

## SHORT FORM CONTRACT FOR THE SUPPLY OF GOODS AND/OR SERVICES

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## II. Cover Letter

Allied Crowds Limited  
5 St. Helena Terrace  
Riverside  
Richmond  
TW9 1NR

Attn: [REDACTED]

By email to: [REDACTED]

Date: 6<sup>th</sup> February 2025

Our ref: BE24244

Dear [REDACTED]

Following your tender/proposal for the supply of BE24244: Estimating the future prices and scale of engineered GGRs in Voluntary Carbon Markets (VCMs) to The Department for Energy Security and Net Zero (DESNZ), we are pleased confirm our intention to award this Contract to you.

The attached Order Form, contract Conditions and the Annexes set out the terms of the Contract between The Department for Energy Security and Net Zero and Allied Crowds Limited for the provision of the Deliverables set out in the Order Form.

We thank you for your co-operation to date and look forward to forging a successful working relationship resulting in a smooth and successful Delivery of the Deliverables. Please confirm your acceptance of this Contract by signing and returning the Order Form at the following email address: [fmprocurement@uksbs.co.uk](mailto:fmprocurement@uksbs.co.uk) within 7 days from the date of the Order Form. No other form of acknowledgement will be accepted. Please remember to include the reference number(s) above in any future communications relating to this Contract.

We will then arrange for the Order Form to be countersigned which will create a binding contract between us.

Yours faithfully,

[REDACTED]  
Category Manager  
UK Shared Business Services

For and on behalf of The Department for Energy Security and Net Zero

### III. Order Form

<b>1. Contract Reference</b>	<b>BE24244</b>	
<b>2. Buyer</b>	<b>The Department for Energy Security and Net Zero (DESNZ), 3 – 8 Whitehall Place, London, SW1A 2EG.</b>  In entering into this Contract, the Buyer is acting as part of the Crown and the Supplier shall be treated as contracting with the Crown as a whole.	
<b>3. Supplier</b>	<b>Allied Crowds Limited, 5 St. Helena Terrace, Riverside, Richmond, TW9 1NR</b>	
<b>4. The Contract</b>	This Contract between the Buyer and the Supplier is for the supply of Deliverables. The Supplier shall supply the Deliverables described below on the terms set out in this Order Form and the attached contract conditions (" <b>Conditions</b> ") and Annexes. Unless the context otherwise requires, capitalised expressions used in this Order Form have the same meanings as in the Conditions.	
<b>5. Deliverables</b>	<b>Goods</b>	None
	<b>Services</b>	<ul style="list-style-type: none"> <li>See Annex 2 – Specification</li> <li>in the Supplier's tender as set out in Annex 4 – Supplier Tender</li> </ul> The Services are: <ul style="list-style-type: none"> <li>To be performed at the Supplier's premises</li> <li>Date(s) of Delivery: 7th February 2025 until 6<sup>th</sup> July 2025</li> </ul>
<b>6. Specification</b>	The specification of the Deliverables is as set out in Annex 2 – Specification	
<b>7. Start Date</b>	7 <sup>th</sup> February 2025	
<b>8. Expiry Date</b>	6 <sup>th</sup> July 2025	
<b>9. Extension Period</b>	This contract has an optional 3-month time only extension	
<b>10. Buyer Cause</b>	Any Material Breach of DESNZ's obligation to: <ul style="list-style-type: none"> <li>Make appropriately empowered staff available to attend the fortnightly meetings to enable decision making.</li> <li>Provide review of contract deliverables within 10 working days.</li> </ul>	

	And the Buyer shall have no obligation to perform any obligations placed on it in Annex 2 – Specification
<b>11. Optional Intellectual Property Rights (“IPR”) Clauses</b>	Not applicable – as per standard conditions
<b>12. Charges</b>	<p>The total contract value shall not exceed £56,700.00 excluding VAT.</p> <p>Please see a detailed breakdown of the charges for the Deliverables as set out in Annex 3 – Charges– AW5.2 Price Schedule.</p>
<b>13. Payment</b>	<p>Payment of undisputed invoices will be made within 30 days of receipt of invoice, which must be submitted promptly by the Supplier.</p> <p>Payments for this project will be broken down into four stages and processed after individual Phases are complete, draft outputs have been submitted to DESNZ, DESNZ have provided comments within 5 working days, and a final version of the outputs has been agreed between DESNZ and the supplier.</p> <ul style="list-style-type: none"> <li>- Phase 1 (first month of project, to be paid on receipt of outputs): conduct the literature review (Task 1) and create, agree, and finalise with DESNZ the methodology for the economic modelling (Task 2).</li> <li>- Phase 2 (second month of project, to be paid on receipt of outputs): conduct economic modelling to produce interim results (Task 3) and peer review with DESNZ (Task 4)</li> <li>- Phase 3 (third month of project, to be paid on receipt of outputs): complete, update and quality assure economic modelling in response to feedback from the peer review, to produce final analytical outputs for dissemination with DESNZ (Task 5).</li> <li>- Phase 4 (fourth and fifth month of project, to be paid on receipt of outputs): complete final outputs, including a final report, methodology report, and a PowerPoint presentation for dissemination with DESNZ (Task 6).</li> </ul> <p>Itemised invoices must be sent to DESNZ for approval before submission for payment.</p> <p>Approved invoices must be sent, quoting a valid Purchase Order Number (PO Number) and any other relevant details, to: <a href="mailto:ap@uksbs.co.uk">ap@uksbs.co.uk</a></p> <p>Within 10 Working Days of receipt of your countersigned copy of this Order Form, we will send you a unique PO Number. You must be in receipt of a valid PO Number before submitting an invoice.</p> <p>To avoid delay in payment it is important that the invoice is compliant and that it includes a valid PO Number, item number (if applicable) and the details (name,</p>

	<p>email, and telephone number) of your Buyer contact (i.e. Buyer Authorised Representative). Non-compliant invoices may be sent back to you, which may lead to a delay in payment.</p> <p>If you have a query regarding an outstanding payment please contact our Accounts Payable team by email to: <a href="mailto:ap@uksbs.co.uk">ap@uksbs.co.uk</a></p>	
<b>14. Data Protection Liability Cap</b>	<p>In accordance with clause 21.6 of the Conditions, the Supplier's total aggregate liability under clause 23.7.5 of the Conditions is no more than the Data Protection Liability Cap, being £500,000.00</p>	
<b>15. Progress Meetings and Progress Reports</b>	<ul style="list-style-type: none"> <li>The Supplier shall attend Fortnightly online meetings on progress with DESNZ Project Managers.</li> <li>The Supplier shall provide the Buyer fortnightly progress reports.</li> </ul>	
<b>16. Buyer Authorised Representative(s)</b>	<p>For general liaison your contact will continue to be</p> <ul style="list-style-type: none"> <li>██████████</li> </ul>	
<b>17. Supplier Authorised Representative(s)</b>	<p>For general liaison your contact will continue to be</p> <ul style="list-style-type: none"> <li>██████████</li> </ul>	
<b>18. Address for notices</b>	<p><b>Allied Crowds Limited</b></p> <p>5 St. Helena Terrace, Riverside, Richmond, TW9 1NR</p> <p>Attention: ██████████</p> <p>Email: ██████████</p>	<p><b>The Department for Energy Security and Net Zero</b></p> <p>3 – 8 Whitehall Place, London, SW1A 2EG.</p> <p>Attention: ██████████</p> <p>Email: ██████████</p>
<b>19. Key Staff</b>	<p><b>Key Staff</b></p> <p>██████████</p> <p>██████████</p> <p>██████████</p> <p>██████████</p>	
<b>20. Procedures and Policies</b>	<p>For the purposes of the Contract the:</p>	

The Buyer's environmental policy below:

## **DESNZ: Environmental Policy**

We are committed to protecting the environment and preventing pollution. We undertake all our activities in a responsible manner, using best practice, to reduce the environmental impacts of our operations and to enhance and improve environmental performance and the Environmental Management System. DESNZ are committed to fulfilling all environmental compliance obligations as a minimum and will strive to continually improve the environmental performance of our buildings, operations and supply chains.

DESNZ will:

- Proactively reduce our carbon footprint by implementing energy saving practices and technologies, to be more energy efficient;
- Mitigate the impacts of business travel through relevant policies and procedures;
- Preserve and enhance biodiversity on our sites where we have opportunities and scope to do so;
- Proactively use innovation and technology to ensure efficient use of water;
- Embed the Waste Hierarchy into all waste procedures while also managing waste according to our duty of care;
- Understand and assess climate change adaptation risks for our key sites, to ensure business continuity and resilience;
- Consider sustainability in all procurement decisions, focusing on decarbonisation, sustainable resource use and climate change adaptation;
- Minimise the consumption of natural resources and reducing environmental impacts through our supply chains;
- Manage fuels and hazardous substances appropriately to minimise environmental risks;
- Regularly review performance of environmental objectives and targets;

	<ul style="list-style-type: none"> <li>• Regularly report on progress to the senior responsible officer;</li> <li>• Communicate this policy to our staff, to everyone working for or on behalf of DESNZ and interested parties to ensure they understand the environmental impacts of their job and how to minimise these.</li> </ul> <p>DESNZ shall monitor and review effectiveness of this policy through ISO 14001:2015 Environmental Management System and in conjunction with the ISO50001:2018 Energy Management System.</p>
<b>21. Special Terms</b>	Special Term 1 – Not Applicable
	Special Term 2 – Not Applicable
	Special Term 3 – Not Applicable
<b>22. Incorporated Terms</b>	<p>The following documents are incorporated into the Contract. If there is any conflict, the following order of precedence applies:</p> <ul style="list-style-type: none"> <li>(a) The cover letter from the Buyer to the Supplier dated TBC</li> <li>(b) This Order Form</li> <li>(c) Any Special Terms (see row 21 (Special Terms) in this Order Form)</li> <li>(d) Conditions</li> <li>(e) The following Annexes in equal order of precedence:               <ul style="list-style-type: none"> <li>i. Annex 1 – Processing Personal Data</li> <li>ii. Annex 2 – Specification</li> <li>iii. Annex 3 – Charges</li> <li>iv. Annex 4 – Supplier Tender</li> </ul> </li> </ul>



## IV. Short form Terms ("Conditions")

### 10 DEFINITIONS USED IN THE CONTRACT

10.1 In this Contract, unless the context otherwise requires, the following words shall have the following meanings:

<b>"Affiliates"</b>	in relation to a body corporate, any other entity which directly or indirectly Controls (in either of the senses defined in sections 450 and 1124 of the Corporation Tax Act 2010 and <b>"Controlled"</b> shall be construed accordingly), is Controlled by, or is under direct or indirect common Control of that body corporate from time to time;
<b>"Audit"</b>	<p>the Buyer's right to:</p> <ul style="list-style-type: none"> <li>(a) verify the accuracy of the Charges and any other amounts payable by the Buyer under the Contract (including proposed or actual variations to them in accordance with the Contract);</li> <li>(b) verify the costs of the Supplier (including the costs of all Subcontractors and any third party suppliers) in connection with the provision of the Deliverables;</li> <li>(c) verify the Supplier's and each Subcontractor's compliance with the applicable Law;</li> <li>(d) identify or investigate actual or suspected breach of clauses 13 to 43 (inclusive), impropriety or accounting mistakes or any breach or threatened breach of security and in these circumstances the Buyer shall have no obligation to inform the Supplier of the purpose or objective of its investigations;</li> <li>(e) identify or investigate any circumstances which may impact upon the financial stability of the Supplier and/or any Subcontractors or their ability to provide the Deliverables;</li> <li>(f) obtain such information as is necessary to fulfil the Buyer's obligations to supply information for parliamentary, ministerial, judicial or administrative purposes including the supply of information to the Comptroller and Auditor General;</li> <li>(g) review any books of account and the internal contract management accounts kept by the Supplier in connection with the Contract;</li> <li>(h) carry out the Buyer's internal and statutory audits and to prepare, examine and/or certify the Buyer's annual and interim reports and accounts;</li> <li>(i) enable the National Audit Office to carry out an examination pursuant to Section 6(1) of the National Audit Act 1983 of the economy, efficiency and effectiveness with which the Buyer has used its resources;</li> </ul>

<b>"Beneficiary"</b>	A Party having (or claiming to have) the benefit of an indemnity under this Contract;
<b>"Buyer Cause"</b>	has the meaning given to it in the Order Form;
<b>"Buyer"</b>	the person named as Buyer in the Order Form. Where the Buyer is a Crown Body the Supplier shall be treated as contracting with the Crown as a whole;
<b>"Charges"</b>	the charges for the Deliverables as specified in the Order Form;
<b>"Claim"</b>	any claim which it appears that the Buyer is, or may become, entitled to indemnification under this Contract;
<b>"Conditions"</b>	means these short form terms and conditions of contract;
<b>"Confidential Information"</b>	all information, whether written or oral (however recorded), provided by the disclosing Party to the receiving Party and which <ul style="list-style-type: none"> <li>(a) is known by the receiving Party to be confidential;</li> <li>(b) is marked as or stated to be confidential; or</li> <li>(c) ought reasonably to be considered by the receiving Party to be confidential;</li> </ul>
<b>"Conflict of Interest"</b>	a conflict between the financial or personal duties of the Supplier or the Supplier Staff and the duties owed to the Buyer under the Contract, in the reasonable opinion of the Buyer;
<b>"Contract"</b>	the contract between the Buyer and the Supplier which is created by the Supplier's counter signing the Order Form and includes the cover letter (if used), Order Form, these Conditions and the Annexes;
<b>"Controller"</b>	has the meaning given to it in the UK GDPR or the EU GDPR as the context requires;
<b>"Crown Body"</b>	the government of the United Kingdom (including the Northern Ireland Assembly and Executive Committee, the Scottish Government and the Welsh Government), including, but not limited to, government ministers and government departments and particular bodies, persons, commissions or agencies from time to time carrying out functions on its behalf;
<b>"Data Loss Event"</b>	any event that results, or may result, in unauthorised access to Personal Data held by the Processor under this Contract, and/or actual or potential loss and/or destruction of Personal Data in breach of this Contract, including any Personal Data Breach;

<b>"Data Protection Impact Assessment"</b>	an assessment by the Controller of the impact of the envisaged processing on the protection of Personal Data;
<b>"Data Protection Legislation"</b>	<p>(a) the UK GDPR,</p> <p>(b) the DPA 2018;</p> <p>(c) all applicable Law about the processing of personal data and privacy and guidance issued by the Information Commissioner and other regulatory authority; and</p> <p>(d) (to the extent that it applies) the EU GDPR (and in the event of conflict, the UK GDPR shall apply);</p>
<b>"Data Protection Liability Cap"</b>	has the meaning given to it in row 14 of the Order Form;
<b>"Data Protection Officer"</b>	has the meaning given to it in the UK GDPR or the EU GDPR as the context requires;
<b>"Data Subject Access Request"</b>	a request made by, or on behalf of, a Data Subject in accordance with rights granted pursuant to the Data Protection Legislation to access their Personal Data;
<b>"Data Subject"</b>	has the meaning given to it in the UK GDPR or the EU GDPR as the context requires;
<b>"Deliver"</b>	hand over of the Deliverables to the Buyer at the address and on the date specified in the Order Form, which shall include unloading and stacking and any other specific arrangements agreed in accordance with clause 13.2. "Delivered" and "Delivery" shall be construed accordingly;
<b>"Deliverables"</b>	means the Goods, Services, and/or software to be supplied under the Contract as set out in the Order Form;
<b>"DPA 2018"</b>	the Data Protection Act 2018;
<b>"EU GDPR"</b>	Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (General Data Protection Regulation) as it has effect in EU law;
<b>"Existing IPR"</b>	any and all intellectual property rights that are owned by or licensed to either Party and which have been developed independently of the Contract (whether prior to the date of the Contract or otherwise);
<b>"Expiry Date"</b>	the date for expiry of the Contract as set out in the Order Form;

<b>"FOIA"</b>	the Freedom of Information Act 2000 together with any guidance and/or codes of practice issued by the Information Commissioner or relevant Government department in relation to such legislation;
<b>"Force Majeure Event"</b>	<p>any event, circumstance, matter or cause affecting the performance by either the Buyer or the Supplier of its obligations arising from:</p> <ul style="list-style-type: none"> <li>(a) acts, events, omissions, happenings or non-happenings beyond the reasonable control of the Party seeking to claim relief in respect of a Force Majeure Event (the <b>"Affected Party"</b>) which prevent or materially delay the Affected Party from performing its obligations under the Contract;</li> <li>(b) riots, civil commotion, war or armed conflict, acts of terrorism, nuclear, biological or chemical warfare;</li> <li>(c) acts of a Crown Body, local government or regulatory bodies;</li> <li>(d) fire, flood or any disaster; or</li> <li>(e) an industrial dispute affecting a third party for which a substitute third party is not reasonably available</li> </ul> <p>but excluding:</p> <ul style="list-style-type: none"> <li>(a) any industrial dispute relating to the Supplier, the Supplier Staff (including any subsets of them) or any other failure in the Supplier or the Subcontractor's supply chain;</li> <li>(b) any event, occurrence, circumstance, matter or cause which is attributable to the wilful act, neglect or failure to take reasonable precautions against it by the Party concerned; and</li> <li>(c) any failure of delay caused by a lack of funds,</li> </ul> <p>and which is not attributable to any wilful act, neglect or failure to take reasonable preventative action by that Party;</p>
<b>"Good Industry Practice"</b>	standards, practices, methods and procedures conforming to the Law and the exercise of the degree of skill and care, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced person or body engaged within the relevant industry or business sector;
<b>"Goods"</b>	the goods to be supplied by the Supplier to the Buyer under the Contract;
<b>"Government Data"</b>	<ul style="list-style-type: none"> <li>(a) the data, text, drawings, diagrams, images or sounds (together with any database made up of any of these) which are embodied in any electronic, magnetic, optical or tangible media, including any of the Buyer's confidential information, and which: <ul style="list-style-type: none"> <li>(i) are supplied to the Supplier by or on behalf of the Buyer; or</li> </ul> </li> </ul>

	<p>(ii) the Supplier is required to generate, process, store or transmit pursuant to the Contract; or</p> <p>(b) any Personal Data for which the Buyer is the Controller;</p>
<b>"Indemnifier"</b>	a Party from whom an indemnity is sought under this Contract;
<b>"Independent Controller"</b>	a party which is Controller of the same Personal Data as the other Party and there is no element of joint control with regards to that Personal Data;
<b>"Information Commissioner"</b>	the UK's independent authority which deals with ensuring information relating to rights in the public interest and data privacy for individuals is met, whilst promoting openness by public bodies;
<b>"Insolvency Event"</b>	<p>in respect of a person:</p> <p>(a) if that person is insolvent;</p> <p>(b) where that person is a company, LLP or a partnership, if an order is made or a resolution is passed for the winding up of the person (other than voluntarily for the purpose of solvent amalgamation or reconstruction);</p> <p>(c) if an administrator or administrative receiver is appointed in respect of the whole or any part of the person's assets or business;</p> <p>(d) if the person makes any composition with its creditors; or</p> <p>(e) takes or suffers any similar or analogous action to any of the actions detailed in this definition as a result of debt in any jurisdiction;</p>
<b>"IP Completion Day"</b>	has the meaning given to it in the European Union (Withdrawal Agreement) Act 2020;
<b>"Joint Controller Agreement"</b>	the agreement (if any) entered into between the Buyer and the Supplier substantially in the form set out in Part B Joint Controller Agreement of Annex 1 – Processing Personal Data;
<b>"Joint Controllers"</b>	Where two or more Controllers jointly determine the purposes and means of processing;
<b>"Key Staff"</b>	any persons specified as such in the Order Form or otherwise notified as such by the Buyer to the Supplier in writing, following agreement to the same by the Supplier;
<b>"Law"</b>	any law, subordinate legislation within the meaning of section 21(1) of the Interpretation Act 1978, bye-law, right within the meaning of the European Union (Withdrawal) Act 2018 as amended by European Union (Withdrawal Agreement) Act 2020, regulation, order, regulatory policy, mandatory guidance or code of

	practice, judgment of a relevant court of law, or directives or requirements of any regulatory body with which the Supplier is bound to comply;
<b>"Material Breach"</b>	a single serious breach or a number of breaches or repeated breaches (whether of the same or different obligations and regardless of whether such breaches are remedied)
<b>"National Insurance"</b>	contributions required by the Social Security Contributions and Benefits Act 1992 and made in accordance with the Social Security (Contributions) Regulations 2001 (SI 2001/1004);
<b>"New IPR Items"</b>	means a deliverable, document, product or other item within which New IPR subsists;
<b>"New IPR"</b>	all and intellectual property rights in any materials created or developed by or on behalf of the Supplier pursuant to the Contract but shall not include the Supplier's Existing IPR;
<b>"Open Licence"</b>	means any material that is published for use, with rights to access and modify, by any person for free, under a generally recognised open licence including Open Government Licence as set out at <a href="http://www.nationalarchives.gov.uk/doc/open-government-licence/version/3/">http://www.nationalarchives.gov.uk/doc/open-government-licence/version/3/</a> as updated from time to time and the Open Standards Principles documented at <a href="https://www.gov.uk/government/publications/open-standards-principles/open-standards-principles">https://www.gov.uk/government/publications/open-standards-principles/open-standards-principles</a> as updated from time to time;
<b>"Order Form"</b>	the order form signed by the Buyer and the Supplier printed above these Conditions;
<b>"Party"</b>	the Supplier or the Buyer (as appropriate) and "Parties" shall mean both of them;
<b>"Personal Data Breach"</b>	has the meaning given to it in the UK GDPR or the EU GDPR as the context requires and includes any breach of Data Protection Legislation relevant to Personal Data processed pursuant to the Contract;
<b>"Personal Data"</b>	has the meaning given to it in the UK GDPR or the EU GDPR as the context requires;
<b>"Prescribed Person"</b>	a legal adviser, an MP or an appropriate body which a whistle-blower may make a disclosure to as detailed in 'Whistleblowing: list of prescribed people and bodies', 24 November 2016, available online at: <a href="https://www.gov.uk/government/publications/blowing-the-whistle-list-of-prescribed-people-and-bodies--2/whistleblowing-list-of-prescribed-people-and-bodies">https://www.gov.uk/government/publications/blowing-the-whistle-list-of-prescribed-people-and-bodies--2/whistleblowing-list-of-prescribed-people-and-bodies</a> as updated from time to time;



<b>"Processor Personnel"</b>	all directors, officers, employees, agents, consultants and suppliers of the Processor and/or of any Subprocessor engaged in the performance of its obligations under the Contract;
<b>"Processor"</b>	has the meaning given to it in the UK GDPR or the EU GDPR as the context requires;
<b>"Protective Measures"</b>	<p>technical and organisational measures which must take account of:</p> <ul style="list-style-type: none"> <li>(a) the nature of the data to be protected;</li> <li>(b) harm that might result from Data Loss Event;</li> <li>(c) state of technological development;</li> <li>(d) the cost of implementing any measures;</li> </ul> <p>including pseudonymising and encrypting Personal Data, ensuring confidentiality, integrity, availability and resilience of systems and services, ensuring that availability of and access to Personal Data can be restored in a timely manner after an incident, and regularly assessing and evaluating the effectiveness of the such measures adopted by it;</p>
<b>"Purchase Order Number" or "PO Number"</b>	the Buyer's unique number relating to the order for Deliverables to be supplied by the Supplier to the Buyer in accordance with the Contract;
<b>"Rectification Plan"</b>	<p>the Supplier's plan (or revised plan) to rectify its Material Breach which shall include:</p> <ul style="list-style-type: none"> <li>(a) full details of the Material Breach that has occurred, including a root cause analysis;</li> <li>(b) the actual or anticipated effect of the Material Breach; and</li> <li>(c) the steps which the Supplier proposes to take to rectify the Material Breach (if applicable) and to prevent such Material Breach from recurring, including timescales for such steps and for the rectification of the Material Breach (where applicable);</li> </ul>
<b>"Regulations"</b>	the Public Contracts Regulations 2015 and/or the Public Contracts (Scotland) Regulations 2015 (as the context requires) as amended from time to time;
<b>"Request For Information"</b>	has the meaning set out in the FOIA or the Environmental Information Regulations 2004 as relevant (where the meaning set out for the term <b>"request"</b> shall apply);
<b>"Services"</b>	the services to be supplied by the Supplier to the Buyer under the Contract;
<b>"Specification"</b>	the specification for the Deliverables to be supplied by the Supplier to the Buyer (including as to quantity, description and quality) as specified in the Order Form;

<b>"Staff Vetting Procedures"</b>	vetting procedures that accord with Good Industry Practice or, where applicable, the Buyer's procedures or policies for the vetting of personnel as specified in the Order Form or provided to the Supplier in writing following agreement to the same by the Supplier from time to time;
<b>"Start Date"</b>	the start date of the Contract set out in the Order Form;
<b>"Sub-Contract"</b>	any contract or agreement (or proposed contract or agreement), other than the Contract, pursuant to which a third party: <ul style="list-style-type: none"> <li>(a) provides the Deliverables (or any part of them);</li> <li>(b) provides facilities or services necessary for the provision of the Deliverables (or any part of them); and/or</li> <li>(c) is responsible for the management, direction or control of the provision of the Deliverables (or any part of them);</li> </ul>
<b>"Subcontractor"</b>	any person other than the Supplier, who is a party to a Sub-Contract and the servants or agents of that person;
<b>"Subprocessor"</b>	any third party appointed to process Personal Data on behalf of the Processor related to the Contract;
<b>"Supplier Staff"</b>	all directors, officers, employees, agents, consultants and contractors of the Supplier and/or of any Subcontractor of the Supplier engaged in the performance of the Supplier's obligations under the Contract;
<b>"Supplier"</b>	the person named as Supplier in the Order Form;
<b>"Term"</b>	the period from the Start Date to the Expiry Date as such period may be extended in accordance with clause 20.2 or terminated in accordance with the Contract;
<b>"Third Party IPR"</b>	intellectual property rights owned by a third party which is or will be used by the Supplier for the purpose of providing the Deliverables;
<b>"Transparency Information"</b>	In relation to Contracts with a value above the relevant threshold set out in Part 2 of the Regulations only, the content of the Contract, including any changes to this Contract agreed from time to time, as well as any information relating to the Deliverables and performance pursuant to the Contract required to be published by the Buyer to comply with its transparency obligations, including those set out in Public Procurement Policy Note 09/21 (update to legal and policy requirements to publish procurement information on Contracts Finder) ( <a href="https://www.gov.uk/government/publications/ppn-0921-requirements-to-publish-on-contracts-finder">https://www.gov.uk/government/publications/ppn-0921-requirements-to-publish-on-contracts-finder</a> ) as updated from time to time and Public Procurement Policy Note 01/17 (update to transparency principles) where applicable ( <a href="https://www.gov.uk/government/publications/procurement-policy-note-0117-update-to-transparency-principles">https://www.gov.uk/government/publications/procurement-policy-note-0117-update-to-transparency-principles</a> ) as updated from time to time except for:



	<p>(a) any information which is exempt from disclosure in accordance with the provisions of the FOIA, which shall be determined by the Buyer; and</p> <p>(b) Confidential Information;</p>
<b>"UK GDPR"</b>	has the meaning as set out in section 3(10) of the DPA 2018, supplemented by section 205(4);
<b>"VAT"</b>	value added tax in accordance with the provisions of the Value Added Tax Act 1994;
<b>"Worker"</b>	any one of the Supplier Staff which the Buyer, in its reasonable opinion, considers is an individual to which Procurement Policy Note 08/15 ( <a href="https://www.gov.uk/government/publications/procurement-policy-note-0815-tax-arrangements-of-appointees">Tax Arrangements of Public Appointees</a> ) ( <a href="https://www.gov.uk/government/publications/procurement-policy-note-0815-tax-arrangements-of-appointees">https://www.gov.uk/government/publications/procurement-policy-note-0815-tax-arrangements-of-appointees</a> ) as updated from time to time applies in respect of the Deliverables; and
<b>"Working Day"</b>	a day (other than a Saturday or Sunday) on which banks are open for business in the City of London.

## 11 UNDERSTANDING THE CONTRACT

11.1 In the Contract, unless the context otherwise requires:

- 11.1.1 references to numbered clauses are references to the relevant clause in these Conditions;
- 11.1.2 any obligation on any Party not to do or omit to do anything shall include an obligation not to allow that thing to be done or omitted to be done;
- 11.1.3 references to "writing" include printing, display on a screen and electronic transmission and other modes of representing or reproducing words in a visible form;
- 11.1.4 a reference to any Law includes a reference to that Law as amended, extended, consolidated, replaced or re-enacted from time to time (including as a consequence of the Retained EU Law (Revocation and Reform) Act) and to any legislation or byelaw made under that Law;
- 11.1.5 the word "including", "for example" and similar words shall be understood as if they were immediately followed by the words "without limitation";

- 11.1.6 any reference which, immediately before IP Completion Day (or such later date when relevant EU law ceases to have effect pursuant to section 1A of the European Union (Withdrawal) Act 2018), is a reference to (as it has effect from time to time) any EU regulation, EU decision, EU tertiary legislation or provision of the EEA agreement ("**EU References**") which is to form part of domestic law by application of section 3 of the European Union (Withdrawal) Act 2018 and which shall be read on and after IP Completion Day as a reference to the EU References as they form part of domestic law by virtue of section 3 of the European Union (Withdrawal) Act 2018 as modified by domestic law from time to time.

## **12 HOW THE CONTRACT WORKS**

- 12.1 The Order Form is an offer by the Buyer to purchase the Deliverables subject to and in accordance with the terms and conditions of the Contract.
- 12.2 The Supplier is deemed to accept the offer in the Order Form when the Buyer receives a copy of the Order Form signed by the Supplier.
- 12.3 The Supplier warrants and represents that its tender (if any) and all statements made and documents submitted as part of the procurement of Deliverables are and remain true and accurate.

## **13 WHAT NEEDS TO BE DELIVERED**

### **13.1 All Deliverables**

- 13.1.1 The Supplier must provide Deliverables:
- 13.1.1.1 in accordance with the Specification, the tender in Annex 4 – Supplier Tender (where applicable) and the Contract;
  - 13.1.1.2 using reasonable skill and care;
  - 13.1.1.3 using Good Industry Practice;
  - 13.1.1.4 using its own policies, processes and internal quality control measures as long as they don't conflict with the Contract;
  - 13.1.1.5 on the dates agreed; and
  - 13.1.1.6 that comply with all Law.
- 13.1.2 The Supplier must provide Deliverables with a warranty of at least 90 days (or longer where the Supplier offers a longer warranty period to its Buyers) from Delivery against all obvious defects.

### **13.2 Goods clauses**

- 13.2.1 All Goods delivered must be new, or as new if recycled, unused and of recent origin.
- 13.2.2 The Supplier transfers ownership of the Goods on completion of Delivery or payment for those Goods, whichever is earlier.

- 13.2.3 Risk in the Goods transfers to the Buyer on Delivery, but remains with the Supplier if the Buyer notices damage following Delivery and lets the Supplier know within 3 Working Days of Delivery.
- 13.2.4 The Supplier warrants that it has full and unrestricted ownership of the Goods at the time of transfer of ownership.
- 13.2.5 The Supplier must Deliver the Goods on the date and to the location specified in the Order Form, during the Buyer's working hours (unless otherwise specified in the Order Form).
- 13.2.6 The Supplier must provide sufficient packaging for the Goods to reach the point of Delivery safely and undamaged.
- 13.2.7 All deliveries must have a delivery note attached that specifies the order number, type and quantity of Goods.
- 13.2.8 The Supplier must provide all tools, information and instructions the Buyer needs to make use of the Goods.
- 13.2.9 The Supplier will notify the Buyer of any request that Goods are returned to it or the manufacturer after the discovery of safety issues or defects that might endanger health or hinder performance and shall indemnify the Buyer against the costs arising as a result of any such request.
- 13.2.10 The Buyer can cancel any order or part order of Goods which has not been Delivered. If the Buyer gives less than 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 takes all reasonable endeavours to minimise these costs.
- 13.2.11 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 13.2. If the Supplier doesn't do this it will pay the Buyer's costs including repair or re-supply by a third party.
- 13.2.12 The Buyer will not be liable for any actions, claims, costs and expenses 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 damage 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 damage or injury where it is attributable to any act or omission of the Supplier or any of its Subcontractors or Supplier Staff.

### 13.3 Services clauses

- 13.3.1 Late Delivery of the Services will be a default of the Contract.
- 13.3.2 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 including the security requirements (where any such requirements have been provided).

- 13.3.3 The Buyer must provide the Supplier with reasonable access to its premises at reasonable times for the purpose of supplying the Services
- 13.3.4 The Supplier must at its own risk and expense provide all 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 the Contract.
- 13.3.5 The Supplier must allocate sufficient resources and appropriate expertise to the Contract.
- 13.3.6 The Supplier must take all reasonable care to ensure performance does not disrupt the Buyer's operations, employees or other contractors.
- 13.3.7 On completion of the Services, the Supplier is responsible for leaving the Buyer's premises in a clean, safe and tidy condition and making good any damage that it has caused to the Buyer's premises or property, other than fair wear and tear.
- 13.3.8 The Supplier must ensure all Services, and anything used to deliver the Services, are of good quality and free from defects.
- 13.3.9 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 the Contract.

#### **14 PRICING AND PAYMENTS**

- 14.1 In exchange for the Deliverables, the Supplier must invoice the Buyer for the charges in the Order Form.
- 14.2 All Charges:
  - 14.2.1 exclude VAT, which is payable on provision of a valid VAT invoice; and
  - 14.2.2 include all costs and expenses connected with the supply of Deliverables.
- 14.3 The Buyer must pay the Supplier the charges within 30 days of receipt by the Buyer of a valid, undisputed invoice, in cleared funds to the Supplier's account stated in the invoice or in the Order Form.
- 14.4 A Supplier invoice is only valid if it:
  - 14.4.1 includes all appropriate references including the Purchase Order Number and other details reasonably requested by the Buyer; and
  - 14.4.2 includes a detailed breakdown of Deliverables which have been delivered.
- 14.5 If there is a dispute between the Parties as to the amount invoiced, the Buyer shall pay the undisputed amount. The Supplier shall not suspend the provision of the Deliverables unless the Supplier is entitled to terminate the Contract for a failure to pay undisputed sums in accordance with clause 20.6. Any disputed amounts shall be resolved through the dispute resolution procedure detailed in clause 45.
- 14.6 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.

- 14.7 The Supplier must ensure that all Subcontractors are paid, in full, within 30 days of receipt of a valid, undisputed invoice. If this doesn't happen, the Buyer can publish the details of the late payment or non-payment.

## **15 THE BUYER'S OBLIGATIONS TO THE SUPPLIER**

- 15.1 If Supplier fails to comply with the Contract as a result of a Buyer Cause:
- 15.1.1 the Buyer cannot terminate the Contract under clause 20;
  - 15.1.2 the Supplier is entitled to reasonable and proven additional expenses and to relief from liability under this Contract;
  - 15.1.3 the Supplier is entitled to additional time needed to deliver the Deliverables; and
  - 15.1.4 the Supplier cannot suspend the ongoing supply of Deliverables.
- 15.2 Clause 15.1 only applies if the Supplier:
- 15.2.1 gives notice to the Buyer within 10 Working Days of becoming aware;
  - 15.2.2 demonstrates that the failure only happened because of the Buyer Cause; and
  - 15.2.3 mitigated the impact of the Buyer Cause.

## **16 RECORD KEEPING AND REPORTING**

- 16.1 The Supplier must ensure that suitably qualified representatives attend progress meetings with the Buyer and provide progress reports when specified in the Order Form.
- 16.2 The Supplier must keep and maintain full and accurate records and accounts on everything to do with the Contract for 7 years after the date of expiry or termination of the Contract and in accordance with the UK GDPR or the EU GDPR as the context requires.
- 16.3 The Supplier must allow any auditor appointed by the Buyer access to its premises to verify all contract accounts and records of everything to do with the Contract and provide copies for the Audit.
- 16.4 The Buyer or an auditor can Audit the Supplier.
- 16.5 During an Audit, the Supplier must provide information to the auditor and reasonable co-operation at their request.
- 16.6 The Parties will bear their own costs when an Audit is undertaken unless the Audit identifies a Material Breach by the Supplier, in which case the Supplier will repay the Buyer's reasonable costs in connection with the Audit.
- 16.7 If the Supplier is not providing any of the Deliverables, or is unable to provide them, it must immediately:
- 16.7.1 tell the Buyer and give reasons;
  - 16.7.2 propose corrective action; and
  - 16.7.3 provide a deadline for completing the corrective action.



- 16.8 If the Buyer, acting reasonably, is concerned as to the financial stability of the Supplier such that it may impact on the continued performance of the Contract then the Buyer may:
- 16.8.1 require that the Supplier provide to the Buyer (for its approval) a plan setting out how the Supplier will ensure continued performance of the Contract and the Supplier will make changes to such plan as reasonably required by the Buyer and once it is agreed then the Supplier shall act in accordance with such plan and report to the Buyer on demand; and
  - 16.8.2 if the Supplier fails to provide a plan or fails to agree any changes which are requested by the Buyer or fails to implement or provide updates on progress with the plan, terminate the Contract immediately for Material Breach (or on such date as the Buyer notifies) and the consequences of termination in Clause 20.5.1 shall apply.
- 16.9 If there is a Material Breach, the Supplier must notify the Buyer within 3 Working Days of the Supplier becoming aware of the Material Breach. The Buyer may request that the Supplier provide a Rectification Plan within 10 Working Days of the Buyer's request alongside any additional documentation that the Buyer requires. Once such Rectification Plan is agreed between the Parties (without the Buyer limiting its rights) the Supplier must immediately start work on the actions in the Rectification Plan at its own cost.

## **17 SUPPLIER STAFF**

- 17.1 The Supplier Staff involved in the performance of the Contract must:
- 17.1.1 be appropriately trained and qualified;
  - 17.1.2 be vetted in accordance with the Staff Vetting Procedures; and
  - 17.1.3 comply with all conduct requirements when on the Buyer's premises.
- 17.2 Where the Buyer decides one of the Supplier's Staff isn't suitable to work on the Contract, the Supplier must replace them with a suitably qualified alternative.
- 17.3 The Supplier must provide a list of Supplier Staff needing to access the Buyer's premises and say why access is required.
- 17.4 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.
- 17.5 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.
- 17.6 The Supplier shall use those persons nominated (if any) as Key Staff in the Order Form or otherwise notified as such by the Buyer to the Supplier in writing, following agreement to the same by the Supplier to provide the Deliverables and shall not remove or replace any of them unless:
- 17.6.1 requested to do so by the Buyer or the Buyer approves such removal or replacement (not to be unreasonably withheld or delayed);
  - 17.6.2 the person concerned resigns, retires or dies or is on parental or long-term sick leave; or

- 17.6.3 the person's employment or contractual arrangement with the Supplier or any Subcontractor is terminated for material breach of contract by the employee.

17.7 The Supplier shall ensure that no person who discloses that they have a conviction that is relevant to the nature of the Contract, relevant to the work of the Buyer, or is of a type otherwise advised by the Buyer (each such conviction a "**Relevant Conviction**"), or is found by the Supplier to have a Relevant Conviction (whether as a result of a police check, a disclosure and barring service check or otherwise) is employed or engaged in the provision of any part of the Deliverables.

## 18 RIGHTS AND PROTECTION

18.1 The Supplier warrants and represents that:

- 18.1.1 it has full capacity and authority to enter into and to perform the Contract;
- 18.1.2 the Contract is entered into by its authorised representative;
- 18.1.3 it is a legally valid and existing organisation incorporated in the place it was formed;
- 18.1.4 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 the Contract;
- 18.1.5 all necessary rights, authorisations, licences and consents (including in relation to IPRs) are in place to enable the Supplier to perform its obligations under the Contract and the Buyer to receive the Deliverables;
- 18.1.6 it doesn't have any contractual obligations which are likely to have a material adverse effect on its ability to perform the Contract; and
- 18.1.7 it is not impacted by an Insolvency Event.

18.2 The warranties and representations in clause 12.3 and clause 18.1 are repeated each time the Supplier provides Deliverables under the Contract.

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

- 18.3.1 wilful misconduct of the Supplier, any of its Subcontractor and/or Supplier Staff that impacts the Contract; and
- 18.3.2 non-payment by the Supplier of any tax or National Insurance.

18.4 If the Supplier becomes aware of a representation or warranty made in relation to the Contract that becomes untrue or misleading, it must immediately notify the Buyer.

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

## 19 INTELLECTUAL PROPERTY RIGHTS ("IPRS")

19.1 Each Party keeps ownership of its own Existing IPRs. The Supplier gives the Buyer a non-exclusive, perpetual, royalty-free, irrevocable, transferable, sub-licensable worldwide licence to use, copy and adapt the Supplier's Existing IPR to enable the Buyer and its sub-licensees to both:

- 19.1.1 receive and use the Deliverables; and

19.1.2 use the New IPR.

The termination or expiry of the Contract does not terminate any licence granted under this clause 19.

- 19.2 Any New IPR created under the Contract is owned by the Buyer. The Buyer gives the Supplier a royalty-free, non-exclusive, non-transferable licence to use, copy, and adapt any Existing IPRs and the New IPR which the Supplier reasonably requires for the purpose of fulfilling its obligations during the Term and commercially exploiting the New IPR developed under the Contract. This licence is sub-licensable to a Subcontractor for the purpose of enabling the Supplier to fulfil its obligations under the Contract, and in that case the Subcontractor must enter into a confidentiality undertaking with the Supplier on the same terms as set out in clause 24 (What you must keep confidential).
- 19.3 Unless otherwise agreed in writing, the Supplier and the Buyer will record any New IPR and keep this record updated throughout the Term.
- 19.4 Where a Party acquires ownership of intellectual property rights incorrectly under this Contract, it must do everything reasonably necessary to complete a transfer assigning them in writing to the other Party on request and at its own cost.
- 19.5 Neither Party has the right to use the other Party's intellectual property rights, including any use of the other Party's names, logos or trademarks, except as provided in this clause 19 or otherwise agreed in writing.
- 19.6 If any claim is made against the Buyer for actual or alleged infringement of a third party's intellectual property arising out of, or in connection with, the supply or use of the Deliverables (an "IPR Claim"), then the Supplier indemnifies the Buyer against all losses, damages, costs or expenses (including professional fees and fines) incurred as a result of the IPR Claim.
- 19.7 If an IPR Claim is made or anticipated, the Supplier must at its own option and expense, either:
- 19.7.1 obtain for the Buyer the rights in clause 19.1 without infringing any third party intellectual property rights; and
  - 19.7.2 replace or modify the relevant item with substitutes that don't infringe intellectual property rights without adversely affecting the functionality or performance of the Deliverables.
  - 19.7.3 If the Supplier is not able to resolve the IPR Claim to the Buyer's reasonable satisfaction within a reasonable time, the Buyer may give written notice that it terminates the Contract from the date set out in the notice, or where no date is given in the notice, the date of the notice. On termination, the consequences of termination in clauses 20.5.1 shall apply.
- 19.8 The Supplier shall not use in the Delivery of the Deliverables any Third Party IPR unless:
- 19.8.1 the Buyer gives its approval to do so; and
  - 19.8.2 one of the following conditions applies:
    - 19.8.2.1 the owner or an authorised licensor of the relevant Third Party IPR has granted the Buyer a direct licence that provides the Buyer with the rights in clause 19.1; or



19.8.2.2 if the Supplier cannot, after commercially reasonable endeavours, obtain for the Buyer a direct licence to the Third Party IPR as set out in clause 19.8.2.1:

- (a) the Supplier provides the Buyer with details of the licence terms it can obtain and the identity of those licensors;
- (b) the Buyer agrees to those licence terms; and
- (c) the owner or authorised licensor of the Third Party IPR grants a direct licence to the Buyer on those terms; or

19.8.2.3 the Buyer approves in writing, with reference to the acts authorised and the specific intellectual property rights involved.

19.9 In spite of any other provisions of the Contract and for the avoidance of doubt, award of this Contract by the Buyer and the ordering of any Deliverable under it, does not constitute an authorisation by the Crown under Sections 55 and 56 of the Patents Act 1977, Section 12 of the Registered Designs Act 1949 or Sections 240 – 243 of the Copyright, Designs and Patents Act 1988.

## 20 ENDING THE CONTRACT

20.1 The Contract takes effect on the Start Date and ends on the earlier of the Expiry Date or termination of the Contract, or earlier if required by Law.

20.2 The Buyer can extend the Contract where set out in the Order Form in accordance with the terms in the Order Form.

### 20.3 Ending the Contract without a reason

20.3.1 The Buyer has the right to terminate the Contract at any time without reason or liability by giving the Supplier not less than 90 days' written notice, and if it's terminated clause 20.6.2 applies.

### 20.4 When the Buyer can end the Contract

20.4.1 If any of the following events happen, the Buyer has the right to immediately terminate its Contract by issuing a termination notice in writing to the Supplier and the consequences of termination in Clause 20.5.1 shall apply:

- 20.4.1.1 there's a Supplier Insolvency Event;
- 20.4.1.2 the Supplier is in Material Breach of the Contract;
- 20.4.1.3 there's a change of control (within the meaning of section 450 of the Corporation Tax Act 2010) of the Supplier which isn't pre-approved by the Buyer in writing;
- 20.4.1.4 the Buyer discovers that the Supplier was in one of the situations in 57 (1) or 57(2) of the Regulations at the time the Contract was awarded;
- 20.4.1.5 the Supplier or its affiliates embarrass or bring the Buyer into disrepute or diminish the public trust in them; or

20.4.1.6 the Supplier fails to comply with its legal obligations in the fields of environmental, social, equality or employment Law when providing the Deliverables.

20.4.2 If any of the events in 73(1) (a) or (b) of the Regulations happen, the Buyer has the right to immediately terminate the Contract and clauses 20.5.1.2 to 20.5.1.7 apply.

## 20.5 What happens if the Contract ends

20.5.1 Where the Buyer terminates the Contract under clause 19.9, 20.4, 16.8.2, 37.4.2, or Paragraph **Error! Reference source not found.** of Part B Joint Controller Agreement of Annex 1 – Processing Personal Data (if used), all of the following apply:

20.5.1.1 the Supplier is responsible for the Buyer's reasonable costs of procuring replacement Deliverables for the rest of the term of the Contract;

20.5.1.2 the Buyer's payment obligations under the terminated Contract stop immediately;

20.5.1.3 accumulated rights of the Parties are not affected;

20.5.1.4 the Supplier must promptly delete or return the Government Data except where required to retain copies by Law;

20.5.1.5 the Supplier must promptly return any of the Buyer's property provided under the Contract;

20.5.1.6 the Supplier must, at no cost to the Buyer, give all reasonable assistance to the Buyer and any incoming supplier and co-operate fully in the handover and re-procurement; and

20.5.1.7 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.

20.5.2 The following clauses survive the expiry or termination of the Contract: 10, 13.2.9, 14, 16, 17.4, 19, 20.5, 21, 23, 24, 25, 27, 28, 41.2.2, 45 and 46 and any clauses which are expressly or by implication intended to continue.

## 20.6 When the Supplier can end the Contract and what happens when the contract ends (Buyer and Supplier termination)

20.6.1 The Supplier can issue a reminder notice if the Buyer does not pay an undisputed invoice on time. The Supplier can terminate the Contract if the Buyer fails to pay an undisputed invoiced sum due and worth over 10% of the total Contract value or £1,000, whichever is the lower, within 30 days of the date of the reminder notice.

20.6.2 Where the Buyer terminates the Contract in accordance with clause 20.3 or the Supplier terminates the Contract under clause 20.6 or 32.4:

20.6.2.1 the Buyer must promptly pay all outstanding charges incurred by the Supplier;

20.6.2.2 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 the Contract had not been terminated; and

20.6.2.3 clauses 20.5.1.2 to 20.5.1.7 apply.

20.6.3 The Supplier also has the right to terminate the Contract in accordance with Clauses 29.3 and 32.4.

## **20.7 Partially ending and suspending the Contract**

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

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

20.7.3 The Parties must agree (in accordance with clause 34) any necessary variation required by clause 20.7, but the Supplier may not either:

20.7.3.1 reject the variation; or

20.7.3.2 increase the Charges, except where the right to partial termination is under clause 20.3.

20.7.4 The Buyer can still use other rights available, or subsequently available to it if it acts on its rights under clause 20.7.

## **21 HOW MUCH YOU CAN BE HELD RESPONSIBLE FOR**

21.1 Each Party's total aggregate liability under or in connection with the Contract (whether in tort, contract or otherwise) is no more than 125% of the Charges paid or payable to the Supplier.

21.2 No Party is liable to the other for:

21.2.1 any indirect losses; and/or

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

21.3 In spite of clause 21.1, neither Party limits or excludes any of the following:

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

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

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

21.4 In spite of clause 21.1, the Supplier does not limit or exclude its liability for any indemnity given under clauses 17.4, 18.3.2, 19.6, or 41.2.2.

21.5 In spite of clause 21.1, the Buyer does not limit or exclude its liability for any indemnity given under clause 17.5.

- 21.6 Notwithstanding clause 21.1, but subject to clauses 21.1 and 21.3, the Supplier's total aggregate liability under clause 23.7.5 shall not exceed the Data Protection Liability Cap.
- 21.7 Each Party must use all reasonable endeavours to mitigate any loss or damage which it suffers under or in connection with the Contract, including any indemnities.
- 21.8 If more than one Supplier is party to the Contract, each Supplier Party is fully responsible for both their own liabilities and the liabilities of the other Suppliers.

## 22 OBEYING THE LAW

- 22.1 The Supplier, in connection with provision of the Deliverables:
- 22.1.1 is expected to meet and have its Subcontractors meet the standards set out in the Supplier Code of Conduct:  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1163536/Supplier\\_Code\\_of\\_Conduct\\_v3.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1163536/Supplier_Code_of_Conduct_v3.pdf)) as such Code of Conduct may be updated from time to time, and such other sustainability requirements as set out in the Order Form. The Buyer also expects to meet this Code of Conduct;
- 22.1.2 must comply with the provisions of the Official Secrets Acts 1911 to 1989 and section 182 of the Finance Act 1989;
- 22.1.3 must support the Buyer in fulfilling its Public Sector Equality duty under section 149 of the Equality Act 2010;
- 22.1.4 must comply with the model contract terms contained in (a) to (m) of Annex C of the guidance to [PPN 02/23 \(Tackling Modern Slavery in Government Supply Chains\)](#),<sup>1</sup> as such clauses may be amended or updated from time to time; and
- 22.1.5 meet the applicable Government Buying Standards applicable to Deliverables which can be found online at: <https://www.gov.uk/government/collections/sustainable-procurement-the-government-buying-standards-gbs>, as updated from time to time.
- 22.2 The Supplier indemnifies the Buyer against any costs resulting from any default by the Supplier relating to any applicable Law to do with the Contract.
- 22.3 The Supplier must appoint a compliance officer who must be responsible for ensuring that the Supplier complies with Law, clause 22.1 and clauses 36 to 43.

## 23 DATA PROTECTION AND SECURITY

- 23.1 The Supplier must not remove any ownership or security notices in or relating to the Government Data.
- 23.2 The Supplier must make accessible back-ups of all Government Data, stored in an agreed off-site location and send the Buyer copies via secure encrypted method upon reasonable request.

<sup>1</sup> <https://www.gov.uk/government/publications/ppn-0223-tackling-modern-slavery-in-government-supply-chains>

- 23.3 The Supplier must ensure that any Supplier, Subcontractor, or Subprocessor system holding any Government Data, including back-up data, is a secure system that complies with the security requirements specified in the Order Form or otherwise in writing by the Buyer (where any such requirements have been provided).
- 23.4 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.
- 23.5 If the Government Data is corrupted, lost or sufficiently degraded so as to be unusable the Buyer may either or both:
- 23.5.1 tell the Supplier to restore or get restored Government Data as soon as practical but no later than 5 Working Days from the date that the Buyer receives notice, or the Supplier finds out about the issue, whichever is earlier; and/or
  - 23.5.2 restore the Government Data itself or using a third party.
- 23.6 The Supplier must pay each Party's reasonable costs of complying with clause 23.5 unless the Buyer is at fault.
- 23.7 The Supplier:
- 23.7.1 must provide the Buyer with all Government Data in an agreed format (provided it is secure and readable) within 10 Working Days of a written request;
  - 23.7.2 must have documented processes to guarantee prompt availability of Government Data if the Supplier stops trading;
  - 23.7.3 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 Independent Controllers or Joint Controllers;
  - 23.7.4 securely erase all Government Data and any copies it holds when asked to do so by the Buyer unless 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 Independent Controllers or Joint Controllers; and
  - 23.7.5 indemnifies the Buyer against any and all losses incurred if the Supplier breaches clause 23 or any Data Protection Legislation.
- 23.8 The Parties acknowledge that for the purposes of the Data Protection Legislation, the nature of the activity carried out by each of them in relation to their respective obligations under the Contract dictates the status of each party under the DPA 2018. A Party may act as:
- 23.8.1 "Controller" in respect of the other Party who is "Processor";
  - 23.8.2 "Processor" in respect of the other Party who is "Controller";
  - 23.8.3 "Joint Controller" with the other Party;
  - 23.8.4 "Independent Controller" of the Personal Data where the other Party is also "Controller",



in respect of certain Personal Data under the Contract and shall specify in Part A Authorised Processing Template of Annex 1 – Processing Personal Data which scenario they think shall apply in each situation.

## **23.9 Where one Party is Controller and the other Party its Processor**

- 23.9.1 Where a Party is a Processor, the only processing that the Processor is authorised to do is listed in Part A Authorised Processing Template of Annex 1 – Processing Personal Data by the Controller and may not be determined by the Processor. The term “processing” and any associated terms are to be read in accordance with Article 4 of the UK GDPR and EU GDPR (as applicable).
- 23.9.2 The Processor must notify the Controller immediately if it thinks the Controller's instructions breach the Data Protection Legislation.
- 23.9.3 The Processor must give all reasonable assistance to the Controller in the preparation of any Data Protection Impact Assessment before starting any processing, which may include, at the discretion of the Controller:
- 23.9.3.1 a systematic description of the expected processing and its purpose;
  - 23.9.3.2 the necessity and proportionality of the processing operations;
  - 23.9.3.3 the risks to the rights and freedoms of Data Subjects; and
  - 23.9.3.4 the intended measures to address the risks, including safeguards, security measures and mechanisms to protect Personal Data.
- 23.9.4 The Processor must, in relation to any Personal Data processed under this Contract:
- 23.9.4.1 process that Personal Data only in accordance with Part A Authorised Processing Template of Annex 1 – Processing Personal Data unless the Processor is required to do otherwise by Law. If lawful to notify the Controller, the Processor must promptly notify the Controller if the Processor is otherwise required to process Personal Data by Law before processing it.
  - 23.9.4.2 put in place appropriate Protective Measures to protect against a Data Loss Event which must be approved by the Controller.
  - 23.9.4.3 Ensure that:
    - (a) the Processor Personnel do not process Personal Data except in accordance with this Contract (and in particular Part A Authorised Processing Template of Annex 1 – Processing Personal Data);
    - (b) it uses best endeavours to ensure the reliability and integrity of any Processor Personnel who have access to the Personal Data and ensure that they:
      - (i) are aware of and comply with the Processor's duties under this clause 23;
      - (ii) are subject to appropriate confidentiality undertakings with the Processor or any Subprocessor;

- (iii) are informed of the confidential nature of the Personal Data and do not provide any of the Personal Data to any third party unless directed in writing to do so by the Controller or as otherwise allowed by the Contract; and
  - (iv) have undergone adequate training in the use, care, protection and handling of Personal Data.
- (c) the Processor must not transfer Personal Data outside of the UK and/or the EEA unless the prior written consent of the Controller has been obtained and the following conditions are fulfilled:
- (d) the transfer is in accordance with Article 45 of the UK GDPR (or section 74A of DPA 2018) and/or the transfer is in accordance with Article 45 of the EU GDPR (where applicable); or
- (e) the Controller or the Processor has provided appropriate safeguards in relation to the transfer (whether in accordance with UK GDPR Article 46 or section 75 of the DPA 2018) and/or the transfer is in accordance with Article 46 of the EU GDPR (where applicable) as determined by the Controller which could include relevant parties entering into:
  - (i) where the transfer is subject to UK GDPR:
    - (A) the International Data Transfer Agreement (the "IDTA"), as published by the Information Commissioner's Office from time to time under section 119A(1) of the DPA 2018 as well as any additional measures determined by the Controller;
    - (B) the European Commission's Standard Contractual Clauses per decision 2021/914/EU or such updated version of such Standard Contractual Clauses as are published by the European Commission from time to time ("EU SCCs"), together with the UK International Data Transfer Agreement Addendum to the EU SCCs (the "Addendum") as published by the Information Commissioner's Office from time to time; and/or
  - (ii) where the transfer is subject to EU GDPR, the EU SCCs, as well as any additional measures determined by the Controller being implemented by the importing party;
- (f) the Data Subject has enforceable rights and effective legal remedies when transferred;
- (g) the Processor meets its obligations under the Data Protection Legislation by providing an adequate level of protection to any Personal Data that is transferred; and

- (h) the Processor complies with the Controller's reasonable prior instructions about the processing of the Personal Data.
- 23.9.5 The Processor must at the written direction of the Controller, delete or return Personal Data (and any copies of it) to the Controller on termination of the Contract unless the Processor is required by Law to retain the Personal Data.
- 23.9.6 The Processor must notify the Controller immediately if it:
- 23.9.6.1 receives a Data Subject Access Request (or purported Data Subject Access Request);
  - 23.9.6.2 receives a request to rectify, block or erase any Personal Data;
  - 23.9.6.3 receives any other request, complaint or communication relating to either Party's obligations under the Data Protection Legislation;
  - 23.9.6.4 receives any communication from the Information Commissioner or any other regulatory authority in connection with Personal Data processed under this Contract;
  - 23.9.6.5 receives a request from any third Party for disclosure of Personal Data where compliance with the request is required or claims to be required by Law; and
  - 23.9.6.6 becomes aware of a Data Loss Event.
- 23.9.7 Any requirement to notify under clause 23.9.6 includes the provision of further information to the Controller in stages as details become available.
- 23.9.8 The Processor must promptly provide the Controller with full assistance in relation to any Party's obligations under Data Protection Legislation and any complaint, communication or request made under clause 23.9.6. This includes giving the Controller:
- 23.9.8.1 full details and copies of the complaint, communication or request;
  - 23.9.8.2 reasonably requested assistance so that it can comply with a Data Subject Access Request within the relevant timescales in the Data Protection Legislation;
  - 23.9.8.3 any Personal Data it holds in relation to a Data Subject on request;
  - 23.9.8.4 assistance that it requests following any Data Loss Event; and
  - 23.9.8.5 assistance that it requests relating to a consultation with, or request from, the Information Commissioner's Office or any other regulatory authority.
- 23.9.9 The Processor must maintain full, accurate records and information to show it complies with this clause 23. This requirement does not apply where the Processor employs fewer than 250 staff, unless either the Controller determines that the processing:
- 23.9.9.1 is not occasional;



- 23.9.9.2 includes special categories of data as referred to in Article 9(1) of the UK GDPR or Personal Data relating to criminal convictions and offences referred to in Article 10 of the UK GDPR; or
- 23.9.9.3 is likely to result in a risk to the rights and freedoms of Data Subjects.
- 23.9.10 The Parties shall designate a Data Protection Officer if required by the Data Protection Legislation.
- 23.9.11 Before allowing any Subprocessor to process any Personal Data, the Processor must:
- 23.9.11.1 notify the Controller in writing of the intended Subprocessor and processing;
- 23.9.11.2 obtain the written consent of the Controller;
- 23.9.11.3 enter into a written contract with the Subprocessor so that this clause 23 applies to the Subprocessor; and
- 23.9.11.4 provide the Controller with any information about the Subprocessor that the Controller reasonably requires.
- 23.9.12 The Processor remains fully liable for all acts or omissions of any Subprocessor.
- 23.9.13 The Parties agree to take account of any guidance issued by the Information Commissioner's Office or any other regulatory authority.

## **23.10 Joint Controllers of Personal Data**

- 23.10.1 In the event that the Parties are Joint Controllers in respect of Personal Data under the Contract, the Parties shall implement paragraphs that are necessary to comply with UK GDPR Article 26 based on the terms set out in Part B Joint Controller Agreement of Annex 1 – Processing Personal Data.

## **23.11 Independent Controllers of Personal Data**

- 23.11.1 In the event that the Parties are Independent Controllers in respect of Personal Data under the Contract, the terms set out in Part C Independent Controllers of Annex 1 – Processing Personal Data shall apply to this Contract.

## **24 WHAT YOU MUST KEEP CONFIDENTIAL**

### **24.1 Each Party must:**

- 24.1.1 keep all Confidential Information it receives confidential and secure;
- 24.1.2 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 the Contract; and
- 24.1.3 immediately notify the disclosing Party if it suspects unauthorised access, copying, use or disclosure of the Confidential Information.

- 24.2 In spite of clause 24.1, a Party may disclose Confidential Information which it receives from the disclosing Party in any of the following instances:

- 24.2.1 where disclosure is required by applicable Law if the recipient Party notifies the disclosing Party of the full circumstances, the affected Confidential Information and extent of the disclosure;
  - 24.2.2 if the recipient Party already had the information without obligation of confidentiality before it was disclosed by the disclosing Party;
  - 24.2.3 if the information was given to it by a third party without obligation of confidentiality;
  - 24.2.4 if the information was in the public domain at the time of the disclosure;
  - 24.2.5 if the information was independently developed without access to the disclosing Party's Confidential Information;
  - 24.2.6 on a confidential basis, to its auditors or for the purposes of regulatory requirements;
  - 24.2.7 on a confidential basis, to its professional advisers on a need-to-know basis; and
  - 24.2.8 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.
- 24.3 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 the Contract. The Supplier 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.
- 24.4 The Buyer may disclose Confidential Information in any of the following cases:
- 24.4.1 on a confidential basis to the employees, agents, consultants and contractors of the Buyer;
  - 24.4.2 on a confidential basis to any 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;
  - 24.4.3 if the Buyer (acting reasonably) considers disclosure necessary or appropriate to carry out its public functions;
  - 24.4.4 where requested by Parliament; and
  - 24.4.5 under clauses 14.7 and 25.
- 24.5 For the purposes of clauses 24.2 to 24.4 references to disclosure on a confidential basis means disclosure under a confidentiality agreement or arrangement including terms as strict as those required in clause 24.
- 24.6 Transparency Information, and Information which is exempt from disclosure by clause 25 is not Confidential Information.
- 24.7 The Supplier must not make any press announcement or publicise the Contract or any part of it in any way, without the prior written consent of the Buyer and must take all reasonable endeavours to ensure that Supplier Staff do not either.

## **25 WHEN YOU CAN SHARE INFORMATION**

- 25.1 The Supplier must tell the Buyer within 48 hours if it receives a Request For Information.
- 25.2 In accordance with a reasonable timetable and in any event within 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:
- 25.2.1 comply with any Request For Information
  - 25.2.2 if the Contract has a value over the relevant threshold in Part 2 of the Regulations, comply with any of its obligations in relation to publishing Transparency Information.
- 25.3 To the extent that it is allowed and practical to do so, the Buyer will use reasonable endeavours to notify the Supplier of a Request For Information and may talk to the Supplier to help it decide whether to publish information under clause 25. However, the extent, content and format of the disclosure is the Buyer's decision in its absolute discretion.

## **26 INSURANCE**

- 26.1 The Supplier shall ensure it has adequate insurance cover for this Contract.

## **27 INVALID PARTS OF THE CONTRACT**

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

## **28 OTHER PEOPLE'S RIGHTS IN THE CONTRACT**

- 28.1 No third parties may use the Contracts (Rights of Third Parties) Act ("CRTPA") to enforce any term of the Contract unless stated (referring to CRTPA) in the Contract. This does not affect third party rights and remedies that exist independently from CRTPA.

## **29 CIRCUMSTANCES BEYOND YOUR CONTROL**

- 29.1 Any Party affected by a Force Majeure Event is excused from performing its obligations under the Contract while the inability to perform continues, if it both:
- 29.1.1 provides written notice to the other Party; and
  - 29.1.2 uses all reasonable measures practical to reduce the impact of the Force Majeure Event.
- 29.2 Any failure or delay by the Supplier to perform its obligations under the Contract that is due to a failure or delay by an agent, Subcontractor and/or Supplier Staff 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.

29.3 Either Party can partially or fully terminate the Contract if the provision of the Deliverables is materially affected by a Force Majeure Event which lasts for 90 days continuously and the consequences of termination in Clauses 20.5.1.2 to 20.5.1.7 shall apply.

29.4 Where a Party terminates under clause 29.3:

29.4.1 each Party must cover its own losses; and

29.4.2 clauses 20.5.1.2 to 20.5.1.7 apply.

## **30 RELATIONSHIPS CREATED BY THE CONTRACT**

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

## **31 GIVING UP CONTRACT RIGHTS**

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

## **32 TRANSFERRING RESPONSIBILITIES**

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

32.2 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.

32.3 When the Buyer uses its rights under clause 32.2 the Supplier must enter into a novation agreement in the form that the Buyer specifies.

32.4 The Supplier can terminate the Contract novated under clause 32.2 to a private sector body that is experiencing an Insolvency Event.

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

## **33 SUPPLY CHAIN**

33.1 The Supplier cannot sub-contract the Contract or any part of it without the Buyer's prior written consent. The Supplier shall provide the Buyer with the name of any Subcontractor the Supplier proposes to engage for the purposes of the Contract. 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 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:

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

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

- 33.1.3 the proposed Subcontractor employs unfit persons.
- 33.2 If the Buyer asks the Supplier for details about Subcontractors, the Supplier must provide details of all such Subcontractors at all levels of the supply chain including:
- 33.2.1 their name;
- 33.2.2 the scope of their appointment; and
- 33.2.3 the duration of their appointment.
- 33.3 The Supplier must exercise due skill and care when it selects and appoints Subcontractors.
- 33.4 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:
- 33.4.1 where such Sub-Contracts are entered into after the Start Date, the Supplier will ensure that they all contain provisions that; or
- 33.4.2 where such Sub-Contracts are entered into before the Start Date, the Supplier will take all reasonable endeavours to ensure that they all contain provisions that:
- 33.4.2.1 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;
- 33.4.2.2 require the Supplier to pay all Subcontractors in full, within 30 days of receiving a valid, undisputed invoice; and
- 33.4.2.3 allow the Buyer to publish the details of the late payment or non-payment if this 30-day limit is exceeded.
- 33.5 At the Buyer's request, the Supplier must terminate any Sub-Contracts in any of the following events:
- 33.5.1 there is a change of control within the meaning of Section 450 of the Corporation Tax Act 2010 of a Subcontractor which isn't pre-approved by the Buyer in writing;
- 33.5.2 the acts or omissions of the Subcontractor have caused or materially contributed to a right of termination under Clause 20.4;
- 33.5.3 a Subcontractor or its Affiliates embarrasses or brings into disrepute or diminishes the public trust in the Buyer;
- 33.5.4 the Subcontractor fails to comply with its obligations in respect of environmental, social, equality or employment Law; and/or
- 33.5.5 the Buyer has found grounds to exclude the Subcontractor in accordance with Regulation 57 of the Regulations.
- 33.6 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.



## **34 CHANGING THE CONTRACT**

- 34.1 Either Party can request a variation to the Contract which is only effective if agreed in writing and signed by both Parties. The Buyer is not required to accept a variation request made by the Supplier.

## **35 HOW TO COMMUNICATE ABOUT THE CONTRACT**

- 35.1 All notices under the 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 9am on the first Working Day after sending unless an error message is received.
- 35.2 Notices to the Buyer or Supplier must be sent to their address or email address in the Order Form.
- 35.3 This clause does not apply to the service of legal proceedings or any documents in any legal action, arbitration or dispute resolution.

## **36 DEALING WITH CLAIMS**

- 36.1 If a Beneficiary becomes aware of any Claim, then it must notify the Indemnifier as soon as reasonably practical.
- 36.2 at the Indemnifier's cost the Beneficiary must:
- 36.2.1 allow the Indemnifier to conduct all negotiations and proceedings to do with a Claim;
  - 36.2.2 give the Indemnifier reasonable assistance with the Claim if requested; and
  - 36.2.3 not make admissions about the Claim without the prior written consent of the Indemnifier which cannot be unreasonably withheld or delayed.
- 36.3 The Beneficiary must:
- 36.3.1 consider and defend the Claim diligently and in a way that does not damage the Beneficiary's reputation; and
  - 36.3.2 not settle or compromise any Claim without the Beneficiary's prior written consent which it must not unreasonably withhold or delay.

## **37 PREVENTING FRAUD, BRIBERY AND CORRUPTION**

- 37.1 The Supplier shall not:
- 37.1.1 commit any criminal offence referred to in 57(1) and 57(2) of the Regulations; or
  - 37.1.2 offer, give, or agree to give anything, to any person (whether working for or engaged by the Buyer or any other public body) an inducement or reward for doing, refraining from doing, or for having done or refrained from doing, any act in relation to the obtaining or execution of the Contract or any other public function or for showing or refraining from showing favour or disfavour to any person in relation to the Contract or any other public function.



- 37.2 The Supplier shall take all reasonable endeavours (including creating, maintaining and enforcing adequate policies, procedures and records), in accordance with Good Industry Practice, to prevent any matters referred to in clause 37.1 and any fraud by the Supplier Staff and the Supplier (including its shareholders, members and directors) in connection with the Contract and shall notify the Buyer immediately if it has reason to suspect that any such matters have occurred or is occurring or is likely to occur.
- 37.3 If the Supplier notifies the Buyer as required by clause 37.2, 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.
- 37.4 If the Supplier or the Supplier Staff engages in conduct prohibited by clause 37.1 or commits fraud in relation to the Contract or any other contract with the Crown (including the Buyer) the Buyer may:
- 37.4.1 require the Supplier to remove any Supplier Staff from providing the Deliverables if their acts or omissions have caused the default; and
  - 37.4.2 immediately terminate the Contract and the consequences of termination in Clause 20.5.1 shall apply.

## **38 EQUALITY, DIVERSITY AND HUMAN RIGHTS**

- 38.1 The Supplier must follow all applicable employment and equality Law when they perform their obligations under the Contract, including:
- 38.1.1 protections against discrimination on the grounds of race, sex, gender reassignment, religion or belief, disability, sexual orientation, pregnancy, maternity, age or otherwise; and
  - 38.1.2 any other requirements and instructions which the Buyer reasonably imposes related to equality Law.
- 38.2 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 the Contract.

## **39 HEALTH AND SAFETY**

- 39.1 The Supplier must perform its obligations meeting the requirements of:
- 39.1.1 all applicable Law regarding health and safety; and
  - 39.1.2 the Buyer's current health and safety policy while at the Buyer's premises, as provided to the Supplier.
- 39.2 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 the Contract.

## **40 ENVIRONMENT AND SUSTAINABILITY**

40.1 In performing its obligations under the Contract, the Supplier shall, to the reasonable satisfaction of the Buyer:

- 40.1.1 meet, in all material respects, the requirements of all applicable Laws regarding the environment; and
- 40.1.2 comply with its obligations under the Buyer's current environmental policy, which the Buyer must provide, and make Supplier Staff aware of such policy.

## **41 TAX**

41.1 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 the Contract where the Supplier has not paid a minor tax or social security contribution.

41.2 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 the Contract, the Supplier must both:

- 41.2.1 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
- 41.2.2 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 Term in connection with the provision of the Deliverables by the Supplier or any of the Supplier Staff.

41.3 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 requirements that:

- 41.3.1 the Buyer may, at any time during the term of the Contract, request that the Worker provides information which demonstrates they comply with clause 41.2, or why those requirements do not apply, the Buyer can specify the information the Worker must provide and the deadline for responding;
- 41.3.2 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;
- 41.3.3 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 41.2 or confirms that the Worker is not complying with those requirements; and
- 41.3.4 the Buyer may supply any information they receive from the Worker to HMRC for revenue collection and management.

## **42 CONFLICT OF INTEREST**

- 42.1 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.
- 42.2 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.
- 42.3 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 the 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 20.5.1.2 to 20.5.1.7 shall apply.

## **43 REPORTING A BREACH OF THE CONTRACT**

- 43.1 As soon as it is aware of it the Supplier and Supplier Staff must report to the Buyer any actual or suspected breach of Law, clause 22.1, or clauses 36 to 42.
- 43.2 The Supplier must not retaliate against any of the Supplier Staff who in good faith reports a breach listed in clause 43.1 to the Buyer or a Prescribed Person.

## **44 FURTHER ASSURANCES**

- 44.1 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.

## **45 RESOLVING DISPUTES**

- 45.1 If there is a dispute between the Parties, their senior representatives who have authority to settle the dispute will, within 28 days of a written request from the other Party, meet in good faith to resolve the dispute by commercial negotiation.
- 45.2 If the dispute is not resolved at that meeting, the Parties 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 45.3 to 45.5.
- 45.3 Unless the Buyer refers the dispute to arbitration using clause 45.4, the Parties irrevocably agree that the courts of England and Wales have exclusive jurisdiction. :
- 45.4 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.

45.5 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 45.3, 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 45.4.

45.6 The Supplier cannot suspend the performance of the Contract during any dispute.

#### **46 WHICH LAW APPLIES**

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

## V. Annex 1 – Processing Personal Data

### Part A Authorised Processing Template

This Annex shall be completed by the Controller, who may take account of the view of the Processor, however the final decision as to the content of this Schedule shall be with the Controller at its absolute discretion.

The contact details of the Controller's Data Protection Officer are: DESNZ Data Protection Officer, Department for Energy Security & Net Zero 3-8 Whitehall Place, London, SW1A 2ED. Email: [dataprotection@energysecurity.gov.uk](mailto:dataprotection@energysecurity.gov.uk)

The contact details of the Processor's Data Protection Officer are: [REDACTED] Email: [REDACTED]

The Processor shall comply with any further written instructions with respect to processing by the Controller.

Any such further instructions shall be incorporated into this Annex.

Description of authorised processing	Details
Identity of Controller and Processor / Independent Controllers / Joint Controllers for each category of Personal Data	Controller: DESNZ. Processor: The Supplier.
Subject matter of the processing	Staff of the Buyer and the Supplier.
Duration of the processing	For the duration of contract (inclusive of any extension period where applicable).
Nature and purposes of the processing	Business contact details of the Buyer and Supplier staff delivering the contract.
Type of Personal Data being processed	Business contact details of Buyer and Supplier staff including any Supplier subcontractors.
Categories of Data Subject	Buyer and Supplier staff members.
Plan for return and destruction of the data once the processing is complete UNLESS requirement under law to preserve that type of data	Personal data will be removed from Buyer and Supplier systems after the Contract ends.

Locations at which the Supplier and/or its Subcontractors process Personal Data under this Contract and International transfers and legal gateway	Business premises of the Buyer and Supplier. [to be further amended in the event the Supplier premises are not UK based or data will be transferred overseas]
Protective Measures that the Supplier and, where applicable, its Subcontractors have implemented to protect Personal Data processed under this Contract against a breach of security (insofar as that breach of security relates to data) or a Data Loss Event	As per Buyer and Supplier data processing policies.

**Part B Joint Controller Agreement**

**Not Applicable**

**Part C Independent Controllers**

**Not Applicable**



## VI. Annex 2 – Specification

### 1. Background

Introduction – the role of engineered greenhouse gas removals (GGRs)

The UK will achieve its net zero target by 2050 primarily through taking ambitious decarbonisation measures; however, some sectors, such as aviation and agriculture, will be hard to abate completely by 2050 so will require greenhouse gas removals (GGRs) to compensate for their residual emissions. GGRs is the name given to a group of methods that actively remove greenhouse gases, predominantly CO<sub>2</sub>, from the atmosphere, also commonly referred to as Carbon Dioxide Removal (CDR). They broadly fall into two categories: nature-based approaches, such as afforestation and soil carbon sequestration, and engineering-based approaches, such as Direct Air Carbon Capture and Storage (DACCS), Bioenergy with Carbon Capture and Storage (BECCS), Wood in Construction, Biochar and Enhanced Weathering (EW). Following the sector classification adopted by the Climate Change Committee (CCC) and in the Net Zero Strategy, DESNZ's focus is on engineered removals and will be the focus of this research project.

The Net Zero Strategy outlined the government's ambition to deliver at least 5MtCO<sub>2</sub>/year of engineered removals by 2030 to around 23MtCO<sub>2</sub> per year by 2035. By 2050, deployment of engineered removals at a large scale, between 75 and 81MtCO<sub>2</sub> per year, will be needed to help compensate residual emissions.

The Department for Energy Security and Net Zero (DESNZ) is seeking to commission expert research and modelling to forecast the prices and quantity of engineered Greenhouse Gas Removals (GGRs) traded in Voluntary Carbon Markets (VCMs) in yearly intervals to 2050, by technology type.

#### Aims of this project

This project will analyse existing research through literature reviews to consider and evaluate factors that will affect the demand and supply, and therefore the prices and quantities, of engineered GGRs in VCMs. It will use this research to inform economic modelling to provide scenario-based, quantitative projections of the prices (£/tCO<sub>2</sub>) and scale (Mt/y) of engineered GGRs sold in global voluntary markets, presented in yearly intervals from 2025 to 2050. Modelling will then consider how much of the UK supply of engineered GGRs will be exhausted by global demand in the VCM. These forecasts will be used in DESNZ's internal analysis to consider impacts of current and future GGR policy.

The budget available for this research will be £80,000.00 Ex VAT and activities will involve:

- (i) a literature review including: identification of the factors that will impact the supply and demand of engineered GGRs and analysis of the existing forecasts for engineered GGRs in VCMs
- (ii) scenario-based economic modelling of (a) the global prices (£/tCO<sub>2</sub>) and scale (Mt/y) of engineered GGRs in VCMs, combining projections of both the supply and demand of engineered GGRs; and (b) projections of the UK supply of engineered

- (iii) GGRs that is met by VCM demand: both forecasts should be presented in yearly intervals from 2025 to 2050, and split by engineered technology type;  
(iii) a final report of key findings from the modelling, a methodology report, and a PowerPoint of key findings for results dissemination. Interim deliverables will also be required.

The project duration will be 6 months, and we anticipate this running from January 2025 – June 2025.

#### Background Information – GGR Business Model, UK ETS and VCMs

The government response to the GGR Business Model consultation highlighted two potential routes to market for negative emissions: high-integrity voluntary carbon markets (VCMs) and the UK Emissions Trading System (UK ETS).

#### Voluntary Carbon Markets

Voluntary carbon markets (VCMs) enable carbon credits to be purchased, usually by organisations, as part of their voluntary climate commitments, as opposed to legally binding emissions reduction obligations.

A carbon credit represents a reduction or removal of one tonne of carbon dioxide, or equivalent, from the atmosphere, and can be bought or sold on the VCM. Credits are issued by registries and certified in line with one of several methodologies. They can be bought by purchasers directly or by intermediaries, such as brokers. Project developers and governments can also enter into bilateral offtake agreements and pre-purchase agreements with actors.

Credits can be grouped into avoidance, reduction or removals. Avoidance credits are generated from projects that prevent new emissions from arising that might have otherwise been emitted; reduction credits are projects that seek to reduce the emissions that would have otherwise been emitted i.e. they are measured against baseline emissions of the existing processes; and removals are generated by projects that remove carbon (or other GHGs) from the atmosphere and store it permanently underground. Removals will be the focus of this research project.

Despite rapid growth of the VCM leading to a peak market of \$2 billion in 2021, concerns around credit quality of offsets and greenwashing controversies have impacted buyer confidence and led to market stagnation over the last 2 years. However, HMG considers that any support provided through the GGR Business Model for removals will be fully consistent with additionality requirements i.e. to qualify as a genuine carbon removal, there must be confidence that the credits generated from the GGR project would not have occurred in the absence of the incentive created by carbon credit revenues.

Despite the relatively small size of the global GGR sector, there is clear evidence of a rapid growth in voluntary demand for high-durability carbon removal credits. This is demonstrated by high-value, long-term corporate offtake agreements (e.g. Microsoft, JPMorgan Chase, Amazon) and the Frontier initiative, which mobilises over \$1 billion for permanent carbon removal through an advance market commitment. In a supply-constrained market, there is credible evidence that the private sector is valuing engineered removals at a significantly higher price per tonne than traditional carbon offsets and some compliance markets.

Efforts to achieve clear standards for GGR projects being financed by the VCM are increasing. For example, in December 2023, the UK committed to developing its own GGR Standard which

will build upon best practice in voluntary markets such as the Core Carbon Principles (CCPs) developed by the Integrity Council for the Voluntary Carbon Market (ICVCM); and, in April 2024 the EU announced its Carbon Removal Certification Framework as a voluntary framework for certifying carbon removals.

The price of engineered removals in voluntary markets are typically different to that of nature-based removals and avoidance credits. For example, BECCS, Biochar, DACCS and EW attract average prices within a range of £131-£715, while Afforestation and Forest Management, nature-based activities, attracted an average price of between £12-£16, according to a leading market index. The price of engineered GGRs is likely to be influenced by robust third-party validation and verification; robust quantification of the emission impact; high durability; additionality; and the presence of sustainable development benefits and safeguards.

The VCM is expected to play a significant role in the development of the engineered GGRs sector. Specifically, from a UK perspective, business model support will be conditional on the sale of negative emissions credits into markets, including VCMs. The prices & scale of engineered GGRs in VCMs may have a significant impact on the cost of GGR policies and updated knowledge of these will support the internal analysis of future GGR policies.

Factors affecting the supply and demand of GGR credits in the VCM

There are various factors that could affect the demand and supply of GGR credits in the VCM.

On the demand side, this is likely to include but is not limited to:

- Residual emissions that need to be offset to meet an organisation's net zero target
- Organisations' abilities and appetites to meet these targets (including consideration of pressure from investors of organisations to account for environmental impacts)
- Future emissions reductions ambitions
- Alternative offsets or decarbonisation options available to an organisation and their relative prices
- Actual and perceived differences in the integrity of engineered removals compared to nature-based removals, and/or avoidance credits.
- Impact of GGR costs on downstream products & their consumers
- Changes in international compliance market policies, including their potential collapse/expiry/evolution.

On the supply side, deployment will be largely determined by the pipeline of engineered GGR projects being planned and supported by governments' ambitions and policy development.

However, the supply of engineered GGRs will also vary according to some other factors, including but not limited to:

- Resource constraints (i.e. biomass and land scarcity/restrictions, energy supply)
- Developments in (potential) substitute markets, such as the integrity and/or deployment potential of nature-based offsets improving, which might impact suppliers & governments' decisions.

- Learning curves of engineered GGR technologies and their impact on future costs
- Developers' responses to market signals.

### **GGR Business Model**

To overcome key barriers to deployment in the UK, DESNZ is developing a GGR Business Model to unlock private investment in a portfolio of engineered GGR projects. The policy will provide revenue support for negative emissions, dependent on the price achieved by a developer when they sell into the VCM. Should GGRs be integrated into the ETS, it may also provide support to these projects too, depending on final policy design.

The subsidy will be a Carbon Contract for Difference (CfDc), whereby a counterparty appointed by the Government will, through a 'Difference Payment', top up a project's 'Reference Price', agreed to be represented by the Achieved Sales Price - the price that the project receives for its credit in either one of these markets, to its 'Strike Price'. The Strike Price will be negotiated between the project and government: it will consider a project's costs as well as an appropriate rate of return. Given this, the price which actors are willing to pay for engineered removals in the voluntary market will have a direct impact on a project's market revenue and hence the difference payment that the counterparty pays to the project to top this up.

Future demand and the prices for engineered GGRs in VCMs is uncertain, largely due to the nascency of the sector and a lack of knowledge about how markets for carbon offsets will develop more widely. DESNZ would like to update its assumptions of the prices of engineered removals and understand the extent different technologies might attract different prices, so it can use these forecasts in internal analysis of GGR policies, such as updating predictions of the of costs of the GGR Business Model.

Up-to-date evidence of forecasts, as well as wider VCM policy developments, may help inform decisions on the design of features in the Business Model in future rounds too.

### **UK Emissions Trading System (ETS) and GGR integration**

The UK ETS went live on January 2021 and replaced the UK's participation in the EU ETS. The UK ETS Authority established the scheme to increase the climate ambition of the UK's carbon pricing policy, while protecting the competitiveness of UK businesses.

The UK ETS works on the 'cap and trade' principle, where a cap is set on the total amount of certain greenhouse gases that can be emitted by sectors covered by the scheme. This limits the total amount of carbon that can be emitted and, as it decreases over time, will make a significant contribution to how we meet our net zero target and other legally binding climate commitments.

Within this cap, participants receive free allowances and/or buy allowances at auction or on the secondary market, which they can trade with other participants as needed.

Each year, stationary installations and aircraft operators covered by the scheme must surrender allowances to cover their reportable emissions. The cap is reduced over time, so that total



emissions must fall. The UK ETS applies to energy intensive industries, the power generation sector, and aviation.

In July 2023, the UK Emissions Trading Scheme (ETS) Authority confirmed that it believed the UK ETS was an appropriate long-term market for GGRs. In May 2024 the Authority consulted to seek input on the integration of greenhouse gas removals (GGRs) in the UK ETS.

The inclusion of engineered GGRs in the UK ETS will incentivise investment in and provide a source of demand for GGRs from polluting sectors and futureproof the UK ETS so it continues to play a key role in delivering net zero. The Authority also confirmed that it believes that the UK ETS may offer an appropriate long-term market for high quality nature-based GGRs, subject to further work to consider the range of potential issues raised regarding permanence, costs and wider land management impacts. The scale of the residual supply of GGRs, after demand in the VCM is exhausted, will have implications for the total supply of allowances in the UK ETS.

Integrating GGRs into the UK ETS will mean that GGR operators that meet market participation requirements will be able to be awarded allowances for removing carbon from the atmosphere and storing it permanently. Understanding the price and quantity of domestic GGRs that could be sold in the VCM will help to determine the impacts of including GGRs in the ETS.

#### Impact of the study

- This study will impact GGR policy decision-making. More evidence around the price and scale of voluntary demand for engineered GGRs will enable decision makers to better predict exchequer costs of any current or future GGR policy and help support the strategic direction of GGRs.
- This research will also support several key questions on the design of GGR integration into the ETS.
- The cap - The scale of the residual UK supply of GGRs, after demand in the VCM is exhausted, will have implications for the total supply of allowances in the UK ETS. Crucially, this includes understanding the scale of GGRs in the UK ETS and what this might mean for the design of the overall cap on emissions allowances and removals. The Authority regards the proposals for cap policy as the primary lever for ensuring that UK ETS participants continue to decarbonise and do not delay abatement via the purchasing of GGRs. This project will help inform decisions on the long-term design of the ETS to support GGRs.
- Allowance design - Understanding potential price differentials will help the Authority explore whether there is a benefit in differentiating UK Allowances (UKAs) from allowances generated by GGRs.
- Forecasts from this project can be used to directly inform the design of future rounds of the GGR Business Model.
- More up-to-date evidence of engineered-GGR prices will strengthen the government's knowledge about the revenue projects can expect to receive from the market, which in turn may inform decisions on key design features. This will help protect value for money for HMG and also support the development of a market for GGRs.
- This evidence may help inform key decisions on GGR deployment.
- It will support our ability to assess the financial viability and Exchequer costs of projects who apply for GGR business model support in the future. Updated evidence on this could help strengthen the Government's knowledge.

#### Aims and Objectives of the Project

The aim of this research will be to forecast the prices and scale of engineered GGRs in the global VCM in yearly intervals from 2025 to 2050, split by technology, and show how many of these engineered GGRs are based in the UK. The technologies in scope should include at least the following: Direct Air Carbon Capture and Storage (DACCS), Bioenergy Carbon Capture and Storage (BECCS), Biochar, Enhanced Weathering (EW) and Wood in Construction.

This project should combine existing research through literature reviews to identify key factors that affect the supply and demand of engineered removals. The supplier should use findings from the literature reviews to conduct economic modelling that considers different scenarios of supply and demand of engineered GGRs materialising. Supply scenarios should then be combined with demand scenarios to create various price and scale forecasts for engineered removals.

#### **Current status of evidence on engineered GGR prices in VCMs**

There are many uncertainties and evidence gaps on the price and scale of engineered removal credits in VCMs. These include but are not limited to:

- **Evidence gaps within existing data:**

- **Lack of transparency in data of removal credit sales.**  
The market for engineered greenhouse gas removals is in its nascency, making up only 4% of sales in the VCM<sup>2</sup>. This means that there is only a small sample of transactions to refer to when estimating the average price of a credit. Of these transactions, many are commercially sensitive, so while there have been some high-profile purchases and there are some public indices that track prices, these do not include all purchases in the market.
- **Current prices do not reflect future prices due to uncertainty.**  
Even where prices are publicly available, there is significant uncertainty as to how the prices of engineered GGRs will evolve over time. Some forecasts seek to extrapolate existing demand to predict future demand; however, future prices will depend on a range of factors that will influence demand and supply, many of which are uncertain.
- **Existing GGR forecasts do not isolate the price and scale of engineered removals.**  
Many forecasts reflecting the average price of an offset in the VCM do not distinguish between avoidance, reduction and removal offsets. We are **only** interested in the prices of removal offsets: we specifically want the economic modelling to focus on engineered removals.
- **Even amongst removals forecasts, these are not split according to nature-based and engineered approaches, nor broken down by technology type.**  
Where forecasts do focus on engineered removals, they do not split this between nature-based and engineered approaches. Furthermore, within this latter category, they do not differentiate by engineered technology type. Given prices and scale of demand may differ between different types of removals, we require modelling that:

<sup>2</sup> <https://www.stateofcdr.org/>



firstly, focusses only on engineered removals, not nature-based approaches; and secondly, isolates forecasts according to engineered technology type, to support policy development.

- o **Existing forecasts lack identifying the assumptions that need to be true for each scenario to materialise.**

Some forecasts helpfully distinguish between different price and scale scenarios for removals; however, they do not go so far as sharing the assumptions behind each of these scenarios and describing what is needed for each one to materialise. Economic modelling in this project should identify different scenarios for the demand and supply of engineered GGRs and outline the assumptions beneath each of these materialising

- o **Lack of knowledge and data about how compliance market growth may impact the VCM.**

- **Factors affecting the supply and demand of engineered GGR credits and how these factors might interact:**

- o As outlined in the background section, there are many factors that will influence the demand and supply of engineered GGRs. However, this is not an exhaustive list, and each factor's impact on supply & demand will depend on the extent to which it will materialise in the future, which can be uncertain. We would benefit from research that summarises the factors that will impact supply & demand and predicts the impact these factors will have on the scale and prices of engineered removals, depending on different scenarios of these factors materialising.

- **The reasons and extent to which the market could distinguish between different types of offsets:**

- o We would benefit from more evidence of the extent to which one type of GGR technology might be favoured by market participants over another, the reasonings behind any preferences and, if there are preferences, what this means in terms of the scale of demand for each engineered technology. Forecasts on the scale and price differentials of different GGRs technologies will also help the ETS Authority to determine whether there is a benefit in differentiating UKAs from allowances generated by GGRs.
- o Furthermore, evidence on why organisations might be motivated to opt for one engineered GGR credit over another would be valuable in understanding why some credits might attract a premium.

- **How will the price of engineered removals evolve to 2050?**

- o GGRs will play a key role in compensating for residual emissions in hard-to-abate sectors to meet our net zero 2050 target<sup>3</sup> and will continue to offset emissions beyond this point. A consistent policy environment will be essential to help scale deployment between now and then, a period which will cover various political cycles. Decisions on GGR policy now will influence the scale of this industry in the future, so the better understanding we have over how prices for credits might evolve, the more informed we can be when making decisions that will have significant implications beyond this point in time.

- **The quantity of GGR credits sold in the VCM:**

- o Determining the impact of integrating GGRs into the ETS will require evidence on the scale of GGR credits sold in the VCM and the point at which VCM demand for

<sup>3</sup> <https://www.gov.uk/government/publications/net-zero-strategy>

UK credits could be exhausted. This will help inform the scale of the residual GGRs that could enter the ETS.

**Research questions:**

The following Research Questions (RQs) should be answered through reviewing and analysing evidence, and economic modelling.

As a minimum, addressing RQ1 and RQ2 (including RQ2a and RQ2b):

- **RQ1: What are the factors that will influence the global demand and supply of engineered removal technologies out to 2050, and how will they influence them?**

This question should be answered as part of an opening literature review. It should consider:

- 1) **Factors affecting the demand for engineered removals:**  
This research should consider factors that might make demand lower or higher and highlight any similarities or differences amongst different types of engineered credits (e.g. a DACCS credit vs a BECCS credit).
- 2) **Factors affecting the supply of engineered removals:**  
This research should consider the assumptions that might make supply lower or higher and highlight any similarities or differences amongst different types of engineered technologies. This research does not concern whether projects will set up in the UK over other countries and vice versa; rather, the focus should be on general factors that will influence supply i.e. analysis of how policy development in all countries could encourage / stifle supply, as opposed to how a single country's policy would influence a project's decision to supply in that country over another.
- 3) **Evidence of the likely trajectory of these different factors materialising:**  
This could consider previous evidence from numerical studies that conclude any patterns amongst the different factors, and/or evidence of perceptions of how assumptions might materialise, which may be more qualitative (e.g. interviews & surveys which have already been conducted). For example, there may be numerical studies on the number of corporates who are likely to miss their net zero targets, or qualitative evidence that has collected firms' views on whether they think they're likely to miss their net zero target, both of which provide insight on how the demand for engineered removals might evolve.
- 4) **How these factors may impact the demand and supply of different engineered removal technologies in different ways:**  
Specifically Direct Air Carbon Capture and Storage (DACCS), Bioenergy with Carbon Capture and Storage (BECCS), Wood in Construction, Biochar and Enhanced Weathering (EW).
- 5) **Existing research and/or existing modelling on the prices and scale of offsets in the VCM and what this may imply about the future of engineered GGRs in VCMs specifically.**  
This could include analysing:
  - a) Existing forecasts on both the prices and scale of offsets in the voluntary market and what these findings imply for engineered removals specifically (if relevant).  
Many forecasts currently group avoidance and removals projects. Where they

only focus on removals, suppliers often group nature-based with engineered; or, where some attempt to isolate engineered removals, they do not necessarily separate them by technology type. The supplier could analyse the methodology and results of forecasts that include a range of credits in the voluntary market, not just engineered removals, and analyse these forecasts to deduce conclusions about what this means for engineered removals specifically.

- b) Evidence of the prices and scale of engineered removals outside of forecasts/modelling. This could include existing studies that contain qualitative evidence or market research about the future of engineered GGRs. Particular attention may be paid to:

- Any differentiation in the prices of engineered GGR credits by technology, and its extent
- Differences in the scale of engineered GGRs required
- The prices and scale of any UK engineered GGRs being sold in the voluntary market.

- **RQ2: This question is split into two sections, a and b.**

This research should project forecasts in yearly intervals from 2025 to 2050, broken down by technology type. It should focus on the global market prices and scale of engineered GGR credits. However, findings should also be applied in a local, UK context, i.e. how much of the UK's GGR supply will be exhausted by the voluntary market? Parts A and B of RQ2 concern each of these matters, respectively.

- a) **What are the predicted prices (in £/Tco2e) and quantity (in MtCO2/y) of engineered removals sold in the voluntary carbon markets, split by technology type and presented in yearly intervals from 2025 to 2050 globally?**

This question should consider the individual prices and scale of different types of engineered removals, including Direct Air Carbon Capture and Storage (DACCS), Bioenergy with Carbon Capture and Storage (BECCS), Wood in Construction, Biochar and Enhanced Weathering (EW). For BECCS technologies, forecasts should distinguish between different types i.e. Power BECCS and Hydrogen BECCS. All price and quantity forecasts should be broken down according to these technology types.

The response should consider the factors affecting both the demand and supply of engineered removals from an international perspective, informed by the research collated in response to RQ1.

On the demand side, this should consider market participants' marginal willingness to pay, which may be affected by the following factors, as well as any others identified through the literature review conducted for RQ1:

- **The volume of residual emissions corporations will need to offset to meet their ambitions**, including: net zero targets they have set (both Science Based Targets Initiatives (SBTi) and non-SBTi aligned targets); Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) commitments; and carbon neutrality claims by corporations.
- **Whether an organisation would prefer to purchase an engineered removal over a nature-based removal** and if so, the supply of nature-based removals and when these might be exhausted.

- **Alternative options to offsetting** that might be available to organisations, such as decarbonisation methods and whether these decarbonisation options are cheaper/more dear than engineered removal credits.
- **The cost corporations may face if they surrender or fail to meet their net zero targets** and whether this exceeds the cost of offsetting (i.e. the price of engineered removal credits)
- **Demand for engineered credits in compliance schemes**

On the supply side, modelling should consider the following factors, as well as any others identified through the literature review conducted for RQ1:

- **Government policies** to support both the policy development and deployment of engineered removal technologies, considering any specific targets for engineered removals and, where targets are not specified, assumptions for the deployment of engineered removals which will be needed for countries to meet their net zero targets.
- **The development (or lack of) of standards for all types of credits** that are sold in the voluntary carbon market and the extent to which this impacts the supply of engineered removals in the market.
- **Potential supply constraints**, such as restrictions on biomass, land and energy costs. These factors, together with stringency of standards, will also impact the marginal cost of engineered removals.

#### Number of scenarios:

We expect modelling to consider and outline multiple demand scenarios. The appropriate number of scenarios should be determined by the supplier and informed by the findings from the literature review. For example, the supplier might find it is optimal to create scenarios reflecting 'low', 'central' and 'high' demand, each of which rely on different demand-side assumptions materialising. The supplier should determine the assumptions that underly each scenario, also led by findings and research from the literature review. These assumptions should be clearly identified in the modelling.

Given this project will consider voluntary carbon markets at the global scale, there is also likely to be significant uncertainty of the supply side of the market. This will be largely influenced by different governments' policies and support, due to the sector's nascency and high barriers to entry. Acknowledging this, we are also interested in capturing variability on the supply side of the market. Like modelling on the demand side, we'd expect the supplier to capture this variability in an appropriate number of scenarios, as informed by the research in the literature review. This does not have to be the same number of scenarios as considered on the demand side of the market: the supplier should model the variability according to what is most appropriate for each side individually, using sound judgement and informed by findings from the literature review.

After identifying different scenarios for demand and supply curves, modelling should combine both sides of the market to create price and scale forecasts for engineered removals. As a minimum, **there should be 3 different scenarios for the price and scale forecasts, 'low', 'central' and 'high'**, although the supplier may wish to provide further forecasts as they see fit.

The supply and demand scenarios that are combined to create each of these forecasts should be identified, as well as their underlying assumptions. For example, if the 'low' price and scale



forecast is made up of a 'low' demand scenario combined with a 'high' supply scenario, this combination should be specified as well as the assumptions that need to materialise for the 'low' demand and 'high' supply scenarios to apply.

The price and quantity forecasts should be broken down by technology type and presented in yearly intervals from 2025 to 2050. Crucially, this question seeks to predict the scale of engineered GGRs exhausted in voluntary markets and at what price.

**b) How much of this quantity traded in the VCM is supplied by UK-based engineered GGR projects?**

Part b of RQ2 will concern how much of this global voluntary demand is met by UK supply of engineered GGRs.

Given the global nature of voluntary carbon markets, some of the demand for engineered GGRs will be met by removal projects in the UK, and purchasers of UK credits may not all be from the UK themselves. Hence, we are interested in the global voluntary demand for UK credits: in particular, the total number of removal credits purchased in the VCM that are generated from UK-based engineered GGR projects. This will develop our understanding of how many additional GGR credits will need to be driven by other markets, such as the UK ETS, to meet Net Zero targets.

We are interested in different ways suppliers might use modelling to answer this question. The supplier may wish to use their assumptions of UK supply, perhaps that which they used in their calculation of global supply and combine this with a share of global demand that represents purchases of UK credits. As in RQ2a, these outputs should be broken down by technology type and presented in yearly intervals from 2025 to 2050. The response to this question should also consider uncertainty: forecasts should reflect variety by modelling scenarios of different states of the world as in RQ2a. Research in response to RQ1 may find that the demand and supply of nature-based credits could impact the demand and supply of engineered credits. This is because WCC credits and engineered GGR credits may be considered substitutes by some purchasers, or this could become the case in the future, and so suppliers may need to consider this in their modelling.

## **2. Suggested Methodology**

We expect regular communication with the supplier throughout the project and suggest breaking this down into two tiers:

- 1) Regular, and at a minimum fortnightly, communication with a small number (~2) of DESNZ colleagues (project managers) to provide updates on progress and to escalate any issues that may arise during the week. This should be in the format of an online meeting of at least one hour fortnightly, as well as regular communication via email.
- 2) More formal communication with a Steering Group, led by the GGR & ETS teams within DESNZ, but also involving colleagues who have an interest in the key deliverables of the project, such as other teams within DESNZ or other government departments. This Group will be convened at key stages of the project, such as to peer review interim deliverables, outlined below.

DESNZ will invite the contractor to propose a methodology that aligns with the project's aims and objectives. The proposal should include the following tasks at a minimum:

**Task 1: Review existing evidence of engineered greenhouse gas removals (GGRs) in voluntary carbon markets (VCMs), compiling a literature review that articulates the research available in relation to RQ1 outlined above.**

The purpose of this task is twofold: firstly, to understand the factors that will impact the supply and demand of engineered GGR technologies out to 2050; and secondly, to use these findings to identify assumptions that will underly the various supply and demand scenarios that the supplier will model to address RQ2a and RQ2b. The literature review should also discuss factors that will impact the supply and demand of specific GGR technologies.

The supplier should outline their approach to conducting the literature review, including proposed data sources, search terms and inclusion/exclusion criteria. This should focus on reviewing existing evidence on the factors that affect and will continue to affect supply and demand of engineered GGRs. Evidence should consider literature and data from sources in both academic and grey fields, such as by industry, and should primarily focus on capturing evidence arising from recent publications and data, given the nascency of the market.

The supplier should focus on engineered removals, including DACCS, BECCS, Wood in Construction, Enhanced Weathering (EW) and Biochar technologies. It should be noted that while DESNZ refers to the technologies outlined above as 'engineered' removals, this is often used interchangeably with the term 'novel' removals. Internationally, 'GGRs' are also often named 'Carbon Dioxide Removal (CDR)' or 'Negative emissions Technologies' (NETS): evidence should examine sources that refer to these specific types of engineered removals, regardless of nomenclature to include all relevant evidence. Voluntary carbon markets can also be referred to as a singular or plural concept i.e. one big market or lots of individual markets. Research should consider evidence from studies that refer to either, with emphasis on the demand for a credit being voluntary as opposed to within a compliance scheme.

Evidence from publications and databases should be analysed. Existing forecasts on the prices and scale of engineered removals may be helpful, as well as evidence from sales to date. Analysis should highlight both the current factors affecting the supply and demand for these technologies in voluntary markets, and any evidence on factors affecting future demand and supply in the years out to 2050. Leading market indices can also be used to assess the current prices of removals. Analysis should also consider qualitative evidence about the future prices and scale of engineered GGRs in the voluntary carbon market, such as any evidence from existing market research or interviews.

The scope should cover demand and supply on an international scale to support the modelling that will be conducted as part of RQ2a; however, it would also be helpful to include any evidence that highlights the factors affecting demand for UK engineered GGR credits specifically, to support modelling in response to RQ2b. For example, this could include any evidence related to UK credits being sold at a premium or not, and any reasons behind this.



DESNZ is particularly interested in existing evidence on Carbon Capture and Storage (CCS) engineered GGRs, referring to DACCS and BECCS and specific attention should be paid to these technologies. However, given the ability of non-CCS engineered technologies (EW, Biochar & Wood in Construction) to influence the price and scale of all engineered removals, given they may be considered substitutes for each other, and in preparing for future policy development, we are also interested in factors affecting the supply and demand of non-CCS engineered technologies.

Many existing sources of evidence on GGRs group nature-based and engineered removals as one; the supplier should consider this research, but should highlight the elements specifically relevant to our focus on engineered removals. The supplier should also consider using research that groups 'avoidance' and 'removals' credits, but again should identify the elements that are relevant to the latter category. Evidence with a sole focus on either nature-based removals or avoidance credits should only be included if their findings are likely to have implications for the demand and supply of engineered GGRs; otherwise, these studies should be excluded from the literature review, as they are irrelevant for answering RQ1 and RQ2.

The supplier should identify any evidence that distinguishes between factors that might affect the supply and demand of different types of engineered technologies, such as the factors that might cause the supply and demand for DACCS credits to differ than that for BECCS (including different types of BECCS technologies).

Sources should be evaluated, combined appropriately and weighed up to draw conclusions about the factors influencing the supply and demand of engineered GGRs in voluntary carbon markets. The contractor should share their approach to the literature review with project managers from DESNZ.

This literature review should be completed before Task 2 begins, as its findings should inform the methodology required for the rest of the project. Interim findings from the literature review should be shared with the project managers in DESNZ on a fortnightly basis. A synopsis of final conclusions from the literature review should be shared with the Steering Group at least 3 working days before Task 2 commences in a Powerpoint presentation format.

**Task 2: Scope, develop and peer review a methodology for economic modelling to address RQ2a and RQ2b, identifying relevant data sources.**

For this task, the supplier should consider their findings from Task 1 and scope out a full methodology for economic modelling to address RQ2a and RQ2b above. They should identify input data sources relevant to the factors that they have identified to affect the supply and demand for engineered GGRs out to 2050: these sources should be robust and suitable to address the purpose of the project, as well as readily available and accessible to the supplier and government.

The methodology should be developed in a methodological note that will be shared with the Steering Group for peer review at least 5 working days before the following task (economic modelling) commences. The note will outline a method to model quantitative projections of the supply and demand of engineered removals in voluntary carbon markets in yearly intervals from 2025 to 2050, broken down by technology type. It should also outline how these forecasts will be combined to create global price and quantity forecasts to answer RQ2a; and, how these will be

applied to a UK context to understand the scale of UK GGRs that will be met by VCM demand to answer RQ2b. The note will also include a list of data sources.

The methodology should combine original modelling, existing data sources and findings from Task 1 to create different supply and demand scenarios for engineered GGRs which rely on specific assumptions materialising. These different scenarios will account for uncertainty and their underlying assumptions should be clearly identified by the supplier.

At a minimum, the methodology should include the following steps:

- a. Modelling of multiple demand curve scenarios for engineered removals in VCMs, broken down by technology type and presented in yearly intervals from 2025 to 2050 globally. The appropriate number of scenarios should be determined by the supplier and informed by findings from the literature review. Modelling should consider various factors that will impact demand for engineered credits, as described in RQ1. These demand curves should represent the marginal willingness to pay of corporate buyers.
- b. Modelling of at least 2, but possibly more, supply curve scenarios for engineered removals, also broken down by technology in yearly intervals from 2025 to 2050 globally. Modelling should consider the various factors that will impact supply as described in RQ1.
- c. Combine the products from steps (a) and (b) above to forecast two outputs below:
  - i) The prices of engineered removals (in £/Tco2) in VCMs, broken down by technology type and presented in yearly intervals from 2025 to 2050 globally.
  - ii) The quantity of engineered removals (in Mt/y) in VCMs, broken down by technology type and presented in yearly intervals from 2025 to 2050 globally.

There should be **a minimum of three** price and scale forecasts produced per technology type, such as a 'low', 'central' and 'high' scenario, although the supplier may wish to include more depending on their findings from Task 1 and the number of supply and demand scenarios they forecast. These price and scale forecasts should be created by combining different supply and demand scenarios from step (a) and step (b). For example, the supplier may decide that it would be best to combine their 'low' demand curve outputs with 'high' supply curve outputs to create their 'low' price and scale forecast.

- d. Apply the global price forecasts to the UK market to examine how many of the VCM credits traded originate from UK-based GGRs. Modelling should provide the scale of UK engineered GGR credits purchased in the voluntary carbon market, broken down by technology and presented in yearly intervals from 2025 to 2050.

Following review of the methodology by the Steering Group, the supplier should update and validate the methodology considering any comments from the Group. The methodological note should be updated to form a final methodology report that will be one of the key deliverables at the end of the project.

### **Task 3: Application of methodology to produce interim results for RQ2 outlined above.**

The supplier should apply the agreed methodology to develop an economic model to produce outputs that specifically answer RQ2a and RQ2b. All outputs should be delivered in an accessible and modifiable format (e.g. Excel), particularly in the case of analytical outputs i.e. the forecasts, and any charts developed by the supplier. Staged milestones will be agreed between DESNZ and the supplier for delivery: as a minimum, this Task should produce interim results for the forecasts in an Excel format, specifically for peer review by the Steering Group (Task 4).

If outputs from this Task suggest that supplementary evidence or clarifications on existing materials are needed, follow-up engagement with DESNZ ahead of the more formal peer review stage will be necessary. Early versions of the analysis & interim results should be shared with

DESNZ project managers to ensure that the project is progressing towards achieving its purpose in a timely fashion.

**Task 4: Peer review interim results above with DESNZ.**

The supplier is expected to validate the interim findings arising from Task 3 with the Steering Group. This should include sharing the forecasts in response to RQ2a and RQ2b in an excel format and sharing conclusions from these interim results in a PowerPoint presentation format. Peer review should include an ad hoc workshop (convened online or according to any HMG guidelines in place at the time) with materials shared in advance of the meeting at least 5 working days in advance for review. The supplier should allow for ample time to integrate the comments and review the analysis following the workshop.

The supplier should validate all interim outputs with the Steering Group throughout the course of Tasks 1 to 3 (including the workshop mentioned in the paragraph above), to ensure that the outputs and underlying assumptions and methodology have been tested and familiarised across DESNZ.

**Task 5: Update modelling to produce final results and quality assure.**

Following the peer review of interim results in Task 4, the supplier should further update their methodology and results accordingly to produce a final set of forecasts in an Excel format. These final analytical outputs are key deliverables from Task 5.

All models and modelling must be quality assured and documented, and the supplier should produce a final methodology report.

Contractors should include a Quality Assurance (QA) plan that they will apply to all the research tasks and modelling. This QA plan should be no longer than 2 sides of A4 paper. It should include the delivery of a DESNZ pattern QA Log.

[This link](#) contains an externally accessible version of the Department's Modelling QA guidance, and the QA log: The QA log should be filled during the project and submitted at project completion as a deliverable to demonstrate the QA undertaken.

When models are submitted to the Department, during the project or at completion, they should be accompanied by confirmation by a senior (partner or equivalent) of the contracting organisation, that the assurance has taken place in accordance with approaches outlined in the QA plan agreed with the Department. Evidence of testing through development provided in support of the QA Log ratings greatly improves the level of confidence in it.

For all projects, contractors must supply quality assurance evidence for any existing models they wish to submit to the Department. This must be:

- to a standard that is at least the equivalent of the Department's internal standard, available at [this link](#)
- accepted as suitable by the Department

**Task 6: Write up of results in a report and powerpoint for dissemination of findings.**

The supplier should write up their findings from Tasks 2 – 5 in a report, and produce other analytical outputs to articulate key results & conclusions from these forecasts, such as charts. The

report should also include the final literature review conducted in Task 1, as well as any information on input data used. Draft versions of the report should be shared with DESNZ on a regular basis, at a minimum fortnightly, for sight and to input comments. Three weeks before project completion, a draft interim report should be shared with the Steering Group for peer review. The supplier should allow the Group five working days to review & input comments. It should then use the final two weeks to update the report in light of these comments and complete the final report.

The supplier should produce a powerpoint presentation summarising their approach and key findings across all tasks for dissemination within DESNZ. This should be presented by the supplier to DESNZ in an online forum for internal colleagues. Appropriate stakeholders may be invited to such events, such as colleagues from other government departments.

Along with the final report and PowerPoint presentation, the final methodology report (i.e. an updated version of the methodological note from Task 2) should also be shared with DESNZ.

We may wish to share findings from this research, including the quantitative forecasts, with other government departments. We may also wish to publish these findings online; however, we acknowledge that this may not be possible, should suppliers need to deploy pre-existing IP. We can discuss about data sharing agreements with suppliers, should the need for this arise.

#### **Proposed timelines, project plan & payment mechanisms:**

Bidders must set out the project plan and expected timetable for delivery of the project. Bidders will be assessed on this as part of the assessment criteria. Our provisional timetable is set out below and aims for completion by mid-May 2025.

Bidders are welcome to propose innovative methods and outline a delivery plan which splits the required activities in stages to meet the requirement. Bids should also explore when and how risks will be communicated to DESNZ if they arise during the project, with subsequent action and an updated risk register.

Action	Timescales and payment mechanisms	Potential workstreams	Potential outputs
Appointment of contractor	Early January 2025	Administrative work	Contract appointment letter
<b>Phase 1</b> – Tasks 1 and 2 above. (Literature review and finalise)	January 2025  (To be paid to the supplier on receipt)	<ul style="list-style-type: none"> <li>- Desk research to address RQ1</li> <li>- Use findings from Task 1 to create a methodology</li> </ul>	<ul style="list-style-type: none"> <li>- Powerpoint presentation outlining main findings from the literature review to</li> </ul>

methodology for Phase 2).	of outputs from Phase 1)	for economic modelling to address RQ2a and RQ2b.	Steering Group. - Interim methodological note to address RQ2 shared with the Steering Group and updated upon review so the final methodology is agreed with DESNZ before Phase 2.	
<b>Phase 2 – Tasks 3 and 4 above.</b> (Economic modelling using methodology developed in Phase 1)	February 2025  (To be paid to the supplier on receipt of outputs from phase 2)	- Economic modelling - Workshop with DESNZ to share interim outputs i.e. quantitative projections, for peer review.	- Interim outputs from economic modelling i.e. forecasts of global the prices and scale of engineered removals; and, forecasts of the scale of UK supply of engineered GGRs sold into VCMs. Both outputs should be presented in yearly intervals from 2025 to 2050 and broken down by engineered technology type.  -	
<b>Phase 3 – Task 5.</b> (Complete economic modelling in response to DESNZ feedback)	March 2025  (To be paid to the supplier on receipt of outputs from phase 3)	- Any remaining changes to modelling - Data analysis - Quality assurance	- Final analytical outputs from modelling in an Excel format.	



<b>Phase 4 (Results dissemination)</b>	<p>April – May 2025</p> <p>(To be paid to the supplier on receipt of outputs from phase 4).</p>	<ul style="list-style-type: none"> <li>- Reporting and presentation of findings in an interim report.</li> <li>- Review by DESNZ colleagues and Steering Group.</li> <li>- Supplier to update outputs in light of feedback from DESNZ and produce a final report.</li> </ul>	<ul style="list-style-type: none"> <li>- Interim report of key findings</li> <li>- Final report of overall key findings from the project, including the literature review.</li> <li>- Final methodology report</li> <li>- Presentation of final results and PowerPoint slides to disseminate.</li> </ul>
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#### **Payment Milestones:**

Payments for this project will be broken down into four stages and processed after individual Phases are complete, draft outputs have been submitted to DESNZ, DESNZ have provided comments within 5 working days, and a final version of the outputs has been agreed between DESNZ and the supplier.

- Phase 1 (first month of project, to be paid on receipt of outputs): conduct the literature review (Task 1) and create, agree, and finalise with DESNZ the methodology for the economic modelling (Task 2).
- Phase 2 (second month of project, to be paid on receipt of outputs): conduct economic modelling to produce interim results (Task 3) and peer review with DESNZ (Task 4)
- Phase 3 (third month of project, to be paid on receipt of outputs): complete, update and quality assure economic modelling in response to feedback from the peer review, to produce final analytical outputs for dissemination with DESNZ (Task 5).
- Phase 4 (fourth and fifth month of project, to be paid on receipt of outputs): complete final outputs, including a final report, methodology report, and a PowerPoint presentation for dissemination with DESNZ (Task 6).

### **3. Deliverables**

#### **Expected outputs**

Bidders should note that DESNZ will exclusively oversee the dissemination of all intermediate and final deliverables from this project. The supplier will be unable to use the outputs from this project for their own purpose. The following outputs are required within the project, irrespective of whether the proposed methodologies are used or whether alternatives, such as more efficient or innovative approaches, are proposed. Alternative reporting approaches or timing may be proposed so long as they meet the needs outlined below and the bidder's reasoning is clearly set out.

The key deliverables of this project (as a minimum viable product) should be delivered using clear, accessible, plain English across the following:

#### **Regular deliverables:**



- Regular communication, including via email and fortnightly meetings, with a small number (~2) of DESNZ analysts (project managers) updating on and sharing emerging findings and project progress regarding both (i) the immediate Task(s) of concern and (ii) the project's progress overall.

**Interim deliverables:**

- Powerpoint slides summarising key findings from the literature review from Task 1, delivered to the Steering Group three working days before development of the methodology (Task 2) begins.
- An interim methodological note outlining a draft methodology. This should be informed by research and findings in the literature review, to model both the demand and supply of engineered GGRs as well as the methodology used to translate these findings into forecasts of both: the global prices and scale of engineered GGRs in yearly intervals from 2025 to 2050, split by technology (addressing RQ2a); and the scale of UK supply of engineered GGRs that is met by VCM demand (addressing RQ2b). This note should be presented to the Steering Group for peer review and updated to reflect a final methodology, agreed with DESNZ, for the economic modelling to be carried out in Task 3.
- Interim analytical outputs from the economic modelling: i.e. scenario-based, quantitative projections for the global prices (£/Tco2e) and scale (Mt/y) of engineered GGRs sold in the VCM, presented in yearly intervals from 2025 to 2050 and split by GGR technology; and, scenario-based, quantitative projections for the scale (Mt/y) of UK engineered GGRs met by global VCM demand, presented in yearly intervals from 2025 to 2050 and split by GGR technology. These should be presented to the Steering Group during the completion of Task 4 for peer review.
- An interim report setting out the project scope and all the findings on the research questions described in this proposal, including the literature review in response to RQ1 and conclusions from the modelling to answer RQ2a and RQ2b. This should be presented to the Steering Group at least three weeks before final completion of the project. The Group should have at least 5 working days to review and feedback and the supplier should incorporate this feedback into its final overall report on completion of the project (see below).

**Final deliverables:**

- A final, in-depth methodology report (maximum 20 pages) covering in detail the sources, techniques and modelling used to assess both the demand and supply of engineered GGRs as well as the methodology used to translate these findings into forecasts for both: the global prices and scale of engineered GGRs in yearly intervals from 2025 to 2050, split by technology (addressing RQ2a); and, the scale of UK supply of engineered GGRs that is met by VCM demand (addressing RQ2b). The methodology report should clearly outline the assumptions that each demand and supply scenario rely on, and the combination of demand and supply scenarios that make up each price and scale forecast.
- A final, overall report setting out the project scope and all the findings on the research questions described in this proposal, including the final literature review in response to RQ1 and conclusions from the modelling based on the methodology to answer RQ2a and RQ2b.
- Analytical outputs i.e. scenario-based, quantitative projections for the global prices (£/Tco2e) and scale (Mt/y) of engineered GGRs sold in the VCM, presented in yearly intervals from 2025 to 2050 and split by GGR technology; and, scenario-based, quantitative projections for the scale of UK engineered GGRs met by VCM demand, presented in yearly intervals from 2025 to 2050 and split by GGR technology. This should include a report of the quality assurance processes following the Aqua Book: guidance on producing quality analysis. Policy, technology and modelling assumptions, as well as unknown uncertainties, should be clearly listed. This should represent the main output/minimum viable product.
- PowerPoint slide-deck on key findings for dissemination, with a presentation to DESNZ policy and analyst teams and potentially other stakeholders who DESNZ may deem it appropriate to invite.

### **Project Management**

All bids should include a summary of their project management approach, proposed frequency of project management meetings and how progress will be reported to DESNZ.

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

Where a consortium or sub-contractors are in place, DESNZ expects that they are included in relevant meetings, workshops and review points to ensure their full engagement in the project. All contractors and sub-contractors are responsible for the delivery of outputs to the appropriate time and quality. It is expected that the lead contractor takes an active role in oversight of all workstreams and bears the overall responsibility for the delivery of the evaluation activities and outputs.

Bids should assume that DESNZ takes an active role in review and quality assurance of research materials, analysis and outputs, beyond peer review. It should be expected that research materials and outputs go through iterations following comments from DESNZ.

We envisage the need for close interaction between the DESNZ Project Manager(s) and contractor throughout the process, to ensure that emerging issues are dealt with promptly and that DESNZ fully understands the assumptions and approach taken. Bidders should assume that engagement with DESNZ will include fortnightly project management video calls, fortnightly progress updates and/or reports, online Steering group meetings (frequency to be confirmed), and if necessary, Covid-safe face to face meetings as required to design and deliver the chosen methods. Throughout the research, DESNZ will be required to review and sign off all final reports, analytical approaches (including key assumptions) and outputs.

### **Price and payments**

Payments for this project will be broken down into four stages and processed after individual Phases are complete and outputs delivered.

The estimated budget for this project is £80,000 excluding VAT. Cost will be a criterion against which bids will be assessed. An estimated payment schedule is proposed above in the methodology section and corresponds to the completion of each phase.

Contractors should provide a full and detailed breakdown of costs. This should include staff (and day rates) allocated to specific tasks.

In submitting full tenders, suppliers 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.

DESNZ aims to pay all correctly submitted invoices as soon as possible, within 30 days from the date of receipt, in line with standard terms and conditions of contract.

### **Terms and Conditions**

Bidders are to note that any requested modifications to the Contracting Authority Terms and Conditions on the grounds of statutory and legal matters only, shall be raised as a formal clarification during the permitted clarification period.

## **VII. Annex 3 – Charges**

The total contract value shall not exceed £56,700.00 excluding VAT in alignment with AW5.2 Price Schedule:



**VIII. Annex 4 – Supplier Tender**



**IX. Annex 5 – Optional IPR Clauses**

Not Used