Award Form

This Award Form creates this Contract. It summarises the main features of the procurement and includes the Buyer and the Supplier's contact details.

1.	**Buyer**	The Department for Transport on behalf of the Secretary of State for Transport (the Buyer). [redacted]
2.	**Supplier**	Name: I C Consultants Ltd Address: [redacted] Registration number: [redacted] SID4GOV ID: [redacted]
3.	**Contract**	This Contract between the Buyer and the Supplier is for the supply of Deliverables, being the Provision of Research Services for TAED Phase 2 – Re-estimating agglomeration parameters and datasets- see Schedule 2 (Specification) for full details. This opportunity is advertised in this Contract Notice in Find A Tender, reference 2025/S 000-004771 (FTS Contract Notice).
4.	**Contract reference**	TANL3044
5.	**Buyer Cause**	Any material breach of the obligations of the Buyer or any other default, act, omission, negligence or statement of the Buyer, of its employees, servants, agents in connection with or in relation to the subject-matter of this Contract and in respect of which the Buyer is liable to the Supplier.
6.	**Collaborative working principles**	The Collaborative Working Principles apply to this Contract. See Clause 3.1.3 for further details.

7.	**Financial Transparency Objectives**	The Financial Transparency Objectives do not apply to this Contract. See Clause 6.3 for further details.
8.	**Start Date**	1st April 2025
9.	**Expiry Date**	31st March 2026
10.	**Extension Period**	DfT has option to extend this contract for a further maximum period of 12 months. Extension exercised where the Buyer gives the Supplier no less than 3 Months written notice before this Contract expires
11.	**Ending this Contract without a reason**	The Buyer shall be able to terminate this Contract in accordance with Clause 14.3.
12.	**Incorporated Terms** (together these documents form the **"this Contract"**)	The following documents are incorporated into this Contract. Where numbers are missing we are not using these Schedules. If there is any conflict, the following order of precedence applies: (a) This Award Form (b) Any Special Terms (see **Section 14 (Special Terms)** in this Award Form) (c) Core Terms (d) Schedule 36 (Intellectual Property Rights) (e) Schedule 1 (Definitions) (f) Schedule 6 (Transparency Reports) – nor required (g) Schedule 20 (Processing Data) (i) Schedule 2 (Specification) (ii) Schedule 3 (Charges) (iii) Schedule 5 (Commercially Sensitive Information) (iv) Schedule 7 (Staff Transfer) (v) Schedule 21 (Variation Form) (vi) Schedule 22 (Insurance Requirements) (vii) Schedule 25 (Rectification Plan) (viii) Schedule 26 (Sustainability) (ix) Schedule 29 (Key Supplier Staff)

		(h) Schedule 4 (Tender), unless any part of the Tender offers a better commercial position for the Buyer (as decided by the Buyer, in its absolute discretion), in which case that part of the Tender will take precedence over the documents above.
13.	**Special Terms**	Special Term 1 - Clause 3.1.2 of the Core Terms will not apply to this contract. Instead, the following will apply: A warranty as stated in this clause will not be required as this will be resolved by the internal review and external peer review for draft method and draft final outputs as mentioned in the Statement of Requirements.
		Special Term 2 - Clauses 3.3.7 of the Core Terms will not apply to this contract. Instead, Supplier should refer and adhere to Section 7 'Key Milestones and Deliverables' and Section 12 'Service levels and performance' of the Statement of Requirements.
		Special Term 3 - Schedule 36 – Clause 2 The Supplier does not grant any licence to or any interest in any Supplier Existing IPR to the Buyer. The Supplier warrants that a licence to any Supplier Existing IPR used in the performance of the Services shall not be required by the Buyer in order to utilise any Deliverable
14.	**Buyer's Environmental Policy**	DfT Corporate Environmental Policy.
15.	**Social Value Commitment**	The Supplier agrees, in providing the Deliverables and performing its obligations under this Contract, to deliver the Social Value outcomes in Schedule 4 (Tender) and provide the Social Value Reports as set out in Schedule 26 (Sustainability)
16.	**Buyer's Security Requirements and Security and ICT Policy**	**Security Policy:** Security policy.pdf
17.	**Charges**	The Charges for any Deliverables under this contract is [redacted] as set out in the Supplier's tender dated [redacted] Indexation is not applicable Details in Schedule 3 (Charges)

18.	**Estimated Year 1 Charges**	[redacted]
19.	**Reimbursable expenses**	Recoverable as set out in Schedule 3 (Charges)
20.	**Payment method**	Suppliers must be in possession of a written purchase order (PO), before commencing any work under this contract. The Purchase Order Number for this contract will be generated after the contract has been signed by both parties. You must quote the aforementioned PO number on all invoices, and these must be submitted as a PDF by email directly to: [redacted] [redacted] [redacted] To avoid delay in payment it is important that the invoice is compliant and that it includes a valid PO Number, PO Number item number (if applicable) and the details (name and telephone number) of your Buyer contact (i.e. Contract Manager). Non-compliant invoices will be sent back to you, which may lead to a delay in payment. [redacted]
21.	**Service Levels**	Not applicable
22.	**Liability**	[redacted]

		[redacted]
23.	**Cyber Essentials Certification**	Not required
24.	**Progress Meetings and Progress Reports**	The Supplier shall attend Progress Meetings with the Buyer every fortnight as per the Specification. The Supplier shall provide the Buyer with Progress Reports on at least a monthly basis. This can take the form of slide packs presented at fortnightly meetings.
25.	**Guarantor**	Not applicable
26.	**Virtual Library**	Not applicable
27.	**Supplier's Contract Manager**	[redacted]
28.	**Supplier Authorised Representative**	[redacted]
29.	**Supplier Compliance Officer**	[redacted]
30.	**Supplier Data Protection Officer**	[redacted]

31.	**Supplier Marketing Contact**	[redacted]
32.	**Key Subcontractors**	**Not Applicable**
33.	**Buyer Authorised Representative**	[redacted]

For and on behalf of the Supplier:	**For and on behalf of the Buyer, The Department for Transport:**

[redacted]

1. PURPOSE

1.1 The Department for Transport (DfT or 'the Department) is seeking to commission research that will carry out a large scale re-estimation of the agglomeration parameters and related datasets in the Transport Appraisal Guidance (TAG). This will enable DfT to update TAG accordingly, including updating the parameters, datasets as well as the methodology for appraising agglomeration impacts where applicable.

1.2 This contract will be subject to the Terms and Conditions of the DfT's Mid-Tier Contract.

2. BACKGROUND TO THE CONTRACTING AUTHORITY

2.1 Transport systems touch the lives of everyone in this country: it reunites families; takes people to work every day; and keeps fresh food on the shelves of our supermarkets. Directly and indirectly, transport is the lynchpin of how we go about our lives – and it is never out of the spotlight.

2.2 The DfT and our agencies employ around 15,000 staff, of who about 3,000 are in the core Department, and we have the largest and most complex capital project portfolio in Government, delivery principally through delivery partners including Network Rail, HS2 Ltd and Highways England.

2.3 The Department has five strategic priorities which support the government's missions to kickstart economic growth and breaking down barriers to opportunity:

2.3.1 improving performance on the railways and driving forward rail reform

2.3.2 improving bus services and growing usage across the country

2.3.3 transforming infrastructure to work for the whole country, promoting social mobility and tackling regional inequality

2.3.4 delivering greener transport

2.3.5 better integrating transport networks

3. BACKGROUND TO REQUIREMENT

3.1 This procurement is being commissioned by the DfT. This work is led out of the Transport Appraisal and Strategic Modelling Division (TASM). The TASM division sits at the heart of DfT, as part of the central Analysis Directorate. TASM has oversight of Transport Analysis Guidance (TAG) and is responsible for maintaining and developing it to make sure it remains a fit for purpose, robust and cutting-edge framework for project appraisal. TAG is based on HMT Green Book principles.

3.2 The DfT's wider economic impacts transport analysis guidance (TAG A2 units) contains guidance on how to estimate agglomeration impacts – the relationship between how well connected an area is and how productive its workers are. DfT is the only department to have an evidence base to estimate these impacts. The evidence base and method underpinning the guidance were developed in 2009/10 as a first attempt to capture agglomeration impacts within transport appraisal.

3.3 However, in recent years there has been increasing criticism about the quality and scope of the evidence. In particular, since 2009/10 better data sources and evidence are now available, as well as state of the art modelling tools which could be applied to make the estimates more robust. In addition, there is potential to address concerns raised by practitioners about the current method, and widen the scope of what is captured in appraisal.

3.4 Recently, the Department commissioned research on Transport Appraisal and Economic Density (TAED) – Scoping Study (published in October 2024) where the primary aim of which was to scope future empirical research on agglomeration.

3.5 The TAED scoping study reviewed developments in the literature on agglomeration and transport appraisal, specifically, in relation to some key themes identified by the DfT as areas of improvement for the wider economic impacts appraisal framework. The underlying aim of that study was to assess whether and how these could be incorporated in the scope for a future re-estimation study, and it made recommendations to that effect. **The primary aim of this requirement is to implement the recommendations of the scoping study**.

3.6 The TAED scoping study was the culmination of research efforts led by TASM over the past several years, including:

3.6.1 Review of the existing academic literature on agglomeration elasticities and recommendations for future work, published in May 2018

3.6.2 The DfT commissioned a further study to estimate new elasticities, using an innovative spatial econometrics approach. The results were outside the range found in literature, and not taken forward into guidance. This is not yet published but will be made available to bidders on a confidential basis.

3.6.3 Four smaller research projects to understand the impact of COVID-19 on agglomeration, and the state of the agglomeration guidance more generally:

(a) Laird & Tveter (2022) explored potential COVID-19 impacts from a conceptual standpoint. This was published in April 2022.

(b) An overall review of TAG Unit A2.4 by Laird & Tveter (2023) exploring various ways to improve the guidance such as reflecting the localisation and amenity effects of

agglomeration, and the impact on the public sector. This was published in October 2024.

(c) A study covering a range of hypothetical case studies, by Simmonds (2023), tested the possible impacts on different transport schemes' agglomeration benefits. This was published in October 2024.

(d) A review of public sector agglomeration benefits by Laird & Tveter (2024). This was published in October 2024.

4. DEFINITIONS

Expression or Acronym	Definition
DfT or "the Department"	Department for Transport
DfTc	Department for Transport Central – the central part of the department excluding its agencies, public bodies etc.
MVP	Minimum viable product – the elements of the specification that the supplier must deliver.
TAED	Transport Appraisal and Economic Density
"TAED phase 1" or "TAED scoping study" or "scoping study"	Refers to the scoping study that underpins the requirement for TAED phase 2.
TAED Phase 2	Refers to the second phase of this research programme, which is informed by the recommendations made in phase 1.
TASM	Transport Appraisal and Strategic Modelling Division
TAG	DfT's Transport Analysis Guidance
WEIs	Wider economic impacts

5. SCOPE OF REQUIREMENT

5.1 The DfT invites submissions for a competitive tender process for meeting the following primary research objective:

5.1.1 Implement the recommendations the TAED scoping study by carrying out a large scale re-estimation of the agglomeration parameters and accompanying datasets.

5.2 The research also has the following secondary objectives:

5.2.1 Provide advice on the required revisions to the methodology for appraising agglomeration impacts as set out in TAG units 2.1 and 2.4, and wider impacts in transport appraisal (WITA) datasets and software.

5.2.2 Deliver a step change in the 'out of the box' capability and transparency provided by the new estimates and datasets.

5.2.3 Support the Department's strategic objectives set out in 2.3 and "excellence in delivery".

5.3 In addition, the Department recognises that this research could also benefit appraisal for other wider economic impacts (WEIs). To that end, there is an option to extend the contract by up to 12 months for follow on work to update the productivity differentials used to appraise employment effects from move to more productive jobs (see TAG Unit A2.3 employment effects). More details on the extension and pricing can be found in Section 10 (Price).

6. THE REQUIREMENT

6.1 This section is qualitative to ensure clarity on the specification for prospective suppliers. However, the reports referenced in Section 3 (e.g. TAED scoping study) which provide more technical detail will be made available to assist in developing bids.

6.2 In meeting the primary and secondary objectives, the requirement sets out a clear 'minimum viable product' (MVP) which will set out 'must haves'. All other features can be assumed to be 'should haves' (i.e. non-MVP).

6.3 Within the MVP, the Department acknowledges that due the nature of the requirement, the end outputs are inherently uncertain. This applies to potential requirements which have different levels of ambition and difficulty to achieve. The Department also expects that there will also be a high degree of co-design between the appointed supplier and the Department, and iteration as project progresses.

6.4 For these reasons, the MVP also includes requirements that would be implementable if all else fails (e.g. for example some estimated parameters and dataset are not robust enough to use in TAG for a variety of reasons). In such cases, the supplier should also develop estimation methods and/or processes that would set up a future project for success (e.g. subject to data requirements). Section 7 provides more detail on anticipated ways of working between the Department and the supplier.

6.5 The core part of the requirement is set out on Table 6.1 (pages 10-20). For each feature the table sets out the current approach in TAG, the proposed changes that will require re-estimation of the agglomeration parameters and datasets, and whether the feature is part of the MVP. The aim of Table 6.1 is to demonstrate the coherence of the proposed changes and clearly identify features (and sub-features where appropriate) which are part of the MVP.

6.6 The features, which roughly map onto the recommendations set out in the TAED Scoping Study are as follows:

6.6.1 **Scope and application of methodology:** how productivity impacts should be appraised in TAG.

6.6.2 **Addressing double counting:** attempts to address double counting issues with other TAG impacts (e.g. user benefits, output change under imperfect competition) that may arise when estimating agglomeration parameters and/or when used to appraise productivity impacts in TAG.

6.6.3 **Access to economic mass (ATEM) calculations:** the method used to estimate productivity impacts from agglomeration, where ATEM is a proxy for market size. This is also what is known as 'effective density' – a measure of economic mass – used in TAG unit A2.4.

6.6.4 **Incorporating other benefits of density into ATEM calculations**: refers to the inclusion of 'real density' (e.g. actual density of workers per spatial area) or trips in order to capture increase in interactions following a transport intervention.

6.6.5 **Spatial zoning and aggregation:** refers to the geographic coverage and spatial units used to appraise productivity impacts.

6.6.6 **Addressing endogeneity:** refers to the econometrics methods used to control for reverse causality and confounding factors that may explain the appearance of a causal relationship between two variables.

6.6.7 **Non-linearity:** where agglomeration effects scale non-linearly with city size.

6.6.8 **Heterogeneity:** where agglomeration effects vary by a range of characteristics (e.g. sector, settlement size).

6.6.9 **Considering impacts of Covid-19:** considering the impacts of covid-19 on agglomeration, following on from the conceptual review by Laird & Tveter (2022).

6.7 In addition, there are several data requirements. This is because the estimation process for the parameters and datasets will require a panel dataset (observations for different locations across time) at a sufficiently spatially granular spatial level (middle layer super output (MSOA)). The exact requirements can be agreed with the appointed

supplier at project inception and are likely to evolve throughout the project lifecycle, but the Department expects suppliers to set out the data required and available datasets as part of their response:

6.7.1 Access to the ONS microdata via the UK data service (e.g. Secure Research Service and successor Integrated Data Service). This is essential as estimating the elasticities and datasets requires access to ONS microdata on wages (Annual Survey of Hours and Earnings) and firm productivity (Annual Respondents Database X) The supplier must have accreditation to access the data. In addition, the supplier should account for lead times in the project plan to access the data (see Section 7 for details), and adhere to data protection requirements where relevant (see section 13).

6.7.2 Origin-destination matrices of travel time, costs and employment data. This should capture different modes such as walking / active travel, car, bus, rail, light rail/tram and metro.

6.7.3 Travel/trip volumes, which could make use of GPS and mobile data.

6.7.4 The Department can also provide the supplier with access to some of the datasets described in 6.7.2 and 6.7.3 where required (e.g. INRIX, Teletrac Navman, mobile phone data for road and rail).

6.8 The anticipated outputs of the research are set out below. To note that where breakdowns (e.g. geographic, industry) are specified – these are based on the ideal MVP outcome. However, as set out earlier, what is achievable depends on the robustness of the estimated parameters and datasets which will be determined during the project:

6.8.1 Technical report. This should include a summary for policy makers, then detail on the methodology, estimation process and results, and advice on implementation in TAG and WITA. Where relevant estimation processes/methods that would set up a future estimation project should also be included. This will be published on gov.uk.

6.8.2 Independent peer reviews of the methodology underpinning the parameters and datasets, and the output parameters and datasets. This will be commissioned separately by the Department and published on gov.uk.

6.8.3 Full open dataset which includes base matrix used in estimation for modelling purposes at middle layer super output (MSOA) level. This will include origin-destination (OD) pairs with travel times, costs, and employment data. This will be published on gov.uk, as part of the TAG: economic impacts worksheets page.

6.8.4 Updated productivity and employment dataset to be used in agglomeration calculations at local authority district (LAD) level, split between inner and outer zones for selected LADs, and industry sector. This will be published on gov.uk as part of the TAG: economic impacts worksheets page.

6.8.5 Source code repository for estimating the parameters and datasets. This will become intellectual property of the DfT (subject to proprietary issues), and published on the Department's GitHub.

6.9 In addition to meeting the primary and secondary objectives, as set out in Section 5.3, the supplier should also set their approach to re-estimating the productivity differentials used to appraise the impacts of move to more/less productive jobs (M2MPJ).

6.10 In setting out the approach, the supplier should consider the recommendations made by Laird, Venables and Johnson (2020) on M2MPJ, published here. The paper reviews the existing methods set out in transport analysis guidance (TAG), and whether these practices are still relevant. Section 7 in that paper sets this out in detail, but in summary:

6.10.1 The current differentials, whilst consistent with the methods employed at the time, would no longer be viewed as robust – given how methods and understanding of the biases has improved since 2008.

6.10.2 The original study is comparable to other studies e.g. Gibbons et al. (2014).

6.10.3 The ideal level of disaggregation in the productivity differentials for M2MLPJ is very demanding, and will be difficult to achieve with existing datasets.

6.10.4 An alternative to empirically estimating the M2MLPJ productivity differentials would be to focus on the aspect of the differential arising due to agglomeration (rather than endowment) differences, and use an agglomeration model to estimate these differences.

6.11 The anticipated outputs are an updated differentials and accompanying dataset which will be published on gov.uk as part of the TAG: economic impacts worksheets page.

Table 6.1: specification by feature

Feature	Part of MVP?	Current TAG approach	Proposed approach in this requirement

Scope and application of methodology	Yes	• Partial equilibrium approach, which allows level 1, 2 and 3 (L1,2,3) impacts to be additive.
		• Can be applied to any intervention regardless of whether land use change is expected or not.
		• Can calculate L2 (static) and L3 (dynamic) clustering.
		• Agglomeration impacts are additive to L1 benefits (either L1 + L2 OR L1+L3), as dynamic clustering (L3) includes static (L2).
			• Two approaches depending on changes to the productivity impacts appraisal across all features:
			  ○ Approach 1: Maintain additive approach for agglomeration impacts (L1+L2 OR L1+L3).
			  ○ Approach 2: Revisions to overcome double counting issue (e.g. from GTC based elasticities).
			• To ensure consistency across appraisal the Department will implement one of these methods in TAG. But the supplier should undertake both approaches, and as a backstop approach 1 must be implementable.

Addressing double counting	No	• As set out in "Scope and application of methodology". Current approach assumes L1, L2 and L3 are additive and the is minimal	• Make significant attempts to address double counting issues. This is likely to require novel approaches – the Department would

Feature	Part of MVP?	Current TAG approach	Proposed approach in this requirement

		overlap between L2 and L3 agglomeration benefits.	welcome suggestions from prospective suppliers.
			• There is some potential approaches for handling this within the estimation procedure, conditional on how the scope and application of methodology and ATEM calculations are approached:
			  o Cheyney & Stead (2023) which sets out a method which controls for direct user benefits by including travel volumes. This is not published but will be made available to bidders on a confidential basis.
			  o Representing transport costs are part of the production function – for example this could make use of ONS supply and use tables which has data on input requirements per unit of final use.

Feature	Part of MVP?	Current TAG approach	Proposed approach in this requirement
			○ Use of instrumental variables as per Borjesson et al (2019). • A potential alternative to addressing within the estimation procedure is to develop an 'off-model' adjustment to maintain the additive approach in TAG.
Access to economic mass (ATEM) calculations	Yes	• **Change in ATEM:** change in generalised travel costs (GTC) either averaged across modes weighted by trips OR mode specific GTCs (for all purposes), proxy for mass is employment • **Decay parameters:** Euclidean distance based • **Elasticities:** Euclidean distance based • **Productivity measure:** GDP per worker (proxy for total factor productivity)	There are two methods – both of which the supplier will need to pursue. Method 2 is the preferred way forward as it would be a significant improvement on the current TAG approach and is a dependency for introducing other features (e.g. other density benefits). However it is not without risks (e.g. double counting, data issues). Therefore, method 1 is re-estimation based on the current TAG approach, and is a fallback in case issues arise in method 2. In addition, the Department is open to agreeing with the supplier during the contract the best approach to the productivity measure (wages or total factor

Feature	Part of MVP?	Current TAG approach	Proposed approach in this requirement
			productivity) which will be based on data availability, and conceptual and economic considerations. **Method 1:** re-estimate based on current TAG approach: • **Change in ATEM:** change in generalised travel costs (GTC) either averaged across modes weighted by trips OR mode specific GTCs (for all purposes), proxy for mass is employment • **Decay parameter:** Euclidian distance based • **Elasticities:** Euclidean Distanced-based • **Productivity measure:** wages or total factor productivity **Method 2:** re-estimate but adopt GTC or Generalised Journey Time (GJT) Generalised Time (GT) based elasticities • **Change in ATEM:** as per method 1

Feature	Part of MVP?	Current TAG approach	Proposed approach in this requirement
			• **Decay parameter:** Flexibility to apply inverse cost weighting specification (point value) or a range of values based on observed pattern of decay • **Elasticities:** GTC or GJT or GT based • **Productivity measure:** wages or total factor productivity In both options all elasticities, decay parameters and productivity measures would be re-estimated, and changes in economic mass with regards to GTCs/GJT/GT is the similar to the current TAG approach with regards to handling modes and purposes. However, under method 2 there are options to adapt this to estimate this for different modes and for different times of day (e.g. average day, peak day). In addition, under method 2 there are options for the

Feature	Part of MVP?	Current TAG approach	Proposed approach in this requirement
			decay parameter approach including: piecemeal distance / cost-band method; and modelling of distance (or cost) decay via semi-parametric regression).
Incorporating other benefits of density into ATEM calculations	No	• ATEM calculation means density benefits generally occur when there are time savings (e.g. increase in travel speeds), but not when there are capacity increases. Since agglomeration benefits come from increased interactions, this means some benefits of density are only partially captured (e.g. through land use change / dynamic clustering).	• Explore possibility to include observed travel flows in GTC/GJT/GT based changes in economic density. • This would enable capturing of agglomeration impacts of interventions that increase capacity and not travel speeds. • Dependent on implementing GTC/GJT/GT based elasticities (see method 2 in Access to economic mass (ATEM) calculations row). • Would require necessary data (e.g. census, mobile network data) some of which DfT has available (see 6.7.3).
Spatial zoning and aggregation	Yes	• **Coverage:** Great Britain • **Spatial unit:** Local Authority District (LAD), which requires aggregation of transport and	**Coverage:** UK **Spatial units:**

Feature	Part of MVP?	Current TAG approach	Proposed approach in this requirement
		land use modelling outputs if spatial unit used is more granular (e.g. LSAO, MSOA)	• Default zone is MSOA for base matrix of origin destination pairs (e.g. GTCs) with travel times averaged across a day (although peak and off-peak could be explored). ○ We assume the base matrix will consider inter-zonal trips, but the Department also welcomes approaches for considering intra-zonal trips, given agglomeration effects occur at very short distances. • Productivity measures (e.g. wages, total factor productivity) at lowest level possible. Should explore whether MSOA is feasible or whether there is a compromise solution (e.g. split selected LADs which have a city centre located in it into “inner” and “outer zones” to better capture differences in productivity) • Calculations should allow for flexibility in spatial units of study area and outside of it.

Feature	Part of MVP?	Current TAG approach	Proposed approach in this requirement
			• For splitting selected LADs into inner and outer zones, the supplier will need to identify a suitable definition for cities and city centers, for example: ○ **Cities:** use primary urban area definition developed by Centre for Cities which defines 63 UK cities. ○ **City centres:** inner and outer based on LAD in which the city centre is in, and then based on cluster of MSOAs within X km of "city centre" which would need to be defined on a case by case basis for each city. Could potentially make of use of the National Infrastructure Commission's methodology for defining city centre cordons - see capturing the value of urban transport investment.

Feature	Part of MVP?	Current TAG approach	Proposed approach in this requirement

Addressing endogeneity	Yes	• n/a	• Deploy one or both methods based on micro panel data:
			  ○ Use of panel individual effects, within or first-differenced estimation
			  ○ Estimation based on panel instrumental variables (IV) or panel control function (CF)
			• Required to enable GTC/GJT/GT based elasticities (see method 2 in access to economic mass calculations)

Non-linearity	Yes	• Not currently captured	• Introduce as a sensitivity to a central value, to capture effects of city scale across ranges of agglomeration • Links to heterogeneity since non-linearities are possible in the scale relationship, as well as the estimate varying by area type.
Heterogeneity	Yes	• Yes – national level elasticities and decay factor for different industries by standard industrial classification (SIC).	• Re-estimate national level elasticities and decay factor for different industries by SIC code for use in the core analysis.

Feature	Part of MVP?	Current TAG approach	Proposed approach in this requirement

			• Introduce further heterogeneity in agglomeration elasticities as a sensitivity based on additional sub samples. Two key sub samples are:
			  ○ Size of settlement (e.g. very large, large, medium, small)
			  ○ Modal elasticities (e.g. private car, bus, rail)
			• The department welcomes exploration of other potential sub samples as part of the estimation process, as well as consideration of long distance agglomeration.
			• Would need to link to spatial zoning and aggregation, since inner and outer zones could be formally determined for LADs which have a city centre within it.

Consider impacts of	No	n/a	• Run sensitivity tests on parameters and/or datasets based on post covid relationships in the data, accepting that there may be

Feature	Part of MVP?	Current TAG approach	Proposed approach in this requirement
Covid-19 on agglomeration			limitations in the pre and post covid-19 data in attempting this. • One of the key findings of Laird & Tveter (2022) that increase in homeworking induced by covid-19 may enhance matching mechanisms (by lowering average commute costs), but reduce learning mechanisms if they are dependent on face to face contact. However, it is not part of the requirement to unpick the micro mechanisms of agglomeration within the estimation procedure, but the Department would welcome some attempt to understand the direction of impact on key parameters and/or datasets.

7. KEY MILESTONES AND DELIVERABLES

7.1 The following Contract milestones/deliverables shall apply as set out in Table 7.1. The department anticipates the requirement (primary and secondary objectives only, excluding the optional extension) will take up to 12 months to deliver, so the milestones and deliverables anticipated are set out with that in mind. However, the department welcomes views from bidders on how best to structure and sequence this (including different project management approaches e.g. waterfall, agile), especially because accessing ONS data is a critical dependency.

7.2 We anticipate the milestones and deliverables to be agreed at project inceptions meeting and revisited throughout the project lifecycle as the project evolves. This also includes situations where a 'decision point' (i.e. a crossroads) is reached on technical issues whereby a decision needs to be made to move forward.

7.3 These 'decision points' could arise for a range of reasons but are normally cases where there is a clear choice or trade-off. This includes but not limited to:

7.3.1 Proceeding or not proceeding with an activity or task based on efforts made by the supplier to date. For example, a particular element that is not part of the MVP, or an MVP element where known risks to successful delivery identified at the outset have materialised.

7.3.2 Choosing between competing methodological approaches where these are valid but there is insufficient resource to do/try all of them.

7.4 Given the nature of the work, such 'decision points' should be raised at regular project meetings, when sharing (or in response to) emerging outputs and peer reviews, or on an ad-hoc basis (e.g. as and when the matter arises). These can be raised by the Department or the Supplier.

7.5 When a decision point is raised, the DfT Contract Owner and the Supplier will discuss and agree a way forward promptly (i.e. within 5 working days), and this will be recorded and agreed in written form (e.g. via e-mail and as part of a changelog).

7.6 Where these decision points are deemed to be significant enough, the DfT Contract Owner may choose to consult internally (e.g. project steering group, senior officials) before signing off any changes, and in such cases the turnaround for an agreed way forward is likely to be longer than 5 working days. Whether a decision point is significant or not is likely to be subjective and is therefore at the discretion of the DfT Contract Owner given this may involve material changes to elements of the requirement. And as part of this the DfT Contract Owner will also factor in advice and concerns raised by the Supplier.

TABLE 7.1

Milestone/Deliverable	Description	Delivery Date
Project inception meeting	Agree timelines and deliverables	April 2025
Submit application and be granted access to ONS data	The supplier should account for lead times in the project plan to access the data – we have been advised to allow at least ten weeks from application.	As set out in paragraph 7.1. The department welcomes views from bidders on how best to structure and sequence these milestones (including different project management approaches e.g. waterfall, agile), especially because accessing ONS data is a critical dependency.
Draft methodology	Method for estimating parameters and datasets.	
Peer review of methodology	Independent peer review of the methodology, which will be procured by the Department.	
Final methodology	Final methodology taking into account peer review comments and feedback from DfT.	
Draft outputs	Draft parameters, datasets and technical reports	
Peer review of outputs	Independent peer review of draft outputs, which will be procured by the Department	
Final outputs	Final parameters, datasets and technical reports, taking into account peer review comments and feedback from DfT.	By March 2026

8. MANAGEMENT INFORMATION/REPORTING

8.1 Following award the DfT Contract Owner will arrange an Inception Meeting with the Supplier to ensure an efficient mobilisation. The parties will discuss and agree a summary of what the contract is expected to deliver, the project plan, sequence of activities, resourcing profile.

8.2 Going forward, the DfT Contract Owner and Supplier will meet weekly (or fortnightly where this is more proportionate and agreed between the DfT Contract Manager and the Supplier) to discuss progress. In addition, there will be a monthly meeting for a substantial discussion of progress against the agreed milestones and deliverables.

9. QUALITY

9.1 Effective and high standard quality assurance is a fundamental requirement for all work carried out by the successful supplier. The successful supplier must include details of the quality assurance process they propose and, with reference to the deliverables, examples of any specific document formats that they expect to use. Further details on quality assurance are set out in Appendix 6 – Quality.

9.2 In addition, the Department will also procure a suitably qualified independent peer reviewer(s) of the methodology and draft outputs as set out in section 7.

10. PRICE

10.1 The Contract will be placed with a ceiling price of £140,000 (excluding VAT) on a Firm Price basis in FY2025-26.

10.2 This ceiling price only applies to achieving the primary and secondary objectives. It excludes the optional extension. However, suppliers should provide an estimated cost of meeting the extension requirement, but this will not be formally evaluated.

10.3 Please note, in Appendix 5 – Price Questionnaire, bidders are required to provide two prices according to the description outlined in the schedule (further information in Appendix 6 – Quality). DfT as the Contracting Authority reserves the right to select either price for award of this tender.

10.4 The 12 months is an optional extension period to be agreed and approved by both parties should it be required.

11. KEY SKILLS AND EXPERIENCE

11.1 It is essential that the successful Bidder to which the contract is awarded has the resource with the desired skills and experience for this project. Bidders will need to demonstrate how they meet the key following skills and experience:

11.1.1 Experience applying TAG to transport modelling and appraisal, preferably in a UK context.

11.1.2 A deep understanding of the HMT Green Book and the theory and practice of cost-benefit analysis and economic appraisal more broadly.

11.1.3 Academic experience in the fields of transport economics and/or urban economics, including publications in peer reviewed journals.

11.1.4 Detailed understanding of, and some academic publications relating to, calculating agglomeration impacts for transport projects.

11.1.5 In depth knowledge of econometric techniques used to estimate agglomeration impacts, backed up by experience applying them in practice.

11.2 Bidders will need to demonstrate they have, within their team, the ability to quickly mobile a group of experts on different areas across requirements as well as de-mobilise during periods of downtime to efficiently manage resources as required.

12. SERVICE LEVELS AND PERFORMANCE

12.1 The Supplier shall comply Key Performance Indicators as set out in Table 12.1 below throughout the duration of the Contract. These are based on the key milestones and deliverables set out in Section 7 and table 7.1.

12.2 Payment will be made on receipt of a satisfactory draft and final deliverables respectively, and the DfT Contract Manager reserves the right to withhold payment until satisfactory delivery is made.

12.3 However, the mechanism outlined in 12.2 will not be used if the milestones dates are missed due to issues with ONS data access (as set out in 6.7.1 and Section 7) or as a direct consequence of a 'decision point' set out in section 7.

TABLE 12.1 Key performance indicators (KPIs)

KPI	Service Area	KPI/SLA description	Target
1	Draft and final methodology	Satisfactory delivery of draft methodology by agreed date, and delivery of final methodology having addressed comments from the independent peer review and the Department.	Delivery of draft and final methodology by the dates set out in Table 7.1 or as agreed between the DfT Contract Manager and Supplier at the project inception meeting.

2	Draft and final outputs	Satisfactory delivery of draft outputs by agreed date, and delivery of final outputs having addressed comments from the independent peer review and the Department.	By dates set out in Table 7.1 or as agreed at project inception meeting

13. SECURITY AND CONFIDENTIALITY REQUIREMENTS

13.1 Bidders are to note that, in line with Clause 19.7 of the Framework Agreement, the supplier will be required to ensure that all the personnel that are provided, and who are required to attend the DfT premises, will comply with DfT's Baseline Personnel Security Standard (BPSS) https:/www.gov.uk/government/publications/security-policy-framework.

13.2 The data processing schedule attached to the bid pack (schedule 20) is not applicable as no personal data is anticipated to be collected or accessed by the Supplier for this project.

13.3 As set out in Section 6, the estimation process for the parameters and datasets will require a panel dataset (observations for different locations across time) at a sufficiently spatially granular spatial level (middle layer super output - MSOA). This will require access to microdata on wages (Annual Survey of Hours and Earnings) and firm productivity (Annual Respondents Database X via the UK Data Service. Both datasets are 'controlled' meaning they require "SecureLab access (remote)" or "safe room access (on site)" and therefore only registers users – individuals with Accredited Researcher Assurance Registration (ARAR) - can access it.

13.4 The relevant members of the supplier's team must have valid ARAR status to access the data and carry out the estimation process, which will also include ingesting data into that environment (e.g. transport matrices). This will need to be made clear on the application.

13.5 To ensure data confidentiality of survey respondents with the controlled datasets, only the Accredited Researcher Status members can access "controlled data" as part of the estimation process – this data will not be shared outside of these members (e.g. with the rest of the supplier's team, the Dft Contract Manager and the Department). Emerging outputs shared with the rest of the Suppliers team and the Department will be restricted to outputs which have been sufficiently aggregated and/or anonymise the underlying dataset. For example:

13.5.1 Agglomeration parameters – these are point estimates with confidence intervals (e.g. elasticities) which by their nature anonymise the underlying data used to estimate it.

13.5.2 Underlying wage or productivity dataset(s) provide these are sufficiently aggregated to anonymise the underlying data – this is to be agreed with the ONS as part the application and ongoing working.

13.6 A core aim of the project is to publish the underlying datasets used to estimate the parameters, and other datasets (e.g. spatial productivity data). Therefore, the underlying dataset(s) need to be sufficiently aggregated to: (1) enable robust estimation of agglomeration parameters; (2) to enable it to be published.

13.7 Further details on the above can be found in the links below:

13.7.1 Apply to access ONS data — UK Data Service

13.7.2 Supporting your research project - Office for National Statistics (ons.gov.uk)

13.7.3 Integrated Data Service - Office for National Statistics (ons.gov.uk)

13.7.4 Access conditions — UK Data Service

14. PAYMENT AND INVOICING

14.1 Payment can only be made following satisfactory delivery of pre-agreed certified products and deliverables.

14.2 Before payment can be considered, each invoice must include a detailed elemental breakdown of work completed and the associated costs.

14.3 Invoices must be sent either electronically or postal. All electronic invoices and credit notes will need to be emailed to: [redacted]

14.4 All postal invoices and credit notes to be sent to: [redacted]

15. CONTRACT MANAGEMENT

15.1 The DfT Contract Manager will remain in regular contact with both the supplier and hiring department throughout the lifecycle of the contract, with regular meetings as set out in section 8.2. [redacted] is the Contract Manager. Attendance at Contract Review meetings shall be at the Supplier's own expense. A contract management plan will be managed by the contracting authority and supplier post-award.

16. EXIT MANAGEMENT

16.1 1 Month before the end date of the contract deliverables both supplier and buyer should agree an Exit Plan. Both parties shall use reasonable endeavours to agree the contents of the Exit Plan. The supplier shall comply with all its obligations contained in the Exit plan.

16.2 The matter of data retention, including that of personal data (where this is applicable) will be discussed and mutually agreed by both parties. The agreement will be outlined in writing and form part of the contract end letter.

16.3 The buyer will issue a contract ending letter to mark the end of the contract.

17. LOCATION

17.1 The location of the Services will be carried out at the supplier business address with periodical meetings at the Department's London office (may be conducted remotely, if required). Travel and Subsistence will be paid by the Department in line with their T&S policy (see attachment), if agreed in advance with DfT and should be included on invoices and agreed with the Contract Manager.

1. What is the Commercially Sensitive Information?

1.1 In this Schedule the Parties have sought to identify the Supplier's Confidential Information that is genuinely commercially sensitive and the disclosure of which would be the subject of an exemption under the FOIA and the EIRs.

1.2 Where possible, the Parties have sought to identify when any relevant Information will cease to fall into the category of Information to which this Schedule applies in the table below and in the Award Form (which shall be deemed incorporated into the table below).

1.3 Without prejudice to the Buyer's obligation to disclose Information in accordance with FOIA or Clause 20 (When you can share information), the Buyer will, in its sole discretion, acting reasonably, seek to apply the relevant exemption set out in the FOIA to the following Information:

No.	Date	Item(s)	Duration of Confidentiality
1	10/03/2025	Pricing information as detailed in Appendix 5 of the bid	5 (five) years

1. Definitions used in the contract

Interpret this Contract using Schedule 1 (Definitions).

2. How the contract works

2.1 If the Buyer decides to buy Deliverables under this Contract it must state its requirements using the Award Form. If allowed by the Regulations, the Buyer can:

2.1.1 make changes to the Award Form;

2.1.2 create new Schedules;

2.1.3 exclude optional template Schedules; and

2.1.4 use Special Terms in the Award Form to add or change terms.

2.2 The Contract:

2.2.1 is between the Supplier and the Buyer; and

2.2.2 includes Core Terms, Schedules and any other changes or items in the completed Award Form.

2.3 The Supplier acknowledges it has all the information required to perform its obligations under this Contract before entering into it. When information is provided by the Buyer no warranty of its accuracy is given to the Supplier.

2.4 The Supplier acknowledges that, subject to the Allowable Assumptions set out in Annex 2 of Schedule 3 (Charges) (if any), it has satisfied itself of all details relating to:

2.4.1 the Buyer's requirements for the Deliverables;

2.4.2 the Buyer's operating processes and working methods; and

2.4.3 the ownership and fitness for purpose of the Buyer Assets,

and it has it has advised the Buyer in writing of:

2.4.4 each aspect, if any, of the Buyer's requirements for the Deliverables, operating processes and working methods that is not suitable for the provision of the Services;

2.4.5 the actions needed to remedy each such unsuitable aspect; and

2.4.6 a timetable for and, to the extent that such costs are to be payable to the Supplier, the costs of those actions,

and such actions, timetable and costs are fully reflected in this Contract.

2.5 The Supplier won't be excused from any obligation, or be entitled to additional Costs or Charges because it failed to either:

2.5.1 verify the accuracy of the Due Diligence Information; and

2.5.2 properly perform its own adequate checks.

2.6 The Buyer will not be liable for errors, omissions or misrepresentation of any information.

2.7 The Supplier warrants and represents that all statements made and documents submitted as part of the procurement of Deliverables are and remain true and accurate.

3. What needs to be delivered

3.1 All deliverables

3.1.1 The Supplier must provide Deliverables:

(a) that comply with the Specification, the Tender Response and this Contract;

(b) using reasonable skill and care;

(c) using Good Industry Practice;

(d) using its own policies, processes and internal quality control measures as long as they don't conflict with this Contract;

(e) on the dates agreed; and

(f) that comply with Law.

3.1.2 The Supplier must provide Deliverables with a warranty of at least 90 days from Delivery against all obvious defects or for such other period as specified in the Award Form.

3.1.3 Where the Award Form states that the Collaborative Working Principles will apply, the Supplier must co-operate and provide reasonable assistance to any Buyer Third Party notified to the Supplier by the Buyer from time to time and act at all times in accordance with the following principles:

(a) proactively leading on, mitigating and contributing to the resolution of problems or issues irrespective of its contractual obligations, acting in accordance with the principle of "fix first, settle later";

(b) being open, transparent and responsive in sharing relevant and accurate information with Buyer Third Parties;

(c) where reasonable, adopting common working practices, terminology, standards and technology and a collaborative approach to service development and resourcing with Buyer Third Parties;

(d) providing reasonable cooperation, support, information and assistance to Buyer Third Parties in a proactive, transparent and open way and in a spirit of trust and mutual confidence; and

(e) identifying, implementing and capitalising on opportunities to improve deliverables and deliver better solutions and performance throughout the relationship lifecycle.

3.2 **Goods clauses**

3.2.1 All Goods delivered must be new, or as new if recycled, unused and of recent origin.

3.2.2 The Supplier transfers ownership of the Goods on Delivery or payment for those Goods, whichever is earlier.

3.2.3 Risk in the Goods transfers to the Buyer on Delivery of the Goods, but remains with the Supplier if the Buyer notices damage following Delivery and lets the Supplier know within three (3) Working Days of Delivery.

3.2.4 The Supplier warrants that it has full and unrestricted ownership of the Goods at the time of transfer of ownership.

3.2.5 The Supplier must deliver the Goods on the date and to the specified location during the Buyer's working hours.

3.2.6 The Supplier must provide sufficient packaging for the Goods to reach the point of Delivery safely and undamaged.

3.2.7 All deliveries must have a delivery note attached that specifies the order number, type and quantity of Goods.

3.2.8 The Supplier must provide all tools, information and instructions the Buyer needs to make use of the Goods.

3.2.9 The Supplier must indemnify the Buyer against the costs of any Recall of the Goods and give notice of actual or anticipated action about the Recall of the Goods.

3.2.10 The Buyer can cancel any order or part order of Goods which has not been Delivered. If the Buyer gives less than fourteen (14) days' notice then it will pay the Supplier's reasonable and proven costs already incurred on the cancelled order as long as the Supplier uses all reasonable endeavours to minimise these costs.

3.2.11 The Supplier must at its own cost repair, replace, refund or substitute (at the Buyer's option and request) any Goods that the Buyer rejects because they don't conform with Clause 3. If the Supplier doesn't do this it will pay the Buyer's costs including repair or re-supply by a third party.

3.2.12 The Buyer will not be liable for any actions, claims and Losses incurred by the Supplier or any third party during Delivery of the

Goods unless and to the extent that it is caused by negligence or other wrongful act of the Buyer or its servant or agent. If the Buyer suffers or incurs any Loss or injury (whether fatal or otherwise) occurring in the course of Delivery or installation then the Supplier shall indemnify the Buyer from any losses, charges, costs or expenses which arise as a result of or in connection with such Loss or injury where it is attributable to any act or omission of the Supplier or any of its Subcontractors or Supplier Staff.

3.3 **Services clauses**

3.3.1 Late Delivery of the Services will be a Default of this Contract.

3.3.2 The Supplier must co-operate with the Buyer and third party suppliers on all aspects connected with the Delivery of the Services and ensure that Supplier Staff comply with any reasonable instructions of the Buyer or third party suppliers.

3.3.3 The Supplier must at its own risk and expense provide all Supplier Equipment required to Deliver the Services. Any equipment provided by the Buyer to the Supplier for supplying the Services remains the property of the Buyer and is to be returned to the Buyer on expiry or termination of this Contract.

3.3.4 The Supplier must allocate sufficient resources and appropriate expertise to this Contract.

3.3.5 The Supplier must take all reasonable care to ensure performance does not disrupt the Buyer's operations, employees or other contractors.

3.3.6 On completion of the Services, the Supplier is responsible for leaving the Buyer Premises in a clean, safe and tidy condition and making good any damage that it has caused to the Buyer Premises or Buyer Assets, other than fair wear and tear.

3.3.7 The Supplier must ensure all Services, and anything used to Deliver the Services, are of good quality and free from defects.

3.3.8 The Buyer is entitled to withhold payment for partially or undelivered Services, but doing so does not stop it from using its other rights under this Contract.

4. Pricing and payments

4.1 In exchange for the Deliverables, the Supplier must invoice the Buyer for the Charges in the Award Form.

4.2 All Charges:

4.2.1 exclude VAT, which is payable on provision of a valid VAT invoice; and

4.2.2 include all costs connected with the Supply of Deliverables.

4.3 The Buyer must pay the Supplier the Charges within thirty (30) days of receipt by the Buyer of a valid, undisputed invoice, in cleared funds using the payment method and details stated in the invoice or in the Award Form.

4.4 A Supplier invoice is only valid if it:

4.4.1 includes all appropriate references including this Contract reference number and other details reasonably requested by the Buyer; and

4.4.2 includes a detailed breakdown of Delivered Deliverables and Milestone(s) (if any).

4.5 The Buyer may retain or set-off payment of any amount owed to it by the Supplier under this Contract or any other agreement between the Supplier and the Buyer if notice and reasons are provided.

4.6 The Supplier must ensure that all Subcontractors are paid, in full, within thirty (30) days of receipt of a valid, undisputed invoice. If this does not happen, the Buyer can publish the details of the late payment or non-payment.

4.7 The Supplier has no right of set-off, counterclaim, discount or abatement unless they're ordered to do so by a court.

5. The buyer's obligations to the supplier

5.1 If Supplier Non-Performance arises from a Buyer Cause:

5.1.1 the Buyer cannot terminate this Contract under Clause 14.4.1;

5.1.2 the Supplier is entitled to reasonable and proven additional expenses and to relief from Delay Payments, liability and Deduction under this Contract;

5.1.3 the Supplier is entitled to additional time needed to make the Delivery;

5.1.4 the Supplier cannot suspend the ongoing supply of Deliverables.

5.2 Clause 5.1 only applies if the Supplier:

5.2.1 gives notice to the Buyer of the Buyer Cause within ten (10) Working Days of becoming aware;

5.2.2 demonstrates that the Supplier Non-Performance only happened because of the Buyer Cause; and

5.2.3 mitigated the impact of the Buyer Cause.

6. Record keeping and reporting

6.1 The Supplier must attend Progress Meetings with the Buyer and provide Progress Reports when specified in the Award Form.

6.2 The Supplier must keep and maintain full and accurate records and accounts in respect of this Contract during the Contract Period and for seven (7) years after the End Date and in accordance with the UK GDPR or the EU GDPR as the context requires, including the records and accounts which the Buyer has a right to Audit.

6.3 Where the Award Form states that the Financial Transparency Objectives apply, the Supplier must co-operate with the Buyer to achieve the Financial Transparency Objectives and, to this end, will provide a Financial Report to the Buyer:

6.3.1 on or before the Effective Date;

6.3.2 at the end of each Contract Year; and

6.3.3 within six (6) Months of the end of the Contract Period,

6.3.4 and the Supplier must meet with the Buyer if requested within ten (10) Working Days of the Buyer receiving a Financial Report.

6.4 If the Supplier becomes aware of an event that has occurred or is likely to occur in the future which will have a material effect on the:

6.4.1 Supplier's currently incurred or forecast future Costs; and

6.4.2 forecast Charges for the remainder of this Contract,

6.4.3 then the Supplier must notify the Buyer in writing as soon as practicable setting out the actual or anticipated effect of the event.

6.5 The Buyer or an Auditor can Audit the Supplier.

6.6 The Supplier must allow any Auditor access to their premises and the Buyer will use reasonable endeavours to ensure that any Auditor:

6.6.1 complies with the Supplier's operating procedures; and

6.6.2 does not unreasonably disrupt the Supplier or its provision of the Deliverables.

6.7 During an Audit, the Supplier must provide information to the Auditor and reasonable co-operation at their request including access to:

6.7.1 all information within the permitted scope of the Audit;

6.7.2 any Sites, equipment and the Supplier's ICT system used in the performance of this Contract; and

6.7.3 the Supplier Staff.

6.8 The Parties will bear their own costs when an Audit is undertaken unless the Audit identifies a Material Default by the Supplier, in which case the Supplier will repay the Buyer's reasonable costs in connection with the Audit.

6.9 The Supplier must comply with the Buyer's reasonable instructions following an Audit, including:

6.9.1 correcting any identified Default;

6.9.2 rectifying any error identified in a Financial Report; and

6.9.3 repaying any Charges that the Buyer has overpaid.

6.10 If the Supplier is not providing any of the Deliverables, or is unable to provide them, it must immediately:

6.10.1 tell the Buyer and give reasons;

6.10.2 propose corrective action; and

6.10.3 provide a deadline for completing the corrective action.

6.11 Except where an Audit is imposed on the Buyer by a regulatory body or where the Buyer has reasonable grounds for believing that the Supplier has not complied with its obligations under this Contract, the Buyer may not conduct an Audit of the Supplier or of the same Key Subcontractor more than twice in any Contract Year.

7. Supplier staff

7.1 The Supplier Staff involved in the performance of this Contract must:

7.1.1 be appropriately trained and qualified;

7.1.2 be vetted using Good Industry Practice and the Security Policy (is used); and

7.1.3 comply with all conduct requirements when on the Buyer's Premises.

7.2 Where the Buyer decides one of the Supplier's Staff is not suitable to work on this Contract, the Supplier must replace them with a suitably qualified alternative.

7.3 The Supplier must provide a list of Supplier Staff needing to access the Buyer's Premises and say why access is required.

7.4 The Supplier indemnifies the Buyer against all claims brought by any person employed or engaged by the Supplier caused by an act or omission of the Supplier or any Supplier Staff.

7.5 The Buyer indemnifies the Supplier against all claims brought by any person employed or engaged by the Buyer caused by an act or omission of the Buyer or any of the Buyer's employees, agents, consultants and contractors.

8. Supply chain

8.1 Appointing Subcontractors

8.1.1 The Supplier must exercise due skill and care when it selects and appoints Subcontractors to ensure that the Supplier is able to:

(a) manage Subcontractors in accordance with Good Industry Practice;
(b) comply with its obligations under this Contract; and
(c) assign, novate or transfer its rights and/or obligations under the Sub-Contract that relate exclusively to this Contract to the Buyer or a Replacement Supplier.

8.2 Mandatory provisions in Sub-Contracts

8.2.1 For Sub-Contracts in the Supplier's supply chain entered into wholly or substantially for the purpose of performing or contributing to the performance of the whole or any part of this Contract:

(a) where such Sub-Contracts are entered into after the Effective Date, the Supplier will ensure that they all contain provisions that; or

(b) where such Sub-Contracts are entered into before the Effective Date, the Supplier will take all reasonable endeavours to ensure that they all contain provisions that:

(c) allow the Supplier to terminate the Sub-Contract if the Subcontractor fails to comply with its obligations in respect of environmental, social, equality or employment Law;

(d) require the Supplier to pay all Subcontractors in full, within thirty (30) days of receiving a valid, undisputed invoice; and

(e) allow the Buyer to publish the details of the late payment or non-payment if this thirty (30) day limit is exceeded.

8.3 When Sub-Contracts can be ended

8.3.1 At the Buyer's request, the Supplier must terminate any Sub-Contracts in any of the following events:

(a) there is a Change of Control of a Subcontractor which isn't pre-approved by the Buyer in writing;

(b) the acts or omissions of the Subcontractor have caused or materially contributed to a right of termination under Clause 14.4;

(c) a Subcontractor or its Affiliates embarrasses or brings into disrepute or diminishes the public trust in the Buyer;

(d) the Subcontractor fails to comply with its obligations in respect of environmental, social, equality or employment Law; and/or

(e) the Buyer has found grounds to exclude the Subcontractor in accordance with Regulation 57 of the Public Contracts Regulations 2015.

8.4 **Competitive terms**

8.4.1 If the Buyer can get more favourable commercial terms for the supply at cost of any materials, goods or services used by the Supplier to provide the Deliverables and that cost is reimbursable by the Buyer, then the Buyer may require the Supplier to replace its existing commercial terms with the more favourable terms offered for the relevant items.

8.4.2 If the Buyer uses Clause 8.4.1 then the Charges must be reduced by an agreed amount by using the Variation Procedure.

8.5 **Ongoing responsibility of the Supplier**

The Supplier is responsible for all acts and omissions of its Subcontractors and those employed or engaged by them as if they were its own.

9. Rights and protection

9.1 The Supplier warrants and represents that:

9.1.1 it has full capacity and authority to enter into and to perform this Contract;

9.1.2 this Contract is entered into by its authorised representative;

9.1.3 it is a legally valid and existing organisation incorporated in the place it was formed;

9.1.4 there are no known legal or regulatory actions or investigations before any court, administrative body or arbitration tribunal pending or threatened against it or its Affiliates that might affect its ability to perform this Contract;

9.1.5 all necessary rights, authorisations, licences and consents (including in relation to IPRs) are in place to enable the Supplier to perform its obligations under this Contract and for the Buyer to receive the Deliverables;

9.1.6 it doesn’t have any contractual obligations which are likely to have a material adverse effect on its ability to perform this Contract;

9.1.7 it is not impacted by an Insolvency Event or a Financial Distress Event; and

9.1.8 neither it nor, to the best of its knowledge the Supplier Staff, have committed a Prohibited Act prior to the Effective Date or been subject to an investigation relating to a Prohibited Act.

9.2 The warranties and representations in Clauses 2.7 and 9.1 are repeated each time the Supplier provides Deliverables under this Contract.

9.3 The Supplier indemnifies the Buyer against each of the following:

9.3.1 wilful misconduct of the Supplier, Subcontractor and Supplier Staff that impacts this Contract; and

9.3.2 non-payment by the Supplier of any tax or National Insurance.

9.4 All claims indemnified under this Contract must use Clause 30.

9.5 The description of any provision of this Contract as a warranty does not prevent the Buyer from exercising any termination right that it may have for Default of that clause by the Supplier.

9.6 If the Supplier becomes aware of a representation or warranty that becomes untrue or misleading, it must immediately notify the Buyer.

9.7 All third party warranties and indemnities covering the Deliverables must be assigned for the Buyer's benefit by the Supplier for free.

10. Intellectual Property Rights (IPRs)

10.1 The Parties agree that the terms set out in Schedule 36 (Intellectual Property Rights) shall apply to this Contract.

10.2 If there is an IPR Claim, the Supplier indemnifies the Buyer against all losses, damages, costs or expenses (including professional fees and fines) incurred as a result.

10.3 If an IPR Claim is made or anticipated the Supplier must at its own expense and the Buyer's sole option, either:

10.3.1 obtain for the Buyer the rights to continue using the relevant item without infringing any third party IPR; or

10.3.2 replace or modify the relevant item with substitutes that don't infringe IPR without adversely affecting the functionality or performance of the Deliverables.

10.4 If the Buyer requires that the Supplier procures a licence in accordance with Clause 10.3.1 or to modify or replace an item pursuant to Clause 10.3.2, but this has not avoided or resolved the IPR Claim, then the Buyer may terminate this Contract by written notice with immediate effect and the consequences of termination set out in Clauses 14.5.1 shall apply.

11. Rectifying issues

11.1 If there is a Notifiable Default, the Supplier must notify the Buyer within three (3) Working Days of the Supplier becoming aware of the Notifiable Default and the Buyer may request that the Supplier provide a Rectification Plan within ten (10) Working Days of the Buyer's request alongside any additional documentation that the Buyer requires.

11.2 When the Buyer receives a requested Rectification Plan it can either:

11.2.1 reject the Rectification Plan or revised Rectification Plan giving reasons; or

11.2.2 accept the Rectification Plan or revised Rectification Plan (without limiting its rights) in which case the Supplier must immediately start work on the actions in the Rectification Plan at its own cost.

11.3 Where the Rectification Plan or revised Rectification Plan is rejected, the Buyer:

11.3.1 will give reasonable grounds for its decision; and

11.3.2 may request that the Supplier provides a revised Rectification Plan within five (5) Working Days.

12. Escalating issues

12.1 If the Supplier fails to:

12.1.1 submit a Rectification Plan or a revised Rectification Plan within the timescales set out in Clauses 11.1 or 11.3; and

12.1.2 adhere to the timescales set out in an accepted Rectification Plan to resolve the Notifiable Default.

or if the Buyer otherwise rejects a Rectification Plan, the Buyer can require the Supplier to attend an Escalation Meeting on not less than five (5) Working Days' notice. The Buyer will determine the location, time and duration of the Escalation Meeting(s) and the Supplier must ensure that the Supplier Authorised Representative is available to attend.

12.2 The Escalation Meeting(s) will continue until the Buyer is satisfied that the Notifiable Default has been resolved, however, where an Escalation Meeting(s) has continued for more than five (5) Working Days, either Party may treat the matter as a Dispute to be handled through the Dispute Resolution Procedure.

12.3 If the Supplier is in Default of any of its obligations under this Clause 12, the Buyer shall be entitled to terminate this Agreement and the consequences of termination set out in Clauses 14.5.1 shall apply as if the contract were terminated under Clause 14.4.1.

13. Step-in rights

13.1 If a Step-In Trigger Event occurs, the Buyer may give notice to the Supplier that it will be taking action in accordance with this Clause 13.1 and setting out:

13.1.1 whether it will be taking action itself or with the assistance of a third party;

13.1.2 what Required Action the Buyer will take during the Step-In Process;

13.1.3 when the Required Action will begin and how long it will continue for;

13.1.4 whether the Buyer will require access to the Sites; and

13.1.5 what impact the Buyer anticipates that the Required Action will have on the Supplier's obligations to provide the Deliverables.

13.2 For as long as the Required Action is taking place:

13.2.1 the Supplier will not have to provide the Deliverables that are the subject of the Required Action;

13.2.2 no Deductions will be applicable in respect of Charges relating to the Deliverables that are the subject of the Required Action; and

13.2.3 the Buyer will pay the Charges to the Supplier after subtracting any applicable Deductions and the Buyer's costs of taking the Required Action.

13.3 The Buyer will give notice to the Supplier before it ceases to exercise its rights under the Step-In Process and within twenty (20) Working Days of this notice the Supplier will develop a draft Step-Out Plan for the Buyer to approve.

13.4 If the Buyer does not approve the draft Step-Out Plan, the Buyer will give reasons and the Supplier will revise the draft Step-Out Plan and re-submit it for approval.

13.5 The Supplier shall bear its own costs in connection with any step-in by the Buyer under this Clause 13, provided that the Buyer shall reimburse the Supplier's reasonable additional expenses incurred directly as a result of any step-in action taken by the Buyer under:

13.5.1 limbs (f) or (g) of the definition of a Step-In Trigger Event; or

13.5.2 limbs (h) and (i) of the definition of a Step-in Trigger Event (insofar as the primary cause of the Buyer serving a notice under Clause 13.1 is identified as not being the result of the Supplier's Default).

14. Ending the contract

14.1 The Contract takes effect on the Effective Date and ends on the End Date or earlier if terminated under this Clause 14 or if required by Law.

14.2 The Buyer can extend this Contract for the Extension Period by giving the Supplier written notice before this Contract expires as described in the Award Form.

14.3 **Ending the contract without a reason**

The Buyer has the right to terminate this Contract at any time without reason by giving the Supplier not less than ninety (90) days' notice (unless a different notice period is set out in the Award Form) and if it's terminated Clause 14.6.3 applies.

14.4 **When the Buyer can end this Contract**

14.4.1 If any of the following events happen, the Buyer has the right to immediately terminate this Contract by issuing a Termination Notice to the Supplier and the consequences of termination in Clause 14.5.1 shall apply:

(a) there's a Supplier Insolvency Event;

(b) the Supplier fails to notify the Buyer in writing of any Occasion of Tax Non-Compliance or fails to provide details of proposed mitigating factors which, in the reasonable opinion of the Buyer, are acceptable;

(c) there's a Notifiable Default that is not corrected in line with an accepted Rectification Plan;

(d) the Buyer rejects a Rectification Plan or the Supplier does not provide it within ten (10) days of the request;

(e) there's any Material Default of this Contract;

(f) there's any Material Default of any Joint Controller Agreement relating to this Contract;

(g) there's a Default of Clauses 2.8, 12, 31 or Schedule 28 (ICT Services) (where applicable);

(h) the performance of the Supplier causes a Critical Service Level Failure to occur;

(i) there's a consistent repeated failure to meet the Service Levels in Schedule 10 (Service Levels);

(j) there's a Change of Control of the Supplier which isn't pre-approved by the Buyer in writing;

(k) the Buyer discovers that the Supplier was in one of the situations in 57 (1) or 57(2) of the Regulations at the time this Contract was awarded;

(l) the Supplier or its Affiliates embarrass or bring the Buyer into disrepute or diminish the public trust in them;

(m) the Supplier fails to comply with its legal obligations in the fields of environmental, social, equality or employment Law when providing the Deliverables; or

(n) the Supplier fails to enter into or to comply with an Admission Agreement under Part D of Schedule 7 (Staff Transfer).

14.4.2 If any of the events in 73 (1) (a) or (b) of the Regulations happen, the Buyer has the right to immediately terminate this Contract and Clauses 14.5.1(b)) to 14.5.1(g)) apply.

14.5 **What happens if the contract ends**

14.5.1 Where the Buyer terminates this Contract under Clauses 14.4.1, 10.4 and 12.3, Paragraph 7 of Part D of Schedule 7 (Staff Transfer), Paragraph 2.2 of Schedule 12 (Benchmarking) (where applicable) Paragraph 4.1 of Schedule 37 (Corporate Resolution Planning) (where applicable) Paragraph 7 of Schedule 24 (Financial Difficulties) (where applicable)or Paragraphs 3.1.12.2 or 3.3.1.2 of Part A of Schedule 26 (Sustainability) all of the following apply:

(a) The Supplier is responsible for the Buyer's reasonable costs of procuring Replacement Deliverables for the rest of the Contract Period.

(b) The Buyer's payment obligations under the terminated Contract stop immediately.

(c) Accumulated rights of the Parties are not affected.

(d) The Supplier must promptly delete or return the Government Data except where required to retain copies by Law.

(e) The Supplier must promptly return any of the Buyer's property provided under the terminated Contract.

(f) The Supplier must, at no cost to the Buyer, co-operate fully in the handover and re-procurement (including to a Replacement Supplier).

(g) The Supplier must repay to the Buyer all the Charges that it has been paid in advance for Deliverables that it has not provided as at the date of termination or expiry.

14.5.2 If either Party terminates this Contract under Clause 24.3:

(a) each party must cover its own Losses; and

(b) Clauses 14.5.1(b)) to 14.5.1(g)) apply.

14.5.3 The following Clauses survive the termination or expiry of this Contract: 3.2.10, 4, 6, 7.4, 7.5, 10, 14.5, 14.6.3, 15, 18, 19, 20, 21, 22, 23, 35.3.2, 39, 40, Schedule 1 (Definitions), Schedule 3 (Charges), Schedule 7 (Staff Transfer), Schedule 30 (Exit Management)) (if used), Schedule 36 (Intellectual Property Rights) and any Clauses and Schedules which are expressly or by implication intended to continue.

14.6 **When the Supplier (and the Buyer) can end the contract**

14.6.1 The Supplier can issue a Reminder Notice if the Buyer does not pay an undisputed invoice on time. The Supplier can terminate this Contract if the Buyer fails to pay an undisputed invoiced sum due and worth over 10% of the total Contract Value within thirty (30) days of the date of the Reminder Notice.

14.6.2 The Supplier also has the right to terminate this Contract in accordance with Clauses 24.3 and 27.5.

14.6.3 Where the Buyer terminates this Contract under Clause 14.3 or the Supplier terminates this Contract under Clause 14.6.1 or 27.5:

(a) the Buyer must promptly pay all outstanding Charges incurred to the Supplier;

(b) the Buyer must pay the Supplier reasonable committed and unavoidable Losses as long as the Supplier provides a fully itemised and costed schedule with evidence – the maximum value of this payment is limited to the total sum payable to the Supplier if this Contract had not been terminated; and

(c) Clauses 14.5.1(b)) to 14.5.1(g)) apply.

14.7 **Partially ending and suspending the contract**

14.7.1 Where the Buyer has the right to terminate this Contract it can terminate or suspend (for any period), all or part of it. If the Buyer suspends this Contract it can provide the Deliverables itself or buy them from a third party.

14.7.2 The Buyer can only partially terminate or suspend this Contract if the remaining parts of this Contract can still be used to effectively deliver the intended purpose.

14.7.3 The Parties must agree any necessary Variation required by this Clause 14.7 using the Variation Procedure, but the Supplier may not either:

(a) reject the Variation; or

(b) increase the Charges, except where the right to partial termination is under Clause 14.3.

14.7.4 The Buyer can still use other rights available, or subsequently available to it if it acts on its rights under this Clause 14.7.

15. How much you can be held responsible for?

15.1 Each Party's total aggregate liability in each Contract Year under this Contract (whether in tort, contract or otherwise) is no more than the greater of £5 million or 150% of the Estimated Yearly Charges unless specified otherwise in the Award Form.

15.2 Neither Party is liable to the other for:

15.2.1 any indirect Losses; and/or

15.2.2 Loss of profits, turnover, savings, business opportunities or damage to goodwill (in each case whether direct or indirect).

15.3 In spite of Clause 15.1, neither Party limits or excludes any of the following:

15.3.1 its liability for death or personal injury caused by its negligence, or that of its employees, agents or Subcontractors;

15.3.2 its liability for bribery or fraud or fraudulent misrepresentation by it or its employees; and

15.3.3 any liability that cannot be excluded or limited by Law.

15.4 In spite of Clause 15.1, the Supplier does not limit or exclude its liability for any indemnity given under Clauses 7.4, 7.5, 9.3.2, 10.2, 35.3.2 or Schedule 7 (Staff Transfer) of this Contract.

15.5 In spite of Clause 15.1, The Buyer does not limit or exclude its liability for any indemnity given under Clause 7 or Schedule 7 (Staff Transfer) of this Contract.

15.6 In spite of Clause 15.1, but subject to Clauses 15.2 and 15.3, the Supplier's total aggregate liability in each Contract Year under Clause 18.8.5 is no more than the Data Protection Liability Cap.

15.7 Each Party must use all reasonable endeavours to mitigate any Loss or damage which it suffers under or in connection with this Contract, including any indemnities.

15.8 When calculating the Supplier's liability under Clause 15.1 the following items will not be taken into consideration:

15.8.1 Deductions; and

15.8.2 any items specified in Clause 15.4.

15.9 If more than one Supplier is party to this Contract, each Supplier Party is fully responsible for both their own liabilities and the liabilities of the other Suppliers.

16. Obeying the law

16.1 The Supplier shall comply with the provisions of Schedule 26 (Sustainability).

16.2 The Supplier shall comply with the provisions of:

16.2.1 the Official Secrets Acts 1911 to 1989; and

16.2.2 section 182 of the Finance Act 1989.

16.3 The Supplier indemnifies the Buyer against any costs resulting from any Default by the Supplier relating to any applicable Law to do with this Contract.

16.4 The Supplier must appoint a Compliance Officer who must be responsible for ensuring that the Supplier complies with Law, Clause 16.1 and Clauses 31 to 36.

17. Insurance

The Supplier must, at its own cost, obtain and maintain the Required Insurances in Schedule 22 (Insurance Requirements).

18. Data protection and security

18.1 The Supplier must process Personal Data and ensure that Supplier Staff process Personal Data only in accordance with Schedule 20 (Processing Data).

18.2 The Supplier must not remove any ownership or security notices in or relating to the Government Data.

18.3 The Supplier must make accessible back-ups of all Government Data, stored in an agreed off-site location and send the Buyer copies via a secure encrypted method upon reasonable request.

18.4 The Supplier must ensure that any Supplier, Subcontractor and Subprocessor system (including any cloud services or end user devices used by the Supplier, Subcontractor and Subprocessor) holding any Government Data, including back-up data, is a secure system that complies with the Cyber Essentials Schedule (if used), the Security Schedule (if used), the Security Policy and the security requirements specified in the Award Form. and otherwise as required by Data Protection Legislation.

18.5 If at any time the Supplier suspects or has reason to believe that the Government Data is corrupted, lost or sufficiently degraded, then the Supplier must immediately notify the Buyer and suggest remedial action.

18.6 If the Government Data is corrupted, lost or sufficiently degraded so as to be unusable the Buyer may either or both:

18.6.1 tell the Supplier to restore or get restored Government Data as soon as practical but no later than five (5) Working Days from the date that the Buyer receives notice, or the Supplier finds out about the issue, whichever is earlier; and

18.6.2 restore the Government Data itself or using a third party.

18.7 The Supplier must pay each Party's reasonable costs of complying with Clause 18.6 unless the Buyer is at fault.

18.8 The Supplier:

18.8.1 must provide the Buyer with all Government Data in an agreed format (provided it is secure and readable) within ten (10) Working Days of a written request;

18.8.2 must have documented processes to guarantee prompt availability of Government Data if the Supplier stops trading;

18.8.3 must securely destroy all Storage Media that has held Government Data at the end of life of that media using Good Industry Practice, other than in relation to Government Data which is owned or licenced by the Supplier or in respect of which the Parties are either Independent Controllers or Joint Controllers;

18.8.4 securely erase all Government Data and any copies it holds when asked to do so by the Buyer (and certify to the Buyer that it has done so) unless and to the extent required by Law to retain it other than in relation to Government Data which is owned or licenced by the Supplier or in respect of which the Parties are either Independent Controllers or Joint Controllers; and

18.8.5 indemnifies the Buyer against any and all Losses incurred if the Supplier breaches Clause 18 or any Data Protection Legislation.

19. What you must keep confidential

19.1 Each Party must:

19.1.1 keep all Confidential Information it receives confidential and secure;

19.1.2 not disclose, use or exploit the Disclosing Party's Confidential Information without the Disclosing Party's prior written consent, except for the purposes anticipated under this Contract; and

19.1.3 immediately notify the Disclosing Party if it suspects unauthorised access, copying, use or disclosure of the Confidential Information.

19.2 In spite of Clause 19.1, a Party may disclose Confidential Information which it receives from the Disclosing Party in any of the following instances:

19.2.1 where disclosure is required by applicable Law, a regulatory body or a court with the relevant jurisdiction if the Recipient Party notifies the Disclosing Party of the full circumstances, the affected Confidential Information and extent of the disclosure;

19.2.2 if the Recipient Party already had the information without obligation of confidentiality before it was disclosed by the Disclosing Party;

19.2.3 if the information was given to it by a third party without obligation of confidentiality;

19.2.4 if the information was in the public domain at the time of the disclosure;

19.2.5 if the information was independently developed without access to the Disclosing Party's Confidential Information;

19.2.6 on a confidential basis, to its auditors or for the purpose of regulatory requirements;

19.2.7 on a confidential basis, to its professional advisers on a need-to-know basis; and

19.2.8 to the Serious Fraud Office where the Recipient Party has reasonable grounds to believe that the Disclosing Party is involved in activity that may be a criminal offence under the Bribery Act 2010.

19.3 The Supplier may disclose Confidential Information on a confidential basis to Supplier Staff on a need-to-know basis to allow the Supplier to meet its obligations under this Contract. The Supplier Staff shall remain responsible at all times for compliance with the confidentiality obligations set out in this Contract by the persons to whom disclosure has been made.

19.4 The Buyer may disclose Confidential Information in any of the following cases:

19.4.1 on a confidential basis to the employees, agents, consultants and contractors of the Buyer;

19.4.2 on a confidential basis to any other Crown Body, any successor body to a Crown Body or any company that the Buyer transfers or proposes to transfer all or any part of its business to;

19.4.3 if the Buyer (acting reasonably) considers disclosure necessary or appropriate to carry out its public functions;

19.4.4 where requested by Parliament;

19.4.5 under Clauses 4.6 and 20; and

19.4.6 on a confidential basis under the audit rights in Clauses 6.5 to 6.9 (inclusive), Clause 13 (Step-in rights), Schedule 7 and Schedule 30 (if used).

19.5 For the purposes of Clauses 19.2 to 19.4 references to disclosure on a confidential basis means disclosure under a confidentiality agreement or arrangement including terms as strict as those required in Clause 19.

19.6 Transparency Information and any information which is exempt from disclosure by Clause 20 is not Confidential Information.

19.7 The Supplier must not make any press announcement or publicise this Contracts or any part of them in any way, without the prior written consent of the Buyer and must use all reasonable endeavours to ensure that Supplier Staff do not either.

20. When you can share information

20.1 The Supplier must tell the Buyer within forty eight (48) hours if it receives a Request For Information.

20.2 In accordance with a reasonable timetable and in any event within five (5) Working Days of a request from the Buyer, the Supplier must give the Buyer full co-operation and information needed so the Buyer can:

20.2.1 publish the Transparency Information; and

20.2.2 comply with any Request for Information.

20.3 To the extent that it is allowed and practical to do so, the Buyer will use reasonable endeavours to notify the Supplier of a FOIA request and may talk to the Supplier to help it decide whether to publish information under Clause 20.1. However, the extent, content and format of the disclosure is the Buyer's decision in its absolute discretion.

21. Invalid parts of the contract

If any provision or part provision of this Contract is or becomes invalid, illegal or unenforceable for any reason, such provision or part-provision shall be deemed deleted, but that shall not affect the validity and enforceability of the rest of this Contract.

22. No other terms apply

The provisions incorporated into this Contract are the entire agreement between the Parties. The Contract replaces all previous statements, or agreements whether written or oral. No other provisions apply.

23. Other people's rights in this Contract

23.1 The provisions of Paragraphs 2.1 and 2.3 of Part A, Paragraphs 2.1, 2.3 and 3.1 of Part B, Paragraphs 1.2, 1.4 and 1.7 of Part C, Part D and Paragraphs 1.4, 1.7, 2.3, 2.5 and 2.10 of Part E of Schedule 7 (Staff Transfer) and the provisions of Paragraph 3.1, 6.1, 7.2, 8.2, 8.5, 8.6 and 8.9 of Schedule 30 (Exit Management) (together "**Third Party Provisions**") confer benefits on persons named or identified in such provisions other than the Parties (each such person a "**Third Party Beneficiary**") and are intended to be enforceable by Third Parties Beneficiaries by virtue of the Contracts (Rights of Third Parties) Act ("**CRTPA**").

23.2 Subject to Clause 23.1, no third parties may use the CRTPA to enforce any term of this Contract unless stated (referring to CRTPA) in this Contract. This does not affect third party rights and remedies that exist independently from CRTPA.

23.3 No Third Party Beneficiary may enforce, or take any step to enforce, any Third Party Provision without the prior written consent of the Buyer, which may, if given, be given on and subject to such terms as the Buyer may determine.

23.4 Any amendments or modifications to this Contract may be made, and any rights created under Clause 23.1 may be altered or extinguished, by the Parties without the consent of any Third Party Beneficiary.

24. Circumstances beyond your control

24.1 Any Party affected by a Force Majeure Event is excused from performing its obligations under this Contract while the inability to perform continues, if it both:

24.1.1 provides a Force Majeure Notice to the other Party; and

24.1.2 uses all reasonable measures practical to reduce the impact of the Force Majeure Event.

24.2 Any failure or delay by the Supplier to perform its obligations under this Contract that is due to a failure or delay by an agent, Subcontractor or supplier will only be considered a Force Majeure Event if that third party is itself prevented from complying with an obligation to the Supplier due to a Force Majeure Event.

24.3 Either party can partially or fully terminate this Contract if the provision of the Deliverables is materially affected by a Force Majeure Event which lasts for ninety (90) days continuously.

25. Relationships created by the contract

The Contract does not create a partnership, joint venture or employment relationship. The Supplier must represent themselves accordingly and ensure others do so.

26. Giving up contract rights

A partial or full waiver or relaxation of the terms of this Contract is only valid if it is stated to be a waiver in writing to the other Party.

27. Transferring responsibilities

27.1 The Supplier cannot assign, novate or in any other way dispose of this Contract or any part of it without the Buyer's written consent.

27.2 Subject to Schedule 27 (Key Subcontractors), the Supplier cannot sub-contract this Contract or any part of it without the Buyer's prior written consent. The Supplier shall provide the Buyer with information about the Subcontractor as it reasonably requests. The decision of the Buyer to consent or not will not be unreasonably withheld or delayed. If the Buyer does not communicate a decision to the Supplier within ten (10) Working Days of the request for consent then its consent will be deemed to have been given. The Buyer may reasonably withhold its consent to the appointment of a Subcontractor if it considers that:

27.2.1 the appointment of a proposed Subcontractor may prejudice the provision of the Deliverables or may be contrary to its interests;

27.2.2 the proposed Subcontractor is unreliable and/or has not provided reliable goods and or reasonable services to its other customers; and/or

27.2.3 the proposed Subcontractor employs unfit persons.

27.3 The Buyer can assign, novate or transfer its Contract or any part of it to any Crown Body, public or private sector body which performs the functions of the Buyer.

27.4 When the Buyer uses its rights under Clause 27.3 the Supplier must enter into a novation agreement in the form that the Buyer specifies.

27.5 The Supplier can terminate this Contract novated under Clause 27.3 to a private sector body that is experiencing an Insolvency Event.

27.6 The Supplier remains responsible for all acts and omissions of the Supplier Staff as if they were its own.

27.7 If at any time the Buyer asks the Supplier for details about Subcontractors, the Supplier must provide details of Subcontractors at all levels of the supply chain including:

27.7.1 their name;

27.7.2 the scope of their appointment;

27.7.3 the duration of their appointment; and

27.7.4 a copy of the Sub-Contract.

28. Changing the contract

28.1 Either Party can request a Variation to this Contract which is only effective if agreed in writing, including where it is set out in the Variation Form, and signed by both Parties.

28.2 The Supplier must provide an Impact Assessment either:

28.2.1 with the Variation Form, where the Supplier requests the Variation; and

28.2.2 within the time limits included in a Variation Form requested by the Buyer.

28.3 If the Variation to this Contract cannot be agreed or resolved by the Parties, the Buyer can either:

28.3.1 agree that this Contract continues without the Variation; and

28.3.2 refer the Dispute to be resolved using Clause 39 (Resolving Disputes).

28.4 The Buyer is not required to accept a Variation request made by the Supplier.

28.5 The Supplier may only reject a Variation requested by the Buyer if the Supplier:

28.5.1 reasonably believes that the Variation would materially and adversely affect the risks to the health and safety of any person or that it would result in the Deliverables being provided in a way that infringes any Law; or

28.5.2 demonstrates to the Buyer's reasonable satisfaction that the Variation is technically impossible to implement and that neither the Tender nor the Specification state that the Supplier has the required technical capacity or flexibility to implement the Variation.

28.6 If there is a General Change in Law, the Supplier must bear the risk of the change and is not entitled to ask for an increase to the Charges.

28.7 If there is a Specific Change in Law or one is likely to happen during this Contract Period the Supplier must give the Buyer notice of the likely effects of the changes as soon as reasonably practical. They must also say if they think any Variation is needed either to the Deliverables, the Charges or this Contract and provide evidence:

28.7.1 that the Supplier has kept costs as low as possible, including in Subcontractor costs; and

28.7.2 of how it has affected the Supplier's costs.

28.8 Any change in the Charges or relief from the Supplier's obligations because of a Specific Change in Law must be implemented using Clauses 28.1 to 28.4.

29. How to communicate about the contract

29.1 All notices under this Contract must be in writing and are considered effective on the Working Day of delivery as long as they're delivered before 5:00pm on a Working Day. Otherwise the notice is effective on the next Working Day. An email is effective at 9:00am on the first Working Day after sending unless an error message is received.

29.2 Notices to the Buyer must be sent to the Buyer Authorised Representative's address or email address in the Award Form.

29.3 This Clause does not apply to the service of legal proceedings or any documents in any legal action, arbitration or dispute resolution.

30. Dealing with claims

30.1 If a Beneficiary is notified of a Claim then it must notify the Indemnifier as soon as reasonably practical and no later than ten (10) Working Days.

30.2 At the Indemnifier's cost the Beneficiary must both:

30.2.1 allow the Indemnifier to conduct all negotiations and proceedings to do with a Claim; and

30.2.2 give the Indemnifier reasonable assistance with the claim if requested.

30.3 The Beneficiary must not make admissions about the Claim without the prior written consent of the Indemnifier which cannot be unreasonably withheld or delayed.

30.4 The Indemnifier must consider and defend the Claim diligently using competent legal advisors and in a way that doesn't damage the Beneficiary's reputation.

30.5 The Indemnifier must not settle or compromise any Claim without the Beneficiary's prior written consent which it must not unreasonably withhold or delay.

30.6 Each Beneficiary must use all reasonable endeavours to minimise and mitigate any losses that it suffers because of the Claim.

30.7 If the Indemnifier pays the Beneficiary money under an indemnity and the Beneficiary later recovers money which is directly related to the Claim, the Beneficiary must immediately repay the Indemnifier the lesser of either:

30.7.1 the sum recovered minus any legitimate amount spent by the Beneficiary when recovering this money; and

30.7.2 the amount the Indemnifier paid the Beneficiary for the Claim.

31. Preventing fraud, bribery and corruption

31.1 The Supplier must not during the Contract Period:

31.1.1 commit a Prohibited Act or any other criminal offence in the Regulations 57(1) and 57(2);

31.1.2 do or allow anything which would cause the Buyer, including any of their employees, consultants, contractors, Subcontractors or agents to breach any of the Relevant Requirements or incur any liability under them.

31.2 The Supplier must during the Contract Period:

31.2.1 create, maintain and enforce adequate policies and procedures to ensure it complies with the Relevant Requirements to prevent a Prohibited Act and require its Subcontractors to do the same;

31.2.2 keep full records to show it has complied with its obligations under this Clause 31 and give copies to the Buyer on request; and

31.2.3 if required by the Buyer, within twenty (20) Working Days of the Effective Date of this Contract, and then annually, certify in writing to the Buyer, that they have complied with this Clause 31, including compliance of Supplier Staff, and provide reasonable supporting evidence of this on request, including its policies and procedures.

31.3 The Supplier must immediately notify the Buyer if it becomes aware of any Default of Clauses 31.1 or has any reason to think that it, or any of the Supplier Staff, have either:

31.3.1 been investigated or prosecuted for an alleged Prohibited Act;

31.3.2 been debarred, suspended, proposed for suspension or debarment, or are otherwise ineligible to take part in procurement programmes or contracts because of a Prohibited Act by any government department or agency;

31.3.3 received a request or demand for any undue financial or other advantage of any kind related to this Contract; and

31.3.4 suspected that any person or Party directly or indirectly related to this Contract has committed or attempted to commit a Prohibited Act.

31.4 If the Supplier notifies the Buyer as required by Clause 31.3, the Supplier must respond promptly to their further enquiries, co-operate

with any investigation and allow the Audit of any books, records and relevant documentation.

31.5 If the Supplier is in Default under Clause 31.1 the Buyer may:

31.5.1 require the Supplier to remove any Supplier Staff from providing the Deliverables if their acts or omissions have caused the Default; and

31.5.2 immediately terminate this agreement in accordance with Clause 14.4.1 and the consequences of termination in Clauses 14.5.1 shall apply.

31.6 In any notice the Supplier gives under Clause 31.4 it must specify the:

31.6.1 Prohibited Act;

31.6.2 identity of the Party who it thinks has committed the Prohibited Act; and

31.6.3 action it has decided to take.

32. Equality, diversity and human rights

32.1 The Supplier must follow all applicable equality Law when they perform their obligations under this Contract, including:

32.1.1 protections against discrimination on the grounds of race, sex, gender reassignment, religion or belief, disability, sexual orientation, pregnancy, maternity, age or otherwise; and

32.1.2 any other requirements and instructions which the Buyer reasonably imposes related to equality Law.

32.2 The Supplier must use all reasonable endeavours, and inform the Buyer of the steps taken, to prevent anything that is considered to be unlawful discrimination by any court or tribunal, or the Equality and Human Rights Commission (or any successor organisation) when working on this Contract.

33. Health and safety

33.1 The Supplier must perform its obligations meeting the requirements of:

33.1.1 all applicable Law regarding health and safety; and

33.1.2 the Buyer’s current health and safety policy while at the Buyer’s Premises, as provided to the Supplier.

33.2 The Supplier and the Buyer must as soon as possible notify the other of any health and safety incidents or material hazards they’re aware of at the Buyer Premises that relate to the performance of this Contract.

34. Environment

34.1 When working on Site the Supplier must perform its obligations under the Buyer's current Environmental Policy, which the Buyer must provide.

34.2 The Supplier must ensure that Supplier Staff are aware of the Buyer's Environmental Policy.

35. Tax

35.1 The Supplier must not breach any tax or social security obligations and must enter into a binding agreement to pay any late contributions due, including where applicable, any interest or any fines. The Buyer cannot terminate this Contract where the Supplier has not paid a minor tax or social security contribution.

35.2 Where the Charges payable under this Contract are or are likely to exceed £5 million at any point during the relevant Contract Period, and an Occasion of Tax Non-Compliance occurs, the Supplier must notify the Buyer of it within five (5) Working Days including:

35.2.1 the steps that the Supplier is taking to address the Occasion of Tax Non-Compliance and any mitigating factors that it considers relevant; and

35.2.2 other information relating to the Occasion of Tax Non-Compliance that the Buyer may reasonably need.

35.3 Where the Supplier or any Supplier Staff are liable to be taxed or to pay National Insurance contributions in the UK relating to payment received under this Contract, the Supplier must both:

35.3.1 comply with the Income Tax (Earnings and Pensions) Act 2003 and all other statutes and regulations relating to income tax, the Social Security Contributions and Benefits Act 1992 (including IR35) and National Insurance contributions; and

35.3.2 indemnify the Buyer against any Income Tax, National Insurance and social security contributions and any other liability, deduction, contribution, assessment or claim arising from or made during or after the Contract Period in connection with the provision of the Deliverables by the Supplier or any of the Supplier Staff.

35.4 If any of the Supplier Staff are Workers who receive payment relating to the Deliverables, then the Supplier must ensure that its contract with the Worker contains the following requirements:

35.4.1 the Buyer may, at any time during the Contract Period, request that the Worker provides information which demonstrates they comply with Clause 35.3.1, or why those requirements do not

apply, the Buyer can specify the information the Worker must provide and the deadline for responding;

35.4.2 the Worker's contract may be terminated at the Buyer's request if the Worker fails to provide the information requested by the Buyer within the time specified by the Buyer;

35.4.3 the Worker's contract may be terminated at the Buyer's request if the Worker provides information which the Buyer considers isn't good enough to demonstrate how it complies with Clause 35.3.1 or confirms that the Worker is not complying with those requirements; and

35.4.4 the Buyer may supply any information they receive from the Worker to HMRC for revenue collection and management.

36. Conflict of interest

36.1 The Supplier must take action to ensure that neither the Supplier nor the Supplier Staff are placed in the position of an actual, potential or perceived Conflict of Interest.

36.2 The Supplier must promptly notify and provide details to the Buyer if an actual, potential or perceived Conflict of Interest happens or is expected to happen.

36.3 The Buyer will consider whether there are any appropriate measures that can be put in place to remedy an actual, perceived or potential Conflict of Interest. If, in the reasonable opinion of the Buyer, such measures do not or will not resolve an actual or potential Conflict of Interest, the Buyer may terminate its Contract immediately by giving notice in writing to the Supplier where there is or may be an actual or potential Conflict of Interest and Clauses 14.5.1(b) to 14.5.1(g) shall apply.

37. Reporting a breach of the contract

37.1 As soon as it is aware of it the Supplier and Supplier Staff must report to the Buyer any actual or suspected:

37.1.1 breach of Law;

37.1.2 Default of Clause 16.1; and

37.1.3 Default of Clauses 31 to 36.

37.2 The Supplier must not retaliate against any of the Supplier Staff who in good faith reports a breach or Default listed in Clause 37.1 to the Buyer or a Prescribed Person.

38. Further Assurances

Each Party will, at the request and cost of the other Party, do all things which may be reasonably necessary to give effect to the meaning of this Contract.

39. Resolving disputes

39.1 If there is a Dispute, the senior representatives of the Parties who have authority to settle the Dispute will, within twenty eight (28) days of a written request from the other Party, meet in good faith to resolve the Dispute by commercial negotiation.

39.2 If the Parties cannot resolve the Dispute via commercial negotiation, they can attempt to settle it by mediation using the Centre for Effective Dispute Resolution (CEDR) Model Mediation Procedure current at the time of the Dispute. If the Parties cannot agree on a mediator, the mediator will be nominated by CEDR. If either Party does not wish to use, or continue to use mediation, or mediation does not resolve the Dispute, the Dispute must be resolved using Clauses 39.4 to 39.6.

39.3 Unless the Buyer refers the Dispute to arbitration using Clause 39.5, the Parties irrevocably agree that the courts of England and Wales have the exclusive jurisdiction to:

39.3.1 determine the Dispute;

39.3.2 grant interim remedies; and

39.3.3 grant any other provisional or protective relief.

39.4 The Supplier agrees that the Buyer has the exclusive right to refer any Dispute to be finally resolved by arbitration under the London Court of International Arbitration Rules current at the time of the Dispute. There will be only one arbitrator. The seat or legal place of the arbitration will be London and the proceedings will be in English.

39.5 The Buyer has the right to refer a Dispute to arbitration even if the Supplier has started or has attempted to start court proceedings under Clause 39.4, unless the Buyer has agreed to the court proceedings or participated in them. Even if court proceedings have started, the Parties must do everything necessary to ensure that the court proceedings are stayed in favour of any arbitration proceedings if they are started under Clause 39.5.

39.6 The Supplier cannot suspend the performance of this Contract during any Dispute.

40. Which law applies

This Contract and any issues or Disputes arising out of, or connected to it, are governed by English law.