**Framework Schedule 3 (Framework Prices)**

**Definitions**

The following definitions are supplemental to those set out in Joint Schedule 1 (Definitions):

 “**Time and Materials**” a payment mechanism whereby the Buyer agrees to pay the Supplier for the work performed by the Supplier Staff and for the materials used in the project based on pre-agreed rate cards and material disclosures and subject to time approval; and

“**Volume Discount**” the percentage discount to be applied automatically by the Supplier in accordance with this Schedule to all Charges (excluding other costs referred to in Paragraph 7 below) invoiced by the Supplier to all Buyers, after the accumulated total of all Charges invoiced by the Supplier in any Contract Year meets or exceeds the specified threshold(s) set out in Paragraph 8.2 and Table 2 of Annex 1 of this Schedule.

How Framework Prices are used to calculate Call-Off Charges

* 1. The Framework Prices:
		1. will be used as the basis for the Charges (and are the maximum prices that the Supplier may charge) under each Call-Off Contract; and
		2. cannot be increased except as in accordance with this Schedule.
	2. The Charges:
		1. shall be calculated in accordance with the terms of the Call-Off Contract and in particular in accordance with the terms of the Order Form;
		2. cannot be increased except as specifically permitted by the Call-Off Contract and in particular shall only be subject to Indexation where specifically stated and provided for in the Order Form; and
		3. shall be automatically reduced by the Supplier in accordance with the accurate and timely application of any Volume Discounts.
	3. Other than Volume Discounts, any variation to the Charges payable under a Call-Off Contract must be agreed between the Supplier and the Buyer and implemented using the procedure for altering Framework Prices in accordance with this Schedule.

How Framework Prices are calculated

* 1. The Pricing Mechanisms and prices set out in Annex 1 shall be the maximum basis for the Charges agreed and specified in subsequent Call-Off Contracts.

Are costs and expenses are included in the Framework Prices

* 1. Except as expressly set out in Paragraph 7 below, or otherwise stated in a Call-Off Order Form the Framework Prices shall include all costs and expenses relating to the provision of Deliverables. No further amounts shall be payable in respect of matters such as:
		1. incidental expenses such as travel, subsistence and lodging, document or report reproduction, shipping, desktop or office equipment costs, network or data interchange costs or other telecommunications charges; or
		2. costs incurred prior to the commencement of any Call Off Contract.

When the Supplier can ask to change the Framework Prices

* 1. The Framework Prices will be fixed for the first **two (2)** years following the Framework Start Date (the date of expiry of such period is a "**Review Date**"). After this Framework Prices can only be adjusted on each subsequent yearly anniversary (the date of each such anniversary is also a "**Review Date**").
	2. The Supplier shall give CCS at least three (3) Months' notice in writing prior to a Review Date where it wants to request an increase. If the Supplier does not give notice in time then it will only be able to request an increase prior to the next Review Date.
	3. Any notice requesting an increase shall include:
		1. a list of the Framework Prices to be reviewed;
		2. for each Framework Price under review, written evidence of the justification for the requested increase including:
			1. a breakdown of the profit and cost components that comprise the relevant Framework Price;
			2. details of the movement in the different identified cost components of the relevant Framework Price;
			3. reasons for the movement in the different identified cost components of the relevant Framework Price;
			4. evidence that the Supplier has attempted to mitigate against the increase in the relevant cost components; and
			5. evidence that the Supplier’s profit component of the relevant Framework Price is no greater than that applying to Framework Prices using the same Pricing Mechanism as at the Contract Start Date.
	4. CCS shall consider each request for a price increase. CCS may grant its prior written consent to an increase at its sole discretion.
	5. Where CCS approves an increase then it will be implemented from the first (1st) Working Day following the relevant Review Date or such later date as CCS may determine at its sole discretion and Annex 1 shall be updated accordingly.

Other events that allow the Supplier to change the Framework Prices

* 1. The Framework Prices can also be varied (and Annex 1 will be updated accordingly) due to:
		1. a Specific Change in Law in accordance with Clause 24;
		2. a review in accordance with insurance requirements in Clause 13;
		3. a benchmarking review in accordance with Call-Off Schedule 16 (Benchmarking); and
		4. a request from the Supplier, which it can make at any time, to decrease the Framework Prices.

Not Used

Other Costs

* 1. Expenses shall only be recoverable where:
		1. the Time and Materials Pricing Mechanism is used;
		2. the Order Form states that recovery is permitted; and
		3. they are Reimburseable Expenses and are supported by Supporting Documentation.
	2. The Buyer shall provide a copy of their current expenses policy to the Supplier upon request.
	3. Where stated within the Call-Off Order Form, and where the applicable invoice is supported by Supporting Documentation, the Supplier shall be entitled to be paid the following:
		1. Disbursements;
		2. Any Additional Training Charge; and
		3. Secondment Charges.
1. Volume Discount
	1. Where Volume Discount percentages have been submitted by a Supplier as part of their Framework Tender Response this Paragraph 8 shall apply. Volume Discounts will be expressed as a percentage reduction applicable to all Charges invoiced above the specified thresholds after they have been met, as set out in Paragraph 8.2 and Annex 1 Table 2 below.
	2. The thresholds relate to all Charges invoiced to all Buyers by the Supplier under the Framework Contract within any Contract Year. The Volume Discount thresholds are set as follows:
		1. Threshold 1 is one million pounds sterling (£1m);
		2. Threshold 2 is two and a half million pounds sterling (£2.5m); and
		3. Threshold 3 is five million pounds sterling (£5m).
	3. Once a Supplier has submitted invoices to Buyers under their Call-Off Contracts which either individually or collectively exceed the relevant threshold (e.g. Threshold 1 is £1m) the relevant Volume Discount percentage will be automatically applied to the cost of Deliverables performed/provided from the 1st of the Month after the date and time the Volume Discount was met and shall apply to all subsequent Charges invoiced in respect of Deliverables performed/provided by the Supplier, until either:
		1. the next Volume Discount threshold is reached (e.g. Threshold 2 of £2.5m, or Threshold 3 of £5m, as applicable); or
		2. the Contract Year of this Framework Contract ends and the accumulated amounts invoiced are reset for the next Contract Year.
	4. The Volume Discounts against each threshold set out in Table 2 of Annex 1 of this Schedule applies at the stated rate as discrete stand-alone discounts to all Buyers’ invoiced Charges for Deliverables performed/provided under Call-Off Contracts. For any Supplier who is successfully appointed to both Lot 1 and Lot 2, the Volume Discount mechanism will be applied cumulatively and concurrently across both Lots.
	5. Volume Discounts:

8.5.1 will be applied:

(a) as a percentage to all Supplier invoiced Charges (excluding the other costs detailed in Paragraph 7 of this Schedule), regardless of Supplier Staff grade band or Pricing Mechanism used; and

(b) to all invoiced Charges and not apportioned to particular Buyers;

(c) to all invoiced Charges regardless of increases to Framework Prices or any component or sum thereto, in line with this Schedule; and

(d) on an annual basis and will be re-set at the start of each Contract Year.

* 1. Charges relating to Deliverables received by Buyers under a Call-Off Contract must be invoiced (and any applicable Volume Discount applied) in the Month in which they are performed, unless agreed or specified otherwise in the Order Form. Any delay to the production and issuing of an invoice must not impinge the accurate application of any Volume Discounts relative to the applicable date(s) upon which Deliverables were performed/provided.
	2. The Supplier shall not make any reference to its Volume Discounts or the proximity it is to any Volume Discount threshold in any responses to a direct award or Further Competition Procedure undertaken in accordance with Framework Schedule 7 (Call-Off Award Procedure) regarding any Call-Off Contract. Volume Discounts shall not be taken into consideration by Buyers in determining the award of a Call-Off Contract.
1. Volume Discount Monitoring
	1. The Supplier shall monitor all spend under this Framework Contract (using a common reference code in its billing and invoicing system or other means of easy identification) to ascertain when a Volume Discount threshold is met and to correctly apply the corresponding percentage of Volume Discount to all Buyers’ invoiced Charges from the 1st of the Month after the date and time the applicable Volume Discount takes effect.
	2. The Supplier shall promptly notify:

9.2.1 CCS in writing once any Volume Discount threshold is met; and

9.2.2 all Buyers in writing with whom it has an ongoing Call-Off Contract of the date and time the applicable Volume Discount threshold is met and the fact that the applicable Volume Discount shall be applied from the 1st of the Month following on and from that date and time.

* 1. If the Supplier fails to implement the correct Volume Discount it shall:

9.3.1 promptly issue a credit note to relevant Buyers for the amount due; or

9.3.2 where there is an ongoing Call-Off Contract, the Supplier shall automatically reduce their next invoice to that Buyer to take into account and correct this discrepancy and correctly identify it as such within the Buyer’s invoice.

* 1. The Supplier shall provide all reasonable information and co-operation which CCS and/or the Buyer may request regarding the application of Volume Discounts by the Supplier (including as Management Information and within required MI Reports) in order to support CCS and the Buyer in monitoring and assuring the timely and accurate application of Volume Discounts by the Supplier.
1. Effect of volume discounts on call-off contract charges

10.1 As soon as a Supplier meets any Volume Discount threshold detailed in Paragraph 8.2 above, all Charges invoiced by the Supplier to all Buyers for Deliverables from the 1st of the Month after the date and time that the applicable Volume Discount is met, shall automatically be adjusted by the Supplier to incorporate the applicable Volume Discount percentage reduction detailed in Table 2 of Annex 1 below, in accordance with Clause 1.4 and this Framework Schedule 3.

10.2 When any Volume Discount detailed in Table 2 of Annex 1 of this Schedule has been met:

10.2.1 the Supplier shall promptly incorporate the applicable Volume Discount into all Buyer invoices issued from the 1st of the Month after the date and time detailed in Paragraph 10.1 above; and

10.2.2 the Supplier shall for the remainder of each Contract Year of this Framework Contract continue to apply applicable Volume Discounts to all Buyers’ invoices clearly identifying the applicable Volume Discount threshold that applies, as may be adjusted from time to time in accordance with Paragraph 8 above.

**Annex 1: Rates and Prices**

The following Pricing Mechanisms will be available under this Framework Contract for use by Buyers at the Further Competition Procedure:

* Time and Materials
* Capped Fees
* Fixed Fees
* A combination of one or more of the above

In accordance with Framework Schedule 1 (Specification):

* Any Additional Training Charge shall be at calculated at no more than the Supplier’s Hourly Rate for the applicable Supplier Staff as set out in Table 1 below.
* Any Secondment Charge shall be at no more than the cost of the Secondee’s remuneration during the Secondment, including any performance-related pay, all benefits, employer’s National Insurance contributions and pension contributions. Reimbursement shall be made on a pass through basis only, the Supplier shall not be entitled to add any element of overhead, expenses, profit or other cost.

Table 1: Time and Materials

The Supplier (and its Sub-Contractor) shall not be entitled to include any uplift for risks or contingencies within its rates.

All Charges using the Time and Materials Pricing Mechanism shall be calculated with reference to the Hourly Rates set out in the table below.

The Hourly Rates below shall not be subject to variation by way of Indexation.

|  |  |
| --- | --- |
| **Supplier Staff - Grade Band** | **Hourly Rate (£)** |
| 1 – Partner |  |
| 2 – Legal Director/Counsel or equivalent |  |
| 3 – Senior Solicitor, Senior Associate |  |
| 4 – Solicitor, Associate |  |
| 5 – Newly Qualified Solicitor/ Associate, Junior Solicitor/Associate |  |
| 6 – Trainee |  |
| 7 – Paralegal, Legal Assistant |  |
| Legal Project Manager  |  |

Table 2: Volume Discounts

The Volume Discount percentages set out in Table 2 below shall not be subject to variation by way of Indexation.

Discounts shall be expressed as a percentage applicable to all Charges invoiced by the Supplier to all Buyers under this Framework Contract from the 1st of the Month after the date and time when the relevant threshold is met.

The thresholds below apply to the total Charges invoiced to all Buyers by the Supplier providing Deliverables under this Framework Contract in any Contract Year from the 1st of the Month after the date and time when that threshold has been met.

|  |  |  |
| --- | --- | --- |
| **Threshold 1** | **Threshold 2** | **Threshold 3** |
| **£1m and above, up to a maximum of £2,499,999.99** | **£2.5m and above, up to a maximum of £4.999,999.99** | **£5m and above** |
| [Insert Volume Discount percentage (%)] | [Insert Volume Discount percentage (%)] | [Insert Volume Discount percentage (%)] |