



**ORDER**

|                    |                                |
|--------------------|--------------------------------|
| ORDER NO: SER/0544 | Date of Order: 4 December 2015 |
|--------------------|--------------------------------|

*(To be quoted on all correspondence relating to this Order)*

|  |   |
|--|---|
| <p><b>FROM (Customer):</b></p> <p>Water Services Regulation Authority<br/>         Centre City Tower<br/>         7 Hill Street<br/>         Birmingham<br/>         B5 4UA</p> <p>Customer's representative: Bart Schoonbaert</p> <p>T: +44 (0) 121 644 7500<br/>         DDI: +44 (0) 121 644 7682<br/>         E: Bart.Schoonbaert@ofwat.gsi.gov.uk</p>   | <p><b>TO (Contractor):</b></p> <p>Oxera<br/>         200 Aldersgate<br/>         14 floor<br/>         London<br/>         EC1A 4HA</p> <p>Contractor's representative: [REDACTED]<br/>         [REDACTED]</p> <p>T: +44 (0) 207776 6600<br/>         [REDACTED]</p>                              |
| <p><b>SERVICES TO BE DELIVERED TO:</b></p> <p>Where necessary, as above and/or 21 Bloomsbury Street, London, WC1B 3HF</p>  | <p><b>INVOICE ADDRESS:</b></p> <p><a href="mailto:finance@ofwat.gsi.gov.uk">finance@ofwat.gsi.gov.uk</a></p> <p>or</p> <p>Finance Team<br/>         Water Services Regulation Authority<br/>         Centre City Tower<br/>         7 Hill Street<br/>         Birmingham<br/>         B4 5UA</p> |
| <p>Any Contract arising from this Order shall be governed by the Call-Off Terms and Conditions as set out in the Ofgem Framework Agreement for Economic, Financial and Related Consultancy Services, between the Gas and Electricity Markets Authority and Cambridge Economic Policy Associates Limited effect from 1 September 2015; the Customer's Invitation to provide a Proposal dated 12 November 2015, the Contractor's Proposal dated 26 November 2015; and any enhancements thereto and provisions expressly listed herein.</p> |   |
| <p><b>Description of Services Requirement:</b></p> <p>RCV Indexation: real term price effects (PROC.01.0489)</p>   |   |

## Service Category

Ofwat's Framework Agreement for Regulatory Consultancy Services - 4B- Cost of Capital & Financeability

## Contract Period

The Commencement Date shall be 7 December 2015.

The expiry date is 31 March 2016; unless extended or terminated earlier in accordance with the Contract.

## Charges

The Capped price for the project **£95,000**.

The quotation below (and as set out in the Contractor's Proposal) will be the capped price payable by the Customer for the project and will only be exceeded by agreement between and the Customer and the Contractor. Such agreement will only be given by the Customer where cost overruns have arisen as a result of the work involved being over and above that reasonably anticipated prior to the Customer's approval to commence work on the project.

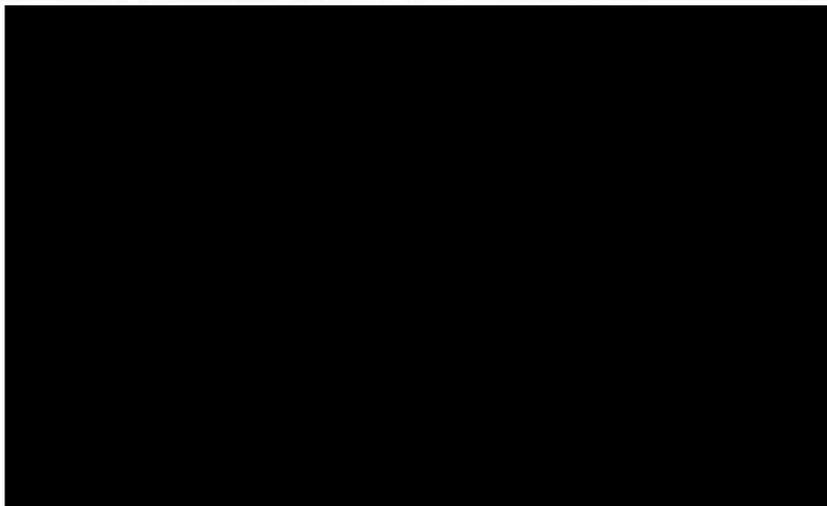
Where the resource costs incurred by the Contractor in performing the Services falls below the quotation, the Contractor shall invoice the Customer for the actual value of the Services provided according to the charging structure described in the Order Form.

The Services/deliverables which satisfactorily address any points raised by the Customer and their acceptance by the Customer will signify successful completion of this element of project.

This cost are all inclusive with the sole exceptions of:

- Disbursement for travel and subsistence expenses;
- Value Added Tax.

| Proposed Personnel | Daily rate (£) | Time Input in days | Charges (excl. VAT & expenses) |
|--------------------|----------------|--------------------|--------------------------------|
|--------------------|----------------|--------------------|--------------------------------|



|                           |      |          |
|---------------------------|------|----------|
|                           |      |          |
| Totals                    | 59.5 | £119,500 |
| Discounted Capped Costs £ |      | £95,000  |

**Charges per working day**

The table below provides the Charges per working day.

| Framework Grade | Daily rate (£) * |
|-----------------|------------------|
|-----------------|------------------|

Director /Partner

Managing Consultant

Senior  
Consultant

Consultant

Junior Consultant



\*A working day is based on 8 hours

Any travel and accommodation required in connection with the project will be reimbursed on Acceptance of receipts and where appropriate a mileage log. Any Travel and Subsistence must be in accordance with the travel and subsistence rates as attached at Appendix A.

The Customer will not pay for:

- Any items which it regards as part of the Contractor's overheads (for example; word-processing, secretarial time, cost of faxes and telephone charges);
- Any expenses not authorised in advance by the Customer's project manager;
- Travelling time unless the Customer's project manager has authorised in advance the payment of travelling time.

**Key outputs and Deliverables and corresponding Delivery Dates**

The Contractor is required to provide the following Key Output and Deliverables by the following Deliverable dates

| No | Deliverables                                      | Delivery Dates      |
|----|---|---------------------|
| 1  | A draft report settling out evidenced of findings | W/C 1 February 2016 |

**OFFICIAL: COMMERCIAL - SENSITIVE**

|   |                                |   |
|---|--------------------------------|---|
| 2 | Presentation of draft findings | W/C 1 February 2016 (date to be agreed)                 |
| 3 | A final report                 | W/C 9 February 2016 (or 1 week after comments received) |
| 4 | Final presentation             | February/March 2016<br>(date to be agreed)              |

### **Invoicing and Payment**

Payment will be due upon Acceptance by the Customer of the Deliverables in accordance Clause 3 of the schedule 5 Call off terms. Any travel and subsistence claims need to be invoiced monthly in arrears.

| <b>Key Deliverables</b>                 | <b>Percentage payment (%) of capped price</b>  |
|---|--|
| On Acceptance of the draft report       | 40%  |
| On Acceptance of the final report       | 50%  |
| On Acceptance of the Final presentation | This payment shall be calculated by deducting the above payment from the total costs, which shall be determined in accordance with the pricing arrangements described above. |

Invoice for the final presentation must be on a separate invoice from the rest of the project.

Any travel and subsistence claims need to be invoiced monthly in arrears.

All invoices shall contain the following information:

- the Order number (as stated above);
- a summary of the Services; and
- the line value;-total value excluding Value Added Tax (VAT), the VAT percentage and total value including VAT.

The Customer shall pay the Contractor within thirty (30) calendar days of receipt of a valid invoice, submitted in accordance with the payment profile set out above and the provisions of this Contract.

Invoices must not contain the Contractor's terms and conditions, nor can reference be made to the Contractor's terms and conditions. Invoices with the Contractor's terms and conditions printed on them or referred to therein and will not be accepted by the Customer.

**Contractor's Key Personnel**



**Variation to Contract**

Any amendments to the Contract must be agreed in writing in accordance with the provisions of the Variation Form at Appendix 1 of the Schedule 5 - Call off Terms and Conditions.

**Formation of Call Off Contract**

BY SIGNING AND RETURNING THIS ORDER FORM THE CONTRACTOR AGREES to enter into a legally binding contract with the Customer to provide to the Customer the Services specified in the Order Requirements set out in this Order Form incorporating the rights and obligations in the Call-Off Terms and Conditions set out in the Framework Agreement entered into by the Contractor and the Gas and Electricity Markets Authority effective from 1 September 2015.

For and on behalf of the Contractor:

|           |            |           |
|-----------|------------|-----------|
| Name      | [Redacted] | AJD NICOL |
| Position  | PARTNER    |           |
| Signature | [Redacted] |           |
| Date      | 23/12/2015 |           |

For and on behalf of the Customer:

|           |                               |
|-----------|-------------------------------|
| Name      | [Redacted]                    |
| Position  | PRINCIPAL - STRATEGY & POLICY |
| Signature | [Redacted]                    |
| Date      | 19/12/2015                    |

## Appendix A - Travel and Subsistence rates

Receipts must be submitted with all claims and must be in accordance with these rates

### Meal Allowance:

Paid on actual expenditure within the following prescribed ceilings:

|           |     |
|-----------|-----|
| Breakfast | £10 |
| Lunch     | £8  |
| Dinner    | £25 |

These amounts cover the cost of purchasing meals and non- alcoholic beverages. Receipts must be submitted.

### Accommodation:

Paid on actual expenditure within the following prescribed ceilings:

|                   |      |
|-------------------|------|
| London            | £165 |
| Elsewhere         | £115 |
| Private residence | £25  |

These rates cover a 24 hour period for accommodation only, inclusive of VAT, receipts must be submitted.

### Mileage Rates:

25p per mile

A mileage log must be submitted (to/from, mileage/date, to see/purpose)

### Rail Travel

The actual cost of public transport (normally rail) may be reimbursed. Economy Class (second class) rail tickets should be purchased.