DPS FRAMEWORK SCHEDULE 4: LETTER OF APPOINTMENT AND CONTRACT TERMS

Part 1: Letter of Appointment

The British Geological Survey (BGS)
part of UK Research and Innovation (UKRI)
Environmental Science Centre
Keyworth
Nottingham
NG12 5GG

Dear [redacted]

Letter of Appointment

This letter of Appointment dated 28th October 2021 is issued in accordance with the provisions of the DPS Agreement (RM6018) between CCS and the Supplier.

Capitalised terms and expressions used in this letter have the same meanings as in the Contract Terms unless the context otherwise requires.

Order Number:	PS21185
From:	**Department of Business Energy and Industrial Strategy**, 1 Victoria St, Westminster, London, SW1H 0ET("Customer") ("Customer")
To:	**The British Geological Survey (BGS) part of UK Research and Innovation (UKRI),** Environmental Science Centre, Keyworth, Nottingham, NG12 5GG ("Supplier")

Effective Date:	Thursday 28th October 2021
Expiry Date:	Wednesday 15th December 2021

Services required:	Set out in Section 2, Part B (Specification) of the DPS Agreement and refined by: The Customer's Project Specification attached at Annex A and the Supplier's Proposal attached at Annex B;

Key Individuals:	[redacted]

Contract Charges (including any applicable discount(s), but excluding VAT):	As per AW5.2 Price Schedule response highlighted within the RM6018 Contract Terms, section; Annex 1 – Contract Charges. The total call-off contract value shall not exceed £49,941.84 excluding VAT. Payment Schedule One single payment milestone due at the end of the final deliverable, on 15th December 2021 this invoice will be for the full cost of the project.
Insurance Requirements	Additional public liability insurance to cover all risks in the performance of the Contract, with a minimum limit of £5 million for each individual claim. Additional professional indemnity insurance adequate to cover all risks in the performance of the Contract with a minimum limit of indemnity of £1 million for each individual claim. Product liability insurance cover all risks in the provision of Deliverables under the Contract, with a minimum limit of £5 million for each individual claim.
Liability Requirements	**Suppliers limitation of Liability** (Clause 18.2 of the Contract Terms);
Customer billing address for invoicing:	All invoices should be sent to finance@services.uksbs.co.uk (UKSBS, Queensway House, West Precinct, Billingham, TS23 2NF).

FORMATION OF CONTRACT

BY SIGNING AND RETURNING THIS LETTER OF APPOINTMENT (which may be done by electronic means) the Supplier agrees to enter a Contract with the Customer to provide the Services in accordance with the terms of this letter and the Contract Terms.

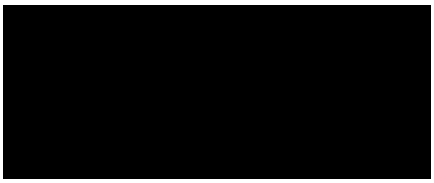
The Parties hereby acknowledge and agree that they have read this letter and the Contract Terms.

The Parties hereby acknowledge and agree that this Contract shall be formed when the Customer acknowledges (which may be done by electronic means) the receipt of the signed copy of this letter from the Supplier within two (2) Working Days from such receipt

For and on behalf of the Supplier: **For and on behalf of the Customer:**

Name and Title: Name and Title:

[redacted] [redacted]



ANNEX A

Customer Project Specification

1. Introduction and summary of requirements

Recent developments have thrown into sharp relief the inherent vulnerabilities associated with complex global supply chains and shocks to the global economic system. Critical materials, and particularly certain types of minerals and metals, will be vital to delivering the green transition and safeguarding our future economic resilience. As demands rise there will be increased competition for scarce natural resources such as critical minerals, including rare earth elements, and control of supply may be used as leverage on other issues.

The UK's approach to technology-critical minerals and metals is focused on identifying and securing the commodities required to reach net zero by 2050. Along with wider objectives for economic growth and levelling up. This includes those required for the manufacture of batteries, magnets for electric vehicles, and renewable power generation.

The Department for Business, Energy and Industrial Strategy (BEIS) is seeking to build understanding of the minerals and metals currently assessed as the most critical, likely changes to future demands and their drivers for these minerals and metals, and to examine the impact of the likely shifts in demand on the UK economy and security of supply.

2. Background

Technology-critical minerals and metals[1] are important, and often irreplaceable, in electric vehicle batteries, offshore wind turbines, and other technologies. These play a crucial part in our ability to harness the potential of green technology. The World Bank estimates that three billion tonnes of metals and minerals will be needed to decarbonise the global energy system by 2050.

Determining criticality is complex and not an exact science. Materials may be judged "critical" on grounds of economic or national security importance or high risk of supply disruption[2]. Criticality is a dynamic quality subject to rapid change through technological advance, market dynamics and policy direction at home and abroad.

In 2018, the Government Office for Science (GO-Science) working with a group of experts developed a list of critical minerals and metals using a qualitative assessment of strategic importance, focussed on a limited number of both supply and demand side factors. Last year a *Review of the Future Resource Risk Faced by UK Business* commissioned by Defra was published. The research focused particularly on raw materials which are, or may become, critical to the economy, including so-called "critical raw materials". The Review uses "critical raw materials (CRMs)" to refer to materials which are deemed to have supply risks associated with them *and* are also economically and strategically important for the country or economies in question.

[1] Such as the defined group of 14 comprising specified Rare Earth metals, battery materials, platinum-group metals and aerospace metals covered by Birmingham University's 2021 report *Securing technology-critical metals for Britain.*

[2] Parliamentary Office of Science and Technology. 2019. *Access to critical materials.* POSTNOTE 609. September.

Christopher Luton

3. Aims and Objectives

- To develop a robust and reproducible method of assessment to enable the production of a list of the most critical minerals and metals. This would include identifying those factors/metrics that are necessary in determining criticality of minerals and metals.
- To identify a means of determining which elements are of most strategic importance to the UK. This should include an approach to scoring, or categorising elements, to enable policy decisions to be considered based on subsets of the full list.
- Using that methodology, develop a comprehensive list of minerals and metals most critical to the UK.
- To identify an underlying rationale / justification for inclusion and positioning of each element on the list.

4 Methodology

Bidders will be required to provide details of their proposed methodology, including an indicative project plan. However, the Department's view is that the proposed methodology should consider the following:

- The methodology proposed should enable the list to be easily updated, as and when required;
- The methodology should recognise and take into account the environment, social and governance (ESG) issues associated with mining, extraction and processing of minerals. This could include issues such as environmental damage, conflict and child labour, as well as how the value of indigenous resources is appropriated in some of the poorest and least stable nations in the world.

5 Outputs Required

- A method of assessment that can be applied to enable the production of a list of the most critical minerals and metals.
- A current list of critical minerals and metals generated using the method documented above, with the rationale for inclusion of all items on the list. A rationale/justification for each of those minerals and metals which were considered but not ultimately included in the final list will also be expected.
- The underlying methodology used in developing that list including all references and data. IP in the methodology to be vested in the Crown to allow BEIS to update the list as and when required. The methodology should be documented in a readily accessible format (such as Microsoft Word or PDF), and key supporting documentation (for example, spreadsheets) should be provided in a format that enables them to be used by BEIS.

6 Ownership and Publication

BEIS, on behalf of the government, will take ownership of the any outputs from the commissioned work, as well as the associated methodology, and will make a decision on if and when to publish the list or the associated methodology.

Christopher Lucas

7 Quality Assurance

The work should be subject to internal quality assured by the contractor conducting the work.

Draft outputs should be made available to BEIS, to an agreed timetable, and any feedback should be duly considered prior to the provision of final deliverables. We would expect that timetable to involve a draft report being provided by 30th November 2021, with BEIS providing written feedback by 07th December 2021.

The approach taken should draw on best practice, and should be appropriately documented, referenced and presented to enable BEIS to conduct a review, including with reference to BEIS advisors or to other government departments or non-departmental bodies.

Suppliers bidding for this work should outline, in their proposal, a specific contract manager, his/her expertise and their duties. On contract award, this person would become BEIS's main contact point for queries pertaining to the service delivery, including quality of service, service escalation points and queries. Suppliers should also provide a brief outline of their service delivery escalation process, beyond the Contract Manager.

8 Timetable

Due to other considerations the timetable for delivery of this work is ambitious.

We expect to receive the final list of critical minerals and metals, and other deliverables, by 15th December 2021 at the latest, with key emerging outputs (in draft form) to be provided in advance of that final deadline, by 30th November 2021.

9 Challenges

It will be critical that this work, while grounded in best practice and having reference to international comparators, is specific to the UK and makes use of the best available UK-relevant information and understanding. Given the short timetable for this work, potential contractors may wish to consider that it may be challenging for those without both a thorough grounding in criticality assessment, and relevant UK-specific expertise in relation to mineral and metal value chains, to complete this task to time and to quality.

11 Working Arrangements

The successful contractor will be expected to identify one named point of contract through whom all enquiries can be filtered. A BEIS project manager will be assigned to the project and will be the central point of contact.

12 Skills and Expertise

BEIS would like you to demonstrate that you have the expertise and capabilities to undertake the project. Your tender response should include a summary of each proposed team member's expertise and capabilities.

Contractors should propose named members of the project team, and include the tasks and responsibilities of each team member. This should be clearly linked to the work programme, indicating the grade/ seniority of staff and number of days allocated to specific tasks. Contractors should identify the individual(s) who will be responsible for managing the project.

Christopher Luton

13 Consortium Bids

In the case of a consortium tender, only one submission covering all of the partners is required but consortia are advised to make clear the proposed role that each partner will play in performing the contract as per the requirements of the technical specification. We expect the bidder to indicate who in the consortium will be the lead contact for this project, and the organisation and governance associated with the consortia.

Please note BEIS reserves the right to require a successful consortium to form a single legal entity in accordance with Regulation 28 of the Public Contracts Regulations 2006.

BEIS recognises that arrangements in relation to consortia may (within limits) be subject to future change. Potential Providers should therefore respond in the light of the arrangements as currently envisaged. Potential Providers are reminded that any future proposed change in relation to consortia must be notified to BEIS so that it can make a further assessment by applying the selection criteria to the new information provided.

BEIS are able to inform suppliers that benchmark costs have been calculated to be between £40,000.00 and £50,000.00 excluding VAT.

Contractors should provide a full and detailed breakdown of costs (including options where appropriate). This should include staff (and day rate) allocated to specific tasks.

Cost will be a criterion against which bids which will be assessed.

Payments will be linked to delivery of key milestones. The indicative milestones and phasing of payments is as follows. This can be adjusted and agreed with the successful winning bidder .

Payment Schedule

Milestone	**Date of requirement**	**Payment that may be invoiced upon completion of milestone**
Draft emerging outputs (including methodology and list)	30th November 2021	60% of project value
Final outputs received in full	15th December 2021	Balance of project value

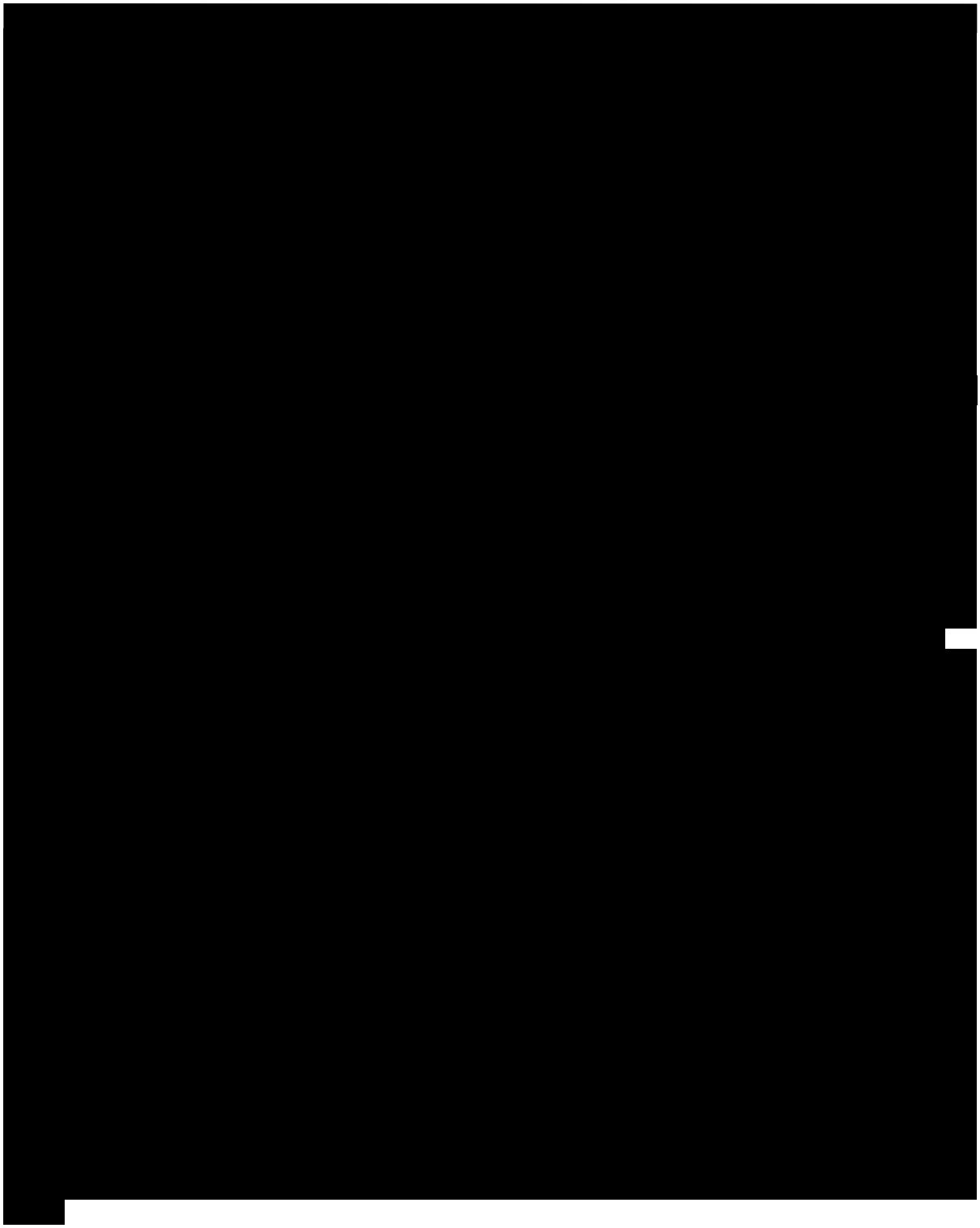
In submitting full tenders, contractors confirm in writing that the price offered will be held for a minimum of 90 calendar days from the date of submission. Any payment conditions applicable to the prime contractor must also be replicated with sub-contractors.

The Department aims to pay all correctly submitted invoices as soon as possible with a target of 10 days from the date of receipt and within 30 days at the latest in line with standard terms and conditions of contract.

ANNEX B

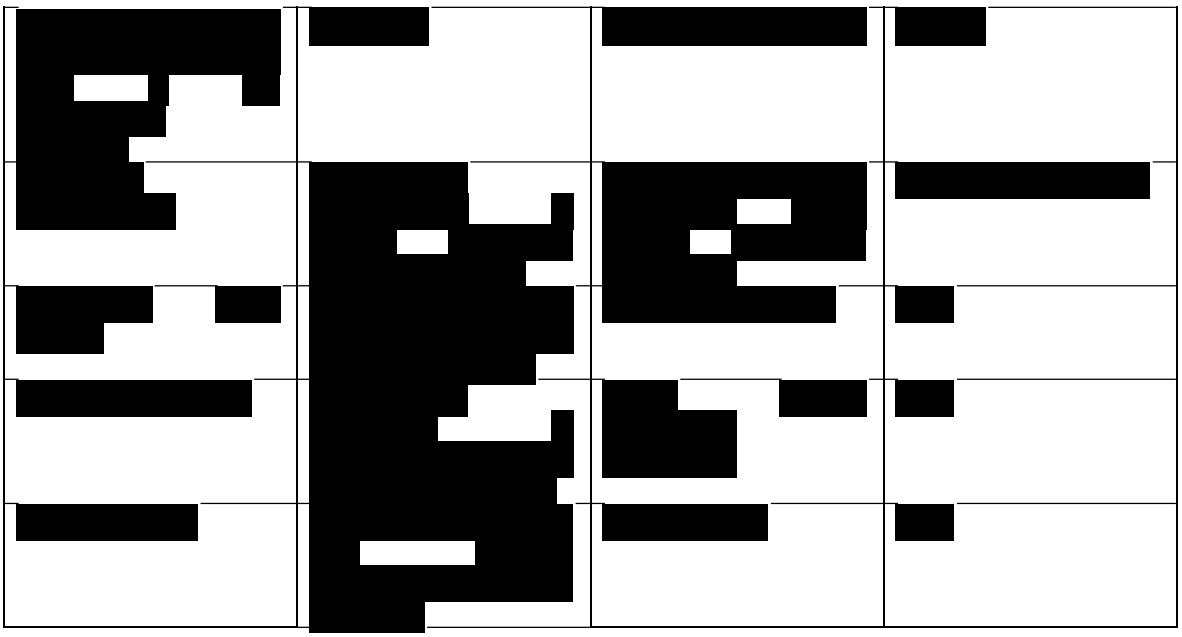
[redacted] **Supplier Proposal**

[redacted]



Andrew Bloodworth (AB). *Project role:* **Project Director and Minerals Policy Expert**, responsible

[redacted]



[redacted]

[redacted]

Part 2: Contract Terms

Contract Terms v6.0