**Framework Schedule 7 (Call-Off Award Procedure****)**

**Part 1: Order Procedure**

1. **How a Call-Off Contract is awarded**
   1. If a potential Buyer decides to source Deliverables through this Contract then it will award its Deliverables in accordance with the procedure in this Schedule and the requirements of the Regulations.
   2. If the potential Buyer can determine that:
      1. its Deliverables can be met by the Suppliers’ catalogues and description of the Deliverables as set out in Framework Schedule 1 (Specification) and Framework Schedule 2 (Framework Tender); and
      2. all of the terms of the proposed Call-Off Contract are laid down in this Contract and do not require amendment or any supplementary terms and conditions;

then the Buyer may award a Call-Off Contract in accordance with the procedure set out in Paragraph 2 below.

* 1. If all of the terms of the proposed Call-Off Contract are not laid down in this Contract and the potential Buyer:
     1. requires the Supplier to develop proposals or a solution in respect of such Deliverables; and/or
     2. needs to amend or refine the terms of the Framework Contract to reflect its Deliverables to the extent permitted by and in accordance with the Regulations;

then the Buyer may award a Call-Off Contract in accordance with the Further Competition Procedure set out in Paragraph 3 below.

1. **How a direct award works**
   1. Subject to Paragraph 1.2 above the Buyer awarding a Call-Off Contract under this Contract without holding a further competition shall:
      1. develop a clear Statement of Requirements (SoR);
      2. On receipt of the SoR and or in discussions with the Buyer Suppliers can deselect themselves from the process before developing a Supplier proposal.
      3. apply the direct award criteria to the Suppliers’ proposal to the description of the Deliverables as set out in Framework Schedule 1 (Specification) and Framework Schedule 2 (Framework Tender) for all Suppliers capable of meeting the Statement of Requirements in order to establish which Supplier provides the most economically advantageous solution; and
      4. on the basis set out above, the buyer has the ability to conduct further negotiation as is necessary to then award the Call-Off Contract with the successful Supplier in accordance with Paragraph 6 below.
2. **How a further competition works**

**What the Buyer has to do**

* 1. If applicable, the Buyer may use the following procedure to shortlist Suppliers before entering into a Further Competition Procedure:
     1. Service Filters – The Buyer will produce a Supplier shortlist based on the Service Filters.
     2. Expression Of Interest (EOI) – The Buyer may use an EOI process to produce a Supplier shortlist. The EOI may contain the following details but is not limited to: scope, scale, timescales, incumbent supplier, grades, payment terms, capacity and/or budget.
     3. Service Filters and Expression of Interest – The Buyer may use both of the procedures detailed in paragraph 3.1.2 and 3.1.3.
     4. Conference call – The Buyer may use this after the EOI. The Buyer will provide further information on its requirement and Suppliers may have the opportunity to raise queries.
     5. Suppliers can deselect themselves through the process after the Service Filters and/or EOI and/or conference call.
  2. If the Supplier does not respond to the EOI in accordance with any stated timescales they will not be invited to participate in the Further Competition Procedure.
  3. If the Supplier is invited to the conference call and they do not attend they may not be invited to participate in the Further Competition Procedure.
  4. CCS reserves the right to add or change the Services Filters and the EOI template throughout the lifetime of the Framework Agreement.
  5. The Supplier may update their Service Filters during the lifetime of the Framework Agreement subject to you providing a customer reference.
  6. The Buyer awarding a Call-Off Contract under this Contract through a Further Competition Procedure shall:
     1. develop a Statement of Requirements setting out its requirements for the Deliverables and identify the Suppliers capable of supplying the them;
     2. amend or refine the Deliverables to reflect its requirements by using the Order Form only to the extent permitted by and in accordance with the requirements of the Regulations;
     3. invite tenders by conducting a Further Competition Procedure for its Deliverables in accordance with the Regulations and in particular:
        1. if an Electronic Reverse Auction (as defined in Paragraph 7 below) is to be held, the Buyer shall notify the Suppliers identified in accordance with Paragraph 3.1.1 and shall conduct the Further Competition Procedure in accordance with the procedures set out in Paragraph 3; or
        2. if an Electronic Reverse Auction is not used, the Buyer shall:
           1. invite the Suppliers identified in accordance with Paragraph 3.1.1 to submit a tender in writing for each proposed Call-Off Contract to be awarded by giving written notice by email to the relevant Supplier Representative of each Supplier;
           2. set a time limit for the receipt by it of the tenders which takes into account factors such as the complexity of the subject matter of the proposed Call-Off Contract and the time needed to submit tenders; and
           3. keep each tender confidential until the time limit set out for the return of tenders has expired.
     4. apply the further competition award criteria to the Suppliers' compliant tenders submitted through the Further Competition Procedure as the basis of its decision to award a Call-Off Contract for its Deliverables;
     5. on the basis set out above, award its Call-Off Contract to the successful Supplier in accordance with Paragraph 6. The Call-Off Contract shall:
        1. state the Deliverables;
        2. state the tender submitted by the successful Supplier;
        3. state the Charges payable for the Deliverables, including itemising any expenses and any disbursements and their associated cost that the Supplier expects to charge to the Buyer under the Call-Off Contract, in accordance with the tender submitted by the successful Supplier; and
        4. incorporate the terms [of the Order Form and Contract] (as may be amended or refined by the Buyer in accordance with Paragraph 3.1.2. above) applicable to the Deliverables,
     6. provide unsuccessful Suppliers with written feedback in relation to the reasons why their tenders were unsuccessful.

1. **Further Competition Procedure with Dialogue**

If applicable, the Buyer may use the following procedure to allow for competitive dialogue:

Develop a Statement of Requirements

* 1. The Buyer shall develop a Statement of Requirements which, as a minimum, must include:
     1. the name of the required Lot;
     2. an outline of the anticipated Deliverables, including any known targets;
     3. a timetable for the Further Competition Procedure;
     4. a request for interested Suppliers to provide an Expression of Interest to provide the Deliverables in substantially the same form as set out at Annex C to this Framework Schedule 7 (the “**EOI**”);
     5. the EOI due date;
     6. a statement that a full Written Proposal will be required from the Supplier, following a period of dialogue between the Buyer and Supplier; and
     7. the evaluation method and criteria for assessing Supplier’s EOI and Written Proposal against the Statement of Requirements, based on the further competition award criteria set out in clauses 3.23 to 3.27 below (the “**Further Competition Award Criteria**”);
  2. The Buyer is advised but not mandated to include the below in the Statement of Requirements:
     1. a budget range;
     2. geographical location of work (if required);
     3. any security clearances needed;
     4. a clarification period for Suppliers to ask questions about the Statement of Requirements before submitting their EOI. The time frame for this clarification period shall be outlined in the Statement of Requirements; and
     5. any other information that the Buyer considers necessary to enable Suppliers to submit an EOI.

Pre-Market Engagement

* 1. A Buyer may choose to undertake pre-market engagement, prior to the issue of the Statement of Requirements, in which case the Buyer:
     1. shall send a draft Statement of Requirements to all Suppliers on the required Lot asking for a response for the purposes of assisting with market engagement, as detailed within the Statement of Requirements;
     2. may hold a market engagement event where they shall invite all Suppliers on the required Lot to develop the Statement of Requirements; and
     3. may choose to update and re-issue the Statement of Requirements to all Suppliers on the required Lot.
  2. Where a Buyer chooses to undertake pre-market engagement, the Supplier’s response may include detail about any industry developments which could affect the Buyer’s business need.

Expressions of Interest

* 1. The Buyer shall only issue the Statement of Requirements to the Suppliers appointed to the Lot that has been identified as being suitable to provide the Deliverables and the Buyer shall not issue the Statement of Requirements to more than one Lot.
  2. Those Suppliers wishing to participate in the Further Competition Procedure shall respond to the Statement of Requirements with an EOI.
  3. If the Supplier does not provide an EOI in accordance with any stated timescales they may not be invited to participate in the remainder of the Further Competition Procedure.
  4. CCS reserves the right to add to or change the EOI template throughout the lifetime of the Framework Agreement.

Shortlisting

* 1. The Buyer shall evaluate each Supplier’s EOI in accordance with the EOI evaluation method and scoring system outlined in the Statement of Requirements and include in the shortlist *[those Suppliers scoring [ ]%] OR [the [ ] highest scoring Suppliers]* (the “**Shortlisted Suppliers**”). Only those Shortlisted Suppliers shall be invited to participate in the next stage of the process.

Dialogue

* 1. The Buyer:
     1. shall open a dialogue with the Shortlisted Suppliers to identify the best means of providing the Deliverables (the “**Dialogue**”); and
     2. may discuss all aspects of the proposed Call-Off Contract during the Dialogue.
  2. The Buyer shall ensure equality of treatment between Suppliers during the Dialogue.
  3. The Buyer shall not reveal solutions proposed or other confidential information communicated by one Supplier to any other.
  4. Dialogue with each of the Suppliers shall be concluded once the Buyer can identify the solutions capable of meeting its needs.

Written Proposal

* 1. Following the Dialogue stage, each Supplier must submit to the Buyer a written proposal in accordance with paragraphs 3.16 below (the “**Written Proposal**”).
  2. In the Written Proposal, the Supplier shall:
     1. set out their proposal for the provision of the Deliverables as developed during Dialogue; and
     2. shall be required to demonstrate how they will provide the Deliverables including whether they will be delivered solely by the Supplier or whether they intend to engage Sub-Contractors. Where a Supplier declares that it intends to Sub-Contract, the Supplier shall be required to clearly state in its response:
        1. the name of the Sub-Contractor(s);
        2. the Companies House Registration number of the Sub-Contractor(s);
        3. the registered address of the Sub-Contractor(s) and the address of the premises from where the services will be delivered;
        4. details of the elements of the Deliverables that will be Sub-Contracted; and
        5. the estimated value of the work that will be Sub Contracted.
  3. The Supplier shall submit their Written Proposal in line with the requirements in the Buyer’s Statement of Requirements including timeframe and format.
  4. The Buyer shall score the Supplier’s Written Proposal against the Written Proposal evaluation method and scoring system outlined in the Statement of Requirements.

Further competition procedure requirements

* 1. The Buyer shall ensure that the Further Competition Procedure used is proportionate to the complexity and value of the Buyer’s Statement of Requirements.
  2. The Buyer shall apply different criteria for the evaluation of the EOI to the evaluation of the Written Proposal so that the same criteria shall not be evaluated at both of those stages of the Further Competition Procedure.
  3. The Buyer shall award a Call-Off Contract to the successful Supplier in accordance with the methodology set out in the Statement of Requirements.
  4. At all stages the Buyer shall notify unsuccessful Suppliers and provide the Suppliers with feedback as to why they have been unsuccessful.
  5. A Supplier shall inform the Buyer if at any stage it does not wish to participate further in the Further Competition Procedure.

Further competition award criteria

* 1. The Buyer has discretion to develop the Further Competition Award Criteria as it deems appropriate.
  2. The Buyer will evaluate the Supplier’s EOI against the criteria set out in the Statement of Requirements
  3. The Buyer will evaluate the Supplier’s Written Proposal against the criteria in Part 2 Annex B (to determine which of the Suppliers provides the most economically advantageous solution from the perspective of the Buyer as the basis of its decision to award a Call-Off Contract for the Deliverables. For the avoidance of doubt the most economically advantageous solution will not necessarily be the lowest price solution
  4. On the basis set out above, the Buyer shall award its Call-Off Contract to the successful Supplier in accordance with Paragraph 6. The Call-Off Contract shall:
     1. state the Deliverables;
     2. state the tender submitted by the successful Supplier;
     3. state the Charges payable for the Deliverables, Special Term 1 if applicable and
     4. incorporate the terms of the Order Form and Contract (as may be amended or refined by the Buyer to the extent permitted by and in accordance with the requirements of the Regulations) applicable to the Deliverables,

1. **How a further competition works with Dialogue works**
   1. The Buyer awarding a Call-Off Contract under this Contract through a Further Competition Procedure shall:
      * 1. if an Electronic Reverse Auction (as defined in Paragraph 7 below) is to be held, the Buyer shall notify the Suppliers identified in accordance with Paragraph 3.5 and shall conduct the Further Competition Procedure in accordance with the procedures set out in Paragraph 3; or
        2. if an Electronic Reverse Auction is not used, the Buyer shall:
           1. provide the Statement of Requirements to the Suppliers identified in accordance with Paragraph 3.5 by email to the relevant Supplier Representative of each Supplier;
           2. set a time limit for the receipt by it of:

the EOI; and

the Written Proposal, following the Dialogue,

which takes into account factors such as the complexity of the subject matter of the proposed Call-Off Contract and the time needed to submit the EOI or Written Proposal; and

* + - * 1. keep each tender confidential until the time limit set out for the return of Written Proposals has expired.

**What the Supplier has to do**

* 1. The Supplier shall in writing, by the time and date specified by the Buyer following an invitation to tender pursuant to Paragraph 3.1.3 above, provide CCS and the Buyer with either:
     1. a statement to the effect that it does not wish to tender in relation to the Deliverables; or
     2. the full details of its tender made in respect of the relevant Statement of Requirements. In the event that the Supplier submits such a tender, it should include, as a minimum:
        1. an email response subject line to comprise unique reference number and Supplier name, so as to clearly identify the Supplier;
        2. a brief summary, in the email (followed by a confirmation letter), stating that the Supplier is bidding for the Statement of Requirements;
        3. a proposal covering the Deliverables, including itemising any expenses and any disbursements and their associated cost that the Supplier expects to charge to the Buyer under the Call-Off Contract;
        4. CVs of key staff – as a minimum any lead consultant, with others, as considered appropriate along with required staff levels (if necessary); and
        5. confirmation of discounts applicable to the Deliverables, as referenced in Framework Schedule 3 (Framework Prices) (if applicable).
     3. The Supplier shall ensure that any prices submitted in relation to a Further Competition Procedure held pursuant to this Paragraph 3 shall be based on the charging structure and take into account any discount to which the Buyer may be entitled as set out in Framework Schedule 3 (Framework Prices).
     4. The Supplier agrees that:
        1. all tenders submitted by the Supplier in relation to a Further Competition Procedure held pursuant to this Paragraph 3 shall remain open for acceptance by the Buyer for ninety (90) Working Days (or such other period specified in the invitation to tender issued by the Buyer in accordance with the Call-Off Procedure); and
        2. all tenders submitted by the Supplier are made and will be made in good faith and that the Supplier has not fixed or adjusted and will not fix or adjust the price of the tender by or in accordance with any agreement or arrangement with any other person. The Supplier certifies that it has not and undertakes that it will not:
           1. communicate to any person other than the person inviting these tenders the amount or approximate amount of the tender, except where the disclosure, in confidence, of the approximate amount of the tender was necessary to obtain quotations required for the preparation of the tender; and
           2. enter into any arrangement or agreement with any other person that he or the other person(s) shall refrain from submitting a tender or as to the amount of any tenders to be submitted.

1. **No requirement to award**
   1. Notwithstanding the fact that the Buyer has followed a procedure as set out above in Paragraph 2 or 3 (as applicable), the Supplier acknowledges and agrees that the Buyer shall be entitled at all times to decline to make an award for its Deliverables and that nothing in this Contract shall oblige the Buyer to award any Call-Off Contract.
2. **Who is responsible for the award**
   1. The Supplier acknowledges that the Buyer is independently responsible for the conduct of its award of Call-Off Contracts under this Contract and that CCS is not responsible or accountable for and shall have no liability whatsoever, except where it is the Buyer, in relation to:
      1. the conduct of Buyer in relation to this Contract; or
      2. the performance or non-performance of any Call-Off Contracts between the Supplier and Buyer entered into pursuant to this Contract.
3. **Awarding and creating a Call-Off Contract**
   1. Subject to Paragraphs 1 to 5 above and 7, a Buyer may award a Call-Off Contract with the Supplier by sending (including electronically) a signed order form substantially in the form (as may be amended or refined by the Buyer in accordance with Paragraph 3.1.2 above) of the Order Form Template set out in Framework Schedule 6 (Order Form Template and Call-Off Schedules).
   2. The Parties agree that any document or communication (including any document or communication in the apparent form of a Call-Off Contract) which is not as described in this Paragraph 6 shall not constitute a Call-Off Contract under this Contract.
   3. On receipt of an order form as described in Paragraph 6.1 from a Buyer the Supplier shall accept the Call-Off Contract by promptly signing and returning (including by electronic means) a copy of the order form to the Buyer concerned.
   4. On receipt of the countersigned Order Form from the Supplier, the Buyer shall send (including by electronic means) a written notice of receipt to the Supplier within two (2) Working Days and the Call Off Contract shall be formed with effect from the Call Off Start Date stated in the Order Form.
4. **How e-auctions work**
   1. The Buyer shall be entitled to include a reverse auction in the Further Competition Procedure in accordance with the rules laid down by the Buyer and the Regulations.
   2. Where the Buyer wishes to undertake an electronic reverse auction, where Suppliers compete in real time by bidding as the auction unfolds (**"Electronic Reverse Auction"**) then before undertaking it, the Buyer will make an initial full evaluation of all tenders received in response to its Statement of Requirements. The Buyer will then invite to the Electronic Reverse Auction only those tenders that are admissible in accordance with the Regulations. The invitation shall be accompanied by the outcome of the full initial evaluation of the relevant tenders.
   3. The Buyer will inform the Suppliers of the specification for the Electronic Reverse Auction which shall include:
      * 1. the information to be provided at auction, which must be expressed in figures or percentages of the specified quantifiable features;
        2. the mathematical formula to be used to determine automatic ranking of bids on the basis of new prices and/or new values submitted;
        3. any limits on the values which may be submitted;
        4. a description of any information which will be made available to Suppliers in the course of the Electronic Reverse Auction, and when it will be made available to them;
        5. the conditions under which Suppliers will be able to bid and, in particular, the minimum differences which will, where appropriate, be required when bidding;
        6. relevant information concerning the electronic equipment used and the arrangements and technical specification for connection;
        7. subject to Paragraph 7.4, the date and time of the start of the Electronic Reverse Auction; and
        8. details of when and how the Electronic Reverse Auction will close.
   4. The Electronic Reverse Auction may not start sooner than two (2) Working Days after the date on which the specification for the Electronic Reverse Auction has been issued.
   5. Throughout each phase of the Electronic Reverse Auction the Buyer will communicate to all Suppliers sufficient information to enable them to ascertain their relative ranking.
   6. The Supplier acknowledges and agrees that:
      * 1. the Buyer and its officers, servants, agents, group companies, assignees and customers (including CCS) do not guarantee that its access to the Electronic Reverse Auction will be uninterrupted or error-free;
        2. its access to the Electronic Reverse Auction may occasionally be restricted to allow for repairs or maintenance; and
        3. it will comply with all such rules that may be imposed by the Buyer in relation to the operation of the Electronic Reverse Auction.
   7. The Buyer will close the Electronic Reverse Auction on the basis of:
      * 1. a date and time fixed in advance;
        2. when no new prices or values meeting the minimum differences required pursuant to Paragraph 7.3 have been received within the prescribed elapsed time period; or
      1. when all the phases have been completed.]
5. **Awarding and creating an Exempt Call-off Contract**
   1. Paragraph 1 above shall not apply to an Exempt Buyer.
   2. If a potential Exempt Buyer decides to source Deliverables through this Framework Contract, it will award an Exempt Call-off Contract for Deliverables in accordance with the procedure in this Schedule as modified by this Paragraph 8 and in accordance with any legal requirements applicable to that potential Exempt Buyer.
   3. A potential Exempt Buyer may award an Exempt Call-off Contract under this Framework Contract without holding a further competition in accordance with Paragraph 2 above as modified by Paragraph 8.4 below or through a Further Competition Procedure in accordance with Paragraph 3 as modified by Paragraph 8.5 below.
   4. Notwithstanding the procedure set out in Paragraph 2 above, if the potential Exempt Buyer can determine that:
      1. its Deliverables can be met by the Supplier’s catalogues and description of the Deliverables as set out in Framework Schedule 1 (Specification) and Framework Schedule 2 (Framework Tender); and
      2. the Supplier will accept any required Exempt Procurement Amendments,

then the Exempt Buyer may award an Exempt Call-off Contract to that Supplier in accordance with Paragraph 6 above.

* 1. If the potential Exempt Buyer requires the Supplier to develop proposals or a solution in respect of Deliverables, then the potential Exempt Buyer may at its discretion use the procedure set out in Paragraph 3 above as modified by this Paragraph 8.5. In that case, references to “the Regulations” in Paragraph 3 above shall be read as references to “any legal requirements applicable to that potential Exempt Buyer”, and the Exempt Buyer shall be permitted to modify the Further Competition Procedure in accordance with any legal requirements applicable to the Exempt Buyer.
  2. Paragraphs 8.1 to 8.5 above are without prejudice to an Exempt Buyer’s ability to make such further modifications to the Call-Off Procedure as it considers necessary and in accordance with any legal requirements applicable to that potential Exempt Buyer.

**Part 2: Award Criteria**

1. This Part 2 lays out award criteria for direct award (Annex A) and for further competition (Annex B) in accordance with the Call-Off Procedure.
2. A Call-Off Contract may be awarded on the basis of most economically advantageous tender ("MEAT").

**Annex A: Direct award criteria**

The following criteria and weightings may be defined and applied by the Buyer to the evaluation for direct award of each Call-Off.

|  |  |  |
| --- | --- | --- |
| Criteria | Relative weighting percentage  [Guidance: where weighting is not possible for objective reasons, list the criteria in decreasing order of importance, amend the column heading to read 'Rank order of importance where 1 = most important, 2 = second most important etc.'. The figure 1 must be in the top row, running down to the least important in the bottom row.] | |
| Value for money: e.g. the Buyer believes that the Supplier provides demonstrable value for money, which may include but is not limited to:  ● Cost effectiveness;  ● Price;  ● Quality; and  ● Social Value | | |
| Quality (technical capability etc.) | | [ ]% |
| Social Value[[1]](#footnote-1)   * Tackling economic inequality * Fighting climate change * Equal opportunity * Wellbeing * Covid-19 recovery | | [ ]% |
| Price | | [ ]% |

**Annex B: Further Competition Award Criteria**

The following criteria and weightings shall apply to the evaluation of tenders received through the Further Competition Procedure:

**Lot 1:**

|  |  |  |
| --- | --- | --- |
| Criteria Number | Percentage Weightings (or rank order of importance where applicable) - to be set by the Customer conducting the Further Competition Procedure | Allowable Variance  (This may be modified by the Customer within the range below) |
| **Quality** | | Min 40%  Max 80% |
| A | Technical capability |
| B | Contract Management |
| C | Implementation   * Service Delivery * Customer Journey |
| D | Optimisation   * Cost Effectiveness * Innovation |
| E | Localisation |
| **Social Value [[2]](#footnote-2)**   * Tackling economic inequality * Fighting climate change * Equal opportunity * Wellbeing * Covid-19 recovery | | Min 10%  Max 30% |
| **Price**   * Cost Effectiveness * Commercial Benefits | | Min 10%  Max 50% |

**Lot 2:**

|  |  |  |
| --- | --- | --- |
| Criteria Number | Criteria | Percentage Weightings (or rank order of importance where applicable) - to be set by the Contracting Authority conducting the further competition |
| **Quality** | | Min 40%  Max 80% |
| A | Technical capability |
| B | Contract Management |
| C | Implementation |
| D | Transformation |
| **Social Value** [[3]](#footnote-3)   * Tackling economic inequality * Fighting climate change * Equal opportunity * Wellbeing * Covid-19 recovery | | Min 10%  Max 30% |
| **Price** | | Min 10%  Max 50% |

**Annex C - The EOI**

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**Annex D - Pricing Models**

One of the following pricing models may be used to evaluate a Call Off tender and shall be selected based on the specific commercial needs of each Call Off Contract.

A detailed description of the pricing model selected will be defined in the Call Off specification.

**Fixed price**

A fixed annual price for all services defined in the Call Off Contract. This fixed price will be based on defined volumes.

**FTE based pricing**

A fixed price per agent per day. This agent rate may be a total inclusive price, covering all components of contract costs, including but not limited to, staff, premises, technology. Or a pure agent cost including staff overheads with other line items charged separately.

**Volume**

A per transaction cost whereby the Supplier charges for services based on the number/volume of transactions processed. A threshold principle maybe agreed whereby the per transaction cost is reduced proportionally for higher volumes.

**Outcome based pricing**

This is results based pricing whereby the supplier charges based on results. Results may be defined by service level or KPI performance.

**Cap & Collar**

This is where maximum and minimum pricing is agreed. This may be linked to volume or FTE based parameters.

**Gain share**

This is where the Contracting Authority and Supplier jointly share the benefits delivered through the contract as a result of innovation, new technologies, channel shift or other opportunities identified.

**Risk / Reward**

The Supplier and Contracting Authority jointly fund the development of new products, solutions, and services with the Supplier sharing in rewards for a defined period of time if delivery is successful.

**Incentive based pricing**

Bonus payments are made to the Supplier for achieving specific performance levels above the contract's service level agreements. This may be used in conjunction with an alternative pricing model such as fixed price.

**Time & Materials**

Charging based on the amount of time spent on a contract by the supplier in addition to the costs of necessary materials to deliver.

**Cost Plus**

The direct material cost, direct labour cost, and overhead costs for a product are added up and added to a mark-up percentage (to create a profit margin) in order to derive the price of the product

1. Under [PPN 06/20](https://www.gov.uk/government/publications/procurement-policy-note-0620-taking-account-of-social-value-in-the-award-of-central-government-contracts), some Buyers are required to evaluate Social Value at call off stage with a minimum weighting of 10%. [↑](#footnote-ref-1)
2. Under [PPN 06/20](https://www.gov.uk/government/publications/procurement-policy-note-0620-taking-account-of-social-value-in-the-award-of-central-government-contracts), some Buyers are required to evaluate Social Value at call off stage with a minimum weighting of 10%. [↑](#footnote-ref-2)
3. Under [PPN 06/20](https://www.gov.uk/government/publications/procurement-policy-note-0620-taking-account-of-social-value-in-the-award-of-central-government-contracts), some Buyers are required to evaluate Social Value at call off stage with a minimum weighting of 10%. [↑](#footnote-ref-3)