

## DPS Schedule 3 (DPS Pricing)

### 1. How DPS Pricing is used to limit Order Charges

#### 1.1 DPS Pricing:

- 1.1.1 will be used as the basis for capping the charges (and are maximums that the Supplier may charge) under each Order Contract; and
- 1.1.2 cannot be increased except as in accordance with this Schedule.

#### 1.2 The Charges:

- 1.2.1 shall be calculated in accordance with the terms of the Order Contract and in particular in accordance with the terms of the Order Form; and
  - 1.2.2 cannot be increased except as specifically permitted by the Order Contract and subject to the maximum DPS Pricing set out in Annex 1 below and in particular shall only be subject to Indexation where specifically stated in the Order Form.
- 1.3 Any variation to the Charges payable under an Order Contract must be agreed between the Supplier and the Buyer and implemented using the same procedure for altering DPS Pricing in accordance with the provisions of this DPS Schedule 3

### 2. All costs and expenses are included in the Charges

- 2.1 Except as expressly set out in Paragraph 3 below, or otherwise stated in an Order Form the Charges shall include all costs and expenses relating to the provision of Deliverables. No further amounts shall be payable in respect of matters such as:
- 2.1.1 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
  - 2.1.2 costs incurred prior to the commencement of any Order Contract.

### 3. When the Supplier will be reimbursed for travel and subsistence

- 3.1 Expenses shall only be recoverable where:
- 3.1.1 the Time and Materials pricing mechanism is used; and
  - 3.1.2 the Order Form states that recovery is permitted; and
  - 3.1.3 they are Reimbursable Expenses and are supported by Supporting Documentation.
- 3.2 For the purposes of paragraph 3.1 of this Schedule, a **“Time and Materials pricing mechanism”** means a pricing mechanism whereby the Buyer agrees to pay the Supplier based upon the work performed by the

Supplier's Staff, and for materials used in the project, no matter how much work is required to complete the project. In the event that an Order Contract uses this pricing mechanism the price shall be based upon the prices detailed in Table 1 of Annex 1 to DPS Schedule 3.

- 3.3 The Buyer shall provide a copy of their current expenses policy to the Supplier upon request.

**4. When the Supplier can ask to change the DPS Pricing**

- 4.1 The DPS Pricing will be fixed for the first **4** years following the DPS Contract Commencement Date (the date of expiry of such period is a "**Review Date**"). After this DPS Pricing 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 maximum prices to be reviewed;
  - 4.3.2 for each maximum price under review, written evidence of the justification for the requested increase including:
    - (a) a breakdown of the profit and cost components that comprise the relevant maximum price;
    - (b) details of the movement in the different identified cost components of the relevant DPS Pricing;
    - (c) reasons for the movement in the different identified cost components of the relevant DPS Pricing;
    - (d) evidence that the Supplier has attempted to mitigate against the increase in the relevant cost components; and
    - (e) evidence that the Supplier's profit component of the relevant maximum price is no greater than that applying to that maximum price using the same pricing mechanism as at the DPS Start Date.
- 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 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.

**5. Other events that allow the Supplier to change the DPS Pricing**

- 5.1 The DPS Pricing can also be varied (and Annex 1 will be updated accordingly) due to:

- 5.1.1 a Specific Change in Law in accordance with Clause 24;
- 5.1.2 a review in accordance with insurance requirements in Clause 13;
- 5.1.3 a benchmarking review in accordance with Order Schedule 16 (Benchmarking)]
- 5.1.4 a request from the Supplier, which it can make at any time, to decrease the maximum prices

## Annex 1: Maximum Rates and Prices

**Table 1: Maximum Margin Percentage**

*The rates below refer to the Maximum Margin Percentage that will be applied to the Services provided under this DPS and shall not be subject to variation by way of Indexation:*

Item	Maximum DPS price (£)
Maximum Margin Percentage	18%