Appendix 2 to this Schedule; and
 - 9.2.5 the profit which the Supplier has achieved in the provision of the Services including any profit element forming any part of the overhead recoveries disclosed by reason of paragraph 9.2.4 above.
- 9.3 Following receipt of the Certificate of Costs, the Supplier shall provide to the Authority any reasonable additional information to enable the Authority to verify the accuracy of the Certificate of Costs.
- 9.4 Following receipt of the Certificate of Costs, the Authority (and its expert third party advisors) shall be entitled at any time to access the Supplier's computations that have been used by the Supplier in the preparation of the Certificate of Costs.

PART B – INVOICING

1 PURPOSE OF THIS PART OF THE SCHEDULE

This Part B of the Schedule sets out the method by which the Supplier shall raise invoices to the Authority for payment, together with the requirements which apply to such invoices, and the payment terms thereof.

2 SUPPLIER INVOICES

2.1 The Supplier shall prepare and provide to the Authority for approval a draft pro forma invoice within 10 Working Days of the Effective Date which shall include, as a minimum, the details set out in paragraph 2.4 of Part B of this Schedule together with such other information as the Authority may reasonably require. If the draft pro forma invoice is not approved by the Authority then the Supplier shall make such amendments as may be reasonably required by the Authority.

2.2 The Supplier shall be entitled to raise an invoice in respect of any payment which falls payable to the Supplier pursuant to the Agreement provided that each invoice is delivered to the Authority within 10 Working Days after either:

2.2.1 the date on which the Milestone Achievement Certificate is issued in relation to a Milestone; or

2.2.2 the end of the month in respect of Charges for Services consumed in that month.

In any event, all invoices must be provided to the Authority within six (6) months of completion of delivery of the relevant Services to which the invoice relates. Invoices delivered after expiry of this period shall be invalid and the Authority shall have no liability in respect of such invoices.

2.3 The Supplier shall invoice the Authority in respect of Services in accordance with the timescales specified for issue of invoices for the Charges as detailed in Part A of this Schedule.

2.4 The Supplier shall ensure that each invoice contains the following information:

2.4.1 the date of the invoice;

- 2.4.2 a unique invoice number;
- 2.4.3 the month or other period(s) to which the relevant Charge(s) relate;
- 2.4.4 details of the correct reference;
- 2.4.5 the reference number of the purchase order issued by the Authority to which it relates (if any);
- 2.4.6 the dates between which the Services subject of each of the Charges detailed on the invoice were performed;
- 2.4.7 such management information as is required to enable the Authority (where relevant) to re-charge the Charges to individual operating divisions of the Authority or its business groups;
- 2.4.8 the methodology applied to calculate the Charges;
- 2.4.9 any payments due in respect of Achievement of a Milestone;
- 2.4.10 the total Charges gross and net of any applicable deductions and, separately, the amount of any disbursements properly chargeable to the Authority under the terms of the Agreement, and, separately, any VAT or other sales tax payable in respect of the same;
- 2.4.11 details of any Delay Payments or similar deductions that shall apply to the Charges detailed on the invoice;
- 2.4.12 reference to any reports required by the Authority in respect of the Services to which the Charges detailed on the invoice relate (or in the case of reports issued by the Supplier for validation by the Authority, then to any such reports as are validated by the Authority in respect of the Services);
- 2.4.13 a contact name and telephone number of a responsible person in the Supplier's finance department in the event of administrative queries; and

- 2.4.14 the banking details for payment to the Supplier via electronic transfer of funds (ie name and address of bank, sort code, account name and number).
- 2.5 Each invoice shall at all times be accompanied by sufficient information ("**Supporting Documentation**") to enable the Authority to reasonably assess whether the Charges detailed thereon are properly payable. Any such assessment by the Authority shall not be conclusive. The Supplier undertakes to provide to the Authority any other documentation reasonably required by the Authority from time to time to substantiate an invoice.
- 2.6 The Supplier shall submit, as soon as possible and in any case within ten (10) Working Days after the end of each month all invoices and Supporting Documentation in such format as the Authority may specify from time to time, for the Charges incurred during that month. Invoices and Supporting Documentation shall be submitted to:
- Nyp.accounts@northyorkshire.pnn.police.uk*
- with a copy (again including any Supporting Documentation) to such other person and at such place as the Authority may notify to the Supplier from time to time.
- 2.7 All Supplier invoices shall be expressed in sterling or such other currency as shall be permitted by the Authority in writing.
- 2.8 The Authority shall only regard an invoice as valid if it complies with the provisions of this Part B of this Schedule. Where any invoice does not conform to the Authority's requirements set out in paragraph 2 of Part B of this Schedule, the Authority will return the disputed invoice to the Supplier. The Supplier shall promptly issue a replacement invoice which shall comply with the same.

3 PAYMENT TERMS

Subject to the provisions of paragraph 2 of Part B of this Schedule, the Authority shall make payment to the Supplier within thirty (30) days of receipt of a valid invoice by the Authority at its nominated address for invoices.

This quotation is for the upgrade of Cortex and Aspire at North Yorkshire Police.

This quote is split out as follows:

- * Software Licencing = [REDACTED]
- * Documentation = [REDACTED]
- * Project Management = [REDACTED]
- * Installation and Commissioning = [REDACTED]
- * Training = [REDACTED]
- * Hardware = [REDACTED]
- * Expenses = [REDACTED]

Product	Line Item Description	Sales Price	Quantity	Total Price
Professional Services	Cortex and Aspire Upgrade (Cortex Single System)	£234,015.66	1.00	£234,015.66
Grand Total				£234,015.66

Notes

- Delivery - Delivery to be agreed with the APD project manager
- Expenses - Included where applicable
- Invoice Profile - Payment milestones to be agreed.
- Payment - Net 30 days from the date of invoice.
- Validity - 30 days from date of issue.
- Warranty - 12 months on APD supplied hardware and 90 days on APD application software.
- VAT - Prices are quoted exclusive of VAT at the prevailing rate.
- Terms & Conditions - APD Terms and Conditions of Sale v3, a copy of which can be supplied upon request.

Payment Profile Payment Milestones to be agreed.

Any orders resulting from this quotation must be notified in writing quoting a Purchase Order Number together with the APD quotation number and faxed to 01482 803901 or emailed to APDSalesadmin@apdcomms.com.

If you have any questions relating to this quotation please contact me using the details below.

Issued on behalf of APD Communications Ltd by:

APPENDIX 2

CERTIFICATE OF COSTS

Certificate of Costs – Cortex 6 to 8 Upgrade and Aspire 5 to 7 Upgrade

Software Licensing	██████████
Documentation	██████████
Project Management	██████████
Installation and Commissioning	██████████
Training	██████████
Hardware	██████████
Expenses	██████████
Total Cost	<u>£234,015.66</u>