**Framework Schedule 3 (Framework Prices)**

1. **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 maximums that the Supplier may charge for a Standard Service Requirement) under each Call Off Contract including;
         * 1. Standard Service rate per Unit of Measure
           2. Corporate Overhead;
           3. Management Overhead;
           4. Supplier Profit;
           5. London location percentage variance;
           6. Billable works management uplifts; and

and

* + - 1. cannot be increased except as in accordance with this Schedule.
      2. Framework Prices are permitted to exceed Standard Service pricing for non-standard requirements and/or at the discretion of the Buyer, however the pricing variables detailed in 1.1.1 (i) to (vi) will remain as maximum percentages
  1. 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 in the Order Form; and
     3. shall not be impacted by any change to the Framework Prices.
  2. Any variation to the Charges payable under a Call Off Contract must be agreed between the Supplier and the Buyer and implemented using the same procedure for altering Framework Prices in accordance with the provisions of this Framework Schedule 3.

1. **How Framework Prices are calculated**
   1. The pricing mechanisms and prices set out in Annex 1 shall be available for use in calculation of Framework Prices in Call Off Contracts.
2. **Are costs and expenses are included in the Framework Prices**
   1. Except as expressly set out in Paragraph 4 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.
3. **When the Supplier can ask to change the Framework Prices**
   1. The Framework Prices will be fixed for the first **2** years following the Framework Contract Commencement Date (the date of expiry of such period is a "**Review Date**"). After this Framework Prices can only be adjusted on each following 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 Commencement Date.
   4. CCS shall consider each request for a price increase. CCS may grant Approval 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.
4. **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)
      4. a request from the Supplier, which it can make at any time, to decrease the Framework Prices;
      5. indexation, where Annex 1 states that a particular Framework Price or any component is “subject to Indexation” in which event Paragraph 6 below shall apply.
      6. changes to the Mandatory Wage in which event paragraph 7 shall apply.
5. **When the Framework Prices are linked to inflation** 
   1. Where the Framework Charges (excluding Corporate Overhead, Profit and Billable Works and Projects percentages) are stated to be "subject to Indexation" they shall be adjusted in line with changes in the Consumer Price Index ("CPI"). All other costs, expenses, fees and charges shall not be adjusted to take account of any inflation, change to exchange rate, change to interest rate or any other factor or element which might otherwise increase the cost to the Supplier.
   2. Framework Prices shall not be indexed during the first **2** years following the Framework Contract Commencement Date.
   3. Where Annex 1 states a Framework Price is subject to Indexation then it will be indexed on the date which is **2** years after the Framework Commencement Date to reflect the percentage change in the CPI since the Framework Commencement Date. They shall be indexed on each following yearly anniversary to reflect the percentage change in the CPI since the previous change.
   4. The indexation shall be determined by applying the following formula:

NC = EC \* Z where:

NC is the New Charge;

EC is the Existing Charge; and

Z is 1 + (“**Average Annual % Change in CPI”**) / 100

* 1. Where the CPI Index:
     1. used to carry out an indexation calculation is updated (for example due to it being provisional) then the indexation calculation shall also be updated unless CCS and the Supplier agree otherwise;
     2. is no longer published, CCS and the Supplier shall agree a fair and reasonable replacement that will have substantially the same effect.

1. **Changes to Mandatory Wage**
   1. Notwithstanding Core Terms Clause 24.5 (Changing the Contract), where the Supplier can provide evidence that a percentage increase to the Mandatory Wage in a given period has exceeded any percentage increase in CPI under Paragraph for the same period in, the Supplier may request an increase in the Framework Prices by using the process under Paragraph 4.
   2. For the avoidance of doubt CCS is not required to accept the request to adjust Framework Prices and must not accept any request that:
   3. exceeds the difference between the CPI increase and the current Mandatory Wage rate increase for each member of the Supplier Personnel affected by the Mandatory Wage increase;
   4. relate to Services that are not affected by the Mandatory Wage increase; and
   5. that relates to 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)

**Annex 1: Rates and Prices**

**[Guidance Note: Place a copy of the Supplier’s response to relevant award**

**questionnaire pricing here once awarded.]**