



**ORDER**

ORDER NO: SER/0638 Date of Order: 12 December 2016

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

<p><b>FROM (Customer):</b></p> <p>Water Services Regulation Authority Centre City Tower 7 Hill Street Birmingham B5 4UA</p> <p>Customer's representative: Margaret Pyne</p> <p>T: +44 (0) 121 644 7701 E: margaret.pyne@ofwat.gsi.gov.uk</p>	<p><b>TO (Contractor):</b></p> <p>Frontier Economics Ltd Mid City Place 71 High Holborn London WC1V 6DA</p> <p>Contractor's representative: [REDACTED]</p> <p>[REDACTED]</p>
<p><b>SERVICES TO BE DELIVERED TO:</b></p> <p>Not applicable</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 Water Services Regulation Authority Centre City Tower 7 Hill Street Birmingham 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 Frontier Economics Ltd with effect from 1 September 2015; the Customer's Invitation to Tender, dated 14 November 2016; the Contractor's tender resubmitted on 2 December 2016 (corrected missing proposed fee data); and any enhancements thereto and provisions expressly listed herein.</p>	
<p><b>Description of Services Requirement:</b></p> <p>Study of the New Appointments and Variations (NAV) Market (PROC.01.0540)</p> <p><b>Service Category</b></p> <p>Economic, Financial and Related Consultancy Services - 3F Market Design (UK &amp; International)</p>	

**Programme:** Casework

**Information Security**

The Contractor's draft Security Plan is accepted by the Customer as the final Security Plan. All Services provided under this Contract must be delivered in accordance with the Security Plan.

**Contract Period**

The Commencement Date shall be 13 December 2016.

The Contract end date is expected to be 31 March 2017; unless extended or terminated earlier in accordance with the Contract.

**Charges**

**Charges per Working Day**

The table below provides the Charges per Working Day for each grade of Staff involved in the performance of the Services.

Framework Grade	Maximum Framework Daily rate (£)	Charges per Working Day * (£) for Contract
Director / Partner (including Experts)		
Director / Partner (including Experts - [redacted])	N/A	
Senior Consultant		
Junior Consultant (including Support)		

**Contract Price**

The capped Contract price for the project is £106,560 (excluding VAT and travel and accommodation) and the breakdown is attached at Appendix A. Up to 3 days of time from Frontier experts in other sectors are free of charge.

The capped price payable by the Customer for the project will only be exceeded by agreement between the parties. 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 commencement of the Contract.

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Where the resource costs incurred by the Contractor in performing the Services falls below the quotation as set out below, 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 delivery of draft final and final reports which satisfactorily address any points raised by the Customer (including points raised on previously submitted draft reports) and their acceptance by the Customer will signify successful completion of that phase of the project.

\*A Working Day is based on 8 hours

In line with the Framework Agreement all Charges shall be fixed for the term of the Framework Agreement.

Any travel and accommodation must be in accordance with Ofwat's standard travel and accommodation rates as attached at Appendix B as updated and amended from time to time. Any travel and accommodation required in connection with the provision of the Call-Off Services will be reimbursed on acceptance of receipts and where appropriate a mileage log.

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.

The costs are all inclusive with the sole exceptions of:

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

**Deliverables**

The table below sets out the Deliverables and payment profile:

Deliverables	Delivery Dates	Percentage of total cost excl VAT and travel and accommodation
On acceptance of interim report	28 February 2017	40%
On acceptance of the draft report	17 March 2017	40%
On acceptance of the final report	31 March 2017	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.

**Invoicing and Payment**

Invoices for payment will be due upon acceptance of each Deliverable by the Customer. Payment will be made electronically via Banks Automated Clearing Services (BACS). Any payment will be in accordance Clause 3 of the schedule 5 Call off terms.

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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.

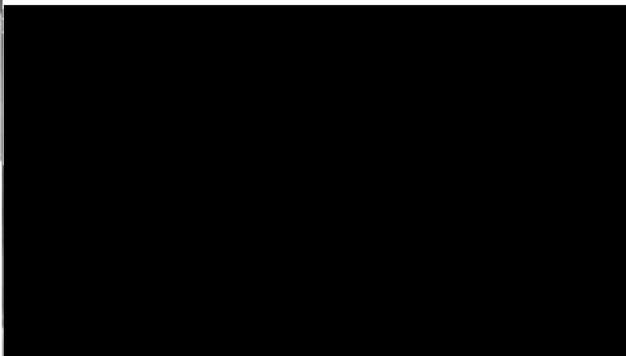
The Customer shall pay the Contractor within thirty (30) calendar days of receipt of a valid invoice, submitted in accordance with the payment profile set out above and the provisions of this Contract.

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 will not be accepted by the Customer.

**Customer's Key Personnel**

Margaret Pyne – Project Manager

**Contractor's Key Personnel**



Any other personnel as agreed with the Project Manager.

Please note any Contractor's staff (including Sub-Contractor's staff), to be given access to Ofwat's assets (defined as premises, systems, information or data) are subject to the Baseline Personnel Security Standard (BPSS) checks.

**Use of Sub-Contractors**

The Customer agrees to the use of [redacted] as Sub-Contractors, in the performance of the Services.

**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]
Position	[REDACTED]
Signature	[REDACTED]
Date	16/12/16

For and on behalf of the Customer:

Name	CATHRYN ROSS
Position	CHIEF EXECUTIVE
Signature	[REDACTED]
Date	14/12/16



## Appendix B - Travel and Accommodation rates

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

### 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.

