



## Department for Energy Security & Net Zero

CONTRACT FOR THE PROVISION OF:

### **LOWERING EMISSIONS BY ACCELERATING FOREST FINANCE (LEAF) TECHNICAL ASSISTANCE (TA) DELIVERY PARTNER**

TO THE DEPARTMENT OF ENERGY SECURITY & NET ZERO (THE CONTRACT  
OFFER LETTER)

Contract number: con\_4266

Project reference number: prj\_1353

This Contract is dated 9<sup>th</sup> October 2023 and is made between:-

1. **The Secretary of State for Energy Security & Net Zero** (the “Authority”) of 1 Victoria Street, London SW1H 0ET, acting as part of the Crown;  
  
and
2. **Ricardo-AEA Ltd** (the “Contractor”) whose registered office is Shoreham Technical Centre, Old Shoreham Road, Shoreham-by-Sea, West Sussex, BN43 5FG.

## **INTRODUCTION**

- (A) On **28<sup>th</sup> February 2023** the Authority issued an invitation to tender for the provision of **Lowering Emissions by Accelerating Forest Finance (LEAF) Technical Assistance (TA) Delivery Partner**- including the specification a copy of which is set out in Schedule 2 (the “Specification”).
- (B) In response the Contractor submitted a proposal dated **19<sup>th</sup> April 2023** explaining how it would provide the Services a copy of which is set out in Schedule 3 (the “Proposal”).
- (C) The Specification and the Proposal were supplemented by the Clarification questions and responses copies of which are set out in Schedule 5 (the “Correspondence”).

The parties agree as follows:-

## **1. SUPPLY OF SERVICES AND PRICE**

In consideration of payment by the Authority to the Contractor of the sums set out in Schedule 4 (inclusive of Value Added Tax) (the “Contract Price”) and in

accordance with (a) the Specification; (b) the Contractor's Proposal; and (c) the Authority's Standard Terms and Conditions of Contract for Services (the "Standard Terms") (a copy of which is attached at Schedule 1); and (d) the Correspondence, the Contractor shall provide the Services described in the Specification and the Contractor's Proposal and the Correspondence to the Authority.

## **2. COMMENCEMENT AND CONTINUATION**

This Contract shall commence on that date given above and subject to any provisions for earlier termination contained in the Standard Terms shall continue for a period of two years (the "Initial Term").

The Contract will be let for the full Initial Term with a formal review point at six months and twelve months from signature. There will be a break clause at 6 months.

If agreed by both parties, the Contract may be extended beyond the Initial Term by up to 24 months and up to an additional £3,000,000. This extension may be on a costed basis or on a no-cost basis for a continuation of the same scope of work to respond to clear additional demand from the beneficiary countries. It is the view of the Authority that the amount of work that would be required in any extension period both in terms of oversight and in terms of country engagement would be substantially less than the Initial Term which justifies the reduction in potential value for the extension period compared with the initial contract term. If these assumptions do not prove to be correct such that the value of the extension is larger than stated, a re-procurement will be required.

The terms of any extension period would be the same as those of the original contract. Any extension period would allow for an evidenced, justified and approved increase in daily rates for the supplier linked to inflation with the overall budget remaining within the same profit margin as the original bid and Contract.

Take-up of any extension period is subject to the Authority's approval and the continuing needs of the Contract.

## **3. TERMS AND CONDITIONS**

3.1 The Standard Terms shall form part of this Contract.

3.2 The Standard Terms shall be amended as follows:

- Amendments made to Clauses 26 and 27.

These amendments are for the purposes of this Contract only and do not set a precedent for future contracts between the Contractor and the Authority.

3.3 Not applicable

- 3.4 The Contractor's terms and conditions of business shall not apply to this Contract.
- 3.5 This Contract is formed of these clauses and the Schedules hereto. Any other attachments are provided for information purposes only and are not intended to be legally binding. In the event of any conflict or inconsistency, the documents prevail in the following order:
- a) these clauses;
  - b) the Standard Terms (as set out in Schedule 1);
  - c) the Correspondence (as set out in Schedule 5);
  - d) the Specification (as set out in Schedule 2) and Contract Price (as set out in Schedule 4); and
  - e) the Contractor's Proposal (as set out in Schedule 3)
  - f) the remaining Schedules

(save that where the Contractor's Proposals contain a provision requiring a higher standard of service provision, the Authority may (at its discretion and for no additional remuneration confirm that such higher standard applies).

#### **4. CONTRACTOR'S OBLIGATIONS**

- 4.1 Where the Contractor is supplying goods to the Authority these shall be delivered to the Authority in full compliance with the Specification and shall be of satisfactory quality and fit for purpose. Where the Contractor is performing Services for the Authority it shall do so in accordance with the Specification and exercise reasonable skill and care.

#### **5. MANAGEMENT AND COMMUNICATIONS**

- 5.1 The Contractor shall perform the Services under the direction of the Authority.
- 5.2 Any direction by the Authority may be given by the Authority's nominated Contract Manager (the "Contract Manager") who is an officer in the Authority's International Forests Unit or such other person as is notified by the Authority to the Contractor in writing. All queries (including any notice or communication required to be provided under this Contract) to the Authority from Contractor shall initially be addressed to the Contract Manager
- 5.3 The Contractor appoints REDACTED to be the Contractor's first point of contact for this Contract. All queries (including any notice or communication required to be provided under this Contract) to the Contractor from the Authority's Contract Manager shall initially be addressed to the Contractor's first point of contact.
- 5.4 The Contractor's first point of contact and the Contract Manager shall meet as often as either the Contractor or the Authority may require to review the Contractor's performance of the Contract.

#### **6. INVOICES AND PAYMENT**

- 6.1 Subject to the Contractor providing Services to the Authority in accordance with this Contract and submitting invoice/s to the Contract Manager in the manner reasonably required by the Contract Manager payment will be made by the Authority to the Contractor in accordance with condition 17 of the Standard Terms.

## **7. TRANSPARENCY**

- 7.1 The Authority will publish the Contract and the Schedules hereto on a designated government internet site, using a redacted version of the contract. The Authority will make the decision on the specific redactions to be made in light of the exemptions under the Freedom of Information Act 2000 (FOIA) and Condition 40 of the Standard Terms.
- 7.2 However, subject to those redactions, the rest of the Contract and Schedules will be published in full, in accordance with the government's policy on the publication of contracts, which forms part of the government's transparency agenda, and the Contract is therefore entered into on the basis of such publication taking place.
- 7.3 The Authority emphasises that its decision to redact information on this occasion does not preclude it publishing such information in the future in the context of other contracts. Neither does it preclude the disclosure of such information in the circumstances of a request for disclosure under FOIA or the Environmental Information Regulations 2004 (EIR) or where such disclosure is required by virtue of any other legal requirement. In such cases, the Authority would need to consider disclosure in the context of the particular circumstances of the request or requirement concerned.

The Contract will be signed by electronic signature using the Authority's e-tendering system. Signatures will be attached to this Contract document once executed by both parties.

### **The following Schedules form part of this Contract:**

Schedule 1	The Authority's Standard Terms & Conditions of Contract for Services
Schedule 2	The Authority's Specification
Schedule 3	The Contractor's Proposal
Schedule 4	Contract Price
Schedule 5	The Correspondence
Schedule 6	Expenses Policy and Eligible Costs Guidance
Schedule 7	Performance Management
Schedule 8	Processing, Personal Data and Data Subjects schedule
Schedule 9	Variation Template

Schedule 10            Gender Equality & Social Inclusion Definition

Schedule 11            ICF Supply Partner Code of Conduct

Annex 1                SME MI Reporting Template

Suppliers are required to provide data on their direct spend with SMEs in the supply chain relating to the Contract.



MI%20Reporting%20Template.xlsx

## **SCHEDULE 1 – AUTHORITY STANDARD TERMS AND CONDITIONS OF CONTRACT FOR SERVICES**

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# 1 Definitions and Interpretations

- (1) In these terms and conditions of contract for services, unless the context otherwise requires, capitalised expressions shall have the meanings set out below.

**“Annex 1”** means the Annex 1 (Processing, Personal Data and Data Subjects schedule) attached to the Contract Offer Letter which forms part of this Contract;

**“Authority”** means the Secretary of State for Energy Security & Net Zero, London SW1H 0ET, acting as part of the Crown;

**“Authority’s Premises”** premises owned, controlled or occupied by the Authority which are made available for use by the Contractor or its subcontractors for provision of the Services (or any of them);

**“Charges”** means the Contract Price (or parts thereof) agreed in respect of the Services, excluding Value Added Tax (as more fully detailed in Schedule 4 of the Contract Offer Letter);

**“Confidential Information”**: information in whatever form (including without limitation, in written, oral, visual or electronic form or on any magnetic or optical disk or memory and wherever located) relating to the business, activities, suppliers, products, affairs and finances of the Authority or any other department or office of her Majesty’s Government or related to or connected with the Contract or the Services including, without limitation, technical data and know-how relating to Her Majesty’s Government, the Contract or the Services or any of their suppliers, agents, management or contacts and including (but not limited to) information that the Contractor creates, develops, receives or obtains in connection with their Contract or the Services, whether or not such information (if in anything other than oral form) is marked confidential (but “Confidential Information” does not include the Contract itself and the provisions of the Contract where, or to the extent that, the Authority publishes them in the public domain);

**“Consents”** means all permissions, consents, approvals, certificates, permits, licenses and authorisations required for the performance of any of the Contractor's obligations under this Contract including for the avoidance of doubt environmental permits, planning permissions and obligations, consents of third parties (whether or not from a public authority or any other person whatsoever);

**“Contract”** means the agreement concluded between the Authority and the Contractor for the supply of Services, including without limitation the Contract Offer Letter (and Schedules thereto), Annex 1, these Standard Terms and Conditions (to the extent that they are not expressly excluded or modified), all specifications, plans, drawings and other documents which are incorporated into the agreement;

**“Contract Offer Letter”** means the offer letter that sets out inter-alia the Parties to the Contract and the key Contract terms;

**“Contract Period”** means the period from the commencement of this Contract to the date of expiry of this Contract set out in the Contract Offer Letter or such earlier date as this Contract is terminated in accordance with its terms;



**“Contract Year”** means a period of 12 consecutive months starting on the date of this Contract and each anniversary thereafter;

**“Contractor”** means the person who agrees to supply the Services and includes any person to whom all or part of the Contractor’s obligations are assigned pursuant to Condition 6;

**“Contract Manager”** means the person nominated by the Authority to manage the Contract;

**“Contractor Personnel”** means all directors, officers, employees, other workers, agents, consultants, persons and contractors engaged by or on behalf (whether directly or indirectly) of the Contractor and of any subcontractor (of any tier) engaged in the performance of the Contractor’s obligations under this Contract;

**“Contracts Finder”** means the Government’s publishing portal for public sector procurement opportunities;

**“Controller”** shall have the same meaning as given in the UK GDPR;

**“Crown”** means the government of the United Kingdom (including the Northern Ireland Assembly and Executive Committee, the Scottish Executive and the National Assembly for Wales) including, but not limited to, government ministers and government departments and particular bodies, persons and government agencies;

**“Data Loss Event”** means any event that results, or may result, in unauthorised access to Personal Data held by the Contractor under this Contract and/or actual or potential loss and/or alteration and/or destruction of Personal Data in breach of this Contract, including any Personal Data Breach;

**“Data Protection Impact Assessment”** means an assessment by the Controller of the impact of the envisaged processing on the protection of Personal Data;

**“Data Protection Legislation”** means:

- a. the UK GDPR and any applicable national implementing Laws as amended from time to time;
- b. the Data Protection Act 2018 to the extent that it relates to processing of personal data and privacy;
- c. all applicable Law about the processing of personal data and privacy;

**“Data Protection Officer”** shall have the same meaning as given in the UK GDPR;

**“Data Subject”** shall have the same meaning as given in the UK GDPR;

**“Data Subject Request”** means 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;

**“Default”** means any breach of the obligations of the Contractor (including abandonment of a Contract in breach of its terms) or any other default (including material default), act, omission, negligence or statement of the Contractor, of any person acting on its behalf (including subcontractors) howsoever arising in

connection with or in relation to the subject-matter of a Contract and in respect of which the Contractor is liable to the Authority;

**“Deliverables”** means any objectives or deliverables that are required to be provided by the Contractor as part of the Services under the Contract, or any goods ordered under the Contract including, without limitation, any documentation required to be provided;

**“Existing IPR”** means any and all IPR that are owned by or licensed to either Party and which are or have been developed independently of the Contract (whether prior to the commencement of this Contract or otherwise);

**“Force Majeure”** means any of the below circumstances provided that they are not within a party's reasonable control including, only:

- a. acts of God, flood, drought, earthquake or other natural disaster;
- b. epidemic or pandemic;
- c. terrorist attack, civil war, civil commotion or riots, war, threat of or preparation for war, armed conflict, imposition of sanctions, embargo, or breaking off of diplomatic relations;
- d. nuclear, chemical or biological contamination or sonic boom;
- e. collapse of buildings, fire, explosion or accident; and
- f. interruption or failure of utility service.

**“Government Property”** means anything issued or otherwise furnished in connection with the Contract by or on behalf of the Authority, including but not limited to equipment, parts, materials, documents, papers or data issued in electronic form and any other materials;

**“Health and Safety Policy”** means the health and safety policy of the Authority as provided to the Contractor from time to time;

**“Intellectual Property Rights”** or **“IPR”** means patents, utility models, rights to inventions, copyright and neighbouring and related rights, moral rights, trade marks and service marks, business names and domain names, rights in get-up and trade dress, goodwill and the right to sue for passing off or unfair competition, rights in designs, rights in computer software, database rights, rights to use, and protect the confidentiality of, confidential information (including know-how and trade secrets) and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world;

**“IPR Claim”** means any claim of infringement or alleged infringement (including the defence of such infringement or alleged infringement) of any IPR, used to provide the Deliverables or otherwise provided and/or licensed by the Contractor (or to which the Contractor has provided access) to the Authority in the fulfilment of its obligations under the Contract;

**“Law”** means any legal provision the Contractor must comply with including any law, statute, subordinate legislation within the meaning of section 21(1) of the Interpretation Act 1978, bye-law, enforceable right within the meaning of section 2 of the European Communities Act 1972 (as implemented into UK law, by virtue of the European Union (Withdrawal Agreement) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020)), regulation, order, mandatory guidance or code of practice, judgment of a relevant court of law, or directives or requirements of any regulatory body;

**“Material Breach”** means a material breach of the Contract, which, for the avoidance of doubt, shall include:

- a. the failure on the part of the Contractor to provide a Rectification Plan to the Authority within 10 Working Days of being so requested;
- b. the Contractor’s proposed Rectification Plan is rejected by the Authority in line with Conditions (4) and b; or
- c. failure to deliver on an agreed Rectification Plan;

**“MI Reporting Template”** means the document (included as an annex to the Contract Offer Letter) as amended in accordance with Condition 23;

**“New IPR”** means a) IPR in Deliverables or other items created by the Contractor (or by a third party on behalf of the Contractor) specifically for the purposes of the Contract and updates and amendments of these items including (but not limited to) database schema; and/or b) IPR in or arising as a result of the performance of the Contractor’s obligations under the Contract and all updates and amendments to the same; but shall not include the Contractor’s Existing IPR;

1.

**“Open Book Data”** means complete and accurate financial and non-financial information which is sufficient to enable the Authority to verify the Charges already paid or payable and Charges forecast to be paid during the remainder of the Contract, including details and all assumptions relating to:

- a. the Contractor’s costs broken down against each Service and/or Deliverable, including actual capital expenditure (including capital replacement costs) and the unit cost and total actual costs of all Deliverables;
- b. operating expenditure relating to the provision of the Deliverables including an analysis showing:
  - i. the unit costs and quantity of goods and any other consumables and bought-in Deliverables;
  - ii. work force resources broken down into the number and grade/role of all Contractor Personnel (free of any contingency) together with a list of agreed rates against each work force grade;
  - iii. a list of costs underpinning those rates for each work force grade, being the agreed rate less the Contractor profit margin;
  - iv. and reimbursable expenses, if allowed under the Purchase Order form;

- c. overheads; and all interest, expenses and any other third-party financing costs incurred in relation to the provision of the Deliverables;
- d. the Contractor's profit achieved over the Contract period and on an annual basis;
- e. confirmation that all methods of cost apportionment and overhead allocation are consistent with and not more onerous than such methods applied generally by the Contractor;
- f. an explanation of the type and value of risk and contingencies associated with the provision of the Deliverables, including the amount of money attributed to each risk and/or contingency; and
- g. the actual costs profile for each service period;

**"Party"** means a Party to this Contract, and **"Parties"** shall mean both of them;

**"Personal Data"** shall have the same meaning as given in the UK GDPR;

**"Personal Data Breach"** shall have the same meaning as given in the UK GDPR;

**"Processor"** shall have the same meaning as given in the UK GDPR;

**"Protective Measures"** means any appropriate technical and organisational measures which may include: 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;

**"Purchase Order"** means the document so described by the Authority to purchase the Services which makes reference to the Conditions;

**"Rectification Plan"** means a plan (or revised plan) by the Contractor to rectify a Default, which shall include:

- a. full details of the Default that has occurred, including a root cause analysis;
- b. the actual or anticipated effect of the Default;
- c. the steps which the Contractor proposes to take to rectify the Default and to prevent such Default from recurring, including the Contractor's proposed timescales for such rectification;
- d. an analysis of the Contractor's ability to provide the Services and Deliverables under the Contract; and
- e. any reasonably foreseeable events that may impact on the Contractor's ability to comply with the measures contained within the Rectification Plan.

**"Required Insurances"** means those insurances required pursuant to Conditions 27 (1) and 27 (2)

**"Services"** means the services including the Deliverables to be supplied under the Contract;

**“SME”** means an enterprise falling within the category of micro, small and medium-sized enterprises defined by the Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises;

**“Standard Terms and Conditions”** means the terms and conditions contained in this document;

**“Sub-Processor”** means any third Party appointed to process Personal Data on behalf of the Contractor related to this Contract;

**“UK GDPR”** the General Data Protection Regulation (EU) 2016/679 as retained into UK law by virtue of the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2019;

**“VCSE”** means a non-governmental organisation that is value-driven and which principally reinvests its surpluses to further social, environmental or cultural objectives.

**“Working Day”** means any day other than a Saturday, Sunday or public holiday in England and Wales.

- (2) The interpretation and construction of the Contract shall (save where context requires otherwise) be subject to the following provisions:
- a. a reference to any statute, enactment, order, regulation or similar instrument shall be construed as a reference to the statute, enactment, order, regulation or instrument as subsequently amended or re-enacted;
  - b. a reference to any agreement, consent, permission or other document at a particular time shall be construed as a reference to it as it may then have been amended, restated, varied, supplemented, modified, suspended, assigned or novated;
  - c. a reference to this Contract includes any schedules or annexures to this Contract;
  - d. references in the singular shall include references in the plural and vice versa;
  - e. a reference to a “day” means a calendar day, a reference to a “month” means a calendar month and a reference to a “year” means a calendar year;
  - f. the *ejusdem generis* rule shall not apply and references to “includes”, “including”, “in particular”, “other”, “otherwise” or any such similar terms shall be construed without limitation;
  - g. the headings in this Contract are for ease of reference only and shall not affect the interpretation or construction of the Contract;
  - h. any reference to European Union law that is directly applicable or directly effective in the UK at any time is a reference to it as it applies in England from time to time including as retained, amended, extended, re-enacted or otherwise given effect on or after 11pm on 31 December 2020; and

- i. references to “person”, any person, firm, company, corporation, government (including any government department), state or agency of a state, or any association, trust or partnership.

## **2 Conflict**

In the case of any conflict or inconsistency between these Standard Terms and Conditions and any specific terms of the Contract:

- (1) the specific term of the Contract dealing with conflicts shall determine which provision shall prevail; or
- (2) (if applicable) where there is no such specific conflicts provision in the Contract then, the specific terms of the Contract shall prevail (save that these Standard Terms and Conditions shall prevail over and above any terms, conditions or provisions set out in any Contractor’s proposals or terms and conditions provided by the Contractor).

## **3 Entire Agreement**

The Contract constitutes the entire agreement and understanding between the Parties and supersedes all prior written and oral representations, assurances, warranties, representations, agreements or understandings between them relating to the subject matter of the Contract provided that neither Party excludes liability for fraudulent misrepresentations upon which the other Party has relied.

Subject to any liability for fraudulent misrepresentation, each Party agrees that it shall have no remedies in respect of any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this Contract.

## **4 Acts by the Authority**

Any decision, act or thing which the Authority is required or authorised to take or do under the Contract may be taken or done by any person authorised, either expressly or impliedly, by the Authority to take or do that decision, act or thing.

## **5 Contractor Status**

Nothing in the Contract shall create or be construed as creating a partnership, joint venture, a contract of employment or relationship of employer and employee, or a relationship of principal and agent between the Authority and the Contractor. Nor shall anything in this Contract entitle the Contractor to make or enter in to any agreements or commitments for or on behalf of the other Party.

## **6 Assignment and Subcontracting**

- (1) The Contractor shall not give, bargain, assign, transfer, mortgage, charge, delegate, declare a trust over, sell, assign, subcontract or otherwise dispose of the Contract or any part thereof without the previous agreement in writing of the Authority.

- (2) The Contractor shall not use the services of self-employed individuals in connection with the Contract without the previous agreement in writing of the Authority.
- (3) If the Contractor uses a subcontractor for the purpose of performing the Services or any part of it, the Contractor shall include in the relevant contract a provision which requires the Contractor to pay for those goods or services within 30 days of the Contractor receiving a correct invoice from the subcontractor.
- (4) Notwithstanding any subcontracting by the Contractor in accordance with this Condition 6, the Contractor shall remain responsible for all acts and omissions of its subcontractors and the acts and omissions of those employed or engaged by its subcontractors as if they were its own.
- (5) The Authority shall be entitled to assign any or all of its rights under the Contract to any “contracting authority” as defined in Regulation 2(1) of the Public Contracts Regulations 2015.
- (6) Where the Authority notifies the Contractor that it estimates the Charges payable under this Contract are due to exceed £5 million in one or more Contract Years the Contractor shall:
  - a. subject to Condition (9), advertise on Contracts Finder all subcontract opportunities arising from or in connection with the provision of the Goods and/or Services and/or Works above a minimum threshold of £25,000 that arise during the Contract Period;
  - b. within 90 days of awarding a subcontract to a subcontractor, update the notice on Contracts Finder with details of the successful subcontractor;
  - c. monitor the number, type and value of the subcontract opportunities placed on Contracts Finder advertised and awarded in its supply chain during the Contract Period;
  - d. provide reports on the information in Condition (6)c to the Authority in the format and frequency as reasonably specified by the Authority; and
  - e. promote Contracts Finder to its Contractors and encourage those organisations to register on Contracts Finder.
- (7) Each advert referred to in Condition (6)a above shall provide a full and detailed description of the subcontract opportunity with each of the mandatory fields being completed on Contracts Finder by the Contractor.
- (8) The obligation in Condition (6)a shall only apply in respect of subcontract opportunities arising after the date of the commencement of the Contract.
- (9) Notwithstanding Condition (6), the Authority may, by giving its prior written approval, agree that a subcontract opportunity is not required to be advertised on Contracts Finder.

## **7 Amendments and Variations**

- (1) No amendment or variation to the terms of the Contract shall be valid unless agreed in writing between the Authority and the Contractor.

## **8 Information Confidential to the Contractor**

- (1) Unless agreed expressly by both Parties:
- a. in writing; and
  - b. in a confidentiality agreement identifying the relevant information,
- information obtained by the Authority from the Contractor shall not constitute confidential information relating to the Contractor.
- (2) Where any information held by the Authority does constitute confidential information relating to the Contractor, the Authority shall nonetheless have the right to disclose that information:
- a. on a confidential basis to any other government department or agency for any proper purpose of the Authority or of that department or agency;
  - b. to Parliament and Parliamentary Committees or if required by any Parliamentary reporting requirement;
  - c. to the extent that the Authority (acting reasonably) deems disclosure necessary or appropriate in the course of carrying out its public functions;
  - d. to report a suspected criminal offence to the police or any law enforcement agency or co-operating with the police or any law enforcement agency regarding a criminal investigation or prosecution;
  - e. to comply with an order from a court or tribunal to disclose or give evidence;
  - f. to make a disclosure required by law or required by HMRC, a regulator, ombudsman or other supervisory authority;
  - g. on a confidential basis to a professional adviser, consultant, Contractor or other person engaged by any of the entities described in Condition (2)a (including any benchmarking organisation) for any purpose relating to or connected with the Contract or the Services;
  - h. on a confidential basis for the purpose of the exercise of its rights under the Contract; or
  - i. on a confidential basis to a proposed successor body in connection with any assignment, novation or disposal of any of its rights, obligations or liabilities under the Contract.
- (3) For the purpose of clause (2) of this Condition, references to disclosure on a confidential basis mean disclosure subject to a confidentiality agreement.

## **9 Transparency**

- (1) In order to comply with the Government's policy on transparency in the areas of procurement and contracts, the Authority will, subject to Conditions 0 and (3), publish the Contract and the tender documents issued by the Authority which led to its creation on a designated web site.



- (2) The entire Contract and all the tender documents issued by the Authority will be published on that web site save where the Authority, in its absolute discretion, considers that the relevant documents, or their contents, would be exempt from disclosure in accordance with the provisions of the Freedom of Information Act 2000 (“**FOIA**”).
- (3) Where the Authority considers that any such exemption applies, the Authority will redact the relevant documents to the extent that the Authority considers the redaction is necessary to remove or obscure the relevant material, and those documents will be published on the designated web site subject to those redactions.
- (4) Where the Parties later agree changes to the contract, the Authority will publish those changes, and will consider any redaction, on the same basis.
- (5) In Condition 9, the expression “tender documents” means the advertisement issued by the Authority seeking expressions of interest, the pre-qualification questionnaire and the invitation to tender and the contract includes the Contractor’s proposal.

## **10 Confidentiality**

- (1) The Contractor agrees not to disclose any Confidential Information to any third party without the prior written consent of the Authority. To the extent that it is necessary for the Contractor to disclose Confidential Information to its staff, agents and subcontractors, the Contractor shall ensure that such staff, agents and subcontractors are subject to the same obligations as the Contractor in respect of all Confidential Information.
- (2) Condition (1) shall not apply to information which:
  - a. is or becomes public knowledge (otherwise than by breach of these Conditions or a breach of an obligation of confidentiality);
  - b. is in the possession of the Contractor, without restriction as to its disclosure, before receiving it from the Authority or any other department or office of Her Majesty's Government;
  - c. is required by law to be disclosed;
  - d. was independently developed by the Contractor without access to the Confidential Information.
- (3) The obligations contained in this Condition shall continue to apply after the expiry or termination of the Contract.
- (4) The Contractor shall comply with any security requirements and instructions issued by the Authority in relation to any document classified as “Official – Sensitive”, “Confidential”, “Secret” or “Top Secret”.
- (5) The Contractor shall not communicate with representatives of the general or technical press, radio, television or other communications media, with regard to the Contract, unless previously agreed in writing with the Authority.

- (6) Except with the prior consent in writing of the Authority, the Contractor shall not make use of the Contract or any Confidential Information otherwise than for the purposes of carrying out the Services.

## 11 Freedom of Information

- (1) The Contractor acknowledges that the Authority is subject to the requirements of FOIA and the Environmental Information Regulations SI 2004 No. 3391 (“**EIR**”) and shall provide all necessary assistance and cooperation as reasonably requested by the Authority to enable the Authority to comply with its obligations under the FOIA and the EIRs.

- (2) In this Condition:

“**Information**” has the meaning ascribed to it in section 84 of the FOIA (and also includes “environmental information” as defined in the EIR;

“**Request for Information**” has the meaning ascribed to it in section 8 of the FOIA, or means any request for environmental information to which the EIR applies or any apparent request for information or environmental information under the FOIA or EIR.

- (3) The Contractor shall (and shall procure that its subcontractors shall):
- a. transfer any Request for Information to the Authority as soon as practicable after receipt and in any event within two Working Days;
  - b. provide the Authority with a copy of all Information in its possession or power in the form that the Authority requires within five Working Days (or such other period as the Authority may specify) of the Authority requesting that Information; and
  - c. provide all necessary assistance as reasonably requested by the Authority to enable it to respond to a Request for Information within the time for compliance set out in section 10 of the FOIA or regulation 5 of the EIR.
- (4) The Authority shall be responsible for determining, at its absolute discretion, whether any Information:
- a. is exempt from disclosure in accordance with the provisions of the FOA or the EIR;
  - b. is to be disclosed in response to a Request for Information.
- (5) In no event shall the Contractor respond directly to a Request of Information unless expressly authorised to do so in writing by the Authority.
- (6) The Contractor acknowledges that the Authority may, acting in accordance with the Freedom of Information Code of Practice (issued under section 45 of the FOIA in July 2018), be obliged under the FOIA or the EIR to disclose Information unless an exemption applies. The Authority may at its discretion consult the

Contractor with regard to whether the FOIA applies to the Information and whether an exemption applies.

- (7) The Contractor shall ensure that all Information produced in the course of the Contract or relating to the Contract is retained for disclosure in accordance with law and shall permit the Authority to inspect such records as requested from time to time.
- (8) The Contractor acknowledges that any lists or schedules provided by it outlining information it deems confidential or commercially sensitive are of indicative value only and that the Authority may nevertheless be obliged to disclose information which the Contractor considers confidential in accordance with Conditions (4) and (6).

## **12 Data Protection**

- (1) The Parties acknowledge that for the purposes of the Data Protection Legislation, the Authority is the Controller and the Contractor is the Processor. The only processing that the Contractor is authorised to do is listed in Annex 1 of this Contract by the Authority and may not be determined by the Contractor.
- (2) The Contractor shall notify the Authority immediately if it considers that any of the Authority's instructions infringe the Data Protection Legislation.
- (3) The Contractor shall provide all reasonable assistance to the Authority in the preparation of any Data Protection Impact Assessment prior to commencing any processing. Such assistance may, at the discretion of the Authority, include:
  - a. a systematic description of the envisaged processing operations and the purpose of the processing;
  - b. an assessment of the necessity and proportionality of the processing operations in relation to the Services;
  - c. an assessment of the risks to the rights and freedoms of Data Subjects; and
  - d. the measures envisaged to address the risks, including safeguards, security measures and mechanisms to ensure the protection of Personal Data.
- (4) The Contractor shall, in relation to any Personal Data processed in connection with its obligations under this Contract:
  - a. process that Personal Data only in accordance with Annex 1, unless the Contractor is required to do otherwise by Law. If it is so required the Contractor shall promptly notify the Authority before processing the Personal Data unless prohibited by Law;
  - b. ensure that it has in place Protective Measures, as appropriate to protect against a Data Loss Event, which the Authority may reasonably reject (but failure to reject shall not amount to approval by the Authority

of the adequacy of the Protective Measures), having taken account of the:

- i. nature of the data to be protected;
- ii. harm that might result from a Data Loss Event;
- iii. state of technological development; and
- iv. cost of implementing any measures;

The review and approval of the Protective Measures by the Authority shall not relieve the Contractor of its obligations under the Data Protection Legislation, and the Contractor acknowledges that it is solely responsible for determining whether such Protective Measures are sufficient for it to have met its obligations under the Data Protection Legislation.

c. ensure that:

- i. the Contractor Personnel do not process Personal Data except in accordance with this Contract and in particular Annex 1;
- ii. it takes all reasonable steps to ensure the reliability and integrity of any Contractor Personnel who have access to the Personal Data and ensure that they:
  - 1. are aware of and comply with the Contractor's duties under this Condition;
  - 2. are subject to appropriate confidentiality undertakings with the Contractor or any Sub-Processor;
  - 3. are informed of the confidential nature of the Personal Data and do not publish, disclose or divulge any of the Personal Data to any third Party unless directed in writing to do so by the Authority or as otherwise permitted by this Contract; and
  - 4. have undergone adequate training in the use, care, protection and handling of Personal Data;

d. not transfer Personal Data outside of the UK unless the prior written consent of the Authority has been obtained and provided the following conditions are fulfilled:

- i. the Authority or the Contractor has provided appropriate safeguards in relation to the transfer in accordance with guidance issued by the UK Government or body appointed by the Government and approved by the Authority;
- ii. the Data Subject has enforceable rights and effective legal remedies;
- iii. the Contractor complies with its obligations under the Data Protection Legislation by providing an adequate level of protection to any Personal Data that is transferred (or, if it is not so bound, uses its best endeavours to assist the Authority in meeting its obligations); and

- iv. the Contractor complies with any reasonable instructions notified to it in advance by the Authority with respect to the processing of the Personal Data.
- (5) Subject to clause (6) below, the Contractor shall notify the Authority immediately if it:
  - a. receives a Data Subject Request (or purported Data Subject Request);
  - b. receives a request to rectify, block or erase any Personal Data;
  - c. receives any other request, complaint or communication relating to either Party's obligations under the Data Protection Legislation;
  - d. receives any communication from the Information Commissioner or any other regulatory authority in connection with Personal Data processed under this Contract;
  - e. receives a request from any third Party for disclosure of Personal Data where compliance with such request is required or purported to be required by Law; or
  - f. becomes aware of a Data Loss Event.
- (6) The Contractor's obligation to notify under clause (5) of this Condition shall include the provision of further information to the Authority in phases, as details become available.
- (7) Taking into account the nature of the processing, the Contractor shall provide the Authority with full assistance in relation to either Party's obligations under Data Protection Legislation and any complaint, communication or request made under Condition (5) (and insofar as possible within the timescales reasonably required by the Authority) including by promptly providing:
  - a. the Authority with full details and copies of the complaint, communication or request;
  - b. such assistance as is reasonably requested by the Authority to enable the Authority to comply with a Data Subject Request within the relevant timescales set out in the Data Protection Legislation;
  - c. the Authority, at its request, with any Personal Data it holds in relation to a Data Subject;
  - d. assistance as requested by the Authority following any Data Loss Event; and
  - e. assistance as requested by the Authority with respect to any request from the Information Commissioner's Office, or any consultation by the Authority with the Information Commissioner's Office.
- (8) The Contractor shall maintain complete and accurate records and information to demonstrate its compliance with this Condition. This requirement does not apply where the Contractor employs fewer than 250 staff, unless:
  - a. the Authority determines that the processing is not occasional;
  - b. the Authority determines the processing 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; and

- c. the Authority determines that the processing is likely to result in a risk to the rights and freedoms of Data Subjects.
- (9) The Contractor shall allow for audits of its Data Processing activity by the Authority or the Authority's designated auditor.
- (10) The Contractor shall designate a Data Protection Officer if required by the Data Protection Legislation.
- (11) Before allowing any Sub-Processor to process any Personal Data related to this Contract, the Contractor must:
  - a. notify the Authority in writing of the intended Sub-Processor and processing;
  - b. obtain the written consent of the Authority;
  - c. enter into a written agreement with the Sub-Processor which give effect to the terms set out in this Condition 12 such that they apply to the Sub-Processor; and
  - d. provide the Authority with such information regarding the Sub-Processor as the Authority may reasonably require.
- (12) The Contractor shall remain fully liable for all acts or omissions of any of its Sub-Processors.
- (13) The Authority may, at any time on not less than 30 Working Days' notice, revise this Condition 12 by replacing it with any applicable controller to processor standard clauses or similar terms forming part of an applicable certification scheme (which shall apply when incorporated by attachment to this Contract).
- (14) The Parties agree to take account of any guidance issued by the Information Commissioner's Office. The Authority may on not less than 30 Working Days' notice to the Contractor amend this Contract to ensure that it complies with any guidance issued by the Information Commissioner's Office.
- (15) If the Contractor fails to comply with any provision of this Condition 12, the Authority may terminate the Contract immediately in which event the provisions of Condition 33 shall apply.
- (16) The Contractor shall indemnify and keep indemnified the Authority against all claims and proceedings, and all costs and expenses incurred by it in connection therewith, made or brought against the Authority by any person in respect of the Data Protection Legislation or equivalent applicable legislation in any other country which claims would not have arisen but for some act, omission, misrepresentation or negligence on the part of the Contractor, its subcontractors and/or its Sub-Processors and hold it harmless against all

costs, fines, losses and liability whatsoever incurred by it arising out of any action or inaction on its part in relation to any of its obligations as set out in this Contract which results in the Authority being in breach of its obligations under the Data Protection Legislation or equivalent applicable legislation in any other country.

- (17) Upon expiry or earlier termination of this Contract for whatever reason, the Contractor shall, unless otherwise specified in Annex 1 or required by Law, immediately cease any processing of the Personal Data on the Authority's behalf and at the written direction of the Authority:
- a. provide the Authority with a complete and uncorrupted version of the Personal Data in electronic form (or such other format as reasonably required by the Authority); and
  - b. delete the Personal Data (and any copies of it) including from any computers, storage devices and storage media that are to be retained by the Contractor after the expiry of the Contract. The Contractor will certify to the Authority that it has completed such deletion.
- (18) Where the Contractor is required to collect any Personal Data on behalf of the Authority, it shall ensure that it provides the relevant Data Subjects from whom the Personal Data are collected with a privacy notice in a form to be agreed with the Authority.

### **13 Bribery and Corruption**

- (1) The Contractor shall not, and shall ensure that its Contractor Personnel do not:
- a. offer or promise, to any person employed or engaged by or on behalf of the Authority, any financial or other advantage as an inducement or reward for the improper performance of a function or activity, or for showing or not showing favour or disfavour to any person in relation to this Contract or any other contract with the Authority;
  - b. agree to receive or accept any financial or other advantage as an inducement or reward for any improper performance of a function or activity in relation to this Contract or any other contract with the Authority; or
  - c. enter into the Contract or any other contract with the Authority or any other department or office of Her Majesty's Government in connection with which commission has been paid, or agreed to be paid by the Contractor or on the Contractor's behalf, or to the Contractor's knowledge, unless, before the Contract is made, particulars of any such commission and the terms and conditions of any agreement for the payment thereof, have been disclosed in writing to any person duly authorised by the Authority to act as its representative for the purpose of this Condition.

- (2) Nothing contained in this Condition shall prevent the Contractor paying such commission or bonuses to the Contractor's own staff in accordance with their agreed contracts of employment.
- (3) Any breach of this Condition by the Contractor, or by any person employed or engaged by the Contractor or acting on the Contractor's behalf (whether with or without the Contractor's knowledge), or any act or omission by the Contractor, or by such other person, in contravention of the Bribery Act 2010 or any other anti-corruption law, in relation to this Contract or any other contract with the Authority, shall entitle the Authority to terminate the Contract with immediate effect by notice in writing and to recover from the Contractor the amount of any loss resulting from such termination, and the amount of the value of any such gift, consideration or commission as the Authority shall think fit.
- (4) In any dispute, difference or question arising in respect of:
  - a. the interpretation of this Condition (except so far as the same may relate to the amount recoverable from the Contractor under clause (2) of this Condition in respect of any loss resulting from such determination of the Contract); or
  - b. the right of the Authority to determine the Contract; or
  - c. the amount or value of any gift, consideration or commission,

the decision of the Authority shall be final and conclusive.

## **14 Official Secrets**

- (1) The Contractor's attention is drawn to the provisions of the Official Secrets Acts 1911 to 1989. The Contractor shall take all reasonable steps by display of notices or by other appropriate means to ensure that all persons employed in connection with the Contract have notice that these statutory provisions apply to them and will continue so to apply after the expiry or early termination of the Contract.

## **15 Contractor's Personnel**

- (1) The Authority reserves the right to refuse to admit to the Authority's Premises any person employed or engaged by the Contractor or its subcontractors, whose admission would be undesirable in the opinion (and at the discretion) of the Authority.
- (2) If and when requested by the Authority, the Contractor shall provide a list of the names and addresses of all persons who may at any time require admission (in connection with the performance of the Services) to the Authority's Premises, specifying the role in which each such person is concerned with the Contractor and giving such other particulars as the Authority may require.



- (3) If and when requested by the Authority, the Contractor shall procure from each person identified by the request, a signed statement that they understand that the Official Secrets Acts 1911 to 1989 applies to them both during the carrying out and after expiry or termination of the Contract and that they will comply with the provisions of the Official Secrets Acts 1911 to 1989 in so far as they apply to the work/Services they are performing under the Contract.
- (4) If and when requested by the Authority the Contractor agrees that it will submit any person employed or engaged by the Contractor or its subcontractors to the Authority's security vetting procedure. The Contractor further agrees that any individual who refuses to submit to such vetting procedure or does not attain the clearance required by the Authority, will not carry out any work/Services on the Contract which the Authority certifies as suitable only for people who have passed its security vetting procedure.
- (5) If the Contractor fails to comply with clauses (1), (2) or (3) of this Condition and the Authority decides that such failure is prejudicial to its interests, the Authority may immediately terminate the Contract by notice in writing to the Contractor, provided that such termination shall be without prejudice to any accrued rights of, or to any rights that shall accrue thereafter to, the Authority.
- (6) No action of the Authority under this Condition shall entitle the Contractor to any additional costs or charges (this includes any requirement of the Authority to replace any personnel). Further no action of the Authority under this Condition shall entitle the Contractor to any relief in respect of its obligations under this Contract.
- (7) The Contractor's attention is drawn to the provisions of the Official Secrets Acts 1911 to 1989. The Contractor shall take all reasonable steps by display of notices or by other appropriate means to ensure that all persons employed in connection with the Contract have notice that these statutory provisions apply to them and will continue so to apply after the expiry or early termination of the Contract.

## **16 Government Property**

- (1) All Government Property shall remain the property of the Authority and shall be used in the execution of the Contract and for no other purpose whatsoever except with the prior agreement in writing of the Authority. Save where this Contract states to the contrary, the Contractor shall not be entitled to the provision of any Government Property to carry out the Services. Further, the Authority shall not be obliged to replace any item of the Government Property provided.
- (2) All Government Property shall be deemed to be in good condition when received by or on behalf of the Contractor unless the Authority is notified to the contrary within 14 days or such other time as is specified in the Contract.

The Contractor shall be responsible for the maintenance of any of the Government Property provided to it at its own expense. To the greatest extent permissible by law, the Authority does not guarantee, warrant or give any assurances as to the age, state of repair or suitability for use in the Services of any item of the Government Property provided and the Contractor hereby acknowledges that it has carried out its own due diligence including inspections of such Government Property and has satisfied itself as to the condition and suitability of each item for use in the provision of the Services and accordingly the Contractor shall not be relieved from any liability in relation to any failure to provide the Services or any part of them where such failure is caused by a failure in of or the unsuitability of any of the Government Property provided.

- (3) The Contractor undertakes to return any and all Government Property on completion of the Contract or on any earlier request by the Authority.
- (4) The Contractor shall, except as otherwise provided for in the Contract repair or replace or, at the option of the Authority, pay compensation for all loss, destruction or damage occurring to any Government Property caused or sustained by the Contractor, or by the Contractor's servants, agents or subcontractors, whether or not arising from the Contractor's or their performance of the Contract and wherever occurring, provided that if the loss, destruction or damage occurs at the Authority's Premises or any other Government premises, this Condition shall not apply to the extent that the Contractor is able to show that any such loss, destruction or damage was not caused or contributed to by the Contractor's negligence or default or the neglect or default of the Contractor's servants, agents, or subcontractors.
- (5) Where the Government Property comprises data issued in electronic form to the Contractor (including Personal Data) the Contractor shall not store, copy, disclose or use such electronic data except as necessary for the performance by the Contractor of its obligations under the Contract (including its obligation to back up electronic data as provided in clause (5) below) or as otherwise expressly authorised in writing by the Authority.
- (6) The Contractor shall perform secure back-ups of all such electronic data in its possession and shall ensure that an up to date back up copy is securely stored at a site other than that where any original copies of such electronic data are being stored.
- (7) The Contractor shall, and shall procure that its subcontractors, agents and personnel, shall observe best practice when handling or in possession of any such electronic data. By way of example if the Contractor removes any such data or information from a Government establishment, or is sent such data or information by the Authority it shall ensure that the data and any equipment on which it is stored or is otherwise being processed is kept secure at all

times. The Contractor shall impress on any of its subcontractors, agents and personnel who are required to handle or have possession of such electronic data that they must safeguard it all times, and shall not place it in jeopardy for example by leaving it unattended in a vehicle or on public transport or by transmitting or posting it by insecure means.

- (8) If at any time the Contractor suspects or has reason to believe that such electronic data has or may become corrupted, lost, destroyed, altered (other than to the extent that the Contractor alters it by lawful processing in accordance with its obligations under this contract) or so degraded as a result of the Contractor's default so as to be unusable then the Contractor shall notify the Authority immediately and inform the Authority of the remedial action the Contractor proposes to take.
- (9) The Contractor shall indemnify the Authority against all claims and proceedings, and all costs and expenses incurred in connection therewith arising from the corruption, loss, destruction, alteration (other than by lawful processing permitted by this Contract) or degradation of electronic data which claims would not have arisen but for some act, omission, misrepresentation or negligence on the part of the Contractor or subcontractors, agents and personnel and hold it harmless against all costs, losses and liability whatsoever incurred by it arising out of any action or inaction on its part in relation to any of its obligations as set out in this Contract which results in such corruption, loss or degradation.

## **17 Invoices and Payment**

- (1) The Contractor shall submit invoices at times or intervals required by the Authority in the Contract or otherwise. The Contractor shall ensure that any invoice it submits sets out the Authority's Purchase Order or contract number, the Charges and, where not all of the Services have been completed, the relevant part of the Charges with an appropriate breakdown of time worked, the part of the Services (if all the Services have not been completed) and period to which the invoice relates, and its confirmation that the Services (or relevant part of the Services referred to on the invoice) have been fully performed in accordance with this Contract.
- (2) In consideration of the provision of the Services by the Contractor, the Authority shall pay the Charges after receiving a correctly submitted invoice as set out in clause (1) above. Such payment shall normally be made within 30 days of receipt of the correctly submitted invoice.
- (3) The Contractor shall not be entitled to charge for the provision of any services that are not part of the Services agreed within the Contract, unless the Contract has been properly varied in advance in accordance with Condition 7.
- (4) Except as a result of default or negligence on the part of the Authority, if the Contractor either fails to provide, or, in the reasonable opinion of the

Authority, has inadequately provided, any Services or Deliverables due under the Contract, the Authority may:

- a. reduce payment in respect of those Services or Deliverables; and/or
- b. recoup payment(s) already made in respect of those Services or Deliverables

without prejudice to any other rights or remedies of the Authority. Such reduction or recoup of payments shall be a reduction or recoupment in direct proportion to either: (A) the amount of the Services that have actually been provided in accordance with the Contract, or (B) (if lower) the value in the Services that have been fully provided in accordance with the Contract.

- (5) If the Contractor believes that payment for a correctly submitted invoice is overdue, the Contractor should, in the first instance, speak to the named contact on the face of the Contract. In the event that the problem is not resolved to the Contractor's satisfaction, they should write to the Head of Procurement at the Department for Business, Energy and Industrial Strategy setting out their case. The Head of Procurement shall ensure that the complaint is dealt with by an official who is independent of the main contact and that the Contractor is not treated adversely in future for having made a complaint.
- (6) For the purpose of calculating any statutory interest under the Late Payment of Commercial Debts (Interest) Act 1998, the relevant date for the payment of the debt shall be deemed to be the last day of a period of 30 days commencing on the day when the Authority received the invoice, or, if the Contractor had not completed the Services (or the part of the Services to which the invoice relates) before submitting the invoice, the last day of a period of 30 days commencing on the day when the Contractor completed the Services, (or the part of the Services to which the invoice relates).
- (7) Where the Contractor submits an invoice (including an electronic invoice) to the Authority in accordance with this Condition 17 the Authority will consider and verify that invoice in a timely fashion and shall make payment in accordance with this Condition 17.
- (8) Where the Contractor enters into a Subcontract, the Contractor shall include in that Subcontract:
  - a. provisions having the same effect as Condition (6) of this Contract; and
  - b. a provision requiring the counterparty to that Subcontract to include in any Subcontract which it awards provisions having the same effect as Condition (6).

In this clause (7), "**Subcontract**" means a contract between two or more suppliers, at any stage of remoteness from the Authority in a subcontracting

chain, made wholly or substantially for the purpose of performing (or contributing to the performance of) the whole or any part of this Contract.

## **18 Accounts**

- (1) The Contractor shall keep full and proper accounts, records and vouchers relating to all expenditure reimbursed by the Authority and all payments made by the Authority in respect of the Services.
- (2) The Contractor shall permit the Authority acting by its officers, servants and agents or independent auditor on request and at all reasonable times to examine all accounts, records and vouchers at the offices of the Contractor or at such other places as the Authority shall direct, and to take copies of such accounts, records and vouchers and the Contractor shall provide the Authority or its independent auditor with such explanations relating to that expenditure as the Authority may request.
- (3) The Contractor shall ensure that the said accounts, records and vouchers are available for a period of six years after termination or expiry of the Contract.

## **19 Recovery of Sums Due**

- (1) The Authority may set off any amount owed by the Contractor to the Crown or any part of the Crown (including the Authority) against any amount due to the Contractor under this Contract or under any other agreement between the Contractor and the Authority.
- (2) If the Authority wishes to set off any amount owed by the Contractor to the Crown or any part of the Crown (including the Authority) against any amount due to the Contractor pursuant to Condition 17 it shall give notice to the Contractor within 15 days of receipt of the relevant invoice, setting out the Authority's reasons for withholding or retaining the relevant amounts.
- (3) The Contractor shall make any payments due to the Authority without any deduction whether by way of set-off, counterclaim, discount, abatement or otherwise, unless the Contractor has a valid court order requiring an amount equal to such deduction to be paid by the Authority to the Contractor.

## **20 Value Added Tax**

- (1) If this Contract gives rise to a taxable supply for Value Added Tax purposes by the Contractor to the Authority under law from time to time in force, on the production of a valid Value Added Tax invoice, the Authority will pay to the Contractor a sum equal to that Value Added Tax in respect of relevant amounts of the Charges that become payable in accordance with this Contract.
- (2) The Contractor shall provide to the Authority any information reasonably requested in relation to the amount of VAT chargeable in accordance with this Contract. Any invoice or other request for payment of monies due to the

Contractor under the Contract shall, if they are a taxable person, be in the same form and contain the same information as if the same were a tax invoice for the purposes of Regulations made under the Value Added Tax Act 1994.

- (3) The Contractor shall, if so requested by the Authority, furnish such information as may reasonably be required by the Authority relating to the amount of Value Added Tax chargeable on the Services.
- (4) Notwithstanding any other clause of this Condition 20 a VAT invoice will not be valid for the purposes of charging VAT if more than twelve (12) months have elapsed since the time of supply.

## **21 Provision of Services**

- (1) The Contractor shall provide the Services (and the Deliverables):
  - a. in accordance with the requirements of this Contract (including the Specification);
  - b. in a manner which does not damage the Authority's reputation;
  - c. in accordance with Law;
  - d. in accordance with any applicable Consents;
  - e. exercising the reasonable skill, care, prudence, efficiency, foresight and timeliness which would be expected from a reasonably and suitably skilled, trained and experienced person performing the relevant obligations;
  - f. in accordance with all appropriate and applicable standard specifications and standard codes of practice issued by the British Standards Institution or European Economic Community;

(in each case) to the reasonable satisfaction of the Authority (whose decision shall be final and conclusive as to the quality of Services provided). The Authority shall have the power to inspect and examine the performance of the Services at any location at which they are performed.

In the event of any conflict between the requirements set out in this Condition (1), the Contractor shall notify the Authority and the Authority shall instruct the Contractor as to which requirement should apply. The Contractor shall comply with any such instruction from the Authority (and such instruction shall not give rise to any variation to this Contract or right to any additional remuneration or relief whatsoever for the Contractor).

- (2) If the Authority reasonably considers that the Contractor has, except as a result of default or negligence on the part of the Authority:
  - a. provided inadequate Services or Deliverables; or
  - b. provided Services or Deliverables that are differing from those required under Contract in any material respect,

the Authority may request that the Contractor perform (or re-perform) the work correctly at the Contractor's expense, without prejudice to any other rights or remedies of the Authority.

- (3) If the Authority exercises its right under Condition 0 above, the work shall be performed to the Authority's reasonable satisfaction and within such reasonable time as may be specified by the Authority.
- (4) Without prejudice to any other rights or remedies of the Authority, if there is a Default, the Authority may request that the Contractor provide a Rectification Plan.
- (5) Where the Authority receives a proposed Rectification Plan, in line with Condition (3) above, it can either:
  - a. reject the proposed Rectification Plan; or
  - b. accept the Rectification Plan (without limitation) and the Contractor must immediately begin work on the proposed corrective measures and actions under the Rectification Plan at its own cost.
- (6) Where the Rectification Plan is rejected, the Authority:
  - a. must provide reasonable grounds for its decision; and
  - b. may request that the Contractor provides a revised Rectification Plan.
- (7) Where the Authority requests that the Contractor provides a revised Rectification Plan the Contractor must provide such a revised plan within five (5) Working Days of the date of such request except where otherwise agreed. The revised Rectification Plan must address the grounds given by the Authority for its initial rejection of the proposed Rectification Plan.
- (8) If the performance of the Contract by the Contractor is delayed by reason of any act on the part of the Authority or by industrial dispute (other than by an industrial dispute occurring within the Contractor's or its subcontractor's organisation) or any other cause which the Contractor could not have prevented then the Contractor shall be allowed a reasonable extension of time for completion. For the purposes of this Condition, the Contractor shall be deemed to have been able to prevent causes of delay that are within the reasonable control of the Contractor or Contractor Personnel.
- (9) Timely provision of the Services shall be of the essence of the Contract, including in relation to commencing the provision of the Services within the time agreed or on a specified date.
- (10) The Contractor warrants that it shall provide the Services with all due skill, care and diligence, and in accordance with good industry practice and legal requirements.
- (11) Without prejudice to the provision of Condition (1), the Contractor shall reimburse the Authority for all reasonable costs incurred by the Authority

which have arisen as a direct consequence of the Contractor's delay in the performance of the Contract which the Contractor had failed to remedy after being given reasonable notice by the Authority.

## **22 Conflicts of Interest**

- (1) For the purposes of this Condition 22, a reference to a "conflict of interest" includes any scenario where the Contractor or any person engaged by it or on its behalf (including any subcontractors) is in a position where there is or may be an actual, potential or perceived conflict between the pecuniary and/or personal interests of that person and the duties owed to the Authority under the provisions of this Contract.
- (2) The Contractor shall ensure that there is no conflict of interest likely to prejudice the Contractor's independence and objectivity in performing the Contract and undertakes that upon becoming aware of any conflict of interest during the performance of the Contract (whether the conflict existed before the award of the Contract or arises during its performance) the Contractor shall immediately notify the Authority in writing of the same, giving particulars of its nature and the circumstances in which it exists or arises and shall furnish such further information as the Authority may reasonably require.
- (3) Where the Authority is of the opinion that a conflict of interest notified to it under Condition (1) is capable of being avoided or removed, the Authority may require the Contractor to take such steps as will, in its opinion, avoid, or as the case may be, remove the conflict and:
  - a. if the Contractor fails to comply with the Authority's requirements in this respect; or
  - b. if, in the opinion of the Authority, it is not possible to remove the conflict,

the Authority may terminate the Contract immediately and recover from the Contractor the amount of any loss resulting from such termination.

- (4) Notwithstanding Condition (2), where the Authority is of the opinion that the conflict of interest which existed at the time of the award of the Contract could have been discovered with the application by the Contractor of due diligence and ought to have been disclosed as required by the tender documents pertaining to it, the Authority may terminate the Contract immediately for breach of a fundamental condition and, without prejudice to any other rights, recover from the Contractor the amount of any loss resulting from such termination.

## **23 Reporting, Monitoring and Management Information**

- (1) Where requested by the Authority, the Contractor shall supply to the Authority such information - including in the form of progress reports or management information ("MI") reports - relating to the Services and to the Contractor's management and performance of the Contract as they may require.



- (2) Where reports are required by the Contract, the Contractor shall render such reports in such a form and timeframe as specified by the Authority, or as otherwise agreed between the Contractor and the Authority.
- (3) The MI reports referenced in Condition (1) above shall include, without limitation, the information required by the MI Reporting Template and any guidance issued by the Authority from time to time.
- (4) The Contractor will maintain Open Book Data in relation to the Services to be performed under the terms of this Contract. The Authority may request any information comprising the Open Book Data and the Contractor will provide the information requested within five Working Days.
- (5) The Contractor's performance of the Services shall be monitored by the Contract Manager. Without prejudice to any other rights and remedies under the Contract, the Contract Manager shall be entitled to review the Contractor's performance and make reasonable recommendations to the Contractor for improving the standard of the Contractor's performance in undertaking the Services. The Contractor must use reasonable endeavours to implement such recommendations. The Contractor's Representative shall attend any meetings arranged by the Contract Manager for the purpose of discussing the Services being provided, and reviewing the Contractor's performance.
- (6) If the Contractor (or any Contractor Personnel) is unable, or considers that it is likely to be unable to provide any of the Deliverables, the Contractor must immediately:
  - a. tell the Contract Manager and provide reasons;
  - b. propose corrective action(s); and
  - c. propose a deadline for completing the corrective action(s).

## **24 Intellectual Property Rights**

- (1) Each Party keeps ownership of its own Existing IPRs. The Contractor hereby grants the Authority a non-exclusive, perpetual, royalty-free, irrevocable, transferable worldwide licence to use, change and sub-license the Contractor's Existing IPR to enable it to both:
  - receive and use the Deliverables
  - make use of (including to modify) the Deliverables
- (2) The Parties hereby agree that (and the Contractor hereby assigns to the Authority) any New IPR created under the Contract is wholly owned (with full-title guarantee) by the Authority (this clause shall act as a grant and assignment of such New IPR as applicable including acting as an assignment of future New IPR). The Authority gives the Contractor a licence to use any Existing IPRs and New IPRs for the purpose of fulfilling its obligations under the Contract.

- (3) The Parties will (as required by the Authority) execute (and procure that any Contractor Personnel or relevant third parties including consultants and subcontractors execute) any documentation at their own cost and in a timely manner to the extent required to give effect to the intent of clause (2).
- (4) Where a Party acquires ownership of IPRs 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.
- (5) Neither Party has the right to use the other Party's IPRs, including any use of the other Party's names, logos or trademarks, except as provided in Clause 24 or otherwise agreed in writing.
- (6) The Contractor indemnifies the Authority against all losses, damages, costs or expenses (including professional fees and fines) incurred as a result of any IPR Claim.
- (7) If an IPR Claim is made or anticipated the Contractor must at its own expense and the Authority's sole option, either:
  - obtain for the Authority the rights in Clause 24.1 and 24.2 without infringing any third party IPR
  - replace or modify the relevant item with substitutes that don't infringe IPR without adversely affecting the functionality or performance of the Deliverables
- (8) The Contractor shall indemnify, and keep indemnified, the Authority in full against all costs, expenses, damages and losses, including any interest, penalties, and reasonable legal and other professional fees awarded against or incurred or paid by the Authority as a result of or in connection with any claim made against the Authority 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 Services, to the extent that the claim is attributable to the acts or omission of the Contractor or Contractor Personnel.

## **25 Rights of Third Parties**

- (1) It is not intended that the Contract, either expressly or by implication, shall confer any benefit on any person who is not a party to the Contract and accordingly the Contracts (Rights of Third Parties) Act 1999 shall not apply.

## **26 Indemnities and Liabilities**

- (1) Subject to Condition 35 the Contractor shall hold harmless and indemnify the Authority on demand from and against all:
  - a. claims;
  - b. demands;
  - c. proceedings;
  - d. actions;
  - e. damages;
  - f. costs (including legal costs);

- g. expenses; and
- h. any other liabilities,

arising from claims made by the Authority's staff or agents, or by third parties, in respect of:

- i. any death or personal injury; or
- j. loss or destruction of or damage to property;
- k. any other direct loss, destruction or damage, including but not limited to direct financial losses which are caused,

by the breach of contract or breach of duty (whether in negligence, tort, statute or otherwise) of the Contractor, its employees, agents or subcontractors.

- (2) The Contractor shall be liable to the Authority for any loss, damage, destruction, injury or expense (and including but not limited to loss or destruction of or damage to the Authority's property, which includes data) arising from the Contractor's breach of contract or duty (whether arising in negligence, tort, statute or otherwise).
- (3) Nothing in these Conditions nor in any part of the Contract shall impose any liability on any member of the staff of the Authority or its representatives in their personal capacity.
- (4) The Contractor shall indemnify the Authority against all proceedings, actions, claims, demands, costs (including legal costs), charges, expenses and any other liabilities arising from or incurred by reason of any infringement or alleged infringement of any third party's Intellectual Property Rights used by or on behalf of the Contractor for the purpose of the Contract, provided that any such infringement or alleged infringement is not knowingly caused by, or contributed to, by any act of the Authority.
- (5) Subject to clause (4), each Party's total aggregate liability in each Contract Year under this Contract (whether in tort, contract or otherwise) is no more than 150% of the estimated annual Charges due under this Contract.
- (6) Nothing in this Contract shall limit or exclude any of the following (nor shall any liabilities in respect of the following in any way cause or contribute to the erosion of any liability cap):
  - a. liability for death or personal injury caused by its negligence, or that of its employees, agents or subcontractors;
  - b. its liability for bribery or fraud or fraudulent misrepresentation by it or its employees or subcontractors;
  - c. any liability that cannot be excluded or limited by Law;
  - d. any claim pursuant to Condition 24 (4).

- (7) Where a matter is covered by any of the insured liabilities in clause 27, then the limit of the Contractor's liability shall be the amount described in clause 26(5) or the limit of the insurance policy required under this Contract.

## **27 Insurance**

- (1) The Contractor shall obtain and maintain for a period of 6 years after the expiration of termination of this Contract (and on business as usual terms) with a reputable insurance company the following policy/policies:
- a. Public liability insurance with a limit of indemnity of not less than £10,000,000 (Ten Million Pounds) in the annual aggregate;
  - b. Professional indemnity insurance with a limit of indemnity of not less than £1,000,000 (One Million Pounds) in the annual aggregate;
- (2) The Required Insurances, detailed above, to be effected by the Contractor shall be in respect of all risks which may be incurred by the Contractor, arising out of the Contractor's performance of the Contract including death or personal injury, loss of or damage to property or any other loss. The required insurance shall include cover in respect of any financial loss arising from any advice given or omitted to be given by the Contractor.
- (3) The Contractor shall give the Authority, on request, copies of all the insurance policies required under this Condition or a broker's verification of insurance to demonstrate that the Required Insurances are in place, together with receipts or other evidence of payment of the latest premiums due under those policies.
- (4) If, for any reason, the Contractor fails to give effect to and maintain the Required Insurances, the Authority may make alternative arrangements to protect its interests and may recover the costs of such arrangements from the Contractor.
- (5) The terms of any insurance or the amount of cover shall not relieve the Contractor of any liabilities under this Contract or otherwise.

## **28 Dispute Resolution**

- (1) The Parties shall attempt in to negotiate a settlement to any dispute between them arising out of or in connection with the Contract.
- (2) If the Parties cannot resolve the dispute pursuant to clause (1) of this Condition, the dispute may, by agreement between the Parties, be referred to mediation pursuant to clause (3) of this Condition.
- (3) The performance of the Services shall not cease or be delayed by the reference of a dispute to mediation pursuant to clause (1) of this Condition.
- (4) If the Parties agree to refer the dispute to mediation:

- a. in order to determine the person who shall mediate the dispute (the “**Mediator**”) the Parties shall by agreement choose a neutral adviser or mediator from one of the dispute resolution providers listed by the Government Procurement Service on its website or in its printed guidance on dispute resolution within 30 days after agreeing to refer the dispute to mediation;
- b. the Parties shall within 14 days of the appointment of the Mediator meet with them in order to agree a programme for the exchange of all relevant information and the structure to be adopted for negotiations to be held. If considered appropriate, the Parties may at any stage seek assistance from the Government Procurement Service to provide guidance on a suitable procedure;
- c. unless otherwise agreed, all negotiations connected with the dispute and any settlement agreement relating to it shall be conducted in confidence and without prejudice to the rights of the Parties in any future proceedings;
- d. if the Parties reach agreement on the resolution of the dispute within 60 days of the Mediator being appointed, or such longer period as may be agreed between the Parties, the agreement shall be reduced to writing and shall be binding on the Parties once it is signed by both the Authority and the Contractor;
- e. failing agreement within 60 days of the Mediator being appointed, or such longer period as may be agreed between the Parties, either of the Parties may invite the Mediator to provide a non-binding but informative opinion in writing. Such an opinion shall be provided on a without prejudice basis and shall not be used in evidence in any proceedings relating to the Contract without the prior written consent of both Parties.

(5) If the Parties:

- a. do not agree to refer the dispute to mediation;
- b. fail to reach agreement as to who shall mediate the dispute pursuant to Condition (4); or
- c. fail to reach agreement in the structured negotiations within 60 days of the Mediator being appointed (or such longer period as may be agreed by the Parties),

then any dispute or difference between them may be referred to the courts.

## 29 Termination for Insolvency or Change of Control

- (1) The Contractor shall notify the Authority in writing immediately upon the occurrence of any of the following events:
  - a. the Contractor party fails to pay any amount due to the Authority (whether under this Contract or otherwise) on the due date for payment and remains in default not less than 30 days after being notified to make such payment;
  - b. the Contractor party suspends, or threatens to suspend, payment of its debts or is unable to pay its debts as they fall due or admits inability to

pay its debts or is deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 as if the words "it is proved to the satisfaction of the court" did not appear in sections 123(1)(e) or 123(2) of the Insolvency Act 1986;

- c. the Contractor commences negotiations with all or any class of its creditors with a view to rescheduling any of its debts, or makes a proposal for or enters into any compromise or arrangement with any of its creditors other than (being a company) for the sole purpose of a scheme for a solvent amalgamation of the Contractor with one or more other companies or the solvent reconstruction of that Contractor;
- d. applies to court for, or obtains, a moratorium under Part A1 of the Insolvency Act 1986;
- e. petition is filed, a notice is given, a resolution is passed, or an order is made, for or in connection with the winding up of the Contractor;
- f. an application is made to court, or an order is made, for the appointment of an administrator, or a notice of intention to appoint an administrator is given or if an administrator is appointed, over the Contractor;
- g. the holder of a qualifying floating charge over the assets of the Contractor has become entitled to appoint or has appointed an administrative receiver;
- h. a person becomes entitled to appoint a receiver over all or any of the assets of the Contractor or a receiver is appointed over all or any of the assets of the Contractor;
- i. a creditor or encumbrancer of the Contractor attaches or takes possession of, or a distress, execution, sequestration or other such process is levied or enforced on or sued against, the whole or any part of the Contractor's assets and such attachment or process is not discharged within 14 days;
- j. the Contractor suspends, ceases or threatens to suspend or cease trading or carrying on a substantial part of its business;
- k. the Contractor's financial position deteriorates materially in the reasonable view of the Authority;
- l. any event occurs, or proceeding is taken, with respect to the Contractor in any jurisdiction to which it is subject that has an effect equivalent or similar to any of the events mentioned above; or
- m. the Contractor undergoes a change of control, where "control" is interpreted in accordance with Section 1124 of the Corporation Tax Act 2010.

- (2) After receipt of the notice under clause (1) above or earlier discovery by the Authority of the occurrence of any of the events described in that clause, the Authority may, by notice in writing to the Contractor, terminate the Contract with immediate effect without compensation to the Contractor and without prejudice to any right or action or remedy which may accrue to the Authority thereafter. The Authority's right to terminate the Contract under Condition (1)l

will exist until the end of a period of three months starting from receipt of the notice provided by the Contractor pursuant to Condition (1), or such other period as is agreed by the Parties.

### **30 Termination for Breach of Contract**

- (1) If the Contractor commits a Material Breach that is not capable of remedy the Authority shall be entitled to terminate the Contract with immediate effect by notice in writing to the Contractor.
- (2) The Authority's right to terminate the Contract under Condition (1) above is without prejudice to any other right or remedies in respect of the breach concerned or any other breach of the Contract.

### **31 Cancellation**

- (1) The Authority shall be entitled to terminate the Contract, or to terminate the provision of any part of the Services, if:
  - a. the Authority gives the Contractor not less than 90 days' notice in writing to that effect;
  - b. any of the mandatory or discretionary exclusion events listed under Regulations 57(1) or 57(2) of the Public Contracts Regulations 2015 (the "PCR") occur; or
  - c. a declaration on ineffectiveness is made pursuant to the PCR in respect of this Contract or any variation thereof.
- (2) If the Authority has given notice under Condition (1) above, the Authority may extend the period of notice at any time before it expires, subject to agreement on the level of Services to be provided by the Contractor during the period of extension.

### **32 Suspension of the Services**

- (1) The Authority may at any time demand that the Contractor suspend the provision of the Services. If the Authority exercises such right to suspend the provision of the Services or any part of them (for a reason other than the default of the Contractor), the Authority shall be responsible for loss incurred by the Contractor as a result of such suspension. In such circumstances, subject to the Contractor taking reasonable steps to mitigate its loss, the Contractor will be able to recover from the Authority under this Condition 32 those losses which:
  - a. were reasonably foreseeable as arising as a direct result of the suspension; and
  - b. relate to the cost of any commitments entered into by the Contractor which cannot be met as a result of the suspension and in respect of which the Contractor cannot obtain a refund (where the Contractor has already paid in relation to the commitment) or is obliged to pay (where the Contractor has not already paid in relation to the commitment).

- (2) The provisions of this Condition shall not apply where the reason for the suspension of the Services arises from any of the circumstances listed in Condition 39.

### **33 Consequences of Termination/Expiry**

- (1) If the Authority terminates the Contract in accordance with Condition 12, 13, 15, 22, 29, 30, 31, 42, 43 or this Contract is otherwise terminated for any other reason (or indeed expires):
- a. the Contractor shall forthwith cease to provide the Services (but may be required to comply with the Exit Plan – see below);
  - b. the Contractor shall submit to the Authority within five (5) Working Days of termination or expiry (at the Contractor's own cost) a comprehensive status report which shall be current as at the date of submission relating to the Services (this report shall summarise all the Services delivered up to the date of termination/expiry);
  - c. the Contractor shall cease to use the Government Property in good condition (with any keys or access cards) (and any data related to the Services or Confidential Information) and (if so requested) shall hand over to the Authority a complete and uncorrupted version of all relevant data related to the Services and all records, information, documents howsoever held and including any media used to store such data including, without limitation, correspondence with staff engaged for or on behalf of the Authority, the Authority's service departments, any users of the Services and any other relevant third party and anything else relating to the performance of the Services in its possession custody or control either in its then current format or in a format nominated by the Authority whether such Government Property (or other data related to the Services or Confidential Information) is on hard copy or on a disk or on any computer systems;
  - d. the Contractor shall return all Personal Data or (if instructed by the Authority) destroy or dispose of it in a secure manner, in accordance with the specific instructions issued by the Authority (for the avoidance of doubt, Personal Data shall include but not be limited to that data which is Personal Data and for which the Authority retains its Controller responsibilities);
  - e. the Contractor shall vacate any Authority's Premises;
  - f. in the event that termination takes place in accordance with Condition 12, 13, 15, 22, 29, 30, 42, 43 or otherwise based on Contractor default:
    - i. the Authority shall immediately cease to be under any obligation to make further payment to the Contractor until the costs, loss and/or damage to the Authority resulting from or arising out of the termination shall have been calculated; and
    - ii. such termination shall be at no loss or cost to the Authority and the Contractor hereby indemnifies the Authority against any losses, costs and expenses (including legal costs) which the Authority may suffer as a result of any such termination, including:



1. any demonstrable and reasonably incurred wasted expenditure;
  2. any demonstrable and reasonably incurred additional costs (including the costs associated with time spent by Authority staff) of procuring and implementing replacements for, or alternatives to, the Services, including consultancy costs, additional costs of management time and other personnel costs and costs of equipment and materials;
  3. reasonable costs incurred associated with time spent by Authority officers in terminating the Contract;
  4. any demonstrable and reasonably incurred losses incurred by the Authority arising out of or in connection with any claim, demand, fine, penalty, action, investigation or proceeding by any third party (including any subcontractors, staff, regulator or customer of the Authority) caused by the act or omission of the Contractor; and
  5. any demonstrable loss of anticipated savings (including the cost of providing the Services for the remainder of the period of the Contract to the extent that such cost exceeds the payment that otherwise would have been payable to the Contractor).
- (2) The rights of the Authority under this Condition are in addition to, and without prejudice to, any other rights that the Authority may have at law or under the Contract.
- (3) The amounts to be recovered by the Authority in accordance with Condition (1)e may be recovered by the Authority as a debt and may be deducted from any sum or sums which would but for this Condition 33 have been due to the Contractor.
- (4) If the Contractor fails to comply with Conditions (1)b-(1)d , the Authority may recover possession thereof and the Contractor grants a licence to the Authority or its appointed agents to enter (for the purposes of such recovery) any premises of the Contractor or its permitted suppliers or subcontractors where any such items may be held.
- (5) Without prejudice to the Authority's other remedies, failure to comply with this Condition may result in the Authority withholding any payment due until reasonable compliance by the Contractor.

## **34 Exit Management**

- (1) The Contractor shall:
- a. within 30 days from the commencement of this Contract provide to the Authority a copy of its depreciation policy (if so required) for the

purpose of calculating net book value of relevant assets related to this Contract (which shall at all times be in accordance with good industry practice);

- b. create and maintain a detailed register of all assets used to provide the Services (including description, condition, location and details of ownership and status as either exclusive assets (used only for the Authority) or non-exclusive assets and their net book value) and subcontracts and other relevant agreements required in connection with the Deliverables; and
- c. create and maintain a configuration database detailing the technical infrastructure and operating procedures through which the Contractor provides the Deliverables.

(Limbs (b) and (c) together being the “**Registers**”).

(2) The Contractor shall:

- a. ensure that all assets to be used exclusively for the Authority listed in the Registers are clearly physically labelled and identified as such;
- b. procure that all licences for software provided by third parties and used in the Services and all sub-contracts shall be assignable and/or capable of novation (at no cost or restriction to the Authority) at the request of the Authority to the Authority and/or any replacement contractor upon the Contractor ceasing to provide the Services and if the Contractor is unable to do so then the Contractor shall promptly notify the Authority and the Authority may require the Contractor to procure an alternative sub-contractor or provider of Deliverables; or
- c. where required, appoint an exit manager, who will liaise with the relevant representative of the Authority regarding the expiration or termination of this Contract.

(3) The Contractor shall, on reasonable notice, provide to the Authority and/or its potential replacement contractors (subject to the potential replacement contractors entering into reasonable written confidentiality undertakings), such information (including any access) as the Authority shall reasonably require in order to facilitate the preparation by the Authority of any invitation to tender and/or to facilitate any potential replacement contractors undertaking due diligence (the “**Exit Information**”).

(4) Notwithstanding any other provision or restriction in this Contract, the Contractor acknowledges that the Authority may disclose the Contractor's Confidential Information (excluding the Contractor's or its subcontractors' prices or costs) to an actual or prospective replacement contractor to the extent that such disclosure is necessary in connection with such engagement.

(5) The Contractor shall provide complete updates of the Exit Information on an as-requested basis as soon as reasonably practicable and notify the Authority

within five (5) Working Days of any material change to the Exit Information which may adversely impact upon the provision of any Services and/or Deliverables (and shall consult the Authority in relation to any such changes).

- (6) The Exit Information shall be accurate and complete in all material respects and shall be sufficient to enable a third party to prepare an informed offer for those Deliverables; and not be disadvantaged in any procurement process compared to the Contractor.
- (7) The Contractor shall, within three (3) months after the date on which this Contract commences, deliver to the Authority an exit plan ("**Exit Plan**") which complies with the requirements set out below and is satisfactory to the Authority.
- (8) The Parties shall use reasonable endeavours to agree the contents of the Exit Plan. If the Parties are unable to agree the contents of the Exit Plan within twenty (20) Working Days of the latest date for its submission (see above), then such Dispute shall be resolved in accordance with Condition 28.
- (9) The Exit Plan shall set out, as a minimum:
  - a. a detailed description of both the transfer and cessation processes, including a timetable;
  - b. how the Deliverables will transfer to the replacement contractor and/or the Authority;
  - c. details of any contracts which will be available for transfer to the Authority and/or the replacement contractor upon the date of expiration or termination of this Contract together with any reasonable costs required to effect such transfer;
  - d. proposals for the training of key members of the replacement contractor's staff in connection with the continuation of the provision of the Deliverables following the date of expiration or termination of this Contract;
  - e. proposals for providing the Authority or a replacement contractor copies of all documentation relating to the use and operation of the Deliverables and required for their continued use;
  - f. proposals for the assignment or novation of all services utilised by the Contractor in connection with the supply of the Deliverables;
  - g. proposals for the identification and return of all Government Property in the possession of and/or control of the Contractor or any third party;
  - h. proposals for the disposal of any redundant Deliverables and materials;
  - i. how the Contractor will ensure that there is no disruption to or degradation of the
  - j. Deliverables during the six (6) month period after the termination/expiration of the Contract ("**Termination Assistance Period**"); and

- k. any other information or assistance reasonably required by the Authority or a replacement contractor
- (10) The Contractor shall:
- a. maintain and update the Exit Plan (and risk management plan) no less frequently than:
    - i. every six (6) months throughout the Contract Period; and
    - ii. no later than twenty (20) Working Days after a request from the Authority for an up-to-date copy of the Exit Plan;
    - iii. as soon as reasonably possible following the Termination Assistance Notice, and in any event no later than ten (10) Working Days] after the date of the Termination Assistance Notice;
    - iv. as soon as reasonably possible following, and in any event no later than twenty (20) Working Days following, any material change to the Deliverables (including all changes under the Variation Procedure); and
    - v. jointly review and verify the Exit Plan if required by the Authority and promptly correct any identified failures.
- (11) The Authority shall be entitled to require the provision of all assistance as reasonably required on expiry of termination of this Contract ("**Termination Assistance**") at any time during the Contract Period by giving written notice to the Contractor (a "**Termination Assistance Notice**") at least one (1) months prior to the expiration or termination date. The Termination Assistance Notice shall specify:
- a. the nature of the Termination Assistance required; and
  - b. the start date and the Termination Assistance Period during which it is anticipated that Termination Assistance will be required.
- (12) In the event that Termination Assistance is required by the Authority but at the relevant time the Parties are still agreeing an update to the Exit Plan pursuant to this Condition, the Contractor will provide the Termination Assistance in good faith and in accordance with the principles in this Schedule and the last Authority approved version of the Exit Plan (insofar as it still applies).
- (13) Throughout the Termination Assistance Period the Contractor shall:
- a. if required by the Authority, provide the Termination Assistance;
  - b. provide to the Authority and/or its replacement contractor any reasonable assistance and/or access requested by the Authority and/or its replacement Contractor including assistance and/or access to facilitate the orderly transfer of responsibility for and conduct of the Deliverables to the Authority and/or its Replacement Contractor;
  - c. use all reasonable endeavours to reallocate resources to provide such assistance without additional costs to the Authority;

- d. at the Authority's request and on reasonable notice, deliver up-to-date Registers to the Authority;
- e. seek the Authority's prior written consent to access any Authority Premises from which the de-installation or removal of Contractor Assets is required.

### **35 Consequential Losses**

- (1) Save where expressly stated to the contrary in this Contract, neither Party shall be liable to the other Party for any:
  - a. indirect loss;
  - b. special loss;
  - c. consequential loss;
  - d. loss of profits;
  - e. loss of turnover;
  - f. loss of business opportunities; or
  - g. damage to goodwill.
- (2) Notwithstanding Condition (1), the Contractor agrees that the Authority may, amongst other things, recover from the Contractor, the following losses incurred by the Authority to the extent that they arise as a result of the Contractor's default:
  - a. any additional operational and/or administrative costs and expenses incurred by the Authority, including costs relating to time spent by or on behalf of the Authority in dealing with the consequences of the Contractor's default;
  - b. any wasted expenditure or charges;
  - c. the additional cost of procuring alternative arrangements for the provision of the Services, which shall include any incremental costs associated with procuring such alternative arrangements above those which would have been payable under the Contract;
  - d. any compensation or interest payable to a third party by the Authority;
  - e. any fine or penalty incurred by the Authority pursuant to law and any costs incurred by the Authority in defending any proceedings which result in such fine or penalty; and
  - f. where applicable, the compensation described in Condition (1)e.

### **36 Survival of Terms**

- (1) Any provision of this Contract that expressly or by implication is intended to come into or continue in force on or after termination or expiry of this Contract shall remain in full force and effect (including for the avoidance of doubt Conditions 10, 11, 12, 14, (6)c, 34 and 37).

### **37 Transfer of Services**

- (1) Where the Authority intends to continue with services equivalent to any or all of the Services after termination or expiry of the Contract, either by performing them itself or by the appointment of a replacement contractor, the Contractor

shall (both during the term of the Contract and, where relevant, after its expiry or termination):

- a. provide all information reasonably requested to allow the Authority to conduct the procurement for any replacement services; and
  - b. use all reasonable endeavours to ensure that the transition is undertaken with the minimum of disruption to the Authority including where requested, handing over directly to a replacement contractor.
- (2) Without prejudice to the generality of clause (1) of this Condition, the Contractor shall, at times and at intervals reasonably specified by the Authority, provide the Authority (for the benefit of the Authority, any replacement Contractor and any economic operator bidding to provide the replacement services) such information as the Authority may reasonably require relating to the application or potential application of the Transfer of Undertakings (Protection of Employment) Regulations 2006 including the provision of employee liability information.
- (3) Without prejudice to the generality of clause (1) of this Condition, the Contractor shall co-operate fully during the transition period and provide full access to all data, documents, manuals, working instructions, reports and any information, whether held in electronic or written form, which the Authority considers necessary.

### **38 Service of Notices and Communications**

- (1) A notice or communication given to a Party under or in connection with the Contract shall be in writing and sent to the Party at the address or email address given in this Contract or as otherwise notified in writing to the other Party.
- (2) This Condition (1) sets out the delivery methods for sending a notice to a Party under the Contract and, for each delivery method, the date and time when the notice is deemed to have been received (provided that all other requirements of this clause have been satisfied and subject to the provision in Condition (2)d below):
  - a. if delivered by hand, on signature of a delivery receipt or at the time the notice is left at the address;
  - b. if sent by pre-paid first class post or other next working day delivery service, providing proof of delivery, at the time recorded by the delivery service;
  - c. if sent by pre-paid airmail providing proof of postage, at 9.00am on the fifth Working Day after posting; or
  - d. if sent by email, at the time of transmission.
- (3) If deemed receipt under Condition (1) above would occur outside business hours in the place of receipt, it shall be deferred until business hours resume. In this clause (2)d, business hours means 9.00am to 5.00pm on a Working Day.

- (4) This clause does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

### **39 Force Majeure**

- (1) Provided it has complied with Condition (2), if a Party ("**Affected Party**") is prevented, hindered or delayed in or from performing any of its obligations under this Contract by a Force Majeure Event, the Affected Party shall not be in breach of this Contract for any such failure or delay in the performance of such obligations. The time for performance of such obligations shall be extended accordingly.
- (2) The corresponding obligations of the other Party will be suspended, and its time for performance of such obligations extended, to the same extent as those of the Affected Party.
- (3) The Affected Party shall:
  - a. as soon as reasonably practicable after the start of the Force Majeure Event but no later than 7 days from its start, notify the other Party in writing of the Force Majeure Event, the date on which it started, its likely or potential duration, and the effect of the Force Majeure Event on its ability to perform any of its obligations under the Contract; and
  - b. use all reasonable endeavours to mitigate the effect of the Force Majeure Event on the performance of its obligations.
- (4) If the Force Majeure Event prevents, hinders or delays the Affected Party's performance of its obligations for a continuous period of more than 4 weeks, the Party not affected by the Force Majeure Event may terminate this Contract by giving 4 weeks' written notice to the Affected Party.

### **40 Waiver**

- (1) No failure or delay by a Party to exercise any right or remedy provided under this Contract or by law shall constitute a waiver of that or any other right or remedy nor shall it prevent or restrict the further exercise of that or any other right or remedy.
- (2) No single or partial exercise of such right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.
- (3) No waiver shall be effective unless it is communicated to the other party in writing.

### **41 Severability**

- (1) If any Condition, clause or provision of the Contract not being of a fundamental nature is held to be unlawful, invalid or unenforceable by a court or tribunal in any proceedings relating to the Contract, the validity or enforceability of the remainder of the Contract shall not be affected. If the

court finds invalid a provision so fundamental as to prevent the accomplishment of the purpose of the Contract, the Parties shall immediately commence negotiations in good faith to remedy the invalidity in a manner that achieves the intended commercial result of the original position.

## **42 Payment of Taxes: Income tax and NICs**

- (1) Where the Contractor is liable to be taxed in the UK in respect of consideration received under the Contract, the Contractor shall at all times comply with the Income Tax (Earnings and Pensions) Act 2003 and all other statutes and regulations relating to income tax in respect of that consideration.
- (2) Where the Contractor is liable to National Insurance Contributions (NICs) in respect of consideration received under the Contract, the Contractor shall at all times comply with the Social Security Contributions and Benefits Act 1992 and all other statutes and regulations relating to NICs in respect of that consideration.
- (3) The Authority may, at any time during the term of the Contract, require the Contractor to provide information to demonstrate that:
  - a. the Contractor has complied with clauses (1) and (1) above; or
  - b. the Contractor or its staff are not liable to the relevant taxes.
- (4) A request under clause (2) above may specify the information which the Contractor must provide and a reasonable deadline for response.
- (5) The Authority may supply any information which it receives under clause (2) to the Commissioners of Her Majesty's Revenue and Customs for the purpose of the collection and management of revenue for which they are responsible.
- (6) The Contractor shall ensure that any subcontractors (including consultants) and agents engaged by the Contractor for the purpose of the Services are engaged on, and comply with, conditions equivalent to those in clauses (1) to (4) above and this clause (5), and the Contractor shall, on request, provide the Authority with evidence to satisfy the Authority that the Contractor has done so. Those conditions shall provide both the Contractor and the Authority with the right to require the subcontractor or agent to provide information to them equivalent to clause (2), and the Contractor shall obtain that information where requested by the Authority.
- (7) The Authority may terminate the Contract with immediate effect by notice in writing where:
  - a. the Contractor does not comply with any requirement of this Condition 42; or
  - b. the Contractor's subcontractors or agents do not comply with the conditions imposed on them under clause (5) above.



- (8) In particular (but without limitation), the Authority may terminate the Contract under clause (6) above:
- a. in the case of a request under clause (2):
    - i. the Contractor fails to provide information in response to the request within the deadline specified; or
    - ii. the Contractor provides information which is inadequate to demonstrate how the Contractor or (where relevant) its subcontractors and agents have complied with the conditions set out or referred to in clauses (1) to (5); or
    - iii. the Authority receives information which demonstrates, to its reasonable satisfaction that the Contractor, its subcontractors or agents, are not complying with those conditions.

#### **43 Payment of Taxes: Occasions of Tax Non-Compliance**

- (1) This Condition 43 applies where the consideration payable by the Contractor under the Contract equals or exceeds £5,000,000 (five million pounds).
- (2) The Contractor represents and warrants that it has notified the Authority in writing of any Occasions of Tax Non-Compliance or any litigation that it is involved in that is in connection with any Occasions of Tax Non Compliance.
- (3) If, at any point during the term of the Contract, an Occasion of Tax Non-Compliance occurs, the Contractor shall:
- a. notify the Authority in writing of such fact within 5 Working Days of its occurrence; and
  - b. promptly provide to the Authority:
    - i. details of the steps which the Contractor is taking to address the Occasion of Tax Non-Compliance and to prevent the same from recurring, together with any mitigating factors that it considers relevant; and
    - ii. such other information in relation to the Occasion of Tax Non-Compliance as the Authority may reasonably require.
- (4) In the event that:
- a. the warranty given by the Contractor pursuant to clause (1) of this Condition is materially untrue;
  - b. the Contractor commits a material breach of its obligation to notify the Authority of any Occasion of Tax Non-Compliance as required by clause (2) of this Condition; or
  - c. the Contractor fails to provide details of proposed mitigating factors which, in the reasonable opinion of the Authority, are acceptable,
- the Authority may terminate the Contract with immediate effect by notice in writing.
- (5) In this Condition 43, "Occasion of Tax Non-Compliance" means:

- a. any tax return of the Contractor submitted to a Relevant Tax Authority on or after 1 October 2012 is found on or after 1 April 2013 to be incorrect as a result of:
  - i. a Relevant Tax Authority successfully challenging the Contractor under the General Anti-Abuse Rule or the Halifax Abuse Principle or under any tax rules or legislation that have an effect equivalent or similar to the General Anti-Abuse Rule or the Halifax Abuse Principle;
  - ii. the failure of an avoidance scheme which the Contractor was involved in, and which was, or should have been, notified to a Relevant Tax Authority under the DOTAS or any equivalent or similar regime;

and/or

- b. any tax return of the Contractor submitted to a Relevant Tax Authority on or after 1 October 2012 gives rise, on or after 1 April 2013, to a criminal conviction in any jurisdiction for tax related offences which is not spent at the commencement of the Contract or to a penalty for civil fraud or evasion.

(6) For the purpose of clause 0 above:

- a. “**DOTAS**” means the Disclosure of Tax Avoidance Schemes rules (including VAT disclosure regime (VADR), Disclosure of Tax Avoidance Schemes: VAT and other indirect taxes (DASVOIT) and Direct taxes (including Apprenticeship Levy) and National Insurance contributions (DOTAS)) which require a promoter of tax schemes to tell HM Revenue & Customs of any specified notifiable arrangements or proposals and to provide prescribed information on those arrangements or proposals within set time limits as contained in Part 7 of the Finance Act 2004 and in secondary legislation made under vires contained in Part 7 of the Finance Act 2004 and as extended to National Insurance Contributions by the National Insurance Contributions (Application of Part 7 of the Finance Act 2004) Regulations 2012, SI 2012/1868 made under s.132A Social Security Administration Act 1992;
- b. “**General Anti-Abuse Rule**” means:
  - i. the legislation in Part 5 of the Finance Act 2013 (inclusive of Schedules 43, 43A, 43B and 43C of the same legislation and section 10 and 11 of the National Insurance Act 2014) (in each case as understood in accordance with HMRC’s General Anti-Abuse Rule Guidance as approved from time to time); and
  - ii. any future legislation introduced into Parliament to counteract tax advantages arising from abusive arrangements to avoid national insurance contributions;

- c. “**Halifax Abuse Principle**” means the principle explained in the CJEU Case C-255/02 Halifax and others and any equivalent case law; and
- d. “**Relevant Tax Authority**” means HM Revenue & Customs, or, if applicable, a tax authority in the jurisdiction in which the Contractor is established.

#### 44 **Equality and Non-Discrimination**

- (1) The Contractor shall not unlawfully discriminate within the meaning and scope of the Equality Act 2010 and any other anti-discrimination legislation in relation to the provision of the Services or otherwise and shall take all reasonable steps to ensure that its Contractor Personnel do not do so.
- (2) The Contractor shall comply with the Authority’s equality scheme as published on the Authority’s website and shall take all reasonable steps to ensure that its Contractor Personnel do so.
- (3) The Contractor will comply with any request by the Authority to assist the Authority in meeting its obligations under the Equality Act 2010 and to allow the Authority to assess the Contractor’s compliance with its obligations under the Equality Act 2010.
- (4) Where any investigation is concluded or proceedings are brought under the Equality Act 2010 which arise directly or indirectly out of any act or omission of the Contractor, its agents or subcontractors, or Contractor Personnel, and where there is a finding against the Contractor in such investigation or proceedings the Contractor will indemnify the Authority with respect to all costs, charges and expenses (including legal and administrative expenses) arising out of or in connection with any such investigation or proceedings and such other financial redress to cover any payment the Authority may have been ordered or required to pay to a third party.
- (5) The Contractor shall (and shall procure that all Contractor Personnel shall):
  - a. perform its obligations under this Contract (including those in relation to the Services) in accordance with:
    - i. all applicable equality Law (whether in relation to race, sex, gender reassignment, age, disability, sexual orientation, religion or belief, pregnancy, maternity or otherwise);
    - ii. the Authority’s equality and diversity policy as provided to the Contractor from time to time; and
    - iii. any other requirements and instructions which the Authority reasonably imposes in connection with any equality obligations imposed on the Authority at any time under applicable equality Law; and
  - b. take all necessary steps, and inform the Authority of the steps taken, to prevent unlawful discrimination designated as such by any court or tribunal, or the Equality and Human Rights Commission or (any successor organisation); and

- c. at all times comply with the provisions of the Human Rights Act 1998 in the performance of this Contract. The Contractor shall also undertake, or refrain from undertaking, such acts as the Authority requests so as to enable the Authority to comply with its obligations under the Human Rights Act 1998.

- (6) The Authority may (without prejudice to its other rights under the Contract) terminate the Contract with immediate effect by notice in writing where the Contractor fails (or the Contractor Personnel) to comply with clauses (1) to (4) of this Condition.

#### **45 Welsh Language Act**

- (1) The Contractor shall for the term of the Contract comply with the principles of the Authority's Welsh Language Scheme.

#### **46 Sustainable Procurement**

- (1) The Contractor shall comply in all material respects with all applicable environmental laws and regulations in force from time to time in relation to the Services. Without prejudice to the generality of the foregoing, the Contractor shall promptly provide all such information regarding the environmental impact of the Services as may reasonably be requested by the Authority.
- (2) The Contractor shall meet all reasonable requests by the Authority for information evidencing compliance with the provisions of this Condition by the Contractor.
- (3) All written outputs, including reports, produced in connection with the Contract shall (unless otherwise specified) be produced on recycled paper containing at least 80% post consumer waste and used on both sides where appropriate.
- (4) The supplier shall meet the 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>

#### **47 Cyber Essentials**

- (1) Cyber essentials certification ("**Compliance Certification**") shall be required where:
  - a. Personal Data is handled;
  - b. data marked 'OFFICIAL' is being stored by the Contractor, or by any Contractor Personnel; or
  - c. the Contract involves the provision of certain ICT products or services as specified by the Authority from time to time.
- (2) The Authority shall determine whether the Contract requires a cyber essentials or cyber essentials plus Compliance Certification, or if no Compliance Certification is necessary.

- (3) Upon request, the Contractor shall provide the Authority with a copy of each such Compliance Certification before the Contractor or the relevant Contractor Personnel (as applicable) shall be permitted to use the Core Information Management System to receive, store or Process any Authority Data. Any exceptions to the flow down of the certification requirements to third-party suppliers and Contractor Personnel must be agreed with the Authority.

## 48 **Safeguarding**

- (1) For the purposes of this Condition 48, “**Reasonable Measures**” shall mean: “all reasonable endeavours expected to be taken by a professional and prudent contractor in the Contractor’s industry to eliminate or minimise risk of actual, attempted or threatened exploitation, abuse and harassment (including sexual abuse, sexual exploitation and sexual harassment) and whether or not such conduct would amount to a criminal offence in the United Kingdom or an offence under the laws of the territory in which it takes place (together “**Serious Misconduct**”) as is reasonable and proportionate under the circumstances. Such endeavours may include (but shall not be limited to):
- a. clear and detailed policies and guidance for Contractor Personnel, Contractor Providers and where appropriate, beneficiaries;
  - b. developing, implementing and maintaining a safeguarding plan throughout the term (including monitoring);
  - c. provision of regular training to Contractor Personnel, Contractor Providers and where appropriate, beneficiaries;
  - d. clear reporting lines and whistleblowing policies in place for Contractor Personnel, Contractor Providers and beneficiaries;
  - e. maintaining detailed records of any allegations of Serious Misconduct and regular reporting to the Authority and the Appropriate Authorities (where relevant) of any such incidents; and
  - f. any other Good Industry Practice measures (including any innovative solutions).”
- (2) The Contractor shall take all Reasonable Measures to prevent Serious Misconduct by the Contractor Personnel or any other persons engaged and controlled by it (“**Contractor Providers**”) and shall have in place at all times robust procedures which enable the reporting by Contractor Personnel, Contractor Providers and beneficiaries of any such Serious Misconduct, illegal acts and/or failures by the Contractor or Contractor Personnel to investigate such reports.
- (3) The Contractor shall promptly report in writing any complaints, concerns and incidents regarding Serious Misconduct or any attempted or threatened Serious Misconduct by the Contractor Personnel and Contractor Providers to the Authority’s Contract Manager and where necessary, the Appropriate Authorities.

- (4) The Contractor shall comply with all applicable laws, legislation, codes of practice and government guidance in the UK and additionally, in the territories where the Services are being performed, relevant to safeguarding and protection of children and vulnerable adults, which the Contractor acknowledges may include vetting of the Contractor Personnel by the UK Disclosure and Barring Service in respect of any regulated activity performed by the Contractor Personnel (as defined by the Safeguarding Vulnerable Groups Act 2006 (as amended)) and/or vetting by a local equivalent service. Where the Authority reasonably believes that there is an increased risk to safeguarding in the performance of the Services, Contractor shall comply with any reasonable request by the Authority for additional vetting to be undertaken.
- (5) Failure by the Contractor to:
- a. put in place preventative measures to eliminate and/or reduce the risk of Serious Misconduct; or
  - b. fully investigate allegations of Serious Misconduct; or
  - c. report any complaints to the Authority and where appropriate, the relevant authorities (including law enforcement)

shall be a material Default of this Contract and shall entitle the Authority to terminate this Contract with immediate effect.

## 49 Modern Slavery

- (1) The Contractor shall, and procure that each of its Contractor Personnel shall, comply with:
- a. the Modern Slavery Act 2015 ("**Slavery Act**"); and
  - b. the Authority's anti-slavery policy as provided to the Contractor from time to time ("**Anti-Slavery Policy**").
- (2) The Contractor shall:
- a. implement due diligence procedures for its Contractor Personnel and other participants in its supply chains, to ensure that there is no slavery or trafficking in its supply chains;
  - b. respond promptly to all slavery and trafficking due diligence questionnaires issued to it by the Authority from time to time and shall ensure that its responses to all such questionnaires are complete and accurate;
  - c. prepare and deliver to the Authority each year, an annual slavery and trafficking report setting out the steps it has taken to ensure that slavery and trafficking is not taking place in any of its supply chains or in any part of its business;
  - d. maintain a complete set of records to trace the supply chain of all Services provided to the Authority regarding the Contract; and
  - e. implement a system of training for its employees to ensure compliance with the Slavery Act.

- (3) The Contractor represents, warrants and undertakes throughout the Term that:
- a. it conducts its business in a manner consistent with all applicable laws, regulations and codes including the Slavery Act and all analogous legislation in place in any part of the world;
  - b. its responses to all slavery and trafficking due diligence questionnaires issued to it by the Authority from time to time are complete and accurate; and
  - c. neither the Contractor nor any of its Contractor Personnel, nor any other persons associated with it:
    - i. has been convicted of any offence involving slavery and trafficking; or
    - ii. has been or is the subject of any investigation, inquiry or enforcement proceedings by any governmental, administrative or regulatory body regarding any offence regarding slavery and trafficking.
- (4) The Contractor shall notify the Authority as soon as it becomes aware of:
- a. any breach, or potential breach, of the Anti-Slavery Policy; or
  - b. any actual or suspected slavery or trafficking in a supply chain which relates to the Contract.
- (5) If the Contractor notifies the Authority pursuant to Condition (3)c.ii above, it shall respond promptly to the Authority's enquiries, co-operate with any investigation, and allow the Authority to audit any books, records and/or any other relevant documentation in accordance with the Contract.
- (6) If the Contractor is in Default under Condition (1)b above or (2)e above Authority may by notice:
- a. require the Contractor to remove from performance of the Contract any Contractor Personnel or other persons associated with it whose acts or omissions have caused the Default; or
  - b. immediately terminate the Contract.

## **50 Other Legislation**

- (1) The Contractor shall, and shall procure that its subcontractors, agents and personnel, comply with all other applicable law in force from time to time for the duration of the Contract.
- (2) Not used
- (3) The Contractor indemnifies the Authority against any costs resulting from any Default by the Contractor relating to any applicable Law to do with the Contract.

- (4) The Contractor must appoint a Compliance Officer who must be responsible for ensuring that the Contractor complies with the Law and Conditions 13, 22, 42, 43, 44 and 46.

## **51 Health and Safety**

- (1) The Contractor shall (and shall procure that the Contractor Personnel shall) perform its obligations under this Contract (including those in relation to the Services) in accordance with:
  - a. all applicable Law regarding health and safety; and
  - b. the Health and Safety Policy whilst at the Authority's Premises.
- (2) Each Party shall notify the other as soon as practicable of any health and safety incidents or material health and safety hazards at the Authority Premises of which it becomes aware and which relate to or arise in connection with the performance of this Contract. The Contractor shall instruct the Contractor Personnel to adopt any necessary associated safety measures in order to manage any such material health and safety hazards.

## **52 Law and Jurisdiction**

- (1) This Contract and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the law of England and Wales.
- (2) Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this Contract or its subject matter or formation.



## Schedule 2 – The Authority’s Specification of Requirements

### 1. Invitation to Tender sections

The below sections are taken from the Invitation to Tender document and are relevant for the delivery of this Contract.

#### Contract Term

The Contract is to be for an initial term of 2 years from the date of contract signature unless terminated or extended by the Department in accordance with the terms of the contract.

The Contract will be let for the full initial term with a formal review point at six months and twelve months from signature. There will be a break clause at 6 months.

If agreed by both parties, the Contract may be extended beyond the initial term by up to 24 months and up to an additional £3,000,000. This extension may be on a costed basis or on a no-cost basis for a continuation of the same scope of work to respond to clear additional demand from the beneficiary countries. It is the view of the Authority that the amount of work that would be required in any extension period both in terms of oversight and in terms of country engagement would be substantially less than the initial contract term which justifies the reduction in potential value for the extension period compared with the initial contract term. If these assumptions do not prove to be correct such that the value of the extension is larger than stated, a reprocurement will be required.

The terms of any extension period would be the same as those of the original contract. Any extension period would allow for an evidenced, justified and approved increase in daily rates for the supplier linked to inflation with the overall budget remaining within the same profit margin as the original bid and contract.

Take-up of any extension period is subject to the Authority’s approval and the continuing needs of the Contract.

#### Contract Scope

The contract scope is as set out in the specification of requirements later in this document. At the point of tender and contracting there will be a number of unknowns as part of the role of the Supplier is to understand and shape demand for Technical Assistance and adapt to developments in the LEAF alliance.

Over the period of contract delivery, given the need for the TA partner to be responsive to developments and demand from beneficiary country governments, the Authority reserves the right to update and amend the detailed scope in agreement with the Supplier within the boundary of what can reasonably be considered Technical Assistance to the LEAF programme. This may include, but not be limited to:

- Budgetary changes in line with budget principles outlined in this document including changes in the split of budget between different workstreams and between fees and expenses
- Changes in geographical scope and focus
- Changes in emphasis on certain parts of the Technical Assistance

- Changes to timelines and deliverables

### **Terms and conditions applying to this Contract**

It may be necessary in the delivery of this programme for the Supplier to subcontract other partners. The Supplier will need to set up their own subcontracts and grants with any partners. The Authority will not be a party to these arrangements. However, any subcontracts or subgrants must flow down appropriate terms and conditions to the subcontractor or grant recipient such that the Supplier is able to fulfil its contractual obligations to the Authority.

The Authority anticipates that the vast majority of agreements issued by the supplier under this programme will be subcontracts. However, in certain limited circumstances a grant may be more appropriate. The Supplier will need to make an assessment as to whether a grant is appropriate following Cabinet Office guidance and in discussion with the Authority.

### **Data security**

The successful tenderer must comply with all relevant Data Protection Legislation, as defined in the terms and conditions applying to this Invitation to Tender.

### **Prohibition of exclusivity arrangements**

Given the breadth of skills and expertise needed to deliver this contract, suppliers may wish to sub-contract other service providers and bid as part of a consortium. Suppliers must provide details as to how they will manage any subcontractors and what percentage of the tendered activity (in terms of monetary value) will be sub-contracted.

If a consortium is not proposing to form a corporate entity, full details of alternative proposed arrangements should be provided in Schedule 3. However, please note the Department reserves the right to require a successful consortium to form a single legal entity in accordance with Regulation 28 of the Public Contracts Regulations 2006.

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

## **2. Glossary**

Throughout this document we will refer to several acronyms and terms, including but not limited to:

BEIS	Department for Business Energy and Industrial Strategy, the predecessor Department to the Department for Energy Security and Net Zero
DP	Delivery Partner
FCDO	Foreign, Commonwealth & Development Office
FI	Financial Intermediaries
GDPR	General Data Protection Regulation
HMG	His Majesty's Government
ICF	International Climate Finance
ITT	Invitation to Tender

KPI	Key Performance Indicators
LEAF	Lowering Emissions by Accelerating Forest Finance
LIC	Lower-income Countries
MIC	Middle-income Countries
ODA	Official Development Assistance
SDGs	Sustainable Development Goals
UNFCCC	United Nations Framework Convention on Climate Change
VfM	Value for Money
Jurisdiction	Describes a national or sub-national tropical forest
ART	Architecture for REDD+ Transactions
TREES	The REDD+ Environmental Excellence Standard (administered by ART)
REDD+	Reducing Emissions from Deforestation and Degradation
IPCC	Intergovernmental Panel on Climate Change
VVB	Validation and Verification Body
ERR	Emissions Reductions and Removals
VCMI	Voluntary Carbon Markets Initiative

### 3. Programme Context and Background

#### 3.1 The International Context

International Climate Finance (ICF) is part of the UK's Official Development Assistance (ODA) and is delivered by the Authority (the Department of Energy Security & Net Zero), FCDO, and Defra. The Authority's component of the ICF focuses on large-scale climate mitigation programmes in countries where climate mitigation potential is greatest - typically middle-income countries (MICs) with high or rapidly growing emissions and/or forest countries that play a critical role as major carbon sinks. This draws on the Authority's ownership of and expertise in domestic decarbonisation, clean growth, innovation, carbon markets and green finance and remit as the lead Department on climate change mitigation and the UNFCCC negotiations.

Globally, tropical forests play a unique and vital role as both a source and sink of greenhouse gases, as well as providing over 1.2 billion jobs and ecosystem services that underpin resilience and food security. UK action to tackle deforestation while promoting sustainable development is identified as a priority for national and global resilience in the Integrated Review, and the International Development Strategy. The UK cemented our reputation for leadership and support for protecting international forests by establishing the Glasgow Leaders' Declaration on Forests and Land Use at COP26, to which 145 governments are signatories.

The International Forests Unit (IFU) is a joint Authority-FCDO unit, responsible for developing and overseeing the implementation of a UK international forests strategy, encompassing policy engagement, partnerships, and delivery of the UK's commitment to spend £1.5bn ICF on forests over the 5-year period.

#### 3.2 The Lower Emissions through Accelerating Forest Finance (LEAF) Coalition

The UK government is supporting the scaling of high integrity forest carbon markets as a mechanism to mobilise finance for partner governments who have taken steps to

protect their forests. One of the flagship carbon markets for forests programmes that the UK and other donors are supporting is The LEAF Coalition.

The Lowering Emissions by Accelerating Forest Finance (LEAF) Coalition is a voluntary global coalition bringing together the private sector and governments to provide finance for tropical and subtropical forest conservation through carbon markets. The UK Government played a key role launching the LEAF Coalition in April 2021, alongside the US and Norwegian governments. At the World Leaders Summit at COP 26 the LEAF Coalition announced it met its initial goal of mobilising \$1 billion USD for countries and states committed to increasing ambition to protect tropical and sub-tropical forests and reduce deforestation. At COP27 it announced that a further \$500m has been mobilised, with 100% coming from private companies. Funding will be delivered to jurisdictions that successfully reduce emissions from deforestation and degradation. This will be done through payments for verified emission reductions – payments which are made only after reductions in deforestation have been independently confirmed. LEAF uses the ART-TREES standard, a high integrity approach that guarantees robust results in terms of carbon, social and biodiversity safeguards.

The UK is contributing £200m to LEAF overall, as part of our International Climate Finance. £175m will pay for verified emissions reductions from forest countries, and de-risk private sector investments. £25m will provide Technical Assistance to forest countries, to support with forest protection activities and the verification of credits in line with environmental and social safeguards. The £5m funding for this contract will come from the £25m.

The UK is supportive of the LEAF Coalition for two main reasons: 1) It provides a model to unlock significantly greater financial flows to forest protection, particularly from the private sector, than we have seen before. It could be game-changing in helping to reward and incentivise forest nations to protect their forests, which are so critical for global climate, biodiversity, and sustainable development goals. 2) It helps to raise global climate ambition. LEAF demonstrates that the demand and supply of results-based finance and forest carbon credits can follow a high integrity path, in line with the goals of the Paris Agreement. Buyers purchase in addition to, and not a substitute for, deep cuts in global carbon emissions. And forest country participants will follow a rigorous, high-integrity approach that guarantees robust results in terms of carbon - where payments come only upon verified results - and in terms of social and environmental safeguards.

### 3.3 LEAF Countries

23 jurisdictions (sub-national or national) have submitted eligible proposals to join LEAF from the following countries:

- Latin America: Costa Rica, Ecuador, Mexico, Guyana, Brazil
- Africa: Kenya, Zambia, Nigeria, Ghana, Uganda, DRC, Burkina Faso
- Asia and the Pacific: Nepal, Vietnam, Papua New Guinea

Annex A of this Schedule provides a summary of each jurisdiction's progress in LEAF. The LEAF Coalition is accepting proposals on a rolling basis, however for the scope of

this programme the countries that will be supported are ones that have already submitted proposals and passed the technical assessment.

The primary purpose of this Technical Assistance programme is to provide support to countries that have, or are in process of signing, emissions reductions payment agreements (ERPAs). Annex A of this Schedule lists those countries that are currently at this stage, but the number of countries is likely to increase over time.

### **3.3.1 Geographical scope**

At the point of tender the Authority is not able to specify exactly which countries or how many countries will be included in the TA programme. This may evolve over time as each jurisdiction progresses with their LEAF coalition engagement.

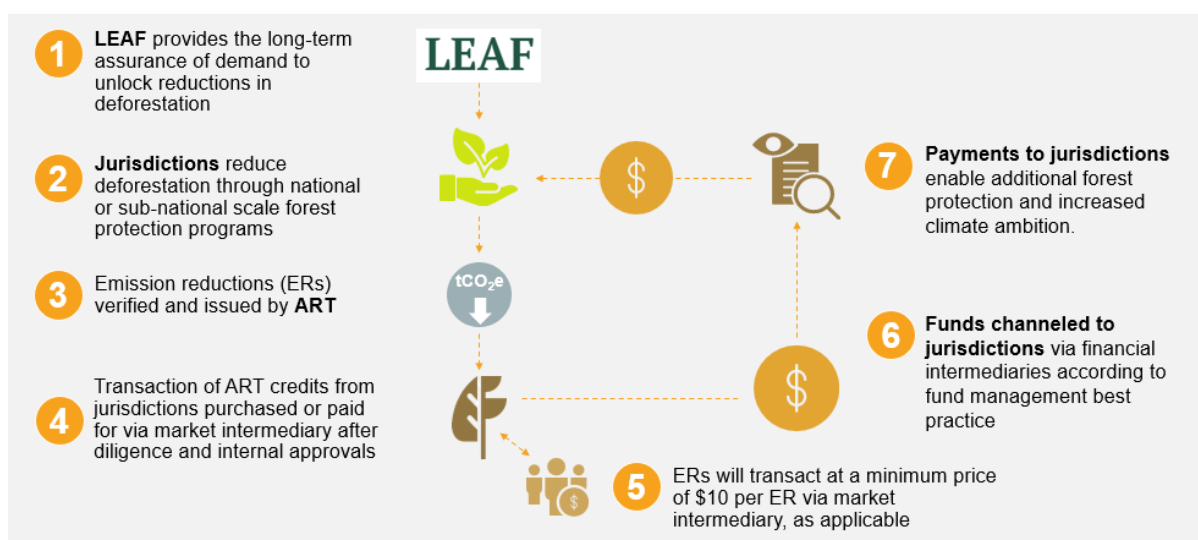
We anticipate that the final coverage may be between 5 and 12 jurisdictions (but could be more or less) but with varying levels of input and TA provided depending on demand and stages of engagement with the LEAF coalition.

Should a country emerge for support from LEAF TA that the chosen supplier is not able to work in for a justifiable reason, the Authority reserves the right to contract support for that country directly with another provider and reduce the contract value to the Supplier accordingly. Suppliers should confirm in their proposal that they are, in principle, able to work in at least the 23 jurisdictions currently listed in this ITT.

## **3.4 Main Programme Activities and Objectives of LEAF**

LEAF's overarching aim is to kickstart a self-sustaining high integrity market for jurisdictional forest carbon credits. It does this in the following ways:

1. LEAF provides the long-term assurance of demand to unlock reductions in deforestation and incentivise protection of standing forests.
2. Jurisdictions reduce deforestation through national or sub-national scale forest protection programmes.
3. Emission reductions (ERs) issued by the Architecture for REDD+ Transactions (ART), a global initiative that seeks to incentivize governments to reduce emissions from deforestation and forest degradation.
4. Transactions of ART credits from jurisdictions purchased or paid for via market intermediary (Emergent) after diligence and internal approvals.
5. ERs will transact at a minimum price of \$10 per ER via market intermediary, as applicable.
6. Funds channelled from the intermediary to jurisdictions via financial intermediaries according to fund management best practice.
7. Payments to jurisdictions enable additional forest protection and increased climate ambition.



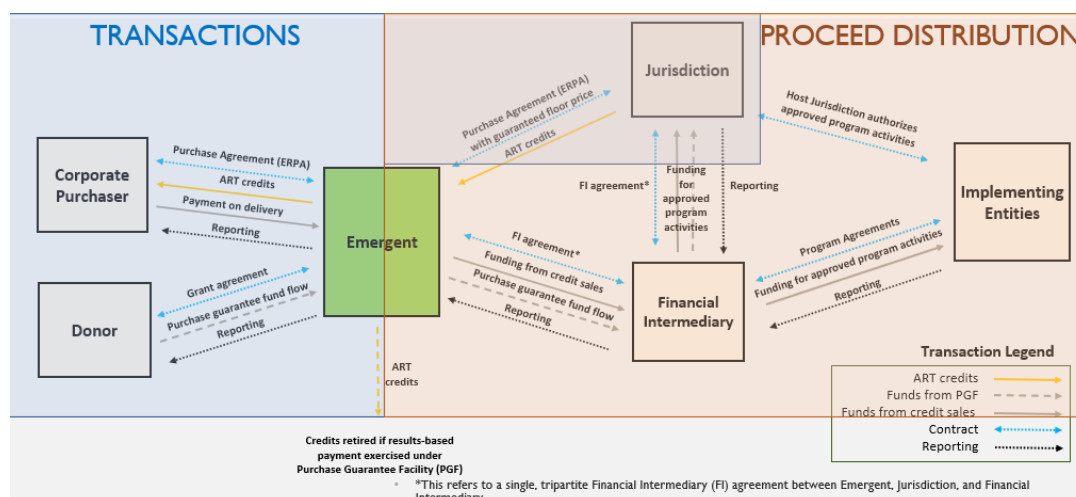
### 3.5 Key Stakeholders and their Roles in LEAF

There are various actors and stakeholders involved in the implementation of the LEAF Coalition and they can be organised into five main categories: donor governments, private sector buyers; transaction brokers; forest country governments (jurisdictions); REDD+ credit issuance and verification bodies.

Category	Who	How they participate in LEAF
<b>Donor governments</b>	UK, USA, Norway, and South Korea	The donor governments provide results-based payments to forest countries, de-risk the private finance, provide TA and conduct diplomatic engagement.
<b>Private sector buyers</b>	27 companies and corporations including Amazon.com, VW and H&M Group	Private sector buyers purchase credits and may make claims in line with emerging best practice from VCM (Voluntary Carbon Markets Initiative) but could also buy credits as a results-based payment in the same way as donor governments. Please see Annex B of this Schedule for more information on the different transaction pathways.
<b>Transaction intermediaries</b>	Emergent Climate Finance	Emergent purchase the credits from the jurisdictions and then sell them onto donor governments and private sector buyers. It also works with the Financial Intermediaries to monitor how the credit funds are spent.

Category	Who	How they participate in LEAF
	Financial Intermediaries (FI)	FIs distribute the funds to the jurisdictions in line with agreed investment plans and report on activities implemented through credit sales
<b>Forest Country Governments</b>	23 forest countries, please see Annex A of this Schedule for full list.	<p>Countries that have verified credits to sell at a national or sub-national level.</p> <p>The transaction structure with FI's and the structure for delivery of activities from credit sales may vary from jurisdiction to jurisdiction.</p>
<b>REDD+ credit issuance and verification bodies</b>	Architecture for REDD+ Transactions (ART)	The entity that provides the standard for quantifying, monitoring, reporting, and verifying emissions removals and reductions from jurisdictional REDD+ credits. It is the entity that issues the verified credits to Emergent.
	Validation and Verification Body (VVB)	The entity which independently verifies the credits produced by the jurisdiction based on data and reports they provide. They will confirm if the emission reduction volumes meet the ART TREES environmental and social safeguards and confirm the number of volumes of ERRs produced by the jurisdiction.

Below is a diagram (a larger version of which may be found in Annex C of this Schedule) that shows how the finance flows between these various actors and at what points in the process:



The Supplier would not be expected to engage with all the actors mentioned above. As detailed in section 6.5 of this Schedule, the Supplier would be engaging with key stakeholders in the forest country government, UK embassies overseas, the Authority's LEAF team and Emergent Climate Finance.

#### 4. LEAF Technical Assistance Aims and Objectives

The overall aim of this programme is to support forest countries with the LEAF's ERPA process and provide technical support for activities required to generate credits and ultimately to receive results-based payments.

Due to the complexity and number of different requirements needed to transact carbon credits under the LEAF Coalition, the UK is looking to provide bespoke technical assistance (TA), based on individual country needs/demand, to support countries:

1. That have signed, or are close to signing emissions reductions payment agreements (ERPAs)
2. Where strategic projects and technical support could enhance national and subnational coordination around LEAF proposals.
3. Technical support for the policy enablers required for engaging with LEAF and forest carbon markets.

To explain why the three objectives above are so important for countries to properly engage with the LEAF process and ultimately receive finance:

1. An ERPA is the formal legal contract between the forest country government and the market intermediary. It sets out the amount of carbon credits to be sold at what price and under which transaction pathway (see Annex B of this Schedule). Signing an ERPA can be complex and requires legal knowledge, negotiating and contract drafting skills. Therefore, it is pertinent that forest partner governments feel comfortable to undertake this task and have the correct skills and experience embedded within their government systems to do so. For those forest partner governments who have signed ERPAs already, they will need support for various requirements needed following signing. A non-exhaustive list of these kinds of activities can be found in Part 4 of this Schedule.
2. LEAF accepts both national and subnational applications. However, if an application is at the sub-national level the states/sub-national governments are



required approval from their federal/national government. This process can be difficult if federal/national governments are not well informed about LEAF or are concerned about the governance of sub-national proposals. Our hope is that this TA can support sub-national jurisdictions in gaining that approval from their improved coordination with federal/national governments. After December 2030, ART TREES will not accept sub-national accounting. Therefore, supporting with coordinating sub-national proposals will ensure partner forest governments are able to engage with LEAF and ART TREES over the long term.

3. To ensure forest partner governments can effectively engage with LEAF and wider forest carbon markets, support is needed to ensure there are the appropriate policies, frameworks, and regulations in place, and to work through how existing frameworks interact with LEAF transaction pathways.

This TA funding will be specific and targeted to support forest partner governments to engage with LEAF properly, robustly, effectively, and rapidly in an informed way such that the coalition can start delivering and jurisdictions can start to receive finance. This TA will be demand led and tailored to meet the specific government requests in line with the two overarching objectives detailed above. This TA won't cover all the needs, but rather will deliver strategic sub-projects tailored to unlocking barriers to progressing with ERPAs and delivering LEAF credits.

As The LEAF Coalition is a fairly well-established programme, there has been a great deal of engagement with the forest country participants conducted by the Authority and Emergent Climate Finance. Through this we have repeatedly heard from forest partner governments that there is a huge need and demand for technical assistance to support with the various complex requirements of LEAF. Therefore, we understand there to be sufficient buy-in and interested from forest partner governments in a TA programme. However, the Supplier would still be expected to conduct thorough engagement with the forest partner governments to understand and coherently articulate their needs into a commissionable and deliverable work package.

This technical assistance sits within a landscape of donor funded initiatives that support partner governments in accessing carbon markets and implementing REDD+. Therefore, it will be important that the Supplier remains aware of existing support to countries from other donors and initiatives to ensure additionality and prevent duplication. The Supplier would be expected to actively consider how to tailor their advice to complement, not duplicate, related TA initiatives. The UK is also preparing to support the other TA partners and the Supplier would be required to coordinate with them.

The TA projects will be demand led. Suppliers would be expected to work closely with forest country governments to understand what support they need. These proposals would then be discussed and agreed by the Authority and UK Embassy colleagues in-country to refine and finalise the scope of work. This demand led approach will enable partner governments to meet the terms of the LEAF Coalition more quickly and comfortably, and to build further capacity to guide. A core requirement for the Supplier will be to work with the forest country governments to articulate the need and demand for support into a clear and comprehensive work package that can be commissioned and contracted. This will require travel or in-country presence, in-person meetings, language skills and a thorough understanding of local country context. The Supplier will need to work closely with the Authority and UK Embassies to ensure this demand articulation is robust, within the scope of the programme, deliverable within the timeframes and represents strong value for money.

The support provided by the UK's TA budget and this programme, will contribute to the LEAF Coalition's overall aim of increasing the value of standing forests and finance flows to tropical forest protection at scale, ensuring that GHG emissions from the forest sector reduce in line with IPCC scenarios for 1.5 pathway.

#### **4.1 Programme Outcomes and Outputs**

##### **4.1.1 Intended Outcomes**

The overarching intended outcomes of this TA programme are:

1. Build the capacity of forest partner governments to be able to issue and transact forest carbon credits in the voluntary market.
2. Support forest partner governments to create an enabling environment for continued REDD+ credit sales on the voluntary carbon market.
3. Accelerate the process between forest partner governments signing a letter of intent to being ready to transact credits, whilst protecting the integrity of LEAF transactions.

##### **4.1.2 Intended Outputs**

A summary of the intended outputs of this TA programme of support are listed below:

1. Forest partner governments are supported through the LEAF process making them better able and comfortable to sign ERPAs and receive results-based payments.
2. Technical expertise and training are embedded within the forest partner governments system to ensure there is lasting impact beyond the scope of the programme.
3. Forest country governments obtain the long-term knowledge and skills required to leverage finance from private sector sources by being able to participate fully in the global carbon market for forests.
4. Forest country governments obtain the long-term legal knowledge and skills required to fully understand, negotiate, and ultimately sign ERPAs.
5. Forest country governments have the skills and knowledge to engage with the ART TREES environmental and social safeguards and verification process, including ensuring inclusion and benefit sharing to Indigenous People and Local Communities.

#### **5. Activities/Deliverables**

The Authority is procuring a TA delivery partner to lead on the design and implementation of this programme of support, working closely with the Authority and UK Embassies overseas. This would include sourcing, contracting, and managing technical consultants or organisations that could carry out the work in-country.

### 5.1 Indicative activities

Below is an indicative set of activities which are grouped in line with the commercial structure detailed in Part 9 of this Schedule. Suppliers should propose and justify a methodology to deliver a scope of work that will meet the aims and objectives of this LEAF TA programme detailed in Part 3 of this Schedule above.

Budget (BA)	Area	Activities
BA 1 – Core Delivery and Programme Management		<ul style="list-style-type: none"> <li>• Plan and deliver an inception period to detail and agree with the Authority and other stakeholders the detailed approach.</li> <li>• Country selection (in collaboration with the Authority).</li> <li>• Design and monitor budgets and spending plans for each programme of support scoped under BA2.</li> <li>• Accurate and timely risk reporting, financial forecasting, and invoicing to the Authority which is proportionate to the value and risk level of this programme.</li> <li>• Shape demands and needs into packages of work that can be commissioned and managed, i.e., developing terms of reference for each piece of TA.</li> <li>• Accurately monitor the results of each TA sub-contract and report to the Authority based on a co-created log-frame.</li> <li>• Source, commission, contract and oversee experienced technical consultants or organisations to carry out the work directly in-country.</li> <li>• Quickly and effectively subcontract suitably qualified consultants/organisations to deliver projects and monitor progress to ensure they meet the needs of the partner government.</li> <li>• Prompt payment to subcontracted suppliers/organisations following successful completion of contracted TA and agreement by the Authority and the partner government the work has been completed satisfactorily.</li> <li>• Ongoing stakeholder engagement</li> <li>• Compliance with the governance, programme management and reporting requirements of this Specification of Requirements</li> </ul>
BA 2 – Country Engagement		<ul style="list-style-type: none"> <li>• Direct scoping work with partner governments to accurately understand TA needs (working closely with the Authority and embassy colleagues).</li> <li>• Design bespoke support programmes for each of the chosen partner governments and work flexibly to respond to evolving demands and needs. These support programmes may evolve over time.</li> </ul>

BA 3 – Technical Assistance	<ul style="list-style-type: none"> <li>• Delivery of demand-led TA</li> </ul>

## 5.2 Country Engagement

Country engagement, articulating demand and working alongside country governments to respond to their needs (within the scope of this contract) is an integral part of this programme. The approach to country engagement will vary significantly by country depending on the country in question, its relative 'readiness' to engage with LEAF, administrative complexities, accepted and effective methods of engagement, UK Embassy capacity and depth of UK engagement to date as well as other factors.

As such, since at this stage we are not able to provide a definitive list of countries and jurisdictions, we do not expect a detailed approach to be provided for country engagement at the bid stage. This can be developed through an initial scoping or inception period in collaboration with the Authority.

As a minimum suppliers should provide a set of principles and an outline approach to country engagement that they would follow including how they would work in the inception period to firm this up for selected countries. This should draw on their experience and lessons learned from similar close working with country governments to articulate demand and deliver technical assistance.

## 5.3 Inception period

There will be a scoping and inception period at the start of the contract where the Supplier will work closely with the Authority and other stakeholders to firm up plans for full delivery. This inception period should be an appropriate length to finalise details of delivery but Suppliers should remain mindful of the duration of this contract and the need to demonstrate delivery as soon as possible when thinking about the length of this period. We suggest that the inception period should be no more than 3 months.

Suppliers should provide a detailed approach to this inception period and an appropriately detailed workplan along with proposed deliverables which would allow a smooth transition to full delivery.

We note that there are some countries with urgent TA needs that need to be delivered alongside the formal inception period. Suppliers should demonstrate in their proposal how they will balance this requirement in the initial few months of the contract.

## 5.4 Commissioning and contracting of technical assistance

### 5.4.1 Commissioning and subcontracts

Commissioning and contracting of technical assistance will be the responsibility of the supplier. Suppliers should outline their approach to commissioning and managing technical assistance in their proposals.

The Authority will not approve sub-contracts or suppliers and will not consult on contract terms and conditions for the supplier's supply chain.

The Supplier should ensure that its subcontracting arrangements allow it to fulfil its obligations to the Authority, as defined in the terms and conditions of Contract. In exceptional circumstances where this is not possible, the matter should be referred to the Authority for comment together with a proposed remedy.

#### **5.4.2 Competition, direct award, and value for money**

As a first principle, the Supplier should ensure that its approach to commissioning TA offers value for money to the Authority and the UK taxpayer based on the 4Es approach<sup>1</sup>. We consider that although competition is often the best way to do this, once the Supplier has been appointed their own operations in delivering this contract are outside the scope of the Public Contracts Regulations (PCR) (2015) and, as such, they are able to have a more flexible commissioning approach than the Authority would have as a public contracting authority.

A case for the commissioning approach taken for each award of TA must be prepared and justified. The TA facility is designed to be responsive to country demand and as such direct award of TA contracts by the Supplier or other commissioning routes are permitted. For example, given the nature of the TA to be provided to countries, it may be that they wish to use an existing trusted advisor (for example legal advice on the ERPA agreement) and would not be able to work effectively with another party. In this case the legal advisor would be uniquely placed to deliver the required service.

Whilst the Authority does not wish to approve commissioning routes for TA, the Supplier must ensure that there is an appropriate decision making and approval process within their team and that decisions are recorded. The Authority will look at the numbers and values of contracts awarded by various means in the regular reporting and may ask for further information about the case for any award process. The Authority reserves the right to request the documentation for all award decisions and contracts awarded by the Supplier in relation to this programme or a periodic Management Information request with a reasonable timeframe.

### **6. Governance**

#### **6.1 Governance Requirements**

The Supplier will manage the technical assistance programme, while adhering to the requirements below. We welcome bidders' alternative suggestions, if the validity of these can be evidenced, and bidders should show in their proposals how they will ensure appropriate management and coordination of their work in their proposals.

The following governance requirements will apply to all phases:

- **Regular working-level delivery meetings** to update on progress and deliverables, including presentation of a reporting dashboard against KPIs. These will take place weekly during the scoping phase and the frequency will be reviewed for the implementation phase.
- **Quarterly review meetings** to assess how the programme is progressing, whether activities need to be adapted and the timeline adjusted.
- **LEAF coordination meetings** with other LEAF delivery partners, to be discussed during in the first 3 months following appointment.

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<sup>1</sup> Economy, Efficiency, Effectiveness and Equity.

The Supplier will be expected to circulate minutes and actions from each of these meetings.

It is expected that the Supplier will adhere to their programme management plan which will be finalised with the Authority in the inception period. Further, it is expected at the outset of each TA sub-project, the Supplier will review the delivery plan to ensure that it remains accurate and fit for purpose, and refine this as required, according to programme developments.

## 6.2 Governance Reporting Requirements

The following reporting requirements will be required in all phases:

- **Monthly working-level reporting dashboard.** The content will be agreed with the Authority in the first month after appointment, but this will be a very short update and will include key risks, progress updates and forward look for the next month.
- **Quarterly financial and risk reporting** including breakdown of spend by country to accompany invoicing, projected spend for the next quarter and a copy of the programme risk register.

## 6.3 Working Arrangements

The successful Supplier will be expected to identify one named point of contact through whom all enquiries can be filtered. The Authority will assign a Project Manager for the programme, and they will be the central point of contact for the Supplier.

## 6.4 Coordination with the Authority

The **Authority programme team** for LEAF has overall responsibility for, and ownership of, the programme and will manage the contract and relationships with the Supplier. It will include programme experts and analysts with different technical expertise, depending on the task at hand and it will have sign-off responsibilities on:

- Decisions regarding final timeline for sub-projects and reports/other delivery
- Final reports

We require that the Authority team also have sign-off responsibilities on:

- Activities for each sub-programme
- Draft reports for each phase of the programme
- Stakeholder lists and engagement plans

## 6.5 Stakeholder Engagement

The Supplier will be required to build and maintain relationships with various stakeholders involved in the LEAF programme in addition to their relationship with the Authority. The below tables details who these stakeholders are and how the Supplier would be expected to interact with them:

Stakeholder	Ways of Working
<b>UK Embassy colleagues working in the chosen LEAF countries for this programme</b>	<ul style="list-style-type: none"> <li>- Liaise closely with embassy colleagues to understand the broader political, climate and forest context of each country.</li> <li>- Understand who the main influential actors are within the jurisdictions' governments.</li> </ul>

Stakeholder	Ways of Working
	<ul style="list-style-type: none"> <li>- Draw on embassy expertise when creating the work packages for each country.</li> </ul>
<b>Forest country governments</b>	<ul style="list-style-type: none"> <li>- Work directly with counterparts in the governments to understand what support they need and how best to deliver it.</li> <li>- Ensure the TA and learnings are embedded within the system to ensure lasting impact and results.</li> <li>- In country presence of the supplier and engagements directly with partner countries will vary on a country-by-country basis. In some cases, the UK Embassy may lead conversations directly with governments, in other cases we may request in country presence of the supplier to engage directly with governments.</li> <li>- In all cases the Supplier would be required to report on all engagement to the embassies and the Authority.</li> </ul>
<b>Emergent Climate Finance</b>	<ul style="list-style-type: none"> <li>- Liaise with Emergent to find out the latest on where jurisdictions are in the LEAF process, what the key blockers are and how this programme could support.</li> </ul>
<b>Other LEAF donor governments</b>	<ul style="list-style-type: none"> <li>- When necessary/appropriate, liaise with the other LEAF donors to find out what support already exists in the jurisdictions in the scope of this programme to ensure it is additional and not duplicative.</li> </ul>
<b>Other REDD+/LEAF TA providers</b>	<ul style="list-style-type: none"> <li>- When necessary/appropriate, liaise with other partners delivering UK TA for REDD+ and LEAF (e.g., UNREDD) to ensure additionality and prevent duplication.</li> </ul>

## 7. Programme Management Requirements

### 7.1 Programme Contract Financial Management

To financially manage the TA programme contract, the following actions are requested:

- Draft and report against annual budgets, at agreed levels of detail, and conduct ongoing financial forecasting and reporting.
- Set up and apply robust fraud and error risk management systems that alert the Authority to any fiduciary risk or potential misuse of ODA or public funds more generally.
- Provide quarterly financial, management and risk reporting across all programme activities for quarters where programme activity is taking place according to the agreed workplan.

### 7.2 Quality Assurance

The Supplier is required to produce and implement a quality assurance plan for TA, and quality assurance measures should be factored into workplan timelines.

### **7.3 Transparency**

The Authority has transformed its approach to transparency, reshaping its own working practices and pressuring others across the world to do the same. The Authority requires suppliers (including the future Supplier for this contract) receiving and managing funds to release open data on how this money is spent, in a common, standard, re-usable format and to require this level of information from immediate sub-contractors, sub-agencies and partners. The results of the programme's Annual Reviews will be published as part of this transparency effort, in full or in part.

It is a contractual requirement for the Supplier to comply with this, and to ensure they have the appropriate tools to enable routine financial reporting, record keeping, publishing of accurate data, and providing evidence of this to the Authority.

### **7.4 Gender, inclusion, and equality**

One key consideration in the design and delivery of this programme, as with all UK ODA programming, is the extent to which it complies with the International Development (Gender Equality) Act 2014. The Act applies to all ODA programmes and makes consideration of gender equality a legal requirement. This means LEAF, and in particular the LEAF TA programme, needs to meaningfully consider the impact of an intervention on gender equality and demonstrate that it has done so before intervention goes ahead. The process of compliance needs to be integrated within bidding proposals, programme design and supported activities/projects.

The Authority requires compliance with the Act as a minimum. The Supplier must ensure that the principles of the [UK's Public Sector Equality Duty](#), including but not limited to marginalised groups, including IPLCs, are applied to all decisions regarding personnel throughout the delivery of this programme.

### **7.5 Risk appetite, fraud, and corruption**

The Authority has zero tolerance to fraud and corruption (including potential conflicts of interest). The Authority also has very stringent requirements regarding safeguarding of anyone who might be affected by LEAF or the LEAF TA programme. For more information, please refer to BEIS ICF Code of Conduct provided as Schedule 11 of the Contract.

### **7.6 Whistleblowing**

If during the LEAF TA programme you find any risk of wrongdoing by the LEAF Coalition or an associate of the programme, or any safeguarding complaints or incidents, these need to be reported to the Authority ICF PMO immediately. In the first instance, please report to the Authority programme lead will pass it on to the safeguarding lead.

If it is inappropriate to raise concerns of misconduct or you do not feel comfortable reporting to the LEAF programme lead, you should report it to the Authority ODA Reporting Concerns inbox at [odasafeguardingconcerns@beis.gov.uk](mailto:odasafeguardingconcerns@beis.gov.uk).

Whistleblowing is taken very seriously; the Authority treat every issue with the utmost importance and every issue will be investigated as a matter of urgency and will be kept



confidential. Please email [odasafeguardingconcerns@beis.gov.uk](mailto:odasafeguardingconcerns@beis.gov.uk) for any whistleblowing concerns.

The Authority will follow up safeguarding reports and concerns according to policy and procedure, all while respecting any legal and statutory obligations, including ensuring the relevant authorities have been informed within 24 hours. We will take the appropriate action based on the outcome of the investigation. We will work with the programme and delivery partners to ensure that the appropriate disciplinary actions are applied to those found in breach of policy.

## **7.7 Data processing**

The Supplier will be compliant with the Data Protection Legislation, as defined in the Contract. A guide to the General Data Protection Regulation (GDPR) published by the Information Commissioner's Office can be found [here](#).

The only data processing that the Supplier is authorised to do is listed in the Contract Terms and Conditions. The Authority will work with the Supplier during the scoping phase to refine and agree the GDPR table, and this will then be monitored during the lifetime of the contract.

## **7.8 Transfer of Knowledge to the Authority, Business Continuity and Disaster Recovery Process**

The Supplier is required to set out how they will facilitate the effective transfer of knowledge to the Authority during programme closure. This includes the use and provision of all data used for the services (subject to commercial confidentiality considerations) and the transfer of any LEAF TA programme documents (such as presentations, reports, and templates) for continued use by the Authority in any manner it chooses. Transcripts of all correspondences should also be returned to the Authority. This should also include provision for business continuity and or disaster recovery in the event of a known or unforeseeable event, for example COVID-19.

Any data produced by the Supplier will be either securely destroyed or transferred back to the Authority at the end of the contract and stored by the Authority. This is to be agreed following the commencement of services.

The Supplier must provide a suitable exit plan and disaster recovery plan to the Authority within six months of the commencement of services. This plan must include options for handing over work to a new supplier in the event of a repurchase and activities relating to project closure.

## **8. Team Structure, Skills, and Expertise Requirements**

To deliver the Contract successfully, the Supplier will need to demonstrate that they have the right team structure, skills, and expertise to deliver the work both inhouse and in their supply chain. Guidance on each of these categories is given below.

### **8.1 Team Structure**

It is essential that:

- A clear operating structure is provided which explains the roles, responsibilities, and reporting lines for each member of the team.

- Suitable contingency measures are in place should the project team change, giving the Authority confidence that this risk would be managed without negatively affecting to programme delivery.
- An appropriate balance of junior and senior time on the project, ensuring enough strategic oversight and that resources are used efficiently to successfully deliver all the objectives.
- The Supplier will use experts and organisations in their supply chain who are currently based in some of the countries and regions in which LEAF operates.

## 8.2 Skills and experience

### 8.2.1 LEAF TA Delivery partner

The essential skills required by the project team are cut across three broad areas: programme and contract management; ODA and ICF programme delivery and monitoring; understanding of REDD+ and forest carbon markets landscape.

Key staff will be identified in the contract and may not be replaced without the approval of the Authority, which will not be unreasonably withheld.

**Programme and contract management:** a key requirement of this programme will be to design, sub-contract and deliver rapid, short-term TA projects at pace and to a high standard. Ideally the supplier will already have a pool of technical experts (either individual consultants or organisations) that they can draw on, quickly sub-contract and embed within the forest country governments' systems to deliver the TA at pace or the systems, networks, and expertise to identify and contract suitable partners in response to demand. Key skills and experience include: strong programme management capability, including strong systems for project management, reporting, risk management and financial management.

- Robust procurement, negotiation, contracting and contract management.
- Awareness of value for money drivers.
- Robust programme governance.
- Experience of working with UK government departments and the ability to work collaboratively and flexibly with them to deliver agreed outputs.
- Experience of working internationally with a wide range of public, private and third sector stakeholders.
- Experience of working with and access to local knowledge in the LEAF countries to support the programme in general.

There may also be a scenario in which the forest country government already has a project and technical delivery partner identified. Providing the Supplier and the Authority are confident

this partner could deliver the work to a high standard, we would expect the Supplier to go ahead and sub-contract them to deliver the work.

**ODA and ICF programme delivery and monitoring:** the ideal supplier will have extensive experience in delivering UK ODA and ICF programmes or other comparable work. Demonstrate strong value for money, monitoring and reporting skills. Key skills and experience include:

- Experience working with developing country governments, ideally in the countries noted in section 3.3 of this Schedule above.
- Ability to flex approaches to meet country specific contexts.
- Problem solving.
- Programme monitoring including the creation of and reporting against a programme log-frame.

**Understanding of REDD+ and forest carbon markets:** the Supplier will have the ability to contract organisations with REDD+ and forest carbon markets expertise to deliver in line with the country context. Key skills and experience include:

- Knowledge of the REDD+ framework as LEAF facilitates the transaction of high-integrity REDD+ credit.
- Understanding also of the ART TREES standard.
- Knowledge of the forest carbon markets landscape and Article 6 in relation to REDD+ credits would be beneficial but not essential.

It would be beneficial if the Supplier's core team - and programme lead in particular - understands REDD+ and forest carbon credits to ensure appropriate TA sub-projects are designed to offer the most effective and expert support to forest country governments.

## 8.2.2 Technical experts and consultants

Although final technical requirements may vary in response to demand, we envisage that technical assistance will be provided in the following areas:

- Legal advice/services on ERPA terms, negotiations, and implementation including training to ensure these skills are embedded within the forest country government system.
- Technical support with LEAF's delivery requirements, including but not limited to:
  - Estimating Emissions Reduction volumes
  - Developing investment plans and benefit-sharing plans
  - Working with financial intermediaries
  - Estimating preferred LEAF transaction pathway and decisions around corresponding adjustments

- Training and hiring personnel to conduct stakeholder and IPLC consultations and engagement, and any other requested elements of ART TREES social and environmental safeguards.

Training on and implementation of the ART TREES safeguards may require longer term interventions and be supported by other TA delivery partners, but this programme could play a role in providing discrete, shorter-term projects or use of consultants in relation to the ART TREES safeguards, where requested by the partner government.

Further areas of support may be added from time to time during the contract delivery in response to the needs of partner countries. This will be discussed and agreed with the Authority during delivery period. All activities must be ODA eligible.

**Note:** For the avoidance of doubt, since TA will be demand-led, we do not expect Suppliers to present a full suite of technical experts and consultants who may be called upon to deliver the Technical Assistance at the bid stage. Bidders may wish to outline existing relationships and networks with relevant organisations to demonstrate experience or as part of their proposal demonstrating their approach to commissioning and management.

### **8.3 Direct delivery of technical assistance by the delivery partner**

In certain circumstances it may be appropriate and preferable for technical assistance to be provided by the main Supplier. Such direct delivery is allowed under this contract where:

- There is, in the opinion of the Authority and the partner government, a clear technical and value for money case for doing so.
- The budget is in line with a pre-agreed rate card provided as part of the commercial response to this tender.
- The case and budget for direct delivery has been signed off by the Authority in advance of any work starting.
- Any perceived or actual conflict of interest linked to the Supplier's wider role in shaping demand can be mitigated and managed.

## **9. Commercial Arrangements**

*This Section of Schedule 2 has been moved to Schedule 4 of the Contract.*

### Due diligence

- 9.1 The preferred bidder will need to participate in, and satisfy, a Delivery Partner Review (DPR) carried out by a third party contracted by the Authority. This DPR is mandatory and will take place before contract signature. It will involve checks on the following:

#### **Pillar 1 – Governance and Internal Controls:**

- Assessment of corporate governance structures in the organisation, responsibility, accountability, risk management, value for money (VfM) approach, assurance mechanisms, and policies and procedures. Background check to understand the

ownership or control structure of the organisation. Data protection and cyber security, fraud and fiduciary risk management systems and processes.

#### **Pillar 2 – Ability to Deliver:**

- Human resources – assessment of policies and procedures, and personnel capacity and capability to deliver the objectives of the arrangement.
- Partner deliverability – assessment of capability and capacity to deliver the objectives of the arrangement, stakeholder engagement.
- Monitoring and evaluation processes and controls (both for internally delivered projects and those delivered through downstream partners).
- Assessment of the partner's capability and capacity to deliver the specific funded project, including an assessment of the recruitment protocols of relevant staff, performance and development processes, business continuity controls, stakeholder engagement and procurement practices.

#### **Pillar 3 – Financial Stability:**

- Analysis of financial management information and accounts to assess the financial health of the organisation, its utilisation of funds and reporting thereof. The section may look at key financial controls, how resources for the intervention will be used, the value for money (VFM) of any proposed arrangement and how any assets will be managed.

#### **Pillar 4 – Downstream Delivery:**

- Downstream partner selection and procurement processes.
- Assessment of how the funded delivery partner conducts due diligence, contract and risk management, monitoring and evaluation, Fraud, Bribery and Corruption (FBC), communications, policies and procedures of any downstream delivery involved in the delivery of the project.

#### **Pillar 5 – Safeguarding:**

- Assessment of policies and procedures safeguarding the human rights of vulnerable adults and children including protection from sexual exploitation, physical, sexual or emotional abuse and neglect.
- Partnership behaviour: assessment of capacity to promote environmentally and socially responsible behaviours, including environmental risk management and gender quality, policies and procedures.

Following production of the DPR there were a number of recommendations outlined and shared with the Delivery Partner. The Delivery Partner will voluntarily address these recommendations throughout the delivery of the Contract. Updates on how these recommendations are to be addressed by the Delivery Partner and their progress shall be provided in quarterly performance management meetings. To note, there are no contractual penalties (performance or financial) attached to the activity or inactivity in the Delivery Partner addressing these recommendations.

## 10 Supplier performance management

*This Section of this Schedule 2 has been moved to Schedule 7 of the Contract.*

## 11 Social value

### 11.1 Social value introduction

In addition to the aims, objectives and outcomes above, all UK Government projects are required to contribute to wider social value as an additional benefit of the contract. Social value is a broad term used to describe the wider social, environmental and economic effects of an organisation's actions, and how they contribute to the long-term wellbeing of individuals, communities and societies.

Social value is not just a policy requirement. Social value directly supports the mission of the Authority, the Authority's International Net Zero Directorate and the LEAF programme. As such we expect our LEAF TA Delivery Partner to mainstream social value in delivery of their work. Although the whole of the specification of the LEAF TA programme could be considered as contributing to social value, this element is specifically focussed on how the contract is delivered by the Supplier and is not about the evaluation methodology per se. Commitments on the inclusivity and benefits of the methodology should be included in the wider technical proposal.

The eventual contract for the delivery of LEAF Technical Assistance will include KPIs relating to the delivery of social value commitments.

Government policy requires that evaluations of proposals during the procurement process commit at least 10% of the marks to social value considerations. How this will be evaluated for this contract is detailed in the Table below.

For the avoidance of doubt, social value is not a specific costed activity but is an added co-benefit of delivery and an approach to delivery that is expected of all Authority suppliers.

The Authority is now taking a consistent department-wide approach to social value mapped against the Authority's departmental priorities. The Authority is interested in the following social value themes from the social value model.

## The Authority Priority Social Value themes and criteria

Theme	Outcome	Model Award Criteria	Sub-Award Criteria
Fighting Climate Change	Effective stewardship of the environment	MAC 4.1 Deliver additional environmental benefits in the performance of the contract including working towards net zero greenhouse gas emissions.	<p>Activities that demonstrate and describe the tenderer's existing or planned:</p> <ul style="list-style-type: none"> <li>• Understanding of additional environmental benefits in the performance of the contract [and the way the contract is delivered], including working towards net zero greenhouse gas emissions.</li> <li>• Collaborative ways of working with the supply chain to deliver additional environmental benefits in the performance of the contract, including working towards net zero greenhouse gas emissions.</li> <li>• Delivery of additional environmental benefits through the performance of the contract, including working towards net zero greenhouse gas emissions.</li> </ul>
Tackling Economic Inequality	Increase supply chain resilience and capacity	<p>MAC3.1 Create a diverse supply chain to deliver the contract including new businesses and entrepreneurs, start-ups, SMEs, VCSEs and mutuals.</p> <p>MAC 3.3: Support the development of scalable and future-proofed new methods to modernise</p>	<ul style="list-style-type: none"> <li>• Activities that demonstrate a collaborative way to work with a diverse range of businesses as part of the supply chain. Illustrative examples: co-design and co-creation of services; collaborative performance management; appropriate commercial arrangements; inclusive working methods; and use of inclusive technology.</li> <li>• Understanding of scalable and future-proofed new methods to drive greater modernisation of delivery and increase productivity.</li> <li>• Approach to organisational learning and continuous improvement.</li> <li>• Creation of a delivery environment that is conducive to the development of scalable and future-proofed new methods to modernise delivery and increase productivity.</li> </ul>

Theme	Outcome	Model Award Criteria	Sub-Award Criteria
		<p>delivery and increase productivity.</p> <p>MAC 3.4: Demonstrate collaboration throughout the supply chain, and a fair and responsible approach to working with supply chain partners in delivery of the contract.</p>	<ul style="list-style-type: none"> <li>• Approach to accessing, supporting and developing local knowledge in the delivery of the contract.</li> <li>• Measures to ensure supply chain relationships relating to the contract will be collaborative, fair and responsible</li> </ul>



## 11.2 Suggested social value KPIs

### Theme: Fighting Climate Change

Model Award Criteria:

MAC 4.1 Deliver additional environmental benefits in the performance of the contract including working towards net zero greenhouse gas emissions.

Possible KPIs:

- Percentage of carbon reduction (measured in metric tonnes carbon dioxide equivalents (MTCDE) across Scope 1, Scope 2 and Scope 3 by the supplier committed within the contract at a corporate level
- Supplier committed to carbon Net Zero at a corporate level by an acceptable date.

### Theme: Tackling Economic Inequality

Model Award Criteria:

MAC 3.1: Create a diverse supply chain to deliver the contract including new businesses and entrepreneurs, start-ups, SMEs, VCSEs and mutuals.

MAC 3.3: Support the development of scalable and future-proofed new methods to modernise delivery and increase productivity.

MAC 3.4: Demonstrate collaboration throughout the supply chain, and a fair and responsible approach to working with supply chain partners in delivery of the contract.

Possible KPIs:

- % compliance with offered prompt payment terms for supply chain partners.
- Number of opportunities for local knowledge to be accessed in the delivery of the contract.
- Number of opportunities for local knowledge and skills to be supported and developed in the delivery of the contract.

## ANNEXES

## ANNEX A: LEAF JURISDICTIONAL TRACKER

Country	Jurisdiction/area	LOI intent signed	Expected LOI signature date	ERPA signature Y/N/In progress	Expected ERPA signature date
Brazil	Acre	No			
Brazil	Amapá	Yes			
Brazil	Amazonas	Yes			
Brazil	Maranhão	No			
Brazil	Mato Grosso	Yes			
Brazil	Pará	Yes			
Brazil	Roraima	No			
Brazil	Tocantins	No			
Burkina Faso	Burkina Faso	No			
Costa Rica	Costa Rica	Yes		In progress	By Q3 2023
DRC	Province of Thsuapa	No			
Ecuador	Ecuador	Yes		In progress	By April 2023
Ghana	Ghana	No		In progress	
Guyana	Guyana	No			
Kenya	Kenya	No			
Mexico	Jalisco	No			
Mexico	Quintana Roo	No			
Nepal	Nepal	Yes		In progress	By March 2023
Nigeria	Nigeria	No			
Papua New Guinea	Papua New Guinea	No			
Uganda	Uganda	In progress	By April 2023		
Vietnam	Vietnam	Yes		In progress	By Q4 2023
Zambia	Zambia	In progress	By April 2023		

## ANNEX B: LEAF TRANSACTION PATHWAY

## TRANSACTION PATHWAYS

### Pathway 1 - Donor governments

Sovereign contributors will provide results-based payments (RBPs) and neither take title to the ERs nor use them towards their NDC targets. Supplier receiving RBPs will be required to retire the ERs on the ART registry, but the Supplier Country may include the underlying mitigation in accounting for its NDC.

### Pathway 2 - Corporates

Private sector buyers may replicate the sovereign approach (e.g., RBPs without taking title). Supplier receiving RBPs will be required to retire the ERs (emissions reductions) on the ART registry, but the Supplier Country may include the underlying mitigation in accounting for its NDC.

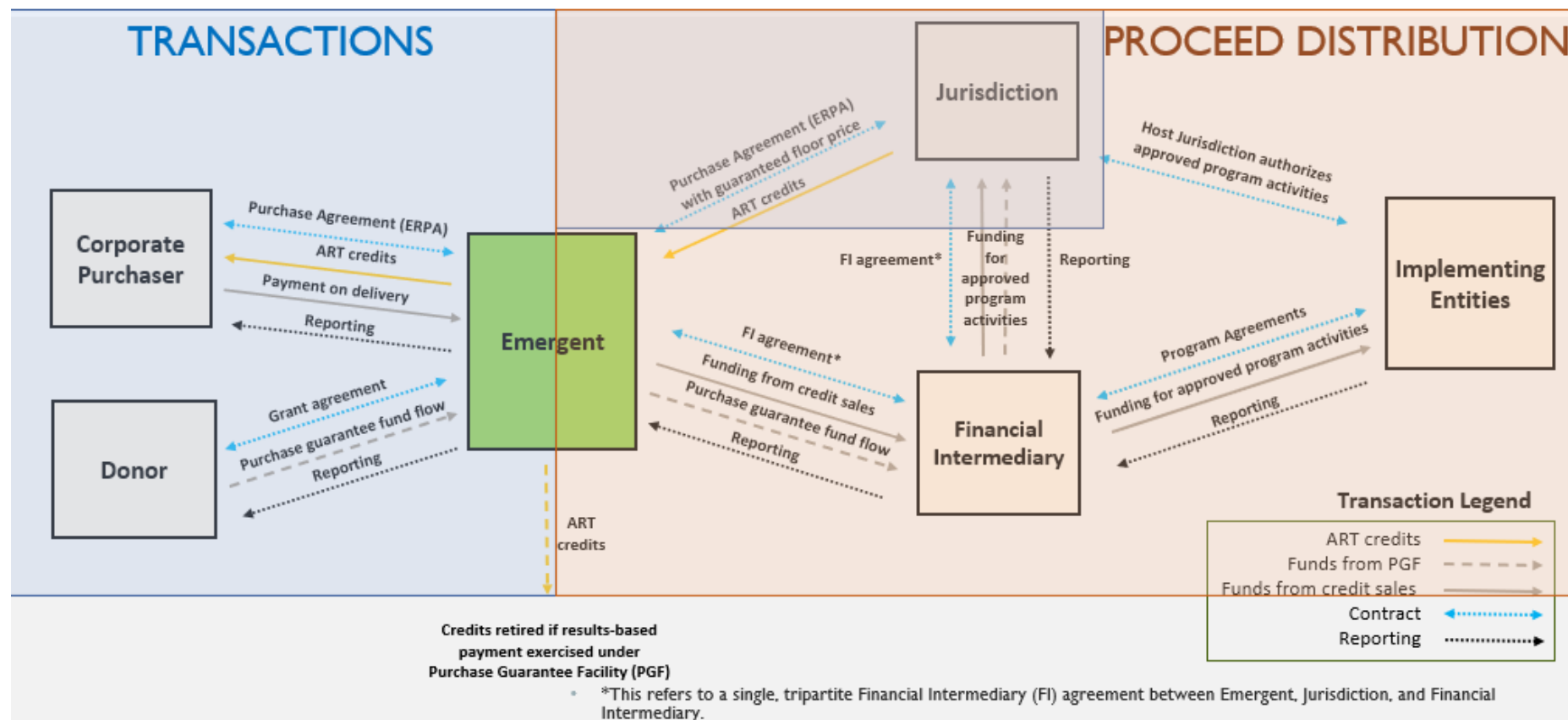
### Pathway 3 - Corporates

Private sector buyers may provide results-based finance and take title to the ERs. If private sector buyers take title to the ERs under this option, the Supplier will transfer the ERs to the buyer on the ART registry, but the Supplier Country will include the underlying mitigation in accounting for its NDC. The private sector buyer will transparently communicate that the underlying mitigation counts towards the Supplier Country's NDC implementation and achievement.

### Pathway 4 - Corporates

Private sector buyers may take title to ERs, including for use towards compliance targets, for which the Supplier Country is willing to make a corresponding adjustment. Under this option the Supplier will transfer the ERs to the buyer on the ART registry, and the Supplier Country will apply corresponding adjustments for the underlying mitigation in accounting for its NDC and report on it to the UNFCCC.

## ANNEX C – TRANSACTIONS FLOW DIAGRAM



### **Schedule 3 – Supplier Proposal**

See attached document

## Schedule 4 – Contract Price

*This Schedule has been amended from that which originally appeared in Schedule 2 when it was published during the procurement.*

### Contract Value

1. The value of this Contract during the Initial Term is **£5,000,000 GBP** inclusive of VAT and taxes. This includes all fees and expenses of the Contractor and all Technical Assistance.

### Contract Value during Extension

2. If agreed by both parties, the Contract may be extended beyond the Initial Term by up to 24 months and up to an additional £3,000,000, inclusive of VAT and taxes.
3. This extension may be on a costed basis or on a no-cost basis for a continuation of the same scope of work to respond to clear additional demand from the beneficiary countries. It is the view of the Authority that the amount of work that would be required in any extension period both in terms of oversight and in terms of country engagement would be substantially less than the initial contract term which justifies the reduction in potential value for the extension period compared with the initial contract term. If these assumptions do not prove to be correct such that the value of the extension is larger than stated, a re-procurement will be required.

### Price Budget

4. The commercial approach is split into three budget areas:

BA1: Programme Management, Oversight and Core Delivery

BA2: Country Engagement

BA3: Technical Assistance

The make up of each of these budget areas is detailed in this Schedule below.

5. Based on budget modelling, the Authority has a good sense of the expected costs of this programme to deliver. We are looking for a budget that offers value for money and maximises the resources available for delivery of Technical Assistance. As such we anticipate the following budget breakdown may be appropriate. However, these ranges are not presented as budget limits and the Contractor has proposed and will justify a budget that allows them to deliver their methodology in line with Schedule 2.
  - BA1: Programme Management, Oversight and Core Delivery: 5%-15%
  - BA2: Country Engagement: 5%-10%
  - BA3: Technical Assistance: 70%-80%
6. All budgeting, forecasting, reporting and billing from the Contractor to Authority will be in GBP only.

### Pricing structure

7. The Authority's approach to budgeting reflects a desire for transparency on programme management costs, as well as the overall profit margin being made on the programme. The overall profit margin will be declared, treated as a maximum and

monitored over the duration of delivery. Given the inherent unknowns at the bidding stage we are also proposing an initial budgeting approach that is fair and transparent for all bidders.

8. The pricing and payment structure for this contract is as follows:

Budget Area	Pricing structure
BA1 – Programme Management, Oversight and Core Delivery	<p>The price for BA1 will be made up of:</p> <p><u>Fees</u></p> <ul style="list-style-type: none"> <li>• Daily fee rates and planned delivery days for the supplier and any core subcontractors for programme management, commissioning and oversight activities over the life of the contract.</li> <li>• Daily rates should be inclusive of all overheads and profit, but exclusive of VAT.</li> </ul> <p><u>Expenses</u></p> <ul style="list-style-type: none"> <li>• Expenses for the Contractor relating to delivery of BA1.</li> </ul> <p>The budgeted total fees and expenses will form a maximum price for BA1 over the duration of the contract.</p> <p><u>Payment structure</u></p> <ul style="list-style-type: none"> <li>• Payments will be made on a bi-monthly basis (i.e. every two months) for work satisfactorily delivered in the preceding months. Bi-monthly fee payments will be on a fixed price basis (i.e. total fee / 12 equal payments over a two-year contract).</li> <li>• The fee amounts will be reviewed by the Authority and the Contractor at the 6-month and 12-month review period.</li> <li>• Expenses will be billed at cost supported by receipts.</li> </ul>
BA2 – Country Engagement	<p>The exact cost for engagement with each country will be decided in detail during the inception of the project. A detailed budget for BA2 is not required at the bid stage.</p> <p>The Contractor has proposed their % management fee at the bid stage for BA2 and BA3. This fee will be applied for evaluation purposes to the remaining contract value once the proposed cost of BA1 has been allocated.</p> <p><u>Fees</u></p> <ul style="list-style-type: none"> <li>• The costs of daily fee rates and expenses for any external partners will be agreed by the Contractor and recharged back to the Authority at cost.</li> <li>• The Contractor will propose a fixed percentage management fee to be charged on the total value of engagement work.</li> <li>• The Contractor should provide a rate card for their own staff if they anticipate any direct delivery of Country Engagement. This rate card will be the same as that proposed for BA3.</li> </ul>

Budget Area	Pricing structure
	<ul style="list-style-type: none"> <li>For the avoidance of doubt, in the event that the Contractor directly delivers any engagement work, the management fee will not be charged.</li> </ul> <p><u>Expenses</u></p> <ul style="list-style-type: none"> <li>Expenses for country engagement are an eligible cost item.</li> </ul> <p><u>Payment structure</u></p> <ul style="list-style-type: none"> <li>Payments will be made bi-monthly for work delivered by technical partners in the preceding billing period with the agreed management fee added to the invoice. These invoices will be supported by invoices from the relevant technical partners.</li> <li>Directly delivered engagement will be billed on a time and materials basis based on the agreed rate card and budget without a management fee applied.</li> <li>Expenses for directly delivered engagement activities will be billed at cost supported by receipts.</li> </ul>
BA3 – Technical Assistance	<p>The exact cost breakdown for TA will be decided during project delivery. For the purposes of budgeting the Contractor has proposed their % management fee at the bid stage for BA2 and BA3. This fee will be applied for evaluation purposes to the remaining contract value once the proposed cost of BA1 has been allocated.</p> <p><u>Fees</u></p> <ul style="list-style-type: none"> <li>Daily fee rates and expenses for technical partners delivering Technical Assistance will be agreed by the Contractor and will be billed on to Authority at cost.</li> <li>The Contractor will propose a fixed percentage management fee (as for BA2) to be added to the TA costs.</li> <li>The Contractor should provide a rate card for their own staff if they anticipate any direct delivery of Technical Assistance. This rate card will be the same as that used for BA2. For the avoidance of doubt, in the event that the Contractor delivers any projects directly 'inhouse', the management fee will not be charged.</li> </ul> <p><u>Payment structure</u></p> <ul style="list-style-type: none"> <li>Payments will be made bi-monthly for work delivered by technical partners in the preceding billing period with the agreed management fee added to the invoice. These invoices will be supported by invoices from the relevant technical partners.</li> <li>Directly delivered TA will be billed on a time and materials basis based on the agreed rate card and budget without a management fee applied.</li> </ul>



Budget Area	Pricing structure
	<ul style="list-style-type: none"> <li>Expenses for directly delivered TA activities will be billed at cost supported by receipts.</li> </ul>

9. The Contractor shall declare the overall maximum profit margin anticipated over the lifetime of the contract and report the annual profit margin on an annual basis. This will be self-audited the supplier, but the Authority reserves the right to request evidence, if required. The profit should be stated as EBITDA.
10. Daily rates will be fixed for the duration of the contract. The terms of any extension period would be the same as those of the original contract. Any extension period would allow for an evidenced, justified and approved increase in daily rates for the supplier linked to inflation with the overall budget remaining within the same profit margin as the original bid and contract.
11. Management fee percentages will be fixed for the duration of the contract and any extension period.
12. The fee for the Contractor will be a combination of:
  - a) Fees based on daily rates and expenses for BA1
  - b) Fees based on percentage management fees for BA2 and BA3. The percentage management fee for BA2 and BA3 must be the same.
13. The Authority anticipates that the budget breakdown between BA1 and the other budget areas as received by the Contractor and reflected in the contract will be fixed for the duration of the contract period. However, the Authority expects the Contractor to actively manage the budget and discuss any concerns with regards to budget splits as soon as reasonably practicable. Where, in the opinion of the Authority, there is a clear commercial and quality justification for reconsidering the budget split during the delivery period, changes to the budget may be considered and agreed.

#### Payment schedule

14. Billing will be bi-monthly in arrears and will be linked to work satisfactorily delivered in the preceding two months.
15. Invoices will be submitted accompanied by such supporting documentation as may be agreed with the Authority contract officer. This will include but may not be limited to:
  - Timesheets (where required)
  - Technical Partner invoices
  - Expenses breakdowns and supporting receipts
16. For the avoidance of doubt, the fee for BA1 will be billed on an agreed fixed fee basis. However, the Authority reserves the right to request additional supporting documentation on the delivery of BA1 to support invoices.

#### Expenses

17. Expenses incurred by the Contractor in performing the services, as well as expenses incurred in the delivery of technical assistance to the beneficiaries are eligible costs under this programme. Eligible expenses including travel and subsistence that are compliant with the expenses policy attached to Schedule 6 of the Contract will be reimbursed at cost and should be budgeted for by the Contractor. Exceptions to the expenses policy must be agreed in writing with the Authority prior to any costs being incurred. Any costs at odds with the expenses policy that are not pre-agreed are incurred at the Contractor's own risk.

#### Forecasting

18. The Contractor will be required to provide a forecast of spend of the budget to be updated bi-monthly in line with planned payment milestones and reporting requirements. Invoiced amounts are to be within 10% of the confirmed forecast for the quarter. Exceptions must be justified.

#### Payment Terms

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

#### Contractors Price Summary

20. Contractor's total maximum Contract Price for the Initial Term for BA1 Total programme oversight is REDACTED and is broken down in the table below.
21. The Contractor's BA 2 and BA3 Country Engagement and Technical Assistance fee will be REDACTED
22. The Contractor's Maximum project margin is REDACTED
23. The Contractor intends to provide either Country Engagement or Technical Assistance directly.

REDACTED

24. The Tables below outline the proposed delivery budget for BA1:

REDACTED

25. Fund remaining (Total Fund - (BA1 Fees + BA1 expenses)) will be REDACTED

26. The payment schedule for BA1 elements is provided below:

REDACTED

#### Rate Card

27. The Rates which will be used by the Contractor throughout this Contract, including extensions are provided below. The below are exclusive of VAT. This refers to direct delivery of TA by the Contractor and any subcontractors who will be involved in the delivery of BA 1 – Core Delivery and Programme Management.

REDACTED

#### Costed Workplan

28. An image of the costed Workplan for BA1 and Corte delivery elements of BA 2 and BA 3 is provided below (when using an electronic file, please zoom in to read detail). A copy of this plan is also provided as a file below.

REDACTED

## Schedule 5 – Correspondence

*The below sections were included with the Contractor's Tender submission and as such should be read in conjunction with Schedule 3.*

### 1. Conflict of Interest

REDACTED

### 2. Confidential Information

REDACTED

### 3. Commercially Sensitive information

REDACTED

### 4. Maintaining Healthy Supply Chains

REDACTED

### 5. Insurance

### 6. REDACTED

### 7. Data Storage

### 8. REDACTED

### 9. Specification and Price Clarifications

*The below table is produced from relevant Clarifications received during the procurement process. It should be read in conjunction with Schedules 2 and 4 as indicated.*

	Question	Answer
In relation to Schedule 4 Contract Price		
1.	Can the Authority please clarify the VAT status of the programme?	<p>The budget for the programme is £5m inclusive of VAT and taxes. Given the nature of the services being provided we do not anticipate being able to reclaim VAT paid on this programme.</p> <p>UK VAT treatment for billing purposes of services delivered by third party subcontractors overseas and passed on to the Authority may be different to cases where services are delivered/fee charged and billed directly by the main delivery partner. Given this and the fact that we have not specified a split of activity between direct delivery and subcontracted delivery, for the purposes of providing a fair and equal evaluation position bids should be submitted exclusive of VAT.</p> <p>The successful supplier will need to work with the Authority to ensure that VAT is accounted for in budgeting and management of the overall TA fund.</p>
2.	Can the Authority confirm that within the Forecast Spend, the only pricing should be related to	The Authority confirms that the Forecast Spend should include proposed milestone payments for BA1 only. Considering the

	Question	Answer
	the fixed milestone amount for BA1 (i.e. the total value provided in Budget Summary B11)? It should not include forecasted TA or expenses?	uncertainty of the spend profile for BA2 and BA3 it would not be realistic to forecast these at present.
3.	A significant proportion of the total budget might be committed to external partners, to be recharged back to the Authority at cost. We understand from the ITT that a management fee can be levied on such external partner costs. Please clarify whether it is acceptable for profit to be included in that management fee? We acknowledge the total contract profit must remain within the maximum profit % declared in the tender response.	It is acceptable for the percentage management fee to include profit yes. We are interested in the overall profit margin for the contract and do not require a breakdown of exactly which part of the budget that profit comes from as each supplier will likely take a different approach to budgeting.
4.	Annex A – Pricing Annex, tab Rate card. Could you please confirm whether the rate card refers only to direct delivery performed by the lead supplier or if it also refers to the any technical assistance delivery by subcontractors?	This refers to direct delivery of TA by the lead supplier and any subcontractors who will be involved in the delivery of BA 1 – Core Delivery and Programme Management.
In relation to LEAF TA Services in Schedule 2 Specification		
5.	Does direct delivery of technical assistance refer only to delivery by the main supplier with whom the Authority has signed the contract, or does this extend to any main subcontractors named at the bid stage, whose staff names may be included in the pricing schedule?	The Authority confirms that anyone who is part of the core consortium delivering BA1 would count towards direct delivery of technical assistance.
6.	The Specification asks suppliers to confirm that in principle they are able to work in at least the 23 jurisdictions presented in the Specification as well as providing a rationale for any jurisdictions listed they are not able to operate in. Given that we have a duty of care to our whole supply chain, would the Authority expect in-country engagement in jurisdictions where the FCDO has advised against all but essential travel. For example, the FCDO advises against all but essential travel to Burkina Faso and parts of DRC – would this be an	<p>The Authority does not expect the Contractor to carry out any activities which, given their duty of care responsibilities, they deem too risky for their staff or any subcontractors. This may include countries and jurisdictions where FCDO has advised against all but essential travel but may include other jurisdictions not currently on this list in line with their own policies and duty of care responsibilities. The Authority also recognises that it is possible for jurisdictions to be added or removed from travel advice lists over time and would expect the successful supplier to reasonably work with the Authority to deliver the services based on changing circumstances over time.</p> <p>Where the Contractor would not be able to engage in certain jurisdictions for duty of care or security concerns they should state this. In addition, the Contractor should indicate, for those jurisdictions where travel will not be possible, whether they are unable to work there at all or whether they would be able to</p>

	Question	Answer
	acceptable rationale for not operating in such areas?	operate with a local partner or remotely instead. It may be that the Contractor deems that remote working in some jurisdictions would be ineffective or too high risk to be practical. If this is the case, this should also be stated.
7.	Do all subcontractors providing technical country assistance need to be listed and included in the proposal submitted on the 19th of April or can be found afterwards?	Technical assistance providers can be found after contract award and during delivery in response to the needs articulated by the beneficiary jurisdictions. Without engagement with the beneficiary jurisdictions it would be very challenging to cover off all potential TA subcontractors at the bid stage. The Authority expects that the Contractor would need to take on additional TA subcontractors at some stage in the delivery process and should be prepared to do so where necessary.
8.	In relation to the Social Values section, can the Authority confirm if the environmental benefits can be within the LEAF countries of operations and where the Facility Management team are based?	Yes. The benefits of social value can be in the UK or in other countries.
In relation to Contract Management elements to be considered as part of Schedule 2 Specification		
9.	Please confirm alternative certification for cyber security compliance and whether this is acceptable to the Authority.	<p>The Authority does not consider the contract to fall within the scope for mandatory IT Security certification to the Cyber Essentials standards, however the Authority expects the Contractor to implement and maintain high standards of IT security and best practice which may be evidenced through alternative cyber security certification.</p> <p>The Authority also expects and requires the Contractor to comply with all relevant legislation relating to data protection and cyber security.</p>
10.	Regarding the stipulations of the ICF Supplier Code of Conduct, are suppliers expected to hold all memberships at the time of tendering or are they able to state that they will commit to these following contract award e.g. membership of Ethical Trading Initiative (ETI) and Inter-Agency Misconduct Disclosure Scheme.	The Authority confirms that the Contractor would be expected to indicate an intent in Schedule 3 and to hold membership in all relevant bodies before the contract start date.
In relation to Terms & Conditions, Schedule 1		
11.	Terms and Conditions: Regarding clause 15 (4). Please can you confirm which security vetting procedure is referred to?	We do not consider at this stage that security vetting will be required for this contract. Should this position change the necessary security vetting procedure will be discussed with the supplier.
12.	Terms and Conditions: With regards to clause 26.7 whereby any liability that is covered by a required insurance policy is carved out/exempt from the liability cap. For this particular contract we expect the majority of the work will be performed by	<p>We agree that unlimited liability is not appropriate and confirm that we are not asking for unlimited liability but liability capped annually as per clause 26(5) or the limits of the insurance policy whichever is the greater. This is in line with the following clauses of the contract:</p> <p>26(5) Subject to clause (4), each Party's total aggregate liability in each Contract Year under this Contract (whether in</p>

	Question	Answer
	<p>specialist technical subcontractors, some of whom will be unable to accept this level of liability or obtain insurance at this level and therefore this may be disadvantageous to SME technical providers. Would BEIS be prepared to enter discussions about this carve out and negotiate a more acceptable position?</p> <p>Further clarified by supplier: Our concern is that as the insurance requirement is per claim with an unlimited number of claims possible, our interpretation of this means that despite the overall liability cap of £5m or 150% of fees, you could actually have multiple claims that add up to far more than this. Given the nature of the Programme with multiple subcontractors supporting on multiple projects there is potentially a heightened chance of multiple claims being made both against us or any subcontractor which supports in multiple projects/regions.</p> <p>This is especially true with professional indemnity insurance as this would likely cover the majority of claims made, i.e. if there were 10 claims in one year which were covered by Professional liability insurance (cap of £1m per claim) then our liability would be £10m not £5m. If that is the correct interpretation of this clause then this is not standard industry practice and we believe not in the interests of either party. Therefore, we wanted to confirm if the intention was for an essentially uncapped liability or for liability to be capped at £5m in aggregate per year regardless of the number of claims?</p>	<p>tort, contract or otherwise) is no more than the greater of £5 million or 150% of the estimated annual Charges due under this Contract.</p> <p>26(7) Where a matter is covered by any of the insured liabilities in clause 27, then the limit of the Contractor's liability shall be the greater of the amount described in clause 26(5) or the limit of the insurance policy required under this Contract.</p> <p>27(1) The Contractor shall obtain and maintain for a period of 12 years after the expiration of termination of this Contract (and on business as usual terms) with a reputable insurance company the following policy/policies:</p> <ul style="list-style-type: none"> <li>a. Public liability insurance with a limit of indemnity of not less than £10,000,000 (Ten Million Pounds) in relation to any one claim, the number of claims being unlimited;</li> <li>b. Professional indemnity insurance with a limit of indemnity of not less than £1,000,000 (One Million Pounds) in relation to any one claim, the number of claims being unlimited;</li> </ul>

## Schedule 6 – Expenses Policy and Eligible Costs

### 1. Background to guidance

[Managing Public Money](#) (2022), HM Treasury guidance on the use of public funds, demonstrates the Government's clear stated policy that taxpayers' money is used as intended. In order to **increase transparency, clarity and consistency** in the spending of funds this eligible expenditure guidance forms part of this contract. In the event of any conflict between the contract or agreement terms and conditions and this document the contract or agreement will take precedence.

This guidance document provides details of both eligible expenditure and items of expenditure that are expressly ineligible and should be referred to when submitting the budget template supporting your proposal. The guidance will help organisations calculate the full cost of a particular project or service, including an appropriate share of all relevant support services and other overheads/indirect costs as appropriate.

The Authority reserves the right to make changes to this document from time to time in line with developments in Government policy.

### 2. Principles of eligibility

The contract amount is to be used solely for costs included in the budget for the delivery of the outputs and outcomes in the log frame or agreed results model framework. These costs must:

- Be actually incurred by the recipient
- Be incurred within the period set out
- Be indicated within the cost budget
- Be incurred in connection with and necessary for implementation
- Be identifiable, verifiable and recorded in the recipient's accounts in accordance with applicable accounting standards and with the beneficiary's usual cost accounting practices
- Be compliant with applicable national law on taxes, labour and any all other relevant national law
- Be reasonable, justifiable and compliant with the principles of sound financial management

**Expenditure cost categories containing specific eligible and ineligible definitions are defined within this guidance and the budget should be completed in line with the guidance.**

### 3. Foreign exchange

All costs within the budget must be in GBP. Suppliers operating in another currency must convert to GBP at the spot FX rate and the source and value of any exchange rates used should be referenced in the budget.

### 4. Ineligible costs (applicable to all budget categories)

The following expenditure items are explicitly ineligible across all expenditure cost categories unless permitting them is a specific requirement of the contract (this list is not exhaustive and does not override activities which are deemed eligible and explicitly agreed as part of the contract):

- Lobbying UK government, i.e. activities which aim to influence or attempt to influence Parliament, UK government or political activity, or UK legislative or regulatory action
- Activities which directly enable one part of government to challenge another on topics unrelated to the agreed purpose of the contract
- To petition UK Government for additional funding
- Activities which may lead to civil unrest



- Activities which discriminate against any group on the basis of age, gender reassignment, disability, race, colour, ethnicity, sex and sexual orientation, pregnancy and maternity, religion or belief
- Interest payments or service charge payments for finance leases
- Gifts
- Statutory fines, criminal fines or penalties
- Payments for works or activities that are fully funded by other sources whether in cash or in kind, for example if premises are provided free of charge, the Authority will not contribute to a notional rent
- Activities in breach of UK Legislation on Subsidy Control
- Bad debts to related parties<sup>2</sup>
- Payments for unfair dismissal or other compensation
- Replacement or refund of any funds lost to fraud, corruption, bribery, theft, terrorist financing or other misuse of funds
- The cost of any fines or charges applied by local Governments or by any local public authority
- Costs or benefits provided to any public official or third party if there is a high likelihood that the payment or benefit was for improper purposes (e.g. facilitation payments)
- Fundraising (with the exception of any agreed allocated costs not attributable to the project (indirect costs))
- Foreign exchange as a standalone budget line
- Contingency or risk premium
- Depreciation (with the exception of any agreed allocated indirect costs)
- Debt repayment
- Auditing or accounting costs associated with the production of Reasonable Assurance Reports for grant claims
- Costs associated with preparing bid or commercial proposal prior to a formal agreement being executed or in the preparation of proposals for the take up of contract extension options
- Costs incurred prior to a formal agreement being executed
- **Unless directly attributable to the programme**, advocacy and campaigning, marketing and communications, policy, retainer fees, capital expenditure, land, bank charges and insurance (unless, by exception, explicitly agreed in writing in advance).<sup>3</sup>

Additional exclusions relating to specific expenditure cost categories are detailed in this guidance and are mandated in addition to the above general ineligible costs. In case of any doubt, the delivery partner or supplier should consult the Authority in advance.

## 5. Expenditure cost categories

In an organisation there are two types of costs that are incurred as a result of running a project or service: Direct Programme Costs and Indirect Costs.

**Direct Programme Costs** are subdivided further into two types of Direct Costs:

- (a) Direct project costs:** These are all the costs that are clearly and directly *incurred because of the project*. Typically, they include the salaries of project staff, their travel and subsistence, project materials, and all other costs easily identifiable as part of the project.
- (b) Directly attributable project costs:** These are all the costs that are clearly and directly *attributable to the project*. Typically, they include country office resources specifically allocated to the project.

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<sup>2</sup> "Related Party" has the same meaning as in international accounting standards.

<sup>3</sup> There are limited circumstances where it is appropriate to include insurance costs, for example to meet legal obligations or where doing so provides value for money (this is an extract from [Managing Public Money](#))

**Indirect costs** comprise those overhead costs that are not attributable to a project. These costs are incurred by an organisation in order to support the projects that it runs.

## **6. Direct programme costs**

Direct programme costs are activities and costs directly incurred in the delivery and implementation of the programme and are directly linked to specific project outcomes and results. This generally includes frontline delivery costs and programme management and support costs.

### **6.1. Staff costs (including payroll taxes and benefits)**

All individuals working under an employment contract, a direct contract (consultant), a sub-contractor or an individual seconded and assigned to the programme are eligible costs. Each salaried and non-salaried staff member should be assigned a role and the daily fee rate should be individually listed:

The daily fee rate is deemed to cover the cost of salary remuneration and benefits including superannuation (pension) and payroll taxes. If the cost is that of a sub-contractor, the daily fee rate will be the total invoiced cost chargeable to the project. A line item stating total staff costs will not be accepted.

The Authority will only reimburse productive days' work.

You should include details in your budget where time is being donated to programmes at no charge (in-kind contributions).

### **6.2. Management fees**

The costs incurred by the Lead Organisation of managing both the recruitment and project work of external consultants and delivery partner programme staff where these are significant – i.e. they result in specific additional direct programme costs that are in excess of normal organisational establishment cost levels are eligible costs.

### **6.3. Frontline programme delivery costs**

Frontline delivery expenditure includes commodities for beneficiaries or participants, transport of commodities (excluding vehicles which are capital expenditure and driver salaries which are included under travel costs, but including freight and logistics), storage of commodities, training and associated costs for beneficiaries or participants, disbursements to beneficiaries or participants, and any other frontline delivery costs associated with the delivery of programme outputs. This excludes staff costs, travel accommodation and subsistence, and capital expenditure which should be detailed separately under expenses.

### **6.4. Capital expenditure items**

Capital expenditure includes specialist equipment, office furniture and equipment, standard and off-road motor vehicles and any other project related equipment. Any aspect of capital expenditure included must be fully justified as contributing to the sustainable outcome of the project. The cost should be recorded in the year in which the purchase is planned; do not spread the cost of a new purchase over the lifetime of the project.

**Depreciation is not an allowable expense.**

Ownership of any capital items bought using the Authority's funds is retained by the Authority throughout the lifetime of the project. The future use of an item will be discussed and agreed on project completion.

There is a requirement for a programme asset register to be maintained for all assets purchased at a value of £500 or more.

### **6.5. Travel, subsistence and accommodation**

Travel undertaken for delivering the programme (including that related to monitoring, evaluation and learning activities) are eligible costs. This includes air, rail, car hire and other travel costs, hotel and accommodation costs, subsistence, travel management fees,

travel documentation costs (e.g. passport/visa costs), travel vaccinations. The budget should include as much information as possible about travel plans.

**The Authority is committed to working towards Net Zero both domestically and internationally. As such all Authority suppliers should look to minimise travel as much as possible. Where travel cannot be avoided the greenest option should be chosen.**

#### 6.5.1. Ineligible expenses

The following are ineligible expenses and may not be claimed. Exceptions must be agreed in writing with your Authority contract or agreement manager prior to any costs being incurred. Authority contract managers may also need to seek senior civil service and/or specialist approval for any exemptions. Any costs incurred without prior written approval are incurred at the supplier's own risk and expense and will not be reimbursed by the Authority.

- Alcohol
- Tobacco
- Personal entertainment/recreation or travel
- Per diems (N.B. at cost accommodation and subsistence can still be paid for supported by receipts)
- Business and first-class travel or fully flexible tickets for flights or ground transportation
- Clothing
- Laundry
- Excess baggage
- Extra legroom
- Other travel facilitation costs e.g. charges to select a seat in advance of travel

#### 6.5.2. Travel

Travel and living expenses will be paid at a rate consistent with the [HMRC's schedule of rates](#)<sup>4</sup>.

All journeys by rail or air will be budgeted by a class of travel that is no more than **"standard economy"** unless higher travel classes are representative of improved value for money or are required to adhere to specific legislation, for example the Equality Act 2010. Your Authority representative will confirm if this is appropriate, and no travel should be booked in a class higher than "standard economy" **without express written permission**. First class travel will not be permitted under any circumstances. If a supplier books anything other than standard economy travel without prior written approval, these costs are incurred at their own risk and expense.

The most economical form of transportation must always be used. The use of taxis or car rental where safe, frequent and reliable public transport exists must be justified.

For car journeys less than or equal to 10,000 miles in a personal car, these will be reimbursed at 45p per mile.

#### 6.5.3. Subsistence

Alcohol and tobacco are not allowable subsistence items under any circumstances.

Where food, refreshments, transportation, accommodation or other expenses are required for the participants of a workshop, conference, seminar etc. (including staff of the supplier or project partners) all costs must be reasonable and follow these guidelines. In the event that a supplier is not able to stick to these rates they must contact their Authority contract manager to discuss and provide a rationale for any exemption. Exemptions must be provided in writing by the Authority in advance of any above-rate

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<sup>4</sup> <https://www.gov.uk/government/publications/scale-rate-expenses-payments-employee-travelling-outside-the-uk> -

expenses being incurred. In the event that a supplier incurs above-rate expense without prior written approval, these costs are incurred at their own risk and expense.

As per the guidance in this document, expenses are to be claimed and paid for based on actual expenses incurred supported by receipts. The Authority will not pay fixed per diems.

#### **6.6. Passport and visa costs**

Staff travelling overseas must have a valid passport. In the event that staff do not have and have never owned a full Passport, the costs associated with issuing a new passport may be claimed from the Department. Written approval is required before entering into, or committing to, this process from your Authority Contract Manager who will require explicit advance approval from their Finance Business Partner.

**Costs for renewing or replacing expired passports are not reclaimable from the Department.**

In the event that staff are travelling to a country that requires a visa with an associated cost, claims for reimbursement may be made.

#### **6.7. Claiming expenses**

To be reimbursed, expenses must be incurred during the period of the project and be linked to the approved budget lines and activities of the project. All expenses must be clearly detailed and evidenced, showing the actual cost incurred supported by receipts, tickets, hotel bills etc.

- Every expense claim should include sufficient information to justify each expense and should include what the expense is, the date it was incurred and the reason why. All travel claims must state the journey start and end location.
- Bank or credit/debit card statements alone are not acceptable evidence, though must also be provided if the receipt does not evidence payment.
- The currency in which the expense was incurred should always be detailed. If this is not GBP, evidence should be provided showing the exchange rate to GBP (ideally a bank statement showing the GBP cost debited or details of the exchange rate from [www.xe.com](http://www.xe.com) or [www.oanda.com](http://www.oanda.com)). There are several accepted approaches. So long as used consistently, reporting can use the exchange rate on the date each expense was paid; the date the invoice was submitted; or the monthly average. For advance payments, the rate used can be the date the money was paid from the bank.
- Per diem rates will not be reimbursed. However, actual expenditure (evidenced by receipts, invoices etc.) on accommodation, subsistence and travel can be reimbursed.
- Air miles or equivalent reward schemes should not be used to pay for the cost of flights as they will not be reimbursed.

### **7. Indirect costs**

Indirect costs are overhead costs that relate to the overall operations, management and identity of the supplier rather than to programme services. These costs are necessary for programmes to function although cannot be clearly linked to specific project outcomes and results (i.e. business expenses not including or related to direct labour, direct materials or third-party expenses that are charged directly to projects).

Typically, they include overall management and employee costs, administration and support, equipment, space and premises costs, and activities that relate to the whole organisation and partly support your project, but also support your other projects. These may include:

#### **7.1. Premises and office costs**

This category relates to all costs associated with the organisation's premises and office including rent and imputed rent, mortgage costs, depreciation, management of facilities,

building insurance, rates, maintenance and cleaning, groundworks and gardening, utilities, catering, vending services and residential accommodation.

## **7.2. Central function costs**

This category relates to all costs associated with the organisation's Board of Directors including basic salary, maternity and sick pay, other paid leave (sabbatical, vacation, home leave, and paid holidays) overtime, allowances, payroll taxes, pensions, travel and subsistence and telephone.

It also relates to all salary and on-costs associated with the organisation's central functions including but not limited to human resources, finance, information technology, secretarial, internal audit, policy and research and evidence departments, marketing, office management and any other central support functions, travel and subsistence, bank charges and recruitment costs.

## **7.3. Governance and strategic development costs**

This category relates to external expert and professional services expertise brought in when in-house skills are not available, including payments for services contracted to provide strategic or governance direction, financial, management, procurement, legal, audit, human resources or technical advice. This includes any other internal governance and strategic development cost that is not a central function cost or premises and office cost.

## **7.4. Share of indirect costs**

Since different projects make different demands on the organisation it is important to note that indirect costs are not necessarily proportional to the direct costs of a project. Indirect costs should be shared between on a fair and reasonable basis. This means:

- Each programme's share of the indirect cost is appropriate given the nature and extent of its activities (i.e. a programme does not receive a share of overheads that it does not incur).
- There is a rational basis for the method used to share indirect costs that can be justified and supported.
- The allocation of indirect to the programme is only an estimate. The allocation method must be fair and reasonable based on the information you have.

A straight percentage allocation to the budget is not based on an understanding of your organisation's overheads and is therefore unlikely to meet the principles detailed above. If you intend to raise income for your programme from other sources, we expect those sources to cover their fair share of the programme's indirect costs. The Authority will only fund its share of the programme's overheads. We would not expect to fund a greater share of indirect costs than the share of the programme direct costs we are funding.

## **7.5. Accounting and budgeting for indirect costs**

We anticipate that, in the vast majority of cases, indirect costs will be included in the daily fee rates of staff and a further breakdown is not required at the time of bidding. If indirect costs are not included in daily rates and you need to list them separately, please speak to the Authority.

## **8. Payment basis and cost verification**

The Authority and HMG operate on a policy of operational need. Payments are made in arrears according to the Authority policy rules unless in exceptional circumstances and where otherwise expressly agreed in writing. We expect our partners to follow the same principles downstream with their subcontractors and partners.

An assessment of the eligibility of the costs included within your proposal will be conducted prior to the award of any contract or funding agreement.

## **Schedule 7 – Performance Management**

The Contractor will be subject to the following performance management conditions and Key Performance Indicators (KPIs). Please note that this Schedule was included in the Specification issued at ITT.

The LEAF TA programme performance will primarily be measured and managed using Key Performance Indicators (KPI). The requirements of the relevant contract schedule will apply throughout service delivery. The table below provides some indicative KPIs that will be finalised and agreed with the Supplier during the contracting stage.

Key Performance Indicators (KPIs) or Service Levels will be used to align the Contractor's performance with the requirements of the Authority. KPIs must be realistic and achievable, and have to be met, in order to demonstrate that the services are being delivered to an adequate quality.

The Authority reserves the right to amend the existing KPI's detailed below or add any new KPI's. Any changes to the KPI's will be agreed with the Contractor and, during delivery, be confirmed by way of a formal contract amendment.

KPIs will be monitored on a bi-monthly basis by the Authority and will be reported on at each invoicing period. The Authority will reserve the right to request reporting of KPIs on a more frequent basis if performance levels would suggest increased monitoring is required.

The Authority reserves the right to publish contract KPIs and performance against these in line with departmental and cross-Government requirements.

Performance of each KPI will be recorded against a red, amber, green "score", as described below, with a red score constituting a Service Level Failure. These levels of performance are detailed in the table below, along with the frequency of reporting. As a minimum, the Supplier will be required to report against KPIs (where possible) in each quarterly invoicing period.

Where KPI's have not been met because of issues outside of the Contractor's direct control, the Authority may choose to disregard the KPI penalties and corrective measures in that instance.

### **Scoring methodology for KPI criteria:**

- **Green Score:** If a green score has been awarded to a KPI then no further action is required from the Contractor, with the exception of continuing activities to maintain this score for the next reporting period.
- **Amber Score:** If an amber score is awarded, the Contractor should examine and implement measures to prevent this KPI being scored an amber in subsequent reporting periods. The Authority will not expect formal improvement measures at that stage. If a single KPI is awarded amber in

two consecutive invoice periods, or twice in four consecutive invoicing periods then the Contractor should create and implement a Remediation Plan at their own cost. This should detail how they will change their practices to prevent another amber score being awarded for this KPI. The timeline for producing this Remediation Plan should be agreed between the Authority and the Contractor and should only be implemented following approval by the Authority. The Authority reserves the right to terminate the Contract if a satisfactory Remediation Plan cannot be agreed.

- **Red Score:** If a red score is awarded, this is considered a Service Level Failure. The Contractor should create and implement a Remediation Plan at their own cost. This Remediation Plan should detail how they will change practices to prevent another red score being awarded for this KPI. As above, the Authority must agree to the timelines and contents of the Remediation Plan prior to implementation and reserves the right to terminate the Contract if a satisfactory plan cannot be agreed. If, following implementation of a Remediation Plan, the Contractor scores a red in the same KPI in any subsequent period throughout the duration of the Contract, the Authority reserves the right to terminate the Contract. The Authority also reserves the right to terminate the Contract if a KPI red score has been awarded without requesting a Remediation Plan if it is of the opinion of the Authority that a Material Default has occurred. The Authority reserves the right to suspend, or partially terminate the Contract, while a Remediation Plan is being developed and agreed, where there is justification to do so.

#### Key performance indicators applicable to this contract

The following draft KPIs will apply to this contract. These KPIs are subject to discussion with the winning bidder and may be amended by the Authority before contract signature and throughout the delivery of the programme in response to contract reviews and the needs of the programme and with the agreement of the Contractor.

Service Level Performance Criterion (KPI Category)	Ref. No.	Key Performance Indicator	Service Level Performance Measure	Service Level Threshold				Frequency	Notes
				Target	Target: Green	Target: Amber	Target: Red		
Social Value	SV1	Additional environmental benefits delivered in the performance of the contract	% of contract emissions offset	100%	100% - >90%	<90%->70%	<70%	Quarterly	Details of carbon credits purchased shared with DESNZ
Social Value	SV2	Tackling Economic Inequality	% of BA3 budget spend on national experts and SMEs	20%	>20%	<20%->10%	<10%	Quarterly	Beginning with the commencement of BA3.
Finance	F1	Forecasting accuracy	% variance between actual invoiced amounts and forecasted amounts.	Invoiced amount within 15% of forecast	<15%	>15% - <20%	>20%	bi-monthly	
Finance	F2	Accurate and timely invoicing	% of accurate and compliant invoices and quarterly financial reports submitted on time	Financial reports/invoices submitted on time	Within 15 working days of the end of the reporting period	Within 20 working days of the end of the reporting period	Within >20 working days of the end of the reporting period	After outputs signed off	
Reporting	R1	Reporting - provided in a timely, accurate and concise manner	Quarterly narrative/risk/ performance management reports submitted on time as agreed with the Authority	Reports submitted on time with respect to agreed deadlines	On time	5 working days after agreed deadline	>5 working days after agreed deadline		



Service Level Performance Criterion (KPI Category)	Ref. No.	Key Performance Indicator	Service Level Performance Measure	Service Level Threshold				Frequency	Notes
				Target	Target: Green	Target: Amber	Target: Red		
Delivery	D1	TA management	TA is completed on time and on budget to the required quality	Outputs delivered on time/on budget unless agreed in advance otherwise	100%	70-99%	<70%		
Delivery	D2	Responsive-ness	TA begins within the required timeframe [supplier to set response time between TA request and contract starting]	outputs delivered on time/on budget unless agreed in advance otherwise	100%	70-99%	<70%		
Delivery	D3	Effective working with HMG and beneficiaries	Positive feedback from LEAF beneficiaries	Evidence of positive feedback from beneficiaries	>90% of feedback positive	70-99% feedback positive	<70% feedback positive		

## Schedule 8 – Processing, Personal Data and Data Subjects

The Contractor will be compliant with the Data Protection Legislation as defined in the terms and conditions applying to this Invitation to Tender. A guide to the UK General Data Protection Regulation published by the Information Commissioner's Office, can be found [here](#).

The only processing that the Contractor is authorised to do is listed in Annex 1 by the Authority and may not be determined by the Contractor.

### **Annex 1: Processing, Personal Data and Data Subjects**

1. The contact details of the Authority's Data Protection Officer are:  
  
Data Protection Officer  
Department for Energy Security & Net Zero  
1 Victoria Street  
London  
SW1H 0ET  
Email: [dataprotection@beis.gov.uk](mailto:dataprotection@beis.gov.uk)
2. The contact details of the Contractor's Data Protection Officer (or if not applicable, details of the person responsible for data protection in the organisation) are: [dpo.ee@ricardo.com](mailto:dpo.ee@ricardo.com)
3. The nature of the service will require the Contractor to collect personal data directly from data subjects. The Contractor will use the agreed privacy notice as instructed by the Authority.
4. The Authority will be relying on consent as the relevant legal basis of processing. The Contractor will ensure that all communications requesting the provision on personal data allow for the data subject to provide clear, affirmative, informed, freely given and unambiguous consent, which requires a positive 'opt-in.' The Contractor will have mechanisms in place to ensure that consent is recorded and shown through an audit trail.
5. The Contractor shall comply with any further written instructions with respect to processing by the Authority.
6. Any such further instructions shall be incorporated into this Annex 1.

Description	Details
Data Protection Legislation	All applicable Law about the Processing of personal data and privacy

Description	Details
UK General Data Protection Regulation (UK GDPR)	The retained EU law version of the General Data Protection Regulation (Regulation (EU) 2016/679) as transposed into UK Law by the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2019.
Subject matter of the processing	<p>The processing of names and business contact details of staff of both the Authority and the Contractor will be necessary to deliver the services exchanged during the course of the Contract, and to undertake contract and performance management.</p> <p>The Contract itself will include the names and business contact details of staff of both the Authority and the Contractor involved in managing the Contract.</p>
Duration of the processing	Processing will take place from of the commencement of the Contract as detailed in the Contract offer Letter for the duration of the Contract plus a 12 month retention period. The Contract will end after two years as detailed in the Contract Letter, but may be extended as detailed in the Contract Letter.
Nature and purposes of the processing	<p>The nature of the processing may include some, none or all of the following: collection, recording, organisation, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction, erasure or destruction of data (and confirm whether the erasure or destruction will be by automated means) etc.</p> <p>Processing takes place for the purposes of delivery of the Services identified under this the Contract.</p> <p>The nature of processing will include the storage and use of names and business contact details of staff of both the Authority and the Contractor as necessary to deliver the services and to undertake contract and performance management. The Contract itself will include the names and business contact details of staff of both the Authority and the Contractor involved in managing the Contract.</p>
Type of Personal Data	Names, business telephone numbers and email addresses, office location and position of staff of both the Authority and the Contractor as necessary to deliver the services and to

Description	Details
	undertake contract and performance management. The Contract itself will include the names and business contact details of staff of both the Authority and the Contractor involved in managing the Contract.
Categories of Data Subject	<p>Staff of the Authority and the Contractor, including where those employees are named within the Contract itself or involved within contract management.</p> <p>Other individuals and stakeholders whom are involved in receipt or delivery of services or outputs delivered under this Contract.</p>
Plan for return and destruction of the data once the processing is complete UNLESS requirement under UK GDPR to preserve that type of data	<p>The Contractor will delete the Personal Data and erase the Personal Data from any computers, storage devices and storage media that are to be retained by the Contractor after the expiry of the Contract. The Contractor will certify to the Authority that it has completed such deletion.</p> <p>Where Personal Data is contained within the Contract documentation, this will be retained in line with the Department's privacy notice found within the Invitation to Tender.</p>

**Schedule 9 – Variation Template**  
**VARIATION TO CONTRACT FORM**

CONTRACT TITLE: .....

CONTRACT REF: ... .. VARIATION No: ..... DATE: .....

BETWEEN:

(1) The Secretary of State for Department for Energy Security & Net Zero  
(hereinafter called “the Authority”); and

(2) ..... (hereinafter called “the Contractor”)

1. The Contract is varied as follows:

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2. Words and expressions in this variation shall have the meanings given to them in the Contract.

3. The Contract, including any previous variations, shall remain effective and unaltered except as amended by this variation.

4. This Variation will be signed digitally on the Authority’s e-tendering portal. Digital signatures to this agreement will be attached upon execution by both parties.

## Schedule 10 - Gender Equality & Social Inclusion Definition

### ***What is GESI and why is it important?***

Gender, Equality & Social Inclusion (GESI) comprises two closely related and equally important concepts:

- Gender Equality is about addressing inequalities and transforming the distribution of opportunities, choices and resources available to women and non-binary individuals so that they have equal power to shape their lives and participate in the process thereby increasing equality between people of all genders.
- Social Inclusion refers to the process of improving the terms for individuals and groups to take part in society, and the process of improving the ability, opportunity and dignity of people disadvantaged and historically excluded from decision making and spheres of influence on the basis of their identity to take part in society<sup>2</sup>.

Whilst these definitions provide a starting point, we recognise that GESI considerations will vary greatly depending on a number of factors, including the nature of a given project and the location in which a project takes place. By ensuring GESI is at the heart of our programming, we can achieve more equitable outcomes, whether it is through equitable mitigation of the negative impacts of climate change or equitable distribution of the positive social, cultural, environmental and economic benefits of climate change mitigation.

### ***GESI context within development and public policy-making***

The legislative underpinning for GESI arises principally from the International Development (Gender Equality) Act of 2014 (ID(GE)A), which mandates that all UK Official Development Assistance (ODA) programmes must have regard to reducing gender inequality before providing development assistance. This means that all ODA programmes must actively consider the likely effect of their intervention in reducing gender inequality at all stages of the programme cycle.

The Public Sector Equality Duty, created under the Equality Act 2010, requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between different groups with protected characteristics<sup>3</sup> and others in society before a policy is implemented.

In 2015 the UK Government committed to achieving the UN's Sustainable Development Goals (SDGs), meaning that improving gender equality and reducing inequalities is UK Government policy.

Climate and GESI Climate change disproportionately impacts women, girls, and marginalised groups and communities. The social, cultural, economic and political inequalities that lead to this disproportionate impact must be identified, challenged and overcome.

**Schedule 11 - ICF Supply Partner Code of Conduct**

See attached document