# Appendix 8

# SIS Sample Supplier Participation Agreement

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|---|---|
| **Tender Reference No:** | RB/LCC/CAS/25/1957 |
| **Tender Title:** | Plant & Vehicle Hire (Operated & Non-Operated) and Associated Services |

# Supplier Incentive Scheme
# Sample Supplier Participation Agreement

Dated

(1) LANCASHIRE COUNTY COUNCIL

(2) [NAME OF SUPPLIER]

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## Supplier Participation Agreement (variation to payment terms) – Supplier Incentive Scheme

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**THIS AGREEMENT** is made on 2026

**BETWEEN**

(1) LANCASHIRE COUNTY COUNCIL of PO Box 100, County Hall, Preston PR1 0LD (the **"Authority"**); and

(2) [NAME OF SUPPLIER] [trading as [TRADING NAME]] (registered number [COMPANY NUMBER]) whose registered office is at [ADDRESS] (the **"Supplier"**).

**BACKGROUND**

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

(B) The Authority has introduced a programme, the "Supplier Incentive Scheme" of improvements in the Authority's purchase-to-pay processes, enhanced supplier relationships and the opportunity to benefit from the early payment of their invoices.

(C) The Supplier has agreed to participate in the Authority's "Supplier Incentive Scheme" 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.

**OPERATIVE PROVISIONS**

**1. DEFINITIONS AND INTERPRETATION**

In this Agreement:

**1.1** the following words and expressions have the following meanings unless the context otherwise requires:

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| **"Calculation Trigger Date"** | For any undisputed Invoiced Debt, the date the relevant invoice is received by the Authority, such date being the date recorded in the Authority'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; |
| **"Contracts"** | all contracts that have been entered into between the Authority 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. Any exemptions to this Agreement are to be identified in Schedule 1; |
| **"Effective Date"** | [the date of this Agreement/[DATE]]; |
| **"Invoiced Debt"** | the price payable by the Authority for service under a Contract (including, without limitation, all fees, |

| | |
|---|---|
| | charges, expenses and other sums invoiced, including any applicable VAT and other taxes), that:<br><br>(a) has been invoiced to the Authority by the Supplier but remains unpaid as at the Effective Date; or<br><br>(b) is invoiced to the Authority by the Supplier on or after the Effective Date; |
| **"Invoice Payment Date"** | The date on which the Authority executes its payment run in respect of the relevant Invoiced Debt; |
| **"Rebate"** | In respect of any Invoiced Debt, such percentage of that Invoiced Debt that is calculated in accordance with Schedule 2. |

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

**1.3** any reference to writing or written includes e-mail.

**2. TERM**

This Agreement will terminate in the case of each individual Contract where that Contract naturally expires or is the subject of earlier termination.

**3. PARTICIPATION IN THE SUPPLIER INCENTIVE SCHEME**

**3.1** Notwithstanding the terms of the Contracts and in consideration of the mutual promises set out in this Agreement, the parties agree to vary, for the duration of the term of the respective Contracts, those terms of the Contracts which relate to payments (and the timing of payments) as follows:

**3.1.1** the Supplier acknowledges and agrees that in consideration of the Authority 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, the Authority shall be entitled to deduct and retain from that Invoiced Debt, for its own benefit, the Rebate.

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

**3.1.2.1** affect the date by which payment of an Invoiced Debt is required to be made by the Authority; or

**3.1.2.2** require the Authority to make early payment to the Supplier in respect of any Invoiced Debt; and

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

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

**3.2** 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.

**3.3** 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).

## 4. PARTICIPATION IN THE SUPPLIER INCENTIVE SCHEME

**Incorrect Application of Rebates**

**4.1** In the event the Supplier, acting reasonably, considers that the Authority has incorrectly applied a Rebate it shall raise a query in respect of that Rebate with the Authority's accounts payable team (whose details will be provided to the Supplier by the Authority, as updated from time to time) within seven (7) days of the relevant payment being received by the Supplier.

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

**4.3** 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.

## 5. SET OFF

The Authority 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

## 6. 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. Each party agrees to sign this Agreement by manuscript or electronic signature (whatever form the electronic signature takes) and that each method of signature is as conclusive of each Party's intention to be bound by this Agreement.

## 7. 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.

## 8. 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.

**9. 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
**LANCASHIRE COUNTY 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**

Exempt Contracts

## SCHEDULE 2

### Rebates which the Authority may deduct and retain – standard goods and services 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 authority as the Rebate: (rebates based on target payment day 10)<br>*Note: the actual agreement issued will only contain the rebate column that corresponds to the rebate offered* | | | | |
|---|---|---|---|---|---|
| | Rebate Offered: | | | | |
| | **0.50%** | **1.00%** | **1.25%** | **1.50%** | **2.00%** |
| 0 | 0.75% | 1.50% | 1.88% | 2.25% | 3.00% |
| 1 | 0.73% | 1.45% | 1.81% | 2.18% | 2.90% |
| 2 | 0.70% | 1.40% | 1.75% | 2.10% | 2.80% |
| 3 | 0.68% | 1.35% | 1.69% | 2.03% | 2.70% |
| 4 | 0.65% | 1.30% | 1.63% | 1.95% | 2.60% |
| 5 | 0.63% | 1.25% | 1.56% | 1.88% | 2.50% |
| 6 | 0.60% | 1.20% | 1.50% | 1.80% | 2.40% |
| 7 | 0.58% | 1.15% | 1.44% | 1.73% | 2.30% |
| 8 | 0.55% | 1.10% | 1.38% | 1.65% | 2.20% |
| 9 | 0.53% | 1.05% | 1.31% | 1.58% | 2.10% |
| **10 (Target Day)** | **0.50%** | **1.00%** | **1.25%** | **1.50%** | **2.00%** |
| 11 | 0.48% | 0.95% | 1.19% | 1.43% | 1.90% |
| 12 | 0.45% | 0.90% | 1.13% | 1.35% | 1.80% |
| 13 | 0.43% | 0.85% | 1.06% | 1.28% | 1.70% |
| 14 | 0.40% | 0.80% | 1.00% | 1.20% | 1.60% |
| 15 | 0.38% | 0.75% | 0.94% | 1.13% | 1.50% |
| 16 | 0.35% | 0.70% | 0.88% | 1.05% | 1.40% |
| 17 | 0.33% | 0.65% | 0.81% | 0.98% | 1.30% |
| 18 | 0.30% | 0.60% | 0.75% | 0.90% | 1.20% |
| 19 | 0.28% | 0.55% | 0.69% | 0.83% | 1.10% |
| 20 | 0.25% | 0.50% | 0.63% | 0.75% | 1.00% |
| 21 | 0.23% | 0.45% | 0.56% | 0.68% | 0.90% |
| 22 | 0.20% | 0.40% | 0.50% | 0.60% | 0.80% |
| 23 | 0.18% | 0.35% | 0.44% | 0.53% | 0.70% |
| 24 | 0.15% | 0.30% | 0.38% | 0.45% | 0.60% |
| 25 | 0.13% | 0.25% | 0.31% | 0.38% | 0.50% |
| 26 | 0.10% | 0.20% | 0.25% | 0.30% | 0.40% |
| 27 | 0.08% | 0.15% | 0.19% | 0.23% | 0.30% |
| 28 | 0.05% | 0.10% | 0.13% | 0.15% | 0.20% |
| 29 | 0.03% | 0.05% | 0.06% | 0.08% | 0.10% |
| 30 | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

1. Calculation of the Rebate

    a. 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.

    b. 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.

2. The Authority shall issue a debit note indicating the value of the Rebate that has been applied.