



DEPARTMENT OF HEALTH AND SOCIAL CARE

AND

MITIE FACILITIES MANAGEMENT LTD

DHSC COVID19 - FM SERVICES TESTING SITES CONTRACT

RM3830/L1C FACILITIES MANAGEMENT

CONTRACT REFERENCE: CCZI20A17



CALL-OFF SCHEDULE 5

CALL-OFF PRICING

PART A - FIXED FEE PRICING

This part of this schedule shall apply where the fixed pricing option is selected in the Order Form.

Changes to the call off template:

- The Baseline Monthly Payment (BMP) has been removed
- All payments are made in arrears

1. CALCULATION OF THE CHARGES

1.1 The fixed fee Charges shall be:

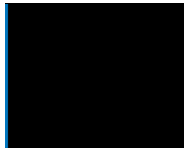
- 1.1.1 calculated on the basis of the rates and prices specified in Attachment 5 – Fixed Fee Pricing Matrix as submitted at Further Competition, and based on the principles in Annex 1 ;
- 1.1.2 paid in respect of Service Months for full and proper performance by the Supplier of its obligations under the Call-Off Contract; and
- 1.1.3 paid by way of monthly payments ("**Monthly Payments**") which shall be calculated in accordance with paragraph 1.2 below.

1.2 Subject to paragraphs 1.1 and 1.3 below, the Monthly Payment (MP_n), in respect of a Service Month "n" shall be calculated in accordance with the following formula:

$$MP_n = FP_{n-1} + VS_{n-1} + NSS_{n-1} + CT_{n-1} + PTC_{n-1} + WO_{n-1} + TRP_{n-1} - PA_{n-1} + OH_{n-1} + PM_{n-1} + TSIP_{n-1}$$

where:

- MP_n is the Monthly Payment to be determined in respect of the Service Month "n";
- FP_{n-1} is the Fixed Payment for Service Month "n" which is calculated in accordance with paragraph 2 below;
- VS_{n-1} is the Variable Services payment for Service Month "n" which is calculated in accordance with paragraph 3 below;
- NSS_{n-1} is the New Site Setup payment for Service Month "n" which is calculated in accordance with paragraph 6 below;
- CT_{n-1} is the Contract Transition payment for Service Month "n" which is calculated in accordance with paragraph 7 below;
- PTC_{n-1} is the Pass Through Costs due in respect of the Previous Service Month which is calculated in accordance with paragraph 8 below;



- WO_{n-1} is the total price for Work Orders which have been completed in the Previous Service Month which shall be calculated in accordance with paragraph 9 below;
- TRP_{n-1} is the monthly TUPE Risk Premium payable for the Previous Service Month calculated in accordance with paragraph 10 below;
- PA_{n-1} is the Performance Adjustment for KPI Credit in respect of the Previous Service Month set off against the Earn Back Amount due (if applicable) for the current Service Month. This shall be calculated in accordance with paragraph 11 below.
- OH_{n-1} is the total price for Overhead payable for the Previous Service Month calculated in accordance with paragraph 12 below;
- PM_{n-1} is the total price for Supplier Profit Margin payable for the Previous Service Month calculated in accordance with paragraph 12 below; and
- TSIP_{n-1} is the total amount of Self Isolation Payments payable for the Previous Service Month calculated in accordance with paragraph 13.

1.3 Following the final Service Month during the Contract Period a balancing payment will be calculated to account for:

- 1.3.1 the Fixed Payment calculated in respect of the final Service Month
- 1.3.2 the Variable Service payment calculated in respect of the final Service Month
- 1.3.3 the New Site Setup payment calculated in respect of the final Service Month
- 1.3.4 the Pass Through Costs incurred within the final Service Month;
- 1.3.5 the total price for Work Orders which have been completed in the final Service Month,
- 1.3.6 the Monthly TUPE Risk Premium payable in respect of the final Service Month; and
- 1.3.7 the Performance Adjustment calculated in respect of the final Service Month.
- 1.3.8 the Overhead calculated in respect of the final Service Month.
- 1.3.9 the Supplier Profit Margin calculated in respect of the final Service Month.

and such balancing payment will be paid to, or deducted from, the sums due to the Supplier following the assessment of the Supplier's performance in the final Service Month.

1.4 The Monthly Payment shall include all costs and expenses relating to the Deliverables and/or the Supplier's performance of its obligations under this Call-Off Contract and no further amounts shall be payable by the Buyer to the Supplier in respect of such performance except in relation to any amounts which are expressly recoverable as part of a Work Order payment or Pass Through Cost.



2. FIXED PAYMENT

- 2.1 The Fixed Payment payable in respect of a Service Month shall be set by reference to **Table A** as submitted in the Fixed Fee Pricing Matrix at Further Competition. It is calculated by multiplying the number of sites for each site type and region by the Fixed prices in table A.
- 2.2 Where a Testing Facility is only operational for part of the month, the price in table A will be multiplied by the number of days the site was open in the month, divided by the total number of days in that month.
- 2.3 The value of the Fixed Payment for a test site may be amended subject to change via a Resource Allocation Notice as described in Attachment 3 – Annex E, Buyer Specific Requirements. Worked examples can be found in Annex 2.

3. VARIABLE SERVICES

- 3.1 The Variable Services payable in respect of a service month shall be set by reference to the hourly rates for each role in **Table B** as submitted in the Fixed Fee Pricing Matrix at Further Competition. The hourly rates as specified in table B will be multiplied by the opening hours for the site in the service month.
- 3.2 Attachment 3 – Annex A describes the location of Testing Facilities and the number of roles that are required. This will be subject to change based on the requirements identified as part of the contract mobilisation process and in the production of the Mobilisation Plan.
- 3.3 The total value of Variable Service for a test site may be amended subject to change via a Resource Allocation Notice as described in Attachment 3 – Annex E, Buyer Specific Requirements. Worked examples can be found in Annex 2.

4. FIXED AND VARIABLE PAYMENT FOR MTU

- 4.1 The fixed and variable cost for an MTU is subject to change through the RAN process as described in Attachment 3 – Annex E – Buyer Specific Requirements, section 7.24.
- 4.2 The fixed costs for an MTU are set at 8 hours and the variable costs at 4 hours. Where an MTU is available but not deployed the Fixed Payment payable shall be set by reference to **Table A** as submitted in the Fixed Fee Pricing Matrix. The monthly amount shall be calculated by multiplying the Fixed Payment by the number of days it is payable in a month, divided by the total number of days in the service month.
- 4.3 Where an MTU is deployed and operational for more than 8 hours then the Variable Services payable shall be set by reference to the hourly rates for each role in **Table B** as submitted in the Fixed Fee Pricing Matrix at Further Competition.
- 4.4 Travel to an MTU is payable through the Variable Services payment after the first 60 minutes for a maximum of 60 minutes in total per journey. The maximum journeys allowed per resource is 2 per day. The rate payable shall be set by reference to the hourly rates for each role in **Table B** as submitted in the Fixed Fee Pricing Matrix at Further Competition.
- 4.5 For the avoidance of doubt, payment for travel to an MTU does not include where the MTU is situated at an RTS for all MTU resources.



- 4.6 The Fixed Payment and Variable Services payment for an MTU shall include the payment of a 1 hour lunch break.

5. FIXED AND VARIABLE PAYMENT FOR RTS and LTS

- 5.1 The Buyer should not be charged for breaks above the statutory minimum.

6. NEW SITE SETUP

- 6.1 The New Site Setup payment payable in respect of a Service Month shall be set by reference to Cost Per Site in **Table C** as submitted in the Fixed Fee Pricing Matrix at Further Competition. It is calculated by multiplying the number of sites where New Site Setup services have been completed in the Service Month, by the fixed prices for Cost Per Site in table C.
- 6.2 For the avoidance of doubt the New Site Setup payment is a one time payment for each New Site Setup.

7. CONTRACT TRANSITION

- 7.1 The Contract Transition payment payable in respect of a Service Month shall be set by reference to **Table D** as submitted in the Fixed Fee Pricing Matrix at Further Competition. It is calculated by multiplying the number of sites where the suppliers full service obligations have been formally assumed for each relevant Testing Facility by the Fixed prices in table D.
- 7.2 The Contract Transition is payable once the transition has been signed off by all parties completed in accordance with “Call-off Schedule 13-Mobilisation Plan” in the Service Month (using Annex A - Testing Facility Sign-Off Sheet (Mobilisation Period) of Call Off Schedule 24 – Special Terms) .
- 7.3 For the avoidance of doubt the Contract Transition payment is a one time payment per site transitioned.

8. PASS THROUGH COSTS

- 8.1 Where the Order Form indicates that the Supplier is entitled to claim Pass Through Costs then:
- 8.1.1 only those types of Pass Through Costs set out in the Order Form shall be recoverable;
 - 8.1.2 the Pass Through Costs shall only be recoverable where they are incurred in accordance with the guidelines that the Buyer may issue to the Supplier from time to time;
 - 8.1.3 the Supplier shall not be entitled to charge any additional amount on top of the Pass Through Costs including any margin, mark up or uplift costs; and
 - 8.1.4 any claim for Pass Through Costs shall be supported by such documentation as the Buyer may request from time to time.



9. WORK ORDERS

- 9.1 The price for Work Orders shall be calculated using the mechanism set out in Schedule 4A (Billable Works & Projects).
- 9.2 Where applicable, Billable works will be set by reference to the rates provided in **Table H**.

10. TUPE RISK PREMIUM

- 10.1 The TUPE Risk Premium is based on the Annual Further Competition TUPE Fixed Premium calculation further detailed in "Call-off Schedule 6 - TUPE Surcharge".
- 10.2 The monthly TUPE Risk Premium is based on the annual value divided by 12.

11. PERFORMANCE ADJUSTMENT

- 11.1 The applicable performance adjustment is based on "Call-off schedule 14-Key Performance Indicators" and "Attachment 3 – Annex D – Payment Mechanism"

12. OVERHEAD AND SUPPLIER PROFIT MARGIN

- 12.1 Overhead is formed of two components; Corporate Overhead and Management Overhead.
- 12.2 Corporate Overhead payable in respect of a Service Month shall be set by reference to **Table E** as submitted in the Fixed Fee Pricing Matrix at Further Competition. The applicable rate is based on the banding for the number and type of Testing Facilities at the start of the invoicing period. Management Overhead payable in respect of a Service Month shall be set by reference to **Table F** as submitted in the Fixed Fee Pricing Matrix at Further Competition. The applicable banding is based on the number and type of Testing Facilities at the start of the invoicing period.
- 12.3 The Supplier Profit Margin payable in respect of a Service Month shall be set by reference to **Table G** as submitted in the Fixed Fee Pricing Matrix at Further Competition.
- 12.4 For the avoidance of doubt Supplier Profit Margin should not be applied to charges inclusive of Corporate Overhead and Management Overhead.
- 12.5 The Corporate Overhead, Management Overhead and Supplier Profit Margin are to be applied on a markup basis per the following example.

Monthly Price = £100

Corporate Overhead, Management Overhead and Supplier Profit Margin = 15%

Total including Overhead and Supplier Profit Margin = £115

- 12.6 Please refer to Annex 3 for further detail of how the applicable rates in Table E, F and G are to be applied to the payment mechanism.

13. SELF ISOLATION PAYMENT

- 13.1 The Self Isolation Payments shall be calculated in accordance with paragraph 22.4 of Annex E.



13.2 TSIP is the total amount of Self Isolation Payments paid by the Supplier to the Site Supplier Operatives in the Previous Service Month.

13.3 The Supplier shall not be entitled to charge the Buyer Management Overhead, Corporate Overhead or Supplier Profit Margin in respect of the TSIP.

14. INDEXATION

14.1 All rates and prices specified in the Fixed Fee Pricing Matrix as submitted at Further Competition are not subject to indexation. Indexation is not applicable in the call-off Optional Extension Period.

15. ADDING AND REMOVING TESTING FACILITIES

15.1 The addition or removal of a Testing Facility (or any parts of a testing facility) is subject to special term 6. In addition to the process outlined in paragraph 24 of the Core Terms, any change in the Charges in relation to a change in the number of Testing Facilities within the Buyer Premises or changes to a Deliverable within a test site, shall be aligned with and shall use the rates and prices set out in the Fixed Fee Pricing Matrix as submitted at Further Competition.

15.2 Upon completion of a calculation in relation to a variation to the number of Testing Facilities within Buyer Premises, using the process detailed in 5.3.3, the combined Overhead and Supplier Profit Margin will be based on the applicable rates based on the volume banding detailed in Fixed Fee Pricing Matrix Table E. This value for Overhead and Supplier Profit Margin will be applied to the Contract as per the principles in Call off Schedule 5 – Annex 1 in order to form updated total Charges.

15.3 For the avoidance of doubt, the applicable banding for Overhead and Supplier Profit Margin is based on paragraph 12 of this schedule.

15.4 The Supplier is responsible for ensuring that a Service and/or Asset data validation exercise is undertaken and completed during the Mobilisation Period up to the point at which the operation of the site is transferred from the incumbent to a new supplier, to verify the Due Diligence Information, all costs associated with this shall be borne by the Supplier. Call-Off Pricing revisions for any / all inaccuracies in the Due Diligence Information identified outside of the Mobilisation Period are not permitted.

15.4.1.1 Notwithstanding Clause 2.8, where inaccuracies in the Service or Asset data provided by the Buyer prior to signature of a Call-Off Contract are identified by the Supplier during the Call-Off Contract Mobilisation Period and could not reasonably been discovered prior to entering into the Call Off Contract, the following shall apply:

15.4.1.2 Where Mandatory Services under a Call-Off Contract have been priced in accordance with the maximum Framework Price unit-of-measure rate (i.e. the capped rate) under Framework Schedule 3, the Supplier may, using the Variation procedure, request an adjustment to the Call-Off Contract pricing where the Supplier can present written evidence that the Standard Service Pricing classification for the Service, which was provided by the Buyer prior to entering into the Call-Off Contract, was incorrect;



- 15.4.1.3 Where Mandatory Services under a Call-Off Contract have been priced beneath the maximum Framework Price unit-of-measure rate under Framework Schedule 3 (i.e. a more competitive rate has been submitted by the Supplier based on data provided at Call Off) , the Supplier may, using the Variation procedure, request an adjustment to the Call-Off Contract pricing where the Supplier can present written evidence that the Due Diligence Information provided by the Buyer prior to entering into the Call-Off Contract contained inaccuracies that led to incorrect pricing by the Supplier. Where a variation is agreed the Call Off price shall not exceed the capped unit-of-measure rates provided at Framework; and

16. CHANGES TO REAL LIVING WAGE

- 16.1 Notwithstanding Clause 24.5 (Change in Law), where the Supplier can provide evidence in the form of an Impact Assessment that a percentage increase to the Mandatory Wage in a given period has exceeded any percentage increase for the same period in the Payment Index detailed in the Order Form, the Supplier may request an increase in the Charges by using the Variation process under Clause 24.

- 16.2 Suppliers must include in their Impact Assessment evidence of the:

- 16.2.1 Supplier Personnel affected by the Mandatory Wage Increase and the Services that they provide;
- 16.2.2 affected Supplier Personnel's current hourly rate of pay; and
- 16.2.3 the number of hours worked by each of the affected Supplier Personnel.

- 16.3 The Buyer is not required to accept the Variation request under this Paragraph 16 and must not accept any variation request that:

- 16.3.1 exceeds the difference between the Indexation Rate and the current Mandatory Wage rate increase for each member of the Supplier Personnel affected by the Mandatory Wage increase;
- 16.3.2 seeks to increases in the Charges which go beyond the Services affected by the Mandatory Wage increase; and
- 16.3.3 increases the Charges in respect of those Supplier Personnel on an hourly rate already in excess of the Mandatory Wage (whether or not to maintain differentials between the affected Supplier Personnel and higher paid Supplier Personnel).

17. INVOICING

- 17.1 In addition to its obligations in clause 4 in the Core Terms (Price and payments) the Supplier shall ensure that each invoice it prepares in relation to the Charges:

- 17.1.1 specifies the period to which the invoice relates;
- 17.1.2 specifies the Deliverables to which the invoice relates;

Call-Off Schedule 5 (Call-Off Pricing)

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- 17.1.3 sets out the calculations used to reach the amount of the Charges that are being invoiced;
 - 17.1.4 separately itemises any expense or taxes said to be payable by the Buyer; and
 - 17.1.5 specifies the Supplier's VAT code.
- 17.2 The Supplier shall prepare a draft of each invoice and supporting information for each Service Month and submit it to the Buyer within 14 calendar days (or such other period as the Buyer agrees) following the start of the Service Month. Following receipt of such draft invoice the Buyer shall be entitled to reject it within 7 calendar days where it does not comply with the requirements of this Call-Off Contract in accordance section 2.3 of Attachment 3 - Annex E - Buyer Specific Requirements.
- 17.3 The Supplier will promptly respond to any queries that the Buyer has in relation to a draft invoice. If the Buyer approves the invoice (such approval not to be unreasonably withheld) then it will notify the Buyer and the Buyer shall be entitled to prepare a final form of that invoice in the approved form. The Supplier shall only be entitled to issue and the Buyer shall not be obliged to pay for any final form invoice which has been issued in accordance with this Call-Off Contract and specifically this procedure.

18. EXTENSION PERIOD

- 18.1 In the event that the Buyer exercises its right under clause 10.2 of the Core Terms to extend the Call-Off Contract for the Extension Period, the pricing methods and payment provisions set out in the Call-Off Schedule 5 Part A shall continue to apply for the duration of the Extension Period.

PART B - TARGET COST PRICING

This part of this schedule shall apply where the target cost pricing option is selected in the Order Form.

Target Cost Pricing - Not Applicable



Annex 1

Further Competition Pricing Matrix principles





Annex 2

Worked examples of adding or removing resource requirements at a testing facility.

Example 1 - An LTS reduces from 8 lanes to 6 Lanes. It operates 10 hours a day, for 6 days a week

Step 1 – Identify the baseline roles and cost of the site

Step 2 – Identify number of roles to be removed in line with Site Operating Manual

Step 3 – Identify rates from Table B and hours to be removed

Step 4 – Multiply hours by rates to calculate cost to be removed

Step 5 – Calculate new baseline by subtracting cost to be removed from the baseline cost.

	Fixed			Variable		Total
	Role 1	Role 2	Role 3	Role 2	Role 3	
		1	3	2	3	
Baseline cost Per Month	£		10,000	£ 4,160	£ 5,460	£ 19,620
Removed Roles			1		1	
Ratecard Rates			£ 8.00	£ 7.00		
Hours Removed Per role per month(10 x 6 x 52/12)			260	260		
Charge Reduction for all roles			£ 2,080.00	£ 1,820.00		
New cost	£		10,000.00	£ 2,080.00	£ 3,640.00	£ 15,720

Example 2 - A Change is made to the Operating Procedure for an LTS Modular Cabin that removes the requirement for drop off point to be staffed.

Step 1 – Identify the baseline roles and cost of the site

Step 2 – Identify number of roles to be removed based on new operating manual

Step 3 – Identify rates from Table B and hours to be removed

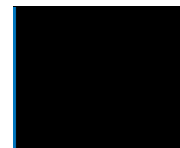
Step 4 – Multiply hours by rates to calculate cost to be removed

Step 5 – Calculate new baseline by subtracting cost to be removed from the baseline cost.

	Fixed			Variable		Total
	Role 1	Role 2	Role 3	Role 2	Role 3	
		1	3	2	3	
Baseline cost Per Month	£		10,000	£ 4,160	£ 5,460	£ 19,620
Removed Roles			1			
Ratecard Rates			£ 8.00			
Hours Removed Per role per month(10 x 6 x 52/12)			260			
Charge Reduction for all roles			£ 2,080.00			
New cost	£		7,920.00	£ 4,160.00	£ 5,460.00	£ 17,540

Call-Off Schedule 5 (Call-Off Pricing)

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Example 3 – An RTS site that is currently open for 10 hours a day, for 6 days a week reduces to 6.5 hours a day for 5 days a week.

Step 1 – Identify baseline number of roles and baselined Fixed Payment and Variable Services payment

Step 2 – Calculate original opening hours per month and new opening hours per month

Step 3 – Calculate the reduction in hours per month

Step 4 – Identify the rates from Table B of the Fixed Fee Pricing Matrix and multiply by the hours removed to calculate the cost reduction.

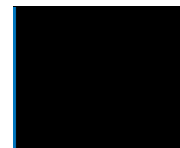
Step 5 – Take cost reduction from the baseline to calculate the new FP and VS per month for the site.

Step 6 - Pro rate the new cost based on the number of days in the month/total days in the month

	Fixed			Variable		Total
	Role 1	Role 2	Role 3	Role 2	Role 3	
	1	3	2	2	3	
Baseline cost Per Month	£		10,000	£ 4,160	£ 5,460	£ 19,620
Original Hours Per Role Per Month (10 x 6 x 52/12)	260	260	260	260	260	
New Hours Per role per month (6.5 x 5 x 52/12)	141	141	141	141	141	
Hours Removed Per role	119	119	119	119	119	
Hourly Rate	£ 10.00	£ 8.00	£ 7.00	£ 8.00	£ 7.00	
Rate Per Role From Table B	£ 1,191.67	£ 953.33	£ 834.17	£ 953.33	£ 834.17	
Total Cost	£ 1,191.67	£ 2,860.00	£ 1,668.33	£ 1,906.67	£ 2,502.50	
New cost	£		4,280.00	£ 2,253.33	£ 2,957.50	£ 9,491

Call-Off Schedule 5 (Call-Off Pricing)

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Annex 3

The following identifies how the Corporate Overhead, Management Overhead and Profit Margin are to be calculated and applied to the components of the payment mechanism.

Payment Item	Mechanism	Cost Component (where applicable)	Applicable Corporate Overhead (Attachment 5 – Fixed Fee Price Matrix)	Applicable Management Overhead (Attachment 5 – Fixed Fee Price Matrix)	Applicable Supplier Profit Margin (Attachment 5 – Fixed Fee Price Matrix)
FP		Fixed Price for RTS and LTS	Reference to Table E, Column K	Reference to Table F, Column K	Reference to Table G, Column K
VSS		Variable Services for RTS and LTS			
NSS		n/a			
CT		n/a			
WO		n/a			
TRP		n/a			
PA		n/a			
FP		Fixed Price for MTU	Reference to table E column L	Reference to table F column L	Reference to table G column L
VSS		Variable Services for MTU			
PTC		n/a	Not Applicable	Not Applicable	Not Applicable
TSIP		n/a	Not Applicable	Not Applicable	Not Applicable