

**CONTRACT REFERENCE NUMBER: 17/01/54**

**SERVICES CONTRACT**

**-between-**

**(1) THE REGISTRAR GENERAL OF BIRTHS, DEATHS AND MARRIAGES FOR SCOTLAND  
(THE "AUTHORITY")**



**-and-**

**(2) CACI LIMITED (THE "SERVICE PROVIDER")**

**CACI**

**-relating to the supply of-**

**SERVICES FOR**

**THE PROVISION OF AN ONLINE COLLECTION INSTRUMENT FOR SCOTLAND'S CENSUS 2021**



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**SCHEDULE 3**

**PRICING AND FINANCIAL**

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**This and the nineteen (19) following pages comprise Schedule 3 referred to in the foregoing Services Contract between the Registrar General of Births Deaths and Marriages for Scotland and CACI Limited**

## SECTION A: PRICING

### 1 APPLICABLE PRICING MECHANISM

- 1.1 Milestone Payments and Service Charges shall be calculated using the pricing mechanism specified in Annex 2 and on the basis of the rates and prices specified in Annex 1 as more particularly set out in this Schedule.
- 1.2 The Service Provider shall submit a draft of the Milestone Payments plan for inclusion in Table 1 and Table 2 of Annex 2 Charging Mechanism And Adjustments of this Schedule to the Authority for approval within 20 Working Days of the Commencement Date
- 1.3 Table 1 of Annex 2 sets out which pricing mechanism shall be used to calculate each Milestone Payment, which shall be one or more of the following:
- (a) **“Time and Materials”**, in which case the provisions of Paragraph 2 shall apply;
  - (b) **“Guaranteed Maximum Price with Target Cost”**, in which case the provisions of Paragraph 3 shall apply;
- 1.4 Table 2 of Annex 2 sets out which pricing mechanism shall be used to calculate each Service Charge, which shall be one or more of the following:
- (a) **“Time and Materials”**, in which case the provisions of Paragraph 2 shall apply;

### 2 TIME AND MATERIALS MILESTONE PAYMENTS OR SERVICE CHARGES

- 2.1 Where Table 1 or Table 2 of Annex 2 indicates that a Milestone Payment or Service Charge (as applicable) is to be calculated by reference to a Time and Materials pricing mechanism:
- (a) the day rates set out in Table 1 of Annex 1 shall be used to calculate the relevant Charges, provided that the Service Provider (or its Sub-contractor) shall:
    - (i) not be entitled to include any uplift for risks or contingencies within its day rates;
    - (ii) not be paid any Charges to the extent that they would otherwise exceed the cap specified against the relevant Charge in Table 2 of Annex 1. The Service Provider shall monitor the amount of each Charge incurred in relation to the relevant cap and notify the Authority immediately in the event of any risk that the cap may be exceeded and the Authority shall instruct the Service Provider on how to proceed;and
    - (iii) only be entitled to be paid Charges that have been properly and reasonably incurred, taking into account the Service Provider's obligation to deliver the Services in a proportionate and efficient manner; and
  - (b) the Service Provider shall keep records of hours properly worked by Service Provider Personnel (in the form of timesheets) and expenses incurred and submit a summary of the relevant records with each invoice. If the Authority requests copies of such records, the Service Provider shall make them available to the Authority within 10 Working Days of the Authority's request.

- 2.2 The Service Provider shall be entitled to Index the rates set out in Table 1 of Annex 1 in accordance with Paragraph 4 of Section C, but any caps set out in Table 2 of Annex 1 shall not be subject to Indexation.

### 3 **GUARANTEED MAXIMUM PRICE WITH TARGET COST INCENTIVE MILESTONE PAYMENTS**

- 3.1 Where Table 1 of Annex 2 indicates that a Milestone Payment is to be calculated by reference to the Guaranteed Maximum Price with Target Cost pricing mechanism, the target Costs (the "**Target Cost**") for the relevant Milestone shall be as set out in Table 4 of Annex 1.

- 3.2 If the Incurred Costs relating to a Milestone are lower than the Target Cost for that Milestone, the difference between the Incurred Costs and the Target Cost shall be shared equally between the Authority and the Service Provider (resulting in the Service Provider receiving a higher service provider profit margin in relation to that Milestone), and the Milestone Payment shall be calculated as follows:

Milestone Payment =  $IC + ((TC - IC)/2)$  where:

TC is the Target Cost for the relevant Milestone; and

IC is the Incurred Costs relating to the relevant Milestone.

- 3.3 If the Incurred Costs relating to a Milestone are greater than the Target Cost for that Milestone, the difference between the Incurred Costs and the Target Cost shall be borne equally between the Authority and the Service Provider (resulting in the Service Provider receiving a lower service provider profit margin in relation to that Milestone), provided that the maximum Milestone Payment payable by the Authority for the relevant Milestone shall not exceed an amount equal to the guaranteed maximum price for that Milestone as set out in Table 4 of Annex 1 (the "**Guaranteed Maximum Price**") Represented numerically:

(a) if:

(i)  $IC > TC$ ; and

(ii)  $((IC - TC)/2) < GMP$ ,

then Milestone Payment =  $TC + ((IC - TC)/2)$ ; or

(b) if:

(i)  $IC > TC$ ; and

(ii)  $TC + ((IC - TC)/2) \geq GMP$ ,

then Milestone Payment = GMP

where:

IC is the Incurred Costs relating to the relevant Milestone;

TC is the Target Cost for the relevant Milestone; and

GMP is  $TC * 10\%$ , being the Guaranteed Maximum Price for the relevant Milestone.

- 3.4 The pricing in the Tables in Annex 1 – Pricing Mechanism shall not be subject to

Indexation.

#### **4 RE-IMBURSEABLE EXPENSES**

- 4.1 The Charges shall include all costs and expenses relating to the Deliverables, the Services and/or the Service Provider's performance of its obligations under this Agreement and no further amounts shall be payable by the Authority to the Service Provider in respect of such performance, including in respect of matters such as:
- (a) any incidental expenses that the Service Provider incurs, including travel, subsistence and lodging, document and report reproduction, shipping, desktop and office equipment costs required by the Service Provider Personnel, including network or data interchange costs or other telecommunications charges; or
  - (b) any amount for any services provided or costs incurred by the Service Provider prior to the Commencement Date.

### **SECTION B: CHARGING MECHANISMS**

#### **1 MILESTONE PAYMENTS**

- 1.1 Subject to the provisions of Paragraph 1.3 of Section C in relation to the deduction of Delay Payments, on the Achievement of a Milestone the Service Provider shall be entitled to invoice the Authority for the Milestone Payment.
- 1.2 Each invoice relating to a Milestone Payment shall be supported by:
- (a) a Milestone Achievement Certificate; and
  - (b) where the Milestone Payment is to be calculated by reference to a Guaranteed Maximum Price with Target Cost or Time and Materials pricing mechanism, a Certificate of Costs with Supporting Documentation.

#### **Guaranteed Maximum Price with Target Cost pricing mechanism**

- 1.3 Where a Milestone Payment relating to a single Milestone is to be calculated by reference to a Guaranteed Maximum Price with Target Cost pricing mechanism, then the following payment process shall apply:
- (a) upon the issue of a Milestone Achievement Certificate for the Milestone, the Service Provider may invoice the Authority for the Milestone Payment for the relevant Milestone; and
  - (b) no later than 30 Working Days after the invoice referred to in Paragraph 1.3(a) has been issued, the Service Provider shall:
    - (i) submit to the Authority a report setting out the Incurred Costs and actual Milestone Payment for the Milestone;
    - (ii) issue to the Authority an invoice or credit note for the difference between the actual Milestone Payment payable and the Milestone Payment invoiced for the Milestone;
    - (iii) where a credit note is to be issued to the Authority pursuant to Paragraph 1.4(b)(ii), repay to the Authority a sum equal to such difference

as a debt within 10 Working Days of issue of the credit note; and

- (iv) issue a Certificate of Costs with Supporting Documentation, which shall exclude any accruals, prepayments and provisions.

1.4 Where Milestones are stated in Table 4 of Annex 1 to constitute a group of Milestones (a "**Milestone Group**") and the Milestone Payments relating to the Milestones in that Milestone Group are each to be calculated by reference to a Guaranteed Maximum Price with Target Cost pricing mechanism, then the following payment process shall apply:

- (a) in respect of each Milestone within the Milestone Group, the Service Provider may invoice the Authority for the Milestone Payment for the relevant Milestone calculated using such Milestone Payment, upon the issue of the associated Milestone Achievement Certificate; and
- (b) no later than 30 Working Days after the issue of the invoice for the final Milestone Payment relating to the Milestone Group, the Service Provider shall:
  - (i) submit to the Authority a report setting out the Incurred Costs and actual Milestone Payments for the Milestone Group;
  - (ii) issue to the Authority an invoice or credit note for the difference between the aggregate of the actual Milestone Payments payable and Milestone Payments invoiced for Milestones in the Milestone Group;
  - (iii) where a credit note is to be issued to the Authority pursuant to Paragraph 1.5(b)(ii), repay to the Authority a sum equal to such difference as a debt within 10 Working Days of issue of the credit note; and
  - (iv) issue a Certificate of Costs with Supporting Documentation, which shall exclude any accruals, prepayments and provisions.

1.5 If the Service Provider does not repay any such sum as is referred to in Paragraph 1.4(b)(ii) or 1.5(b)(ii) within 10 Working Days of issue of the relevant credit note, it shall repay such sum together with interest on such sum at the applicable rate under the Late Payment of Commercial Debts (Interest) Act 1998, accruing on a daily basis from (and including) the due date up to (but excluding) the date of actual payment, whether before or after judgment.

1.6 Following the issue of a Certificate of Costs in accordance with Paragraph 1.2, 1.4(b)(iii) or 1.5(b)(iii), the Service Provider shall not be entitled to invoice the Authority for any additional Charges relating to the Milestone or Milestone Group (as applicable).

## 2 SERVICE CHARGES

2.1 Each Service to which a Service Charge relates shall commence on the Achievement of the Milestone set out against that Service in the "*Service Charge Trigger Event*" column of Table 2 of Annex 2.

2.2 Service Charges shall be invoiced by the Service Provider for each Service Period in arrear in accordance with the requirements of Clause 12.

2.3 Any Service Credits that accrue during a Service Period shall be deducted from the Service Charges payable for the next following Service Period. An invoice for a Service Charge shall not be payable by the Authority unless all adjustments (including

Service Credits) relating to the Service Charges for the immediately preceding Service Period have been agreed.

## SECTION C: ADJUSTMENTS TO THE CHARGES

### 1 DELAY PAYMENTS

1.1 If a Milestone has not been achieved on or before the relevant Milestone Date the Service Provider shall pay a Delay Payment to the Authority in respect of that Milestone.

1.2 Delay Payments shall accrue:

- 1.2.1 at the Delay Payment Rate determined in accordance with paragraph 1.3.1.
- 1.2.2 from (but excluding) the relevant Milestone Date to (and excluding the earlier of:
  - 1.2.2 (i) the date on which the Milestone is Achieved; and
  - 1.2.2(ii) the expiry of the Delay Deduction Period

1.3 Where a Delay Payment is payable in respect of a Milestone Date the Delay Payment Rate shall be calculated in accordance with Table 1 at 1.3.1:

#### 1.3.1 Delay Payment Rate

Delay Payment is 10% of relevant Milestone Payment	Delay Payment Rate is 1% of relevant Milestone Payment applied per day for the Delay Deduction Period	Written Notice of Delay of more than 10 Working Days given by Service Provider	Written Notice of delay of less than 10 Working Days given by the Service Provider
		Delay Payment not imposed until 10 Working Days after the relevant Milestone Date is missed	Delay Payment is imposed from the missed relevant Milestone Date

1.4 Where a Delay Payment is payable to the Authority pursuant to Paragraphs 1.3 it shall not be refundable to the Service Provider in any circumstances.

1.5 The Parties agree that Delay Payments calculated in accordance with the applicable Delay Payment Rates are in each case a genuine pre-estimate of the Losses which the Authority will incur as a result of any failure by the Service Provider to Achieve the relevant Key Milestone by the Milestone Date. Delay Payment Rates are stated exclusive of VAT.

1.6 The Delay Payment in respect of a Key Milestone shall be shown as a deduction from the amount due from the Authority to the Service Provider in the next invoice due to be issued by the Service Provider after the date on which the relevant Key Milestone is Achieved or the expiry of the Delay Deduction Period (as the case may be).

### 2 PAYMENTS FOR DELAYS DUE TO AUTHORITY CAUSE

2.1 If the Service Provider is entitled in accordance with Clause 28 (*Authority Cause*) to compensation for failure to Achieve a Milestone by its Milestone Date, then, subject always to Clause 60 (*Limitation on Liability and General Indemnity*), such compensation shall be determined in accordance with the following principles:

- (a) the compensation shall reimburse the Service Provider for additional Costs incurred by the Service Provider that the Service Provider:

- (i) can demonstrate it has incurred solely and directly as a result of the Authority Cause; and
  - (ii) is, has been, or will be unable to mitigate, having complied with its obligations under Clause 28 (*Authority Cause*);
- (b) the compensation shall not operate so as to put the Service Provider in a better position than it would have been in but for the occurrence of the Authority Cause;
- (c) where the Milestone Payment for the relevant Milestone is to be calculated by reference to the Guaranteed Maximum Price with Target Cost pricing mechanism, then:
- (i) the Milestone Payment for the Milestone shall be increased in accordance with the following formula:

$$NMP = MP + AC$$

where:

- NMP is the revised Milestone Payment for the relevant Milestone;
- MP is the original Milestone Payment for the relevant Milestone;
- AC is an amount equal to any additional Costs incurred by the Service Provider in Achieving the Milestone to the extent that the Service Provider can demonstrate that such additional Costs were caused solely by the Authority Cause; and

and

- (ii) the Guaranteed Maximum Price shall be increased to an amount equal to the Target Cost plus 10% of the Target Cost as adjusted pursuant to Paragraph 2.1(c)(i);
- (d) where the Milestone Payment includes any Charges which are capped, then to the extent that the compensation agreed pursuant to this Paragraph 2 results in the Authority paying additional Time and Materials Charges for resources or effort which the Service Provider demonstrates are required as a result of the Authority Cause, such additional Time and Materials Charges shall be disregarded for the purposes of calculating the relevant cap.

2.2 The Service Provider shall provide the Authority with any information the Authority may require in order to assess the validity of the Service Provider's claim to compensation.

### **3 SERVICE CREDITS**

3.1 Service Credits shall be calculated in accordance with Schedule 5 (*Service Levels and Performance Monitoring*) Section A.

3.2 Service Credits are a reduction of the Service Charges payable in respect of the relevant Services to reflect the reduced value of the Services actually received and are stated exclusive of VAT.

- 3.3 Service Credits shall be shown as a deduction from the amount due from the Authority to the Service Provider in the invoice for the Service Period immediately succeeding the Service Period to which they relate.

#### **4 INDEXATION**

- 4.1 Any amounts or sums in this Agreement which are "subject to Indexation" have the adjustments included in the pricing in the Tables in Annex 1 – Pricing Mechanism.
- 4.2 Except as set out in this Paragraph 4, neither the Charges nor any other costs, expenses, fees or charges shall 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 Service Provider or Sub-contractors of the performance of their obligations.

### **SECTION D: FINANCIAL TRANSPARENCY OBJECTIVES AND OPEN BOOKDATA**

#### **1 FINANCIAL TRANSPARENCY OBJECTIVES**

1.1 The Service Provider acknowledges that the provisions of this Schedule are designed (inter alia) to facilitate, and the Service Provider shall co-operate with the Authority in order to achieve, the following objectives:

##### **1.2 Understanding the Charges**

- (a) for the Authority to understand any payment sought from it by the Service Provider including an analysis of the Costs, Overhead recoveries (where relevant), time spent by Service Provider Personnel in providing the Services;
- (b) for both Parties to be able to understand the Financial Model and Cost forecasts and to have confidence that these are based on justifiable numbers and appropriate forecasting techniques;
- (c) to facilitate the use of Guaranteed Maximum Price with Target Cost pricing mechanisms (where relevant as referred to in Section A);

##### **1.3 Agreeing the impact of Change**

- (d) for both Parties to agree the quantitative impact of any Changes that affect ongoing costs and to identify how these could be mitigated and/or reflected in the Service Provider's Charges;
- (e) for both Parties to be able to review, address issues with and re-forecast progress in relation to the provision of the Services;

##### **1.4 Continuous improvement**

- (f) for the Parties to challenge each other with ideas for efficiency and improvements; and
- (g) to enable the Authority to demonstrate that it is achieving value for money for the tax payer relative to current market prices,

(together the "Financial Transparency Objectives").



**2 OPEN BOOK DATA**

- 2.1 The Service Provider acknowledges the importance to the Authority of the Financial Transparency Objectives and the Authority's need for complete transparency in the way in which the Charges are calculated.
- 2.2 During the Term, and for a period of 7 years following the end of the Term, the Service Provider shall:
- (a) maintain and retain the Open Book Data; and
  - (b) disclose and allow the Authority and/or the Audit Agents access to the Open Book Data.

**SECTION E: FINANCIAL REPORTS**

**1 PROVISION OF THE FINANCIAL REPORTS**

- (a) The Service Provider shall provide during the Term the following financial reports to the Authority, in the frequency specified below:

<b>Financial Report</b>	<b>When to be provided</b>
<b>Contract Amendment Report</b>	Within 1 month of a Material Change being agreed between the Service Provider and the Authority
<b>Annual Contract Report</b>	Within 1 month of the end of the Contract Year to which that report relates
<b>Final Reconciliation Report</b>	Within 6 months after the end of the Term

- 1.2 The Service Provider shall provide to the Authority the Financial Reports in the same software package (Microsoft Excel or Microsoft Word), layout and format as the blank templates which have been issued by the Authority to the Service Provider on or before the Commencement Date for the purposes of this Agreement. The Authority shall be entitled to modify the template for any Financial Report by giving written notice to the Service Provider, including a copy of the updated template.
- 1.3 A copy of each Financial Report shall be held by both the Authority and the Service Provider. If there is a Dispute regarding a Financial Report, the Authority's copy of the relevant Financial Report shall be authoritative.
- 1.4 Each Financial Report shall:
- (a) be completed by the Service Provider using reasonable skill and care;
  - (b) incorporate and use the same defined terms as are used in this Agreement;
  - (c) quote all monetary values in pounds sterling;
  - (d) quote all Costs as exclusive of any VAT; and

- (e) quote all Costs and Charges based on current prices.
- 1.5 Each Annual Contract Report and the Final Reconciliation Report shall be certified by the Service Provider's Chief Financial Officer or Director of Finance (or equivalent as agreed in writing by the Authority in advance of issue of the relevant Financial Report), acting with express authority, as:
- (a) being accurate and not misleading;
  - (b) having been prepared in conformity with generally accepted accounting principles within the United Kingdom;
  - (c) being a true and fair reflection of the information included within the Service Provider's management and statutory accounts; and
  - (d) compliant with the requirements of Paragraph 1.6.
- 1.6 The Service Provider shall:
- (a) prepare each Financial Report;;
  - (b) ensure that each Annual Contract Report and each Contract Amendment Report (if any) is a true and fair reflection of the Costs forecast by the Service Provider;
  - (c) the Final Reconciliation Report is a true and fair reflection of the Costs; and
  - (d) not have any other internal financial model in relation to the Services inconsistent with the Financial Model.
- 1.7 During the Term, and for a period of 18 months following the end of the Term, the Service Provider shall make available the Financial Representative at reasonable times and on reasonable notice to answer any queries that the Authority may have on any of the Financial Reports and/or Open Book Data.
- 1.8 If the Service Provider becomes aware of the occurrence, or the likelihood of the future occurrence, of an event which will or may have a material effect on the following:
- (a) the Costs incurred (or those forecast to be incurred) by the Service Provider; and/or
  - (b) the forecast Charges for the remainder of the Term,
- the Service Provider shall, as soon as practicable, notify the Authority in writing of the event in question detailing the actual or anticipated effect. For the avoidance of doubt, notifications provided in accordance with this Paragraph 1.8 shall not have the effect of amending any provisions of this Agreement.

## **2 FINANCIAL MODEL**

- 2.1 Following the delivery by the Service Provider of each Annual Contract Report and any Contract Amendment Report:
- (a) the Parties shall meet to discuss its contents within 10 Working Days of receipt (or such other period as the Parties shall agree). The Financial Representative shall attend the meeting;

- (b) the Service Provider shall make appropriate Service Provider Personnel and advisers available to discuss any variations between the relevant Financial Report and Annual Contract Report or Contract Amendment Report (as the case may be) and to explain such variations (with reference to supporting evidence) to the satisfaction of the Authority; and
- (c) the Authority shall either within 10 Working Days of the meeting referred to in Paragraph 2.1(a) notify the Service Provider that:
  - (i) the relevant Financial Report contains errors or omissions or that further explanations or supporting information is required, in which event the Service Provider shall make any necessary modifications to the Financial Report and/or supply the Authority with such supporting evidence as is required to address the Authority's concerns within 10 Working Days of such notification and the Authority shall following receipt of such amended Financial Report and/or supporting information, approve or reject such Financial Report; or
  - (ii) the Authority has approved the relevant Financial Report.

2.2 Following approval by the Authority of the relevant Financial Report in accordance with Paragraph 2.1(c), that version shall become, with effect from the date of such approval, the current approved version of the Financial Model for the purposes of this Agreement, a version of which shall be held by both the Authority and the Service Provider. If there is a Dispute regarding a Financial Report, the Authority's copy of the relevant Financial Report shall be authoritative.

2.3 If the Parties are unable to reach agreement on any Financial Report within 30 Working Days of its receipt by the Authority, the matter shall be referred for determination in accordance with Schedule 8.3 (*Dispute Resolution Procedure*).

### 3 THE FINAL RECONCILIATION REPORT

3.1 Following the delivery by the Service Provider of the Final Reconciliation Report, the Parties shall meet to discuss its contents within 10 Working Days of receipt (or such other period as the Parties shall agree). The Financial Representative shall attend the meeting.

### 4 Key Sub-contractors

4.1 The Service Provider shall, if requested by the Authority, provide (or procure the provision of) a report or reports including the level of information set out in the Financial Reports in relation to the costs and expenses to be incurred by any of its Key Sub-contractors.

4.2 Without prejudice to Paragraph 1.1 of Part F, the Service Provider shall:

- (a) be responsible for auditing the financial models/reports of its Key Sub-contractors and for any associated costs and expenses incurred or forecast to be incurred; and
- (b) on written request by the Authority, provide the Authority or procure that the Authority is provided with:
  - (i) full copies of audit reports for the Key Sub-contractors. The Authority shall be entitled to rely on such audit reports; and
  - (ii) further explanation of, and supporting information in relation to, any audit reports provided.

## **SECTION F: AUDIT RIGHTS**

### **1 AUDIT RIGHTS**

1.1 The Authority, acting by itself or through its Audit Agents, shall have the right during the Term and for a period of 18 months thereafter, to assess compliance by the Service Provider and/or its Key Sub-contractors of the Service Provider's obligations under this Agreement, including for the following purposes:

- (a) to verify the integrity and content of any Financial Report;
- (b) to verify the accuracy of the Charges and any other amounts payable by the Authority under this Agreement;
- (c) to verify the Costs (including the amounts paid to all Sub-contractors and any third party Service Providers);
- (d) to verify the Certificate of Costs and/or the Open Book Data;
- (e) to verify the Service Provider's and each Key Sub-contractor's compliance with this Agreement and applicable Law;
- (f) to identify or investigate actual or suspected fraud, impropriety or accounting mistakes or any breach or threatened breach of security and in these circumstances the Authority shall have no obligation to inform the Service Provider of the purpose or objective of its investigations;
- (g) to identify or investigate any circumstances which may impact upon the financial stability of the Service Provider, the Guarantor and/or any Key Sub-contractors or their ability to perform the Services;
- (h) to obtain such information as is necessary to fulfil the Authority's obligations to supply information for parliamentary, ministerial, judicial or administrative purposes including the supply of information to the Comptroller and Auditor General;
- (i) to review any books of account and the internal contract management accounts kept by the Service Provider in connection with this Agreement;
- (j) to carry out the Authority's internal and statutory audits and to prepare, examine and/or certify the Authority's annual and interim reports and accounts;
- (k) to verify the accuracy and completeness of any Management Information delivered or required by this Agreement;
- (l) to review any Performance Monitoring Reports and/or other records relating to the Service Provider's performance of the Services and to verify that these reflect the Service Provider's own internal reports and records;
- (m) to inspect the IT Environment (or any part of it) and the wider service delivery environment (or any part of it);
- (n) to review the accuracy and completeness of the Registers;
- (o) to review any records created during the design and development of the Service Provider System and pre-operational environment such as information

relating to Testing;

- (p) to review the Service Provider's quality management systems (including all relevant Quality Plans and any quality manuals and procedures);
- (q) to review the Service Provider's compliance with the Standards;
- (r) to inspect the Authority Assets, including the Authority's IPRs, equipment and facilities, for the purposes of ensuring that the Authority Assets are secure and that any register of assets is up to date; and/or
- (s) to review the integrity, confidentiality and security of the Authority Data.

1.2 Except where an audit is imposed on the Authority by a regulatory body or where the Authority has reasonable grounds for believing that the Service Provider has not complied with its obligations under this Agreement, the Authority may not conduct an audit of the Service Provider or of the same Key Sub-contractor more than twice in any Contract Year.

1.3 Nothing in this Agreement shall prevent or restrict the rights of the Auditor General and/or their representatives from carrying out an audit, examination or investigation of the Service Provider and/or any of the Key Sub-contractors for the purposes of and pursuant to applicable Law.

## 2 CONDUCT OF AUDITS

2.1 The Authority shall during each audit comply with those security, sites, systems and facilities operating procedures of the Service Provider that the Authority deems reasonable and use its reasonable endeavours to ensure that the conduct of each audit does not unreasonably disrupt the Service Provider or delay the provision of the Services.

2.2 Subject to the Authority's obligations of confidentiality, the Service Provider shall on demand provide the Authority and the Audit Agents with all reasonable co-operation and assistance (and shall procure such co-operation and assistance from its Sub-contractors) in relation to each audit, including:

- (a) all information requested by the Authority within the permitted scope of the audit;
- (b) reasonable access to any Sites and to any equipment used (whether exclusively or non-exclusively) in the performance of the Services;
- (c) access to the Service Provider System; and
- (d) access to Service Provider Personnel.

2.3 The Service Provider shall implement all measurement and monitoring tools and procedures necessary to measure and report on the Service Provider's performance of the Services against the applicable Performance Indicators at a level of detail sufficient to verify compliance with the Performance Indicators.

2.4 The Authority shall endeavour to (but is not obliged to) provide at least 15 Working Days' notice of its intention to conduct an audit.

2.5 The Parties agree that they shall bear their own respective costs and expenses incurred in respect of compliance with their obligations under this Paragraph 2,

unless the audit identifies a material Default by the Service Provider in which case the Service Provider shall reimburse the Authority for all the Authority's reasonable costs incurred in connection with the audit.

### 3 USE OF SERVICE PROVIDER'S INTERNAL AUDIT TEAM

3.1 As an alternative to the Authority's right pursuant to Paragraph 1.1 to exercise an audit either itself or through its Audit Agents, the Authority may require in writing that an audit is undertaken by the Service Provider's own internal audit function for any of the purposes set out in Paragraph 1.1.

3.2 Following the receipt of a request from the Authority under Paragraph 3.1 above, the Service Provider shall procure that the relevant audit is undertaken as soon as reasonably practicable and that the Authority has unfettered access to:

- (a) the resultant audit reports; and
- (b) all relevant members of the Service Provider's internal audit team for the purpose of understanding such audit reports.

### 4 RESPONSE TO AUDITS

4.1 If an audit undertaken pursuant to Paragraphs 1 or 3 identifies that:

- (a) the Service Provider has committed a Default, the Authority may (without prejudice to any rights and remedies the Authority may have) require the Service Provider to correct such Default as soon as reasonably practicable and, if such Default constitutes a Notifiable Default, to comply with the Rectification Plan Process;
- (b) there is an error in a Financial Report, the Service Provider shall promptly rectify the error;
- (c) the Authority has overpaid any Charges, the Service Provider shall pay to the Authority:
  - (i) the amount overpaid;
  - (ii) interest on the amount overpaid at the applicable rate under the Late Payment of Commercial Debts (Interest) Act 1998, accruing on a daily basis from the date of overpayment by the Authority up to the date of repayment by the Service Provider; and
  - (iii) the reasonable costs incurred by the Authority in undertaking the audit,the Authority may exercise its right to deduct such amount from the Charges if it prefers; and
- (d) the Authority has underpaid any Charges, the Service Provider shall not be entitled to increase the Charges paid or payable by the Authority.

**ANNEX 1: PRICING MECHANISM**

**Table 1a – SERVICE PROVIDER PERSONNEL RATE CARD FOR THE CALCULATION OF TIME CHARGES (PHASE 1 DISCOVERY AND DESIGN)**

Role/Title *	Brief description of role	Day Rate £	Number of days	Cost £

**Table 1b – SERVICE PROVIDER COSTS FOR MATERIALS CHARGES (PHASE 1 DISCOVERY AND DESIGN)**

Materials	Cost £
Equipment & Hardware	
Software	
Licensing of 3 <sup>rd</sup> Party Software	
Hosting, Services Management & Support	
Office & Accommodation	
Travel & Subsistence	
Other (please specify)	

**Table 2 – MAXIMUM TIME AND MATERIALS CHARGES (PHASE 1 DISCOVERY AND DESIGN)**

Charge Type	Maximum Time and Materials Charges (The Cap) £
Time (Total Cost Table 1a)	
Materials (Total Cost Table 1b)	
<b>Total</b>	

**Table 3a – SERVICE PROVIDER PERSONNEL COST CARD FOR THE CALCULATION OF GUARANTEED MAXIMUM PRICE WITH TARGET COST CHARGES (PHASE 2 - REHEARSAL, BUILD AND TEST)**

Role/Title *	Brief description of role	Day Cost Rate £	Number of days	Target Cost £

**Table 3b – SERVICE PROVIDER COSTS FOR MATERIALS CHARGES (PHASE 2 - REHEARSAL, BUILD AND TEST)**

Materials	Target Cost £
Equipment & Hardware	
Software	
Licensing of 3 <sup>rd</sup> Party Software	



Hosting, Services Management & Support	
Office & Accommodation	
Travel & Subsistence	
Other (please specify)	

**Table 4a – MAXIMUM TIME AND MATERIALS CHARGES (PHASE 2 - REHEARSAL, BUILD AND TEST)**

Charge Type	Target Cost £	Guaranteed Maximum Price (Target Cost + 10% of Target Cost (£))
Time (Total Target Cost Table 3a)		
Materials (Total Target Cost Table 3b)		
<b>Total</b>		

**Table 3c – SERVICE PROVIDER PERSONNEL COST CARD FOR THE CALCULATION OF GUARANTEED MAXIMUM PRICE WITH TARGET COST CHARGES (PHASE 3 - OPERATIONAL READINESS, SCOTLAND'S 2021 CENSUS AND DECOMMISSIONING)**

Role/Title *	Brief description of role	Day Cost Rate £	Number of days	Target Cost £

**Table 3d – SERVICE PROVIDER COSTS FOR MATERIALS CHARGES PHASE 3 - OPERATIONAL READINESS, SCOTLAND'S 2021 CENSUS AND DECOMMISSIONING)**

Materials	Target Cost £
Equipment & Hardware	
Software	
Licensing of 3 <sup>rd</sup> Party Software	
Hosting, Services Management & Support	
Office & Accommodation	
Travel & Subsistence	
Other (Security Operations Centre)	
Exit Costs at Contract End	
Destruction of DATA RECORDS	
Migration of all ACCESS and USER SERVICES Data to the Authority	
Irrevocable and Perpetual licence for the software and access to the source code for modification by the Authority and rights to the Intellectual property inherent	

**Table 4b – MAXIMUM TIME AND MATERIALS CHARGES PHASE 3 - OPERATIONAL READINESS, SCOTLAND'S 2021 CENSUS AND DECOMMISSIONING)**

Charge Type	Target Cost £	Guaranteed Maximum Price (Target Cost + 10% of Target Cost (£))
Time (Total Target Cost Table 3c)		
Materials (Total Target Cost Table 3d)		
<b>Total</b>		

## **ANNEX 2: CHARGING MECHANISM AND ADJUSTMENTS**

In accordance with Section A Pricing paragraph 1.2 of this Schedule the Service Provider shall submit a draft of the Milestone Payments plan for inclusion in Table 1 and Table 2 of Annex 2 Charging Mechanism And Adjustments of this Schedule to the Authority for approval within 20 Working Days of the Commencement Date.

### **TABLE 1: MILESTONE PAYMENTS AND DELAY PAYMENTS**

Charge Number	Pricing Mechanism GMPTC / T&M)	CPP Milestone Charge Number	Delay Payments (if Key Milestone) (£ per day)		
			<3 months' notice	3-6 months' notice	>6 months' notice
[e.g. M1]		[e.g. M2]			
[e.g. M2]	[T&M]	[e.g. M2]			

**TABLE 2: SERVICE CHARGES**

Charge Number	Pricing Mechanism (T&M)	Service Charge Trigger Event	Service Charge Expiration Trigger Event
[e.g. SC1]	[T&M]	[e.g. Achievement of Milestone 4]	

**ANNEX 3: PRO-FORMA CERTIFICATE OF COSTS**

I [*name of CFO or Director of Finance or equivalent as agreed in advance in writing with the Authority*] of **CACI Limited**, certify that the financial information provided as part of this Certificate of Costs, incurred in relation to the Online Collection Instrument for Scotland's Census 2021 Contract (17/01/54) (**the "Agreement"**) in relation to the following [Milestone/Milestone Group]:

**1.1** [Insert details of Milestone/Milestone Group]

- 1 has been reasonably and properly incurred in accordance with CACI Limited's books, accounts, other documents and records;
- 2 is accurate and not misleading in all key respects; and
- 3 is in conformity with the Agreement and with all generally accepted accounting principles within the United Kingdom.

Signed [***Director of Finance or equivalent***]

**1.2 CACI Limited**

Signature .....

Signature .....