



APPENDIX [X]

**PREMIER SUPPLIER PROGRAMME
LONDON BOROUGH OF CROYDON COUNCIL**

**TEMPORARY ACCOMMODATION / [CONTRACT OR DN
REFERENCE]**

Introduction to The Premier Supplier Programme

The Premier Supplier Programme enables suppliers to be paid ahead of standard 30-day payment terms in exchange for a small rebate, which is typically lower than other financing options available.

The Council is able to offer the programme by utilising its cash balances and low borrowing costs. The Programme will benefit suppliers through:

- **Improved Cash Flow** - through payment ahead of standard terms
- **Process Efficiency** - through prioritised invoice processing and access to a dedicated contact mailbox
- **Reduced Credit Control Costs** - by reducing the time taken chasing payments
- **Pre-approved** – no impact on credit score or lengthy forms to complete
- **Support the Supply Chain** – ability to replicate cash flow benefits throughout your supply chain

Savings generated through the programme will support the protection of critical services. Suppliers are encouraged to support the programme in all Agreements/Contracts with the Council.

The programme is voluntary for all suppliers.

How The Premier Supplier Programme works

Invoices are paid ahead of contractual payment terms in exchange for a small rebate. The rebate is adjusted in proportion to how early the payment is made (between day 1 and 30).

The Council's target is to pay the programme suppliers on the 10th day after receiving a valid invoice, i.e. 20 days in advance of the standard 30-day term.

For example, if a supplier is successful in this tender submission and has offered a 1% deduction for payment on day 10, but received payment on day 20 following receipt of a valid invoice, then a 0.5% deduction would be made.

If payment is made on day 30, then no deduction would be made.

See below for an illustration of the rebate percentages that may be retained.

Should a winning bidder elect to participate in the programme, that supplier will be required to sign the Supplier Participation Agreement (SPA), which will apply to all Contracts between the supplier and Council unless otherwise agreed.

The **Invoice Received Date** is the date a valid invoice is received by the Council.

The **Invoice Payment date** is the date the payment leaves the Council's bank account and not the date on which it arrives in the supplier's bank account.

Daily Rebate Schedule

Number of days elapsed between the Invoice Received Date and the Invoice Payment Date	Rebate % deducted from the invoiced amount
0 (Date of Valid Invoice Receipt)	1.50%
1	1.45%
2	1.40%
3	1.35%
4	1.30%
5	1.25%
6	1.20%
7	1.15%
8	1.10%
9	1.05%
10 (Target Day)	1.00%
11	0.95%
12	0.90%
13	0.85%
14	0.80%
15	0.75%
16	0.70%
17	0.65%
18	0.60%
19	0.55%
20	0.50%
21	0.45%
22	0.40%
23	0.35%
24	0.30%
25	0.25%
26	0.20%
27	0.15%
28	0.10%
29	0.05%
30 (Standard Term Day)	0.00%

Sample Supplier Participation Agreement

If the bidder agrees to participate in the programme and awarded the contract, the Supplier will be required to complete a Supplier Participation Agreement at the point of award.

“COUNCIL”	[COUNCIL NAME] whose registered office is at [INSERT ADDRESS] (the “[Council]”); and
“SUPPLIER”	[NAME OF SUPPLIER] [trading as [TRADING NAME]] (registered number [COMPANY NUMBER]) whose registered office is at [ADDRESS] (the “Supplier”).
REBATE RATE AGREED:	[REBATE RATE OFFERED IN BID SUBMISSION]
EFFECTIVE DATE:	[DATE SIGNED]
EXCLUSIONS & INCLUSIONS:	[IF THE SUPPLIER WISHES TO EXEMPT ANY CONTRACTS FROM THE PROGRAMME, PLEASE INCLUDE ANY PURCHASE ORDER NUMBERS RELATED TO THOSE EXEMPT CONTRACTS]

Number of days elapsed between the Calculation Trigger Date and the Invoice Payment Date	% of the amount owed that may be deducted and retained by the Council as the Rebate
0	1.50%
1	1.45%
2	1.40%
3	1.35%
4	1.30%
5	1.25%
6	1.20%
7	1.15%
8	1.10%
9	1.05%
10 (Target Day)	1.00%
11	0.95%
12	0.90%
13	0.85%
14	0.80%
15	0.75%
16	0.70%
17	0.65%
18	0.60%
19	0.55%
20	0.50%
21	0.45%
22	0.40%
23	0.35%
24	0.30%
25	0.25%
26	0.20%
27	0.15%
28	0.10%
29	0.05%
30	0.00%

The “**Calculation Trigger Date**” is: for any undisputed Invoiced Debt, the date the relevant invoice is received by [Council], such date being the date recorded in the Council’s accounts payable system as the registration date. [For any disputed Invoiced Debt, the Calculation Trigger Date shall be the date on which the dispute has been resolved to the mutual satisfaction of the parties.];

The “**Invoice Payment Date**” is: the date on which the Council executes its payment run in respect of the relevant Invoiced Debt.

BACKGROUND

The parties have entered into one or more contracts for goods, services and/or works, in accordance with which [Council] is the beneficiary of those goods, services and/or works and the Supplier is the provider of those goods, services and/or works.

processes, enhanced supplier relationships and the opportunity to benefit from the early payment of their invoices.

[Council] has introduced a programme, the [Programme Name] of improvements in [Council]’s purchase-to-pay

The Supplier has agreed to participate in [Council]’s [Programme Name] and accordingly to operate on varied payment terms in respect of those various contracts on the terms and conditions as set out in this Agreement.

DEFINITIONS AND INTERPRETATION

In this Agreement, the following words and expressions have the following meanings unless the context otherwise requires:

<p>“Calculation Trigger Date”</p>	<p>For any undisputed Invoiced Debt, the date the relevant invoice is received by [Council], such date being the date recorded in [Council]’s accounts payable system as the registration date. [For any disputed Invoiced Debt, the Calculation Trigger Date shall be the date on which the dispute has been resolved to the mutual satisfaction of the parties.];</p>
<p>“Contracts”</p>	<p>all contracts that have been entered into between [Council] and the Supplier, including those which are created via the issue of a purchase order, or otherwise entered into before, on or after the Effective Date, excluding any preexisting agreements entered into between the Council and the Supplier that contain restrictive or non-standard payment terms. Any exemptions to this Agreement are to be identified in Schedule Error! Reference source not found.;</p>
<p>“Effective Date”</p>	<p>[the date of this Agreement/[DATE]];</p>
<p>“Invoiced Debt”</p>	<p>the Price payable by [Council] for services (including, without limitation, all fees, charges, expenses and other sums invoiced, including any applicable VAT and other taxes), that:</p> <p>(a) has been invoiced to [Council] by the Supplier but remains unpaid as at the Effective Date; or (b) is invoiced to [Council] by the Supplier on or after the Effective Date;</p>
<p>“Invoice Payment Date”</p>	<p>The date on which [Council] executes its payment run in respect of the relevant Invoiced Debt;</p>
<p>Calculation of Rebate</p>	<p>The Rebate is calculated by establishing the number of days that have elapsed between the Calculation Trigger Date and the Invoice Payment Date and comparing the number of days elapsed within the first column of the table above to determine the Rebate to be applied to the invoiced amounts. The Rebate percentage (%) is calculated to 14 decimal places and it is this value that is applied in all calculations. However, for simplicity, the Rebate % displayed in the table above has been rounded to 2 decimal places. Rebates applied to invoices are calculated at an invoice line-item level. Rebates are applied in the manner described at (a) immediately above, against the value of each line item. The result of this calculation is rounded to the nearest pence. Once the Rebates for all line items have been calculated, they are aggregated to provide the total Rebate value to be deducted from the Supplier’s invoice on early payment of the invoice. The Council shall issue a debit note indicating the value of the Rebate that has been applied.</p>

the background section and all headings are for ease of reference only and will not affect the construction or interpretation of this Agreement.

TERM

This Agreement will commence on the Effective Date and will continue for a minimum period of the Contract and will continue thereafter unless and until terminated by either party giving not less than six (6) months' written notice to that effect to the other party, such termination to be effective no earlier than the date that is the termination of the contract.

PARTICIPATION IN [PROGRAMME NAME] – GOODS & SERVICES CONTRACTS

Notwithstanding the terms of the Contracts, the parties agree to vary, for the duration of the term of this Agreement, those terms of the Contracts which relate to payments (and the timing of payments) as follows:

the Supplier acknowledges and agrees that in consideration of [Council] paying an Invoiced Debt owed to the Supplier under or in connection with a Contract prior to the date by which such payment would otherwise be required to be made under the terms of that Contract, [Council] shall be entitled to deduct and retain from that Invoiced Debt, for its own benefit, the Rebate.

for the avoidance of doubt, nothing in this Agreement shall:

affect the date by which payment of an Invoiced Debt is required to be made by [Council]; or

require [Council] to make early payment to the Supplier in respect of any Invoiced Debt; and

the Contracts will continue in full force and effect as amended by this Agreement.

where there is any conflict or inconsistency between the provisions of this Agreement and the Contracts, the provisions of this Agreement shall take precedence.

On termination of this Agreement:

to the extent that any provisions of a Contract have been varied by the operation of clause 0, such provisions shall be deemed to be further varied so as to revert to the language existing immediately prior to the operation of this Agreement; and

in respect of any Invoiced Debts that remain unpaid as at the date of termination of this Agreement, the terms of this Agreement shall survive termination in respect of such Invoiced Debts until payment has been affected.

This Agreement does not release any party to it from any breaches of a Contract existing at the date of this Agreement, or in the future, or affect any existing rights that have accrued under a Contract prior to the date of this Agreement.

This Agreement shall continue to apply to all Invoiced Debts that remain unpaid up to and including the date of expiry or termination of this Agreement (including where a Contract has terminated or expired).

INCORRECT APPLICATION OF REBATES

In the event the Supplier, acting reasonably, considers that [Council] has incorrectly applied a Rebate it shall raise a query in respect of that Rebate with [Council]'s accounts payable team (whose details will be provided to the Supplier by [Council], as

any reference to writing or written includes e-mail.

updated from time to time) within seven (7) days of the relevant payment being received by the Supplier.

If the Supplier does not raise a genuine query under clause 4.1 within seven (7) days of the relevant Rebate being applied, [Council] shall be deemed to have applied the Rebate correctly in that instance and shall be entitled to retain that Rebate.

The parties shall use reasonable endeavors to resolve any query raised in accordance with clause 4.1 in a timely manner, including making relevant personnel available for the purpose.

SET OFF

[Council] may retain or set off any sums owed to it by the Supplier which have fallen due and payable against any sums due to the Supplier under a Contract

COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which will constitute an original, but which will together constitute one agreement.

RIGHTS OF THIRD PARTIES

The parties do not intend that any term of this Agreement will be enforceable under the Contracts (Rights of Third Parties) Act 1999 by any person.

GOVERNING LAW

This Agreement and any non-contractual obligations arising out of or in connection with it will be governed by the law of England and Wales.

JURISDICTION

The courts of England and Wales have exclusive jurisdiction to determine any dispute arising out of or in connection with this Agreement, including in relation to any non-contractual obligations.

SIGNED BY or on behalf of the parties on the date stated at the beginning of this Agreement.

Signed by

[NAME OF DIRECTOR/OFFICER]
for and on behalf of
[NAME OF COUNCIL]

.....

Signature of director/officer

Signed by
[NAME OF DIRECTOR/OFFICER]
for and on behalf of
[NAME OF SUPPLIER]

.....

Signature of director/officer

Schedule 1