**Framework Schedule 3 (Framework Prices)**

In this Schedule:

**CPI** means the Consumer Price Index published by the Office for National Statistics; and

**FBPI** means the dataset for food and non-alcoholic beverages price changes forming part of the CPI

**Part A**

1. **Linen and Laundry Service: Lot 1A, Lot 1B, Lot 1C, and Lot 1D**

**1. How Framework Prices are used to calculate Call-Off Charges**

1.1 The Framework Prices:

1.1.1 will be used as the basis for the charges (and are maximums that the Supplier may charge) under each Call-Off Contract; and

1.1.2 cannot be increased except as in accordance with this Part of the Schedule.

1.2 The Charges:

1.2.1 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;

1.2.2 Charges 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

1.2.3 shall not be impacted by any change to the Framework Prices.

1.3 Any variation to the Charges payable under a Call-Off Contract should 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.

1.4 If during the life of the Call-Off Contract volumes increase or decrease resulting in a move to a higher or lower volume price bracket for 2 consecutive Months the Supplier and/or Buyer(s) can request an adjustment to the Charges.

1.5 An adjustment under paragraph 1.4 cannot exceed the Framework Price and will be agreed in advance of any change by both the Buyer and the Supplier.

1.6 Upon approval the adjustment will take place on the first day of the next Month.

1. **How Framework Prices are calculated**

2.1 The pricing mechanisms and Framework Prices are set at maximum prices per piece based on order volume per week. Transport costs are set at a maximum percentage uplift of the value of the Order Form based on, volume, and the number of Sites and frequency of deliveries per day.

1. **Are costs and expenses included in the Framework Prices**

3.1 Except as expressly set out in Paragraph 4 below, or otherwise stated in an 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:

3.1.1 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

3.1.2 costs incurred prior to the commencement of any Call-Off Contract.

1. **When the Supplier can ask to change the Framework Prices**

4.1 Framework Prices will be fixed for 1 (one) year 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 following yearly anniversary (the date of each such anniversary is also a "Review Date").

4.2 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.

4.3 Any notice requesting an increase shall include:

4.3.1 a list of the Framework Prices to be reviewed; and

4.3.2 for each Framework Price under review, written evidence of the justification for the requested increase.

4.4 CCS shall consider each request for a price increase. CCS may grant Approval to an increase at its sole discretion.

4.5 Where CCS approves an increase 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 the Supplier’s Framework Prices shall be updated accordingly.

1. **Other events that allow the Supplier to change the Framework Prices**

5.1 The Framework Prices can also be varied due to:

5.1.1 a Specific Change in Law in accordance with Clause 24 of the Core Terms;

5.1.2 a review in accordance with insurance requirements in Clause 13 of the Core Terms; and

5.1.3 a request from the Supplier, which it can make at any time, to decrease the Framework Prices.

1. **Framework Prices and inflation**

6.1 Where a Framework Price review is based on inflationary pressures Suppliers can ask to change the Framework Prices following procedures outlined in paragraph 4 above.

6.2 Inflation based requests will be considered and capped using the Textiles Services Cost Index.

6.3 In the event the Textiles Services Cost Index is no longer published, CCS and the Supplier shall agree a fair and reasonable replacement that will have substantially the same effect.

**Part B**

1. **Cleaning Service: Lot 2A, Lot 2B; Waste Management Service: Lot 3A, Lot 3B, Lot 3C, Lot 3D, Lot 3E, Lot 3F, Lot 3G and Bundled Soft FM Services: Lot 5.**
2. **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 (%);
         7. Project uplifts (%);
         8. Cleaning consumables as a % of the Standard Service Rate against Service References C1, AV1, AV2 and AV3 (Lot 2A, 2B and Lot5 only) Cleaning consumables per Building Occupants; (Lot 2A and Lot 5 only) (%); and
         9. Mobile Cleaning Service Uplift % applied to the standard Service rate for Service References AV1 and AV2 (%)
      2. cannot be increased except as in accordance with this Part of the Schedule.
      3. for clinical waste, listed in 2.1.4 Table A, only include the disposal element of that waste type. All other costs including, but not limited to, transport, consignment notes, wasted trips and consumables are to be priced at call-off. For the avoidance of doubt, this only affects the Standard Service rate per Unit of Measure, listed in 2.1.4 Table A. All other costing elements listed in 2.1.1.2 to 2.1.1.9 still apply.
      4. Table A – Clinical waste rates that include disposal only

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Lot | Service Reference | Service Name | Service Type | Unit of Measure |
| 3a  Non- Hazardous Clinical Waste | W1 | Non-Hazardous Clinical Waste | Core | Tonne |
| 3b  Hazardous Clinical Waste | W2 | Hazardous Clinical Waste | Core | Tonne |
| 3g  Total Waste Management | W1 | Non-Hazardous Clinical Waste | Core | Tonne |
| 3g  Total Waste Management | W2 | Hazardous Clinical Waste | Core | Tonne |
| Lot 5 | Work Package 3 | Service W1 - Non-Hazardous Clinical Waste  Service W2 - Hazardous Clinical Waste, including Radioactive Waste | Core | Tonne |

* 1. 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 2.1.1.2 to 2.1.1.9 will remain as maximum percentages.
  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 in the Order Form; and
     3. shall not be impacted by any change to the Framework Prices.
  3. Any variation to the Charges payable under a Call-Off Contract should 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 Charges in Call-Off Contracts.
2. **Other events that allow the Supplier to change the Framework Prices**

4.1 The Framework Prices can also be varied due to:

4.1.1 a Specific Change in Law in accordance with Clause 24 of the Core Terms;

4.1.2 a review in accordance with insurance requirements in Clause 13 of the Core Terms; and

4.1.3 a request from the Supplier, which it can make at any time, to decrease the Framework Prices.

1. **When the Supplier can ask to change the Framework Prices**
   1. The Framework Prices will be fixed for 1 (one) year 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 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 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 Start Date.
   4. CCS shall consider each request for a price increase. CCS may grant Approval to an increase at its sole discretion.
2. **Framework Prices and inflation**

6.1 Where a Framework Price review is based on inflationary pressures Suppliers can ask to change the Framework Prices following procedures outlined in paragraph 5 above.

6.2 Inflation based requests will be considered and capped using the CPI.

6.3 If the CPI has not been published for the relevant month as required for this calculation then the last published value of the index available at the Review Date shall be used.

6.4 In the event that any changes occur to the basis of the CPI, or it is no longer published, CCS and the Supplier shall agree a fair and reasonable adjustment to that index or, if appropriate, shall agree a revised formula that in either event will have substantially the same effect as that specified in this Part B.

6.5 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.

1. **Changes To Minimum/Living Wage**
   1. Notwithstanding Clause 24.5 of the Core Terms (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 6 for the same period, the Supplier may request an increase in the Framework Prices by using the process under Paragraph 5.
   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;
      1. 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;
      2. relate to Services that are not affected by the Mandatory Wage increase; and
      3. 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).
2. **Costs And Expenses**
   1. Except as expressly set out as stated in an 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

costs incurred prior to the commencement of any Call-Off Contract.

**Part C**

**Catering Lot 4A**

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;

and

* + 1. cannot be increased except as in accordance with this Part of the Schedule.
  1. Framework Prices are permitted to exceed Standard Service pricing for non-standard requirements and/or at the discretion of the Buyer.
  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 in the Order Form; and
     3. shall not be impacted by any change to the Framework Prices.
  3. Any variation to the Charges payable under a Call-Off Contract should 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 Charges in Call-Off Contracts.
2. **Not Used**
3. **When the Supplier can ask to change the Framework Prices** 
   1. The Framework Prices will be fixed for the first year 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 following yearly anniversary (the date of each such anniversary is also a "Review Date").

* 1. 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.
  2. 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 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 Start Date.
  3. CCS shall consider each request for a price increase. CCS may grant Approval to an increase at its sole discretion.

1. **Framework Prices and inflation**

5.1 Where a Framework Price review is based on inflationary pressures Suppliers can ask to change the Framework Prices following procedures outlined in paragraph 4 above.

5.2 Inflation based requests will be considered and capped using a combined figure composed of 60% (sixty percent) CPI and 40% (forty percent) FBPI.

* 1. If the CPI and FBPI component have not been published for the relevant month as required for this calculation then the last published value of the index and component available at the Review Date shall be used.
  2. In the event that any changes occur to the basis of the CPI and FBPI, or they are no longer published, CCS and the Supplier shall agree a fair and reasonable adjustment to the formula or, if appropriate, shall agree a revised formula that in either event will have substantially the same effect as that specified in this Part C.
  3. 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.

1. **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 of the Core Terms;
      2. a review in accordance with insurance requirements in Clause 13 of the Core Terms;
      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; and
      5. changes to the Mandatory Wage in which event paragraph 6 shall apply.
2. **Changes To Minimum/Living Wage**
   1. Notwithstanding Clause 24.5 of the Core Terms (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 5 for the same period, 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;
      1. 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;
      2. relate to Services that are not affected by the Mandatory Wage increase; and
      3. 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).
3. **Costs And Expenses**
   1. Except as expressly set out as stated in an 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.

**Annex 1: Rates and Prices**

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

**questionnaire pricing here once awarded.]**

**Annex 2 - 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.

**Target Cost**

A contract under which the contractor is paid the 'actual cost' (usually defined in the particular contract) it incurs in carrying out the works, but subject to a target cost which is agreed by the parties at the beginning of the project.

**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