

8 NOT USED

9 MAJOR INCIDENT MANAGEMENT

9.1 The Service Provider shall comply with its obligations in respect of Major Incident Management in Schedule 8 (Service Management), including in respect of the development and maintenance of a Major Incident Plan).

10 CHARGES

10.1 The Service Provider shall invoice the Authority in accordance with the procedures set out in Clause 11 and in consideration of, and subject to the due and proper performance of the Services by the Service Provider in accordance with the Contract, the Authority shall pay the Service Provider the Charges in accordance with those procedures and with the other terms and conditions of the Contract.

10.2 The Service Provider is not entitled to reimbursement for expenses unless such expenses are specified in Schedule 7 (Pricing Schedule) or have been incurred with the prior written consent of the Authority, in which case the Service Provider shall supply appropriate evidence of expenditure in a form acceptable to the Authority.

10.3 All Charges exclude any VAT which may be chargeable, which will be payable in addition to the sum in question at the rate and in the manner for the time being prescribed by law on delivery of a valid VAT invoice.

11 PAYMENT PROCEDURES AND APPROVALS

11.1 The Service Provider shall invoice the Authority in respect of the Charges:

11.1.1 where no Milestones are specified in Schedule 7 (Pricing Schedule), at such dates or at the end of such periods as may be specified in Schedule 1 (Key Contract Information); or

11.1.2 if specified in Schedule 7 (Pricing Schedule), on completion of each Milestone provided that any preceding Milestones have been completed in accordance with the Contract,

and shall not make any separate charge for submitting any invoice.

11.2 The Service Provider shall submit invoices to the postal address set out in Schedule 1 (Key Contract Information) or, where an electronic format for submission of invoices is set out in Schedule 1 (Key Contract Information), such electronic format shall, unless the Authority requires otherwise, be used. Each such invoice shall contain all information required by the Authority including the Contract Reference Number, SAP order number, Service Provider's name, address and bank account details to which payment should be made, a separate calculation of VAT and a brief description of the Services provided. Invoices shall be clear, concise, accurate, and adequately descriptive to avoid delays in processing subsequent payment.

11.3 In the event of a Variation to the Services in accordance with the Contract that involves the payment of additional charges to the Service Provider, the Service Provider shall identify these separately on the relevant invoices.

11.4 The Authority shall consider and verify each invoice, which is submitted by the Service Provider in accordance with this Clause 11, in a timely manner. If the Authority considers that the Charges claimed by the Service Provider in any invoice have:

11.4.1 been correctly calculated and that such invoice is otherwise correct, the invoice shall be approved and payment shall be made by bank transfer (Bank Automated Clearance System (BACS)) or such other method as the Authority may choose from time to time within 30 days of receipt of such invoice or such other time period as may be specified in Schedule 1 (Key Contract Information);

11.4.2 not been calculated correctly or if the invoice contains any other error or inadequacy, the Authority shall notify the Service Provider and the Parties shall work together to resolve the error or inadequacy. Upon resolution (including by reference to Clause 33 where necessary), the Service Provider shall submit a revised invoice to the Authority.

The Authority shall not be entitled to treat any properly submitted invoice as disputed or incorrect solely due to its own undue delay in considering and verifying it.

11.5 Save where inconsistent with the requirements of Schedule 7 (Pricing Schedule) (including, for example, for payments which are associated with Milestones which have not yet been achieved), the Service Provider shall submit all invoices for Services supplied up to Period 12 (ending early March) of every financial year by the date which is ten Business Days prior to 31st March. For Services supplied during period 13 (to 31st March), the Service Provider shall provide the following:

11.5.1 an estimate (together with backup information supporting it). The estimate should only be for the value of Services expected to be provided up to and including 31st March of the same financial year which have not yet been invoiced;

11.5.2 the estimate and backup must be on the Service Provider's headed paper and signed by the appropriate signatory, and is to reach the Authority by the date which is ten Business Days prior to 31st March of every year where Services have been provided in that same financial year.

11.6 No payment made by the Authority (including any final payment) or act or omission or approval by the Authority or Contract Manager (whether related to payment or otherwise) shall:

11.6.1 indicate or be taken to indicate the Authority's acceptance or approval of the Services or any part of them or any act or omission of the Service Provider, or otherwise prejudice any rights, powers or remedies which the Authority may have against the Service Provider, or absolve the Service Provider from any obligation or liability imposed on the Service Provider under or by virtue of the Contract; or

11.6.2 prevent the Authority from recovering any amount overpaid or wrongfully paid including payments made to the Service Provider by mistake of law or fact. Without prejudice to Clause 25, the Authority shall be entitled to withhold such

amount from any sums due or which may become due to the Service Provider or the Authority may recover such amount as a debt.

11.7 Except where otherwise provided in the Contract, the Charges shall be inclusive of all costs of staff, facilities, equipment, materials and other expenses whatsoever incurred by the Service Provider in discharging its obligations under the Contract.

11.8 Interest shall accrue at the rate of two percent (2%) above the base rate of the Bank of England from time to time on all sums due and payable under this Contract from the due date until the date of actual payment (both before and after judgement). All such interest shall be calculated on the basis of the actual number of days elapsed, over a three hundred and sixty five (365) day year and compounded at monthly intervals. The parties agree that this provision constitutes a substantial remedy for late payment of any sum payable under the Contract in accordance with s8(2) of the Late Payment of Commercial Debts (Interest) Act 1998.

12 WARRANTIES, OBLIGATIONS AND PARENT COMPANY GUARANTEES AND BONDS

12.1 Without prejudice to any other warranties expressed elsewhere in the Contract or implied by law, the Service Provider warrants, represents and undertakes to the Authority that:

12.1.1 the Service Provider:

12.1.1.1 has full capacity and authority and all necessary licences, permits, permissions, powers and consents (including, where its procedures so require, the consent of any Holding Company) to enter into and to perform the Contract;

12.1.1.2 is aware of the purposes for which the Services are required and acknowledges that the Authority is reliant upon the Service Provider's expertise and knowledge in the provision of the Services; and

12.1.1.3 is entering into this Contract as principal and not as agent for any person and that it will act as an independent contractor in carrying out its obligations under this Contract;

12.1.2 the Contract is executed by a duly authorised representative of the Service Provider;

12.1.3 all materials, equipment and goods used or supplied by the Service Provider in connection with the Contract shall be of satisfactory quality within the meaning of the Sale of Goods Act 1979 (as amended), sound in design and in conformance in all respects with the Specification; and

12.1.4 all documents, drawings, computer software and any other work prepared or developed by the Service Provider or supplied to the Authority under the Contract shall not infringe any Intellectual Property Rights or any other legal or equitable right of any person.

12.2 Each warranty and obligation in this Clause 12 shall be construed as a separate warranty or obligation (as the case may be) and shall not be limited or restricted by reference to, or reference from, the terms of any other such warranty or obligation or any other term of the Contract.

12.3 Where a Bond Provider Downgrade occurs, the Service Provider shall within 30 Business Days:

12.3.1 deliver the Authority another bond in the form set out in the Framework Agreement or as the Authority may in its absolute discretion determine for a bond amount at the date of replacement equal to the bond amount under the then current bond (or, as the case may be, equal to the bond amount under the previous performance bond if such performance bond has expired or terminated) which complies with the requirements of the Framework Agreement and the requirements of the Authority in relation to this Call-Off Contract; or

12.3.2 procure that alternative cash collateral or other security acceptable to the Authority in an amount equal to the bond amount from time to time under the affected performance bond is made available to the Authority on such terms and conditions as the Authority shall, in its absolute discretion, consider appropriate,

and, if the Service Provider fails to deliver such replacement bond or replacement security by this deadline it shall constitute a material breach by the Service Provider of the terms of this Contract and the Authority shall be entitled to make demand under that bond for the bond amount at that time, which amount shall be paid into an interest bearing account with a clearing bank of first class standing in London and held on trust for the Authority and the Service Provider for application in or towards amounts in respect of which the Authority would have been entitled to make any demand under the bond. Any interest accruing in such account and any balance remaining at the expiry or earlier termination of this Agreement or such other date as the Authority shall determine following application by the Authority in accordance with this Clause 12.3 shall, subject to the Authority's rights of set-off, belong to the Service Provider. If the Service Provider subsequently delivers a replacement or extended bond complying with the provisions of this Contract and the Framework Agreement, the balance standing to the credit of the account (including any amount in respect of interest accrued) shall belong to the Service Provider and the Authority shall promptly take such steps as are reasonably requested by the Service Provider to ensure release of such balance to the Service Provider.

12.4 Unless a different basis has been approved by the Authority in writing, the Service Provider shall maintain the continuing validity and effectiveness of the performance bond provided in respect of this Contract renewable on an annual basis until the expiry of this Contract in accordance with the following provisions:

12.4.1 the performance bond procured must be issued by a financial institution meeting the requirements of the Framework Agreement and have an expiry date which is no less than 364 days from the date of issue of the bond.

12.4.2 where the bond is due to expire then the Service Provider shall replace it with another performance bond in each case in the same form as the bond it is replacing and with a validity period of not less than 364 days from the date of issue of the bond and with a bond amount at the date of replacement which is