

SCHEDULE 8

Operational Pricing

1. Scope

- 1.1 This schedule describes the process for calculating the operational price for the provision of the Services and the mechanism for changing the basis on which the Charges are calculated.

2. Change Resource Allocation Pricing

- 2.1 The Service Provider will be paid a fixed Monthly amount in relation to the Change Resource Allocation (the “**Change Resource Allocation Charge**”), being *[Information Redacted]*.

3. Core IT operational Pricing

- 3.1 The Service Provider will be paid a fixed monthly amount in relation to Core IT Services (the “**Core IT Fixed Monthly Operational Charge**”), being *[Information Redacted]*.
- 3.2 Changes to this amount will be agreed through the Change Control Request Procedure based on the schedule of rates and costs set out in schedule 9 (Change Control Request Procedure).

4. Business Operations and Enforcement Operations Pricing

- 4.1 The Service Provider will be paid:
- (A) a fixed Monthly amount in relation to Business Operations (the “**Business Operations Fixed Monthly Operational Charge**”), being *[Information Redacted]*;
 - (B) a fixed Monthly amount in relation to Enforcement Operations (the “**Enforcement Operations Fixed Monthly Operational Charge**”), being *[Information Redacted]*;
 - (C) a fixed Monthly amount in relation to capital expenditure of the Service Provider in implementing the Business Operations (the “**Business Operations Fixed Monthly Capital Charge**”), being *[Information Redacted]*;
 - (D) a fixed Monthly amount in relation to capital expenditure of the Service Provider in implementing the Enforcement Operations (the “**Enforcement Operations Fixed Monthly Capital Charge**”), being *[Information Redacted]*;
 - (E) a variable Monthly amount (the “**Variable Monthly Operational Charge**”) based on the transaction volumes of certain processes carried out as part of the Services (the “**Priced Processes**”) and calculated in accordance with

paragraphs 4.4 to 4.7 (inclusive) below. Each Priced Process has a price per unit which is specific to a range of transaction volumes processed (the “**Volume Bands**”); and

(F) a fixed Monthly amount in relation to Core IT Services, Business Operations and Enforcement Operations (the “**Operational Indirect Fixed Charge**”), being **[[Information Redacted]]**.

4.2 Annex A to this schedule sets out the Priced Processes including the channels through which those processes will operate.

4.3 Annex B to this schedule sets out the Volume Bands for each Priced Process.

4.4 Subject to paragraphs 4.6 and 4.7, the Variable Monthly Charge for BOps and EOps will be calculated based on the price per unit for the Volume Band under which the service is operating (the “**Prevailing Volume Band**”) for each Priced Process, multiplied by the number of relevant units actually processed by the Service Provider in the relevant Month, where the actual number of transactions processed is equal to or greater than the lowest level as defined by the Prevailing Volume Band, (the “**Band Floor**”) and equal to or less than the highest volume of transactions in a Volume Band (the “**Band Ceiling**”). See worked example 1 below.

4.5 The initial Prevailing Volume Band for each Priced Process shall be determined by TfL based on the Scenario 1 Volume Bands and notified to the Service Provider prior to the Operational Commencement Date.

4.6 Where the volume of transactions for a Priced Process falls below the Band Floor, the volume of transactions for that Priced Process will be deemed to be the Band Floor volume of transactions for the purposes of calculating the Variable Monthly Charge. See worked example 2 below.

4.7 Where an event which could not have been reasonably foreseen by the Service Provider causes the volume of transactions for a Priced Process to increase significantly such that the total volume of transactions for the relevant Month exceeds the Band Ceiling this will be deemed to be a “**Sustained Event**”. In the instance of a Sustained Event the Variable Monthly Operational Charge will be calculated based on the price per unit for the Prevailing Volume Band under which the service is operating for each Priced Process, multiplied by the number of units actually processed by the Service Provider in the charging period plus reasonable costs actually and necessarily incurred by the Service Provider (such costs to be properly evidenced) in processing transaction volumes above the Band Ceiling in accordance with the Performance Management Regime, where such costs have not otherwise been recovered through the Service Charges. See worked example 3 below.

WORKED EXAMPLE 1 – PRICING FOR TRANSACTION VOLUMES WITHIN THE PREVAILING VOLUME BAND:

[[Information Redacted]]

WORKED EXAMPLE 2 – PRICING FOR TRANSACTION VOLUMES BELOW THE PREVAILING VOLUME BAND:

[Information Redacted]

WORKED EXAMPLE 3 – PRICING FOR TRANSACTION VOLUMES ABOVE THE PREVAILING VOLUME BAND:

[Information Redacted]

5. Process for changing Volume Bands

5.1 TfL may from time to time change either:

- (A) the Prevailing Volume Band; and/or
- (B) the Band Floor or Band Ceiling of the Prevailing Volume Band by up to ten percent (10)% provided that TfL shall only be entitled to make such changes once to each Volume Band,

for any one or more Priced Process as a Transaction Volume Change. Such a change will be at nil cost to TfL and will be instigated in accordance with the process set out in paragraph 5.2 below. For the avoidance of doubt, if TfL wishes to create Volume Bands additional to the Scenario 1 Volume Bands, such change and any change to the Monthly Operational Charge required as a result, shall be made in accordance with the Change Control Request Procedure.

5.2 TfL will give the Service Provider not less than one (1) Month's written notice of any such changes. During the period of such notice the Service Provider shall:

- (A) manage its resources to reflect the decreased or increased workload (as appropriate); and
- (B) continue to provide the Services in accordance with the Service Levels

5.3 The change to the Prevailing Volume Band shall take effect from the date of expiry of the notice given in accordance with paragraph 5.2.

5.4 At all times the Service Provider must process all transactions in accordance with the required Service Levels, regardless of the Band Ceiling of the Prevailing Volume Band for any Priced Process.

Annex A

Table 1: Unit Prices For Priced Processes

<i>Enforcement Processes:</i>	<i>Operations</i>	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6	Band 7	Band 8	Band 9	Band 10	Band 11	Band 12	Band 13	Band 14	Band 15	Band 16	Band 17	Band 18
		Price (£)	Price (£)	Price (£)	Price (£)	Price (£)	Price (£)	Price (£)	Price (£)	Price (£)	Price (£)	Price (£)	Price (£)	Price (£)	Price (£)	Price (£)	Price (£)	Price (£)	Price (£)
PCN Issue		[Information Redacted]																	
Process PCN Payment - Telephone																			
Process PCN Payment - OSE																			
Process PCN Payment - Postal																			
Process PCN Payment - Bailiff																			
Process PCN Payment - IVR																			
Process PCN Payment - Web																			
Request for Consideration - Telephone																			
Request for Consideration - Postal																			
Request for Consideration - Web/email																			
Post DVLA Manual Check																			
Representation Consideration																			
Appeal Consideration																			
Processing Statutory Declarations																			
Issue Charge Certificates																			
Debt Registrations																			
Warrant Requests																			
Processing N244s																			
Tracing of Returned PCNs																			

Business Operations Processes:	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6	Band 7	Band 8	Band 9	Band 10	Band 11	Band 12	Band 13	Band 14	Band 15	Band 16	Band 17	Band 18
	Price (£)	Price (£)	Price (£)	Price (£)	Price (£)	Price (£)	Price (£)	Price (£)	Price (£)	Price (£)	Price (£)	Price (£)	Price (£)	Price (£)	Price (£)	Price (£)	Price (£)	Price (£)
Standard Customer Registration - Post	[Information Redacted]																	
Standard Customer Registration - Call Centre																		
Standard Customer Registration - Web																		
LEZ customers Registration																		
SMS/Post-Pay (APP Registration - Web																		
SMS/Post-Pay (APP Registration - Post																		
SMS/Post-Pay (APP Registration - Phone																		
Billing Account Enquiries - Telephone																		
Billing Account Enquiries - Email / WEB																		
Billing Account Enquiries - Post																		
Fleet Customer Registration - Post																		
Fleet Customer Registration - Web																		
Selected Partner/Reimbursement Partner/Accredited Breakdown registration																		
Discount Cancellation/account closure																		
Blue Badge Registrations / affirmations																		
Blue Badge Nominations																		
Resident registrations / affirmations																		
EIC registrations / affirmations																		
Amendments to fleet accounts - Call Centre																		
Amendments to fleet accounts - Web																		
Amendments to fleet accounts - Post																		
Requests for consideration - Telephone																		
Requests for consideration - Post																		
Requests for consideration - Web/e-mail																		
Process Charge Payments - Telephone																		

Schedule 8 – Operational Pricing – Redacted Version

Business Operations Processes:	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6	Band 7	Band 8	Band 9	Band 10	Band 11	Band 12	Band 13	Band 14	Band 15	Band 16	Band 17	Band 18
	Price (£)	Price (£)	Price (£)	Price (£)	Price (£)	Price (£)	Price (£)	Price (£)	Price (£)	Price (£)	Price (£)	Price (£)	Price (£)	Price (£)	Price (£)	Price (£)	Price (£)	Price (£)
Process Charge Payments - IVR																		
Process Charge Payments - Metric																		
Process Charge Payments - Paypoint																		
Process Charge Payments - Postal																		
Process Charge Payments - SMS																		
Process Charge Payments - Web																		
Process Charge Payments - Automated Accounts																		
Process Charge Payments - Account using Telephone																		
Process Charge Payments - Account using IVR																		
Process Charge Payments - Account using Metric																		
Process Charge Payments - Account using Paypoint																		
Process Charge Payments - Account using Postal																		
Process Charge Payments - Account using SMS																		
Process Charge Payments - Account using Web																		
Tag Issue & Re-Issue																		
Tag Return and disposal																		
Tag Anomalies - Call Centre																		
Tag Anomalies - Post																		
Tag Anomalies - e-mail																		

[Information Redacted]

ANNEX B TABLE 1

Table 1: Band Summary

Enforcement Operations Processes (Bands 1-9):	Band 1		Band 2		Band 3		Band 4		Band 5		Band 6		Band 7		Band 8		Band 9	
	Floor	Ceiling	Floor	Ceiling	Floor	Ceiling	Floor	Ceiling	Floor	Ceiling	Floor	Ceiling	Floor	Ceiling	Floor	Ceiling	Floor	Ceiling
PCN Issue	[Information Redacted]																	
Process PCN Payment - Telephone																		
Process PCN Payment - OSE																		
Process PCN Payment - Postal																		
Process PCN Payment - Bailiff																		
Process PCN Payment - IVR																		
Process PCN Payment - Web																		
Request for Consideration - Telephone																		
Request for Consideration - Postal/Fax																		
Request for Consideration - Web/email																		
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Representation Consideration																		
Appeal Consideration																		
Processing Statutory Declarations																		
Issue Charge Certificates																		
Debt registrations																		
Warrant requests																		
Processing N244s																		
Tracing of Returned PCNs																		

Enforcement Operations Processes (Bands 10-18):	Band 10		Band 11		Band 12		Band 13		Band 14		Band 15		Band 16		Band 17		Band 18	
	Floor	Ceiling	Floor	Ceiling	Floor	Ceiling	Floor	Ceiling	Floor	Ceiling	Floor	Ceiling	Floor	Ceiling	Floor	Ceiling	Floor	Ceiling
PCN Issue	[Information Redacted]																	
Process PCN Payment - Telephone																		
Process PCN Payment - OSE																		
Process PCN Payment - Postal																		
Process PCN Payment - Bailiff																		
Process PCN Payment - IVR																		
Process PCN Payment - Web																		

Schedule 8 – Operational Pricing – Redacted Version

Enforcement Operations Processes (Bands 10-18):	Band 10		Band 11		Band 12		Band 13		Band 14		Band 15		Band 16		Band 17		Band 18	
	Floor	Ceiling	Floor	Ceiling	Floor	Ceiling	Floor	Ceiling	Floor	Ceiling	Floor	Ceiling	Floor	Ceiling	Floor	Ceiling	Floor	Ceiling
Request for Consideration - Telephone	[Information Redacted]																	
Request for Consideration - Postal/Fax																		
Request for Consideration - Web/email																		
Post DVLA Manual Check																		
Representation Consideration																		
Appeal Consideration																		
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Tracing of Returned PCNs																		

Business Operations Processes (Bands 1-9):	Band 1		Band 2		Band 3		Band 4		Band 5		Band 6		Band 7		Band 8		Band 9	
	Floor	Ceiling	Floor	Ceiling	Floor	Ceiling	Floor	Ceiling	Floor	Ceiling	Floor	Ceiling	Floor	Ceiling	Floor	Ceiling	Floor	Ceiling
Standard Customer Registration - Post	[Information Redacted]																	
Standard Customer Registration - Call Centre																		
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SMS / Post Pay (APP) Registration - Web																		
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Billing Account Enquiries - Post																		
Fleet Customer Registration - Post																		
Fleet Customer Registration - Web																		
Selected Partner/Reimbursement Partner/Accredited Breakdown registration																		
Discount Cancellation/account closure																		
Blue Badge Registrations / affirmations																		
Blue Badge Nominations																		
Resident registrations / affirmations																		

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Business Operations Processes (Bands 1-9):	Band 1		Band 2		Band 3		Band 4		Band 5		Band 6		Band 7		Band 8		Band 9	
	Floor	Ceiling	Floor	Ceiling	Floor	Ceiling	Floor	Ceiling	Floor	Ceiling	Floor	Ceiling	Floor	Ceiling	Floor	Ceiling	Floor	Ceiling
EIC registrations / affirmations	[Information Redacted]																	
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	Floor	Ceiling	Floor	Ceiling	Floor	Ceiling	Floor	Ceiling	Floor	Ceiling	Floor	Ceiling	Floor	Ceiling	Floor	Ceiling	Floor	Ceiling
Standard Customer Registration - Post																		
Standard Customer Registration - Call Centre																		
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	Floor	Ceiling	Floor	Ceiling	Floor	Ceiling	Floor	Ceiling	Floor	Ceiling	Floor	Ceiling	Floor	Ceiling	Floor	Ceiling	Floor	Ceiling
Process Charge Payments - Automated Accounts	[Information Redacted]																	
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