

Contractor Change Notice means a written notice submitted by the Contractor requesting a change and setting out the information required by the relevant paragraph of this Change Protocol

Contractor Initial Response means the written response of the Contractor referred to in paragraph 2.1 of Part 4 (High Value Change) of this Change Protocol

Contractor Response means the written response of the Contractor to an Authority Change Notice which shall include the information listed in the relevant paragraph of this Change Protocol

Contractor Stage 1 Response shall have the meaning given in paragraph 3.1 of Part 4 (High Value Changes) of this Change Protocol

Contractor Stage 2 Response shall have the meaning given in paragraph 5.1 of Part 4 (High Value Changes) of this Change Protocol

Estimated Change in Project Costs means the aggregate of any estimated increased construction costs, operating costs, Whole Life Costs and financing costs less the aggregate of any estimated reduced construction costs, operating costs and financing costs

High Value Changes means a Change, which is not a Low Value Change or a Medium Value Change, and which is likely to either cost more than £[200,000] (indexed) to implement, or require an adjustment to the Unitary Charge that is greater than [2]% of the annual Unitary Charge in the relevant payment year (as the case may be)

Independent Technical Advisor means a person who is independent of the Authority or any Contractor Party who has not less than [five (5)] years experience in projects operated under PFI or other forms of PPP, has expertise in pricing works and/or services of the type required by the relevant High Value Change and has relevant experience in the [♦] sector

Low Value Change means:

- (a) works of a minor nature or the provision of plant or equipment, having a cost, not exceeding £[10,000] (indexed); or
- (b) any change or amendment (whether temporary or permanent) of the Services or any of them where the cost, in the reasonable opinion of the Authority, of the implementation does not exceed £[10,000] (indexed) [and does not require adjustment of the Unitary Charge] ~~or £[10,000] (indexed)~~ and which does not effect achievement of any [Completion Date]; or
- (c) those items listed in the Catalogue of Low Value Changes

Low Value Change Request means a request for a Low Value Change [in the form set out in Appendix 3 to this Change Protocol]

Part 3 - Medium Value Changes

1 Notification and Specification

- 1.1 If a Medium Value Change is required by the Authority, it shall serve an Authority Change Notice on the Contractor.
- 1.2 The Authority Change Notice shall, where applicable, include, but not be limited to, the following information:
- (a) a statement that it is a Medium Value Change and whether or not the Change is required as a result of a Change in Law or is a CAA Change;
 - (b) a description of any works (or change to the Works) required in sufficient detail to allow the design and pricing of the Medium Value Change by the Contractor;
 - (c) whether, in respect of any additional works, the Contractor is expected to provide maintenance and lifecycle services in respect of such additional works;
 - (d) the location for the works or services required;
 - (e) the timing of the works or services required [together with any adjustments required to any Completion Dates];
 - (f) in respect of additional or varied services, a description of such service or variation to a Service together with the anticipated date of implementation of the variation or commencement of the new service in sufficient detail to allow the pricing of the Medium Value Change by the Contractor;
 - (g) whether any Necessary Consents are required in order to implement the Change;
 - (h) either confirmation that the Authority will fund the Medium Value Change itself and its proposals for payment (whether in stages or otherwise) or a request that the Contractor raises finance for the Authority Change as required by paragraph 8.1 (*Payment*) of Part 1 (*General Provisions*) of this Change Protocol;
 - (i) the date by which the Contractor shall provide the Contractor Response to the Authority (which shall be appropriate to the complexity of the Change required and shall not be less than ten (10) Business Days from the date of the Authority Change Notice) [or forty (40) Business ~~Dates~~Days if the Authority requests that the Contractor obtain funding of the Capital Expenditure under paragraph 4.1 of Part 1].

2 Contractor Response

- 2.1 Subject to paragraph 2 (*Limits on Changes*) of Part 1 (*General Provisions*), within the period specified in the Authority Change Notice (or such other period as the parties may agree), the Contractor shall provide the Authority with a Contractor Response which shall include (where applicable) the following information:

Part 4 - High Value Changes

1 Notification and Specification

- 1.1 The Authority and the Contractor shall co-operate and collaborate to ensure that each party has early notification of the prospect of a High Value Change. Without prejudice to paragraph 1.2, the Authority shall involve the Contractor as early as is practicable in the specification of the High Value Change to ensure that the developed specifications reflect input from the Contractor and/or the relevant Contractor Parties.
- 1.2 The Authority may, at any time, issue a Authority Change Notice which shall state:
- (a) that it is a High Value Change and whether it is required as a result of a Change in Law or is a CAA Change; or
 - (b) that the High Value Change shall be valued either:
 - (i) by means of the Competitive Tendering Process or;
 - (ii) by means of the Benchmarking Process and whether input should be obtained from a reputable independent source or the Comparable Market; or
 - (iii) by means of valuation by an Independent Technical Adviser;
 - (c) if applicable, affordability thresholds for the proposed works or services comprising the relevant High Value Change;
 - (d) if applicable, a specification of any proposed works, in the same format and with similar detail as that provided in the Authority Construction Requirements wherever possible, and where not possible, in sufficient detail to allow the design and pricing of a solution to the High Value Change;
 - (e) if applicable, a specification of the proposed services (or any change to the Services), in the same format with similar detail as that provided in the Service Specifications wherever possible and, where not possible, in sufficient detail to allow the pricing of any required works and/or additional services (or change to a Service);
 - (f) the location for the works or services required;
 - (g) the timing of the works or services required;
 - (h) whether the Contractor is expected to provide maintenance and/or lifecycle services in respect of any additional works;
 - (i) an outline risk allocation matrix setting out the Authority's preferred risk profile in respect of the High Value Change ;

- (i) the agreed Project Management Fee in relation to the development of the Contractor Stage 1 Response and a reasonable period within which to discuss the same with the Authority pursuant to paragraph ~~4.1~~3.1;
 - (ii) the agreed Third Party Costs in relation to the development of the Contractor Stage 1 Response and a reasonable period within which to discuss the same with the Authority pursuant to paragraph ~~4.1~~3.1; and
 - (iii) the agreed date by which the Contractor Stage 1 Response shall be submitted which date shall reflect the complexity of the High Value Change and, where not agreed by the parties (each acting reasonably) shall be not more than [sixty (60)] Business Days from the date of the Authority Initial Confirmation; or
- (b) the Authority withdraws the Authority Change Notice.

2.4 The Contractor may charge a Project Management Fee for the time incurred by its employees in project managing the development, procurement and implementation of the High Value Change. The Project Management Fee shall:

- (a) be based on actual time spent (validated by timesheet records);
- (b) be calculated at the daily rates as set out in Part 5 of Appendix 2 (Project Management Fee) of this Change Protocol but capped at the sum set out in the Contractor Authority Stage 1 Confirmation;
- (c) not include the time of any person who is not an employee of the Contractor; or
- (d) not include any mark-up or profit cost or additional overheads;
- (e) be paid in two stages as follows:
 - (i) on the Authority issuing an Authority Stage 1 Confirmation pursuant to paragraph 4.2; and
 - (ii) on the Authority issuing an Authority Stage 2 Confirmation pursuant to paragraph 7.1(a) or withdrawing the High Value Change pursuant to paragraph 7.1(b).

and at each stage, the Contractor shall charge (subject to the applicable cap) only for the time incurred by its staff up to completion of that stage.

3 Contractor Stage 1 Response

3.1 Subject to paragraph 2 of Part 1 (*Limits on Changes*) of this Change Protocol, within the agreed period specified in the Authority Initial Confirmation Notice (or if no time is specified within thirty (30) Business Days) the Contractor shall submit a report (a **Contractor Stage 1 Response**), which shall (where applicable) include, but not be limited to, the following information which shall contain sufficient detail to enable the Authority to make an informed decision pursuant to paragraph 3 and shall take account of the Authority's affordability thresholds set out in the Authority Change Notice: