

FRAMEWORK SCHEDULE 4: LETTER OF APPOINTMENT AND CALL-OFF TERMS

Part 1: Letter of Appointment

CCCO19A18

Dear Sirs

Letter of Appointment

This letter of Appointment is issued in accordance with the provisions of the Framework Agreement (RM3774) between CCS and the Agency, dated 16th December 2016.

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

Order Number:	TBA (Clients to advise Agency)
From:	The Department of Transport (DfT) ("Client")
To:	23 Red Ltd ("Agency")

Effective Date:	1 st August 2019
Expiry Date:	End date of Initial Period 31 st July 2022 End date of Maximum Extension Period 31 st July 2023 Minimum written notice to Agency in respect of extension: One month

Services required:	Set out in Section 2 (Services offered) and refined by: <ul style="list-style-type: none">- the Client's Statement of Requirements attached at Annex A- the Agency's Proposal attached at Annex B; and- the Agency's pricing schedule at Annex C
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Key Individuals:	For the Agency: ██████████ CEO
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	<p>██████████ – Client Partner ██████████ – Business Director ██████████ – Business Director ██████████ – Account Director</p> <p>For the Client:</p>
[Guarantor(s)]	Not Applicable

<p>Call Off Contract Charges (including any applicable discount(s), but excluding VAT):</p>	<p>Payment will be made in line with the pricing schedule at Annex C. All rates are inclusive of expenses and exclusive of VAT. The Pricing Schedule found at Annex C is an estimated cost to deliver the requirements set out in Annex A, Statement of Requirements, for the Group Communications – Partnership Marketing requirement for DfT.</p> <p>The estimated contract value shall be for a maximum of £6,600,000.00 (Ex VAT) for the full contract period (three (3) year period, plus one (1) year extension). This is a call off contract; the Client is unable to guarantee volumes.</p> <p>The anticipated breakdown of spend per annum is:</p> <p>£1,650,000.00 – maximum value for the term of the contact is £4,950,000.00</p> <p>Maximum value should the extension period of one (1) year be exercised is £6,600,000.00</p> <p>Payment can only be made following satisfactory delivery of pre-agreed certified products and deliverables. Before payment can be considered, each invoice must include a detailed elemental breakdown of work completed and the associated costs.</p> <p>The Agency will respond to each brief issued by the Client during the contract in writing, including a firm price in line with the Contract day rates which include all expenses.</p> <p>The Client (DfT) will issue a Purchase Order to correspond with the value of the agreed brief.</p>
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Liability	Agency Liability: [see clause 18.2 of Call Off Contract] Client Liability: [see clause 18.4 of Call Off Contract]
Insurance Requirements	In line with the Contract Terms and Conditions
Client billing address for invoicing:	Email: SSa.invoice@sharedservicesarvato.co.uk in pdf format. Post: Accounts Payable, Shared Services arvato, 5 Sandringham Park, Swansea Vale, Swansea SA7 0EA

GDPR	Please refer to Call-Off Schedule 8 (Authorised Processing Template)
Alternative and/or additional provisions:	Not Applicable

FORMATION OF CALL OFF CONTRACT

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

The Parties hereby acknowledge and agree that they have read this letter and the Call-Off Terms.

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

For and on behalf of the Agency:
 Name and Title: [Redacted]
 Signature: *Client Payne /*
 Date: [Redacted]
12/8/19

For and on behalf of the Client:
 Name and Title: [Redacted], Commercial Relationship Mgr
 Signature: [Redacted]
 Date: 19/8/1 [Redacted]

Annex A

Client Brief

1. DEFINITIONS

Expression or Acronym	Definition
The Client	Means the Department for Transport
The Agency	Means the Supplier
The Department	Means the Department for Transport including its Executive Agencies and other Arm's Length Bodies
ALBs	DfT's Arm's Length Bodies at any time during the term of contract.
BEIS	Department for Business, Energy & Industrial Strategy
Rol	Return on Investment
BAME	Black, Asian and Minority Ethnic
KPIs	Key Performance Indicators
Partners	Those recruited and managed to deliver in kind campaign support through content or channels
Brief	Partnership Marketing requirements for each campaign

2. OVERVIEW OF REQUIREMENT

- 2.1 The individual standby agreements for each of DfT and BEIS are to be for an initial period of three years, with each having the option to extend for an additional year.
- 2.2 The agreements may be used in connection with any existing, planned or future campaign area, subject to Cabinet Office Professional Assurance approvals, with the option to call upon the agencies services for wider support (including for DfT arm's length bodies) up to a combined total contract value of £4.95 million (plus an additional £1.65 million if extended by one year).
- 2.3 The maximum Contract spend for each Client is outlined below. Please note there is no commitment by the Clients to spend this value.

Client	DfT (Maximum Contract Spend)	BEIS (Maximum Contract Spend)	Total Contract Spend

Initial Contract	3 Year	£4,950,000.00	£2,550,000.00	£10,000,000.00
Optional Extension Period	1 Year	£1,650,000.00	£850,000.00	
Maximum Value	Contract	£6,600,000.00	£3,400,000.00	

2.7 Existing and currently planned campaign areas include:

- 2.7.1 DfT: THINK! Road Safety
- 2.7.2 DfT: Inclusive Transport (New)
- 2.7.3 DfT: EU Exit
- 2.7.4 BEIS: Engineering, Take a Closer Look

3. SCOPE OF REQUIREMENT

3.1 The Agency shall be a highly skilled marketing agency with an outstanding record in successful partnership marketing and expertise in a broad range of sectors. The Agency will:

- develop strategies and manage one-off and multi partner programmes
- implement and leverage existing and new partner activity, developing partner toolkits and delivering events and innovative digital solutions
- design, prioritise and manage partner acquisition and retention programmes
- co-create innovative content to reach target audiences both on and offline
- work with media owners and partners to generate content and programming
- monitor, track and evaluate partnership programmes through both quantitative and qualitative measures
- have flexible capability and capacity, keeping up to date with fast moving events and working closely with the client day-to-day and at senior level
- have access to expertise in sponsorship strategy development, implementation and communication if required

- have access to expertise to develop and execute digital and public relations activity including content and delivery if required
- have access to expertise to develop and execute educational specialist communications activity including public relations and schools resources

3.2 DfT Executive Agencies and other arms-length bodies

3.3 will be able to access the agreement directly at the Client's discretion.

4. THE REQUIREMENT

4.1 The Agency shall work effectively across a number of different agency partnerships this will include:

- Alerting wider agency group upstream at the planning stage to maximise value of partnership opportunities and ensure all are aligned on deadlines and deliverables
- Ensuring that all content generated fits with wider creative strategy and is delivered directly to media owners in a timely and efficient manner
- Ensuring evaluation metrics and campaign learnings feed in to wider reporting, monitoring and optimisation

4.2 As well as creating outputs with partners that have a fit with the target audience and align with brand values, the Clients also see the value of developing tri-partnerships and initiating opportunities for partners to network and generate ideas together. For example, pairing a media partner and a brand partner together so that DfT and BEIS are able to maximise both content and reach, or aligning a charity so that they can co-create, endorse and promote through their channels.

4.3 The Agency shall offer new and innovative solutions that will stand out and have impact. All communications should be developed with accessibility in mind and meet the required accessibility standards. <https://www.w3.org/WAI/fundamentals/accessibility-intro/> for all online content and comply with web content accessibility guidelines (WCAG) 2.1 <https://www.w3.org/WAI/standards-guidelines/wcag/>

4.4 Some campaign content is expected to be sensitive and will require a robust approach with intelligent negotiation and an eye for potential issues and conflict.

4.5 The Clients understand that developing new partnerships and opportunities can often have long lead times; the Agency shall provide a clear pathway with realistic targets in terms of deliverables and outputs.

4.6 Whilst DfT and BEIS see the benefits of pooling all Group Communications partnership marketing requirements into one Agency DfT and BEIS are also aware of the potential risks with this approach. A number of the core campaigns will require activation and support on award of the contract, allocated resource will therefore need to be sufficient to accommodate this so as not to undermine the quality of outputs.

4.7 An outline of DfT and BEIS requirements for each of the existing or currently planned campaign areas, subject to Cabinet Office Professional Assurance approvals:

4.8 DfT Campaigns

4.8.1 THINK! Road Safety

RM3774 - Campaign Solutions
Letter of Appointment
Attachment 4

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ISSUE: Too many people, particularly young men, are killed and seriously injured on the UK roads.

AIM: Reduce the number of people killed and seriously injured on the roads in England and Wales.

OBJECTIVE: Change attitudes and behaviours towards the most risky driving behaviours by addressing the cultural, contextual and habitual factors that contribute to accidents in the moment (social practice theory).

ROLE FOR PARTNERSHIP MARKETING: Recruited partners should provide incentives or solutions to encourage the Client's audience not to drive recklessly or complacently, and should extend the reach of the campaign messages.

NEW PARTNERS: Drink Drive has been the historical focus for partnership but the Client would like to explore commercial partnerships that will tackle wider issues around driving safety. The new Agency is required to advise on new partners that could include:

- Tech Brands – technology solutions to good driving.
- Insurers – offer incentives for safer driving?
- Car Brands – that understand driving skills
- Gaming Brands – to highlight how real life driving skills and gaming skills differ
- Youth Brands – those that can influence the young drivers 17-24

CURRENT PARTNERS: The new Agency is required to maintain and cultivate relationships with established partners (ABInBev, Budweiser, Diageo, Drinkaware, insurance companies, driving schools).

SUCCESS: Identify a number of quality partners to co-create content that will support the overall campaign strategy (this could include three-way partnership opportunities) and identify a larger range of partners to help amplify the content. The partners should have direct access to a young male audience and be trusted and credible among this group.

4.8.2 **Inclusive Transport**

ISSUE: Disabled people do not feel confident to use public transport and transport operators and the wider public could be doing more to support easy access.

AIM: Positively engage disabled people to improve confidence and use of public transport services, creating a transport system offering equal access for disabled people by 2030, improving access to work. Create a supportive travelling experience amongst the general public by promoting ways of positively interacting with disabled people and reducing instances of disability related hate crime.

OBJECTIVE:

- To increase the use of public transport by disabled people by improving confidence to travel
- To increase awareness of the needs of disabled people, particularly those with hidden disabilities, amongst the general travelling public
- To amplify actions of operators and partners that help to improve the travelling experience for disabled people

ROLE FOR PARTNERSHIP MARKETING: Activate and coordinate a focused drive to enable disabled people to confidently travel on a range of public transport. Analyse the existing landscape and insight to identify opportunities to support disabled people, working with delivery, media, private sector and charity partners to engage and motivate hard to reach groups. Generate engagement and awareness amongst the wider travelling public and use trusted voices to extend the reach of the campaign.

SUCCESS: A recognised centrally led drive to enable disabled people to travel with confidence across a range of transport services. An increase in awareness and support from the wider public and transport operators to alleviate the barriers to accessible transport. A range of partners both at the point of travel and beyond which might include tech, charity, in situ brands and schools.

4.8.3 EU Exit

ISSUE: Businesses and citizens will need to take action to continue to travel in the EU post exit, the degree of action and preparedness increases in a no deal scenario. Awareness of steps required and motivation to act is currently low.

AIM: Raise awareness and engage businesses and the wider general public of the possible changes in their travel arrangements to the EU post Brexit.

OBJECTIVE: To ensure business and citizens are informed and aware of the actions they need to take post Britain's exit from the EU

ROLE FOR PARTNERSHIP MARKETING: To amplify DfT messages to business and public regarding changes to the documentations needed to travel to the EU

SUCCESS: DfT messages carried by industry and commercial partners including websites, at the point of travel e.g. ports and cruise ships as well as trade advertising e.g. the RHA (Road Haulage Association) magazine. Engagement with the 125 partners activated in 2018-2019 is sustained, and new partnerships are developed.

6.9 BEIS Campaigns

6.9.1 Engineering: Take a Closer Look

ISSUE:

- The skills gap - 20,000 annual shortfall of engineering graduates in the UK which impacts on the UK's productivity and growth. The industry needs 203,000 skilled recruits each year to 2024 to keep pace with demand. (ENGUK,2018)
- Engineering is undervalued and misunderstood - less than a third (26%) of parents know what people in engineering do (EBM, July 2018)
- Diversity - only 12% of the engineering workforce is female. People from ethnic minority groups account for 8% of those employed as professional engineers compared with 12% across the working population. (EngUK,2018)
- Multiplicity of initiatives - promotion of engineering suffers from lack of critical mass, duplication of effort and complexity of landscape. There are many organisations

competing for share of voice resulting in multiple messages that at best may be hard to filter and at worst could lead to 'engineering fatigue' (RAENG Landscape Analysis 2016)

AIM: Widen the pool of young people that would consider engineering as a career

OBJECTIVE: Improve the desirability of engineering among young people, their teachers and families through increasing awareness and understanding of what engineers do

- drawing on opportunities in key Industrial Strategy areas such as AI, developing a green economy, transport systems of the future and a healthier ageing society
- Improving diversity including BAME, women and those from disadvantaged backgrounds.

ROLE FOR PARTNERSHIPS MARKETING: Prioritised partnerships will remain at the centre of the strategy

- Co-creating content linked to young people's passions and interests – revealing the engineering within
- Creating platforms and simple tools that multiple partners can join and use
- Focus on engineering sectors that BEIS know resonate with young people and girls – tech, design, environment, making a difference (see [Five Tribes](#))
- Tri-Partnerships providing both content and reach – increasing awareness amongst young people parents and teachers
- Amplifying existing activities and coordinating under one brand and consistent messaging. Build the use of ambassadors developing a 'bank' of spokespeople and supporters with a focus on diversity
- Building on the legacy of the Year of Engineering to encourage uptake of tools e.g. the Shell Code and the IMechE evaluation tool
- Build regional networks and promote opportunities for Direct Experiences as these are known to have a direct impact on perceptions and attitudes towards engineering.
- Target new landmark partners, reach beyond the 'usual suspects' that are already active in the area – focus on brands that index well amongst C2DE
- Develop engaging digital content to keep messages live and up to date, delivering strong engagement rates.
- Bespoke engagement with schools to raise awareness and engage teachers, build regional networks
- Clear evaluation strategy and ROI measure of 3:1 or more

SUCCESS: KPIs will build on those set out in the Year of Engineering, based on uplifts in attitudinal statements, ambassador sign ups and ROI. BEIS anticipate working with 8 or more new 'landmark' partners (that offer new co-created content) at least 3 of which would be specifically reaching audiences from BEIS priority areas – girls and BAME groups. The Agency shall also maintain, activate and coordinate over 1500 partners that have signed up to support the previous Year of Engineering campaign. BEIS would like the new partnerships to bring the grand challenges within the Industrial Strategy to life, reach a diverse audience and Tri-Partnerships that are able to deliver on reach as well as content. Forming strong regional networks and a bank of ambassadors that support the campaign.

4.9 The Agency shall also:

- 4.9.1 Agree and present a strategy and produce a detailed communications plan to deliver each programme of work. This should complement wider campaign strategies where appropriate.
- 4.9.2 Produce a weekly status report and meet regularly (frequency of status meetings to be agreed by campaign on appointment) to share progress.
- 4.9.3 Provide and agree an approval process with the Client for each campaign. The Client will have final sign off on all creative material and payment for creative will not be made until this has been achieved.
- 4.9.4 Provide accurate notes and actions from all meetings between the Client and the Agency and between the Agency and Partners unless agreed in advance with the Client.
- 4.9.5 Provide high quality, accessible and innovative creative content that inspires the target audiences and brings the campaigns to life
- 4.9.6 Provide creative solutions to promote partner content so that audiences are reached and engaged
- 4.9.7 Understand and keep up to date with developments and new opportunities within the specialist areas of each campaign.
- 4.9.8 Adhere to data protection rules and requirements in the management of personal data.

5. KEY MILESTONES AND DELIVERABLES

5.1 The following Contract milestones/deliverables shall apply:

Milestone/Deliverable	Description	Timeframe or Delivery Date
1	Kick off meeting with Client	Within week 1 of Contract Award
2	Response to brief including creative approach, a top level comms plan and agreement on upcoming deliverables (events, partner materials)	Within a min 2 weeks of receipt of detailed brief A one week response to brief may be required in exceptional circumstances
3	Invoicing schedule agreed	Within 3 weeks of detailed brief
4	Final strategy and detailed communications plan	Within 4 weeks of detailed brief
5	Evaluation report	Within 4 weeks of specific campaign activity, at 6 and 12 months or as agreed at briefing stage for long term projects
6	The Agency shall provide and agree an approval process with the Client for each campaign. As outlined in Section 6.11.3	Within 4 weeks of detailed brief
7	Contract review	Every 3 months post contract award

6. MANAGEMENT INFORMATION/REPORTING

- 6.1 The Agency shall provide weekly status reports attending status meetings as required. The frequency and format of status meetings will be agreed with individual campaign teams on appointment.
- 6.2 The progress of all projects will be monitored throughout with evaluation reports due within four weeks of campaign activity with the option of a six and twelve month report each year. The response to brief should include KPI recommendations which, once agreed, will be added to those at 16.2.
- 6.3 The Agency shall attend and contribute to quarterly contract review meetings and identify and implement improvements.

7. VOLUMES

- 7.1 Given the stand-by nature of the contract volumes will be agreed as individual briefs are issued. Subject to Cabinet Office Professional Assurance approvals the existing or currently planned campaign activity is anticipated to require the following:
 - 7.1.1 **THINK!:** DfT anticipate working with 2-3 quality partners to co-create content. The partners should have direct access to a young male audience and be trusted and credible among this group. DfT would also like to identify a larger range of partners to help amplify the content (agency to advise on number but could range from 5-15), while maintaining existing relationships with historic partners.
 - 7.1.2 **INCLUSIVE TRANSPORT:** As a new campaign the Agency shall provide recommendations in terms of the partner recruitment and prioritisation strategy.
 - 7.1.3 **EU EXIT:** New messaging and policy will arise regularly, so the Agency shall actively maintain relationships with existing active partners (approximately 125 at present) and engage them in amplifying updates as needed. DfT also anticipate the agency building their partner base by at least 50% to ensure that DfT are reaching as much of their audience as possible.
 - 7.1.4 **ENGINEERING:** DfT and BEIS anticipate working with 8 or more 'landmark' partners each year at least 3 of which would be specifically reaching audiences from their priority areas – girls and BAME groups. The Agency shall activate and coordinate over 1500 partners that have signed up to support the campaign.

8. CONTINUOUS IMPROVEMENT

- 8.1 The Agency shall continually improve the way in which the required Services are to be delivered throughout the Contract duration.
- 8.2 The Agency should present new ways of working to the Client during quarterly contract review meetings.
- 8.3 Changes to the way in which the Services are to be delivered must be brought to the Client's attention and agreed prior to any changes being implemented.

9. PRICE

- 9.1 The Contract will be for three years with a possible one year extension period (3+1). The maximum contract value is £7.5million exc. VAT. An additional £2.5million exc. VAT is available should the contract be extended for a further year. Please refer to the breakdown of the spend, by Client in Section 3.4.
- 9.2 There is no commitment by the Client to spend this value. Commitments will be made through agreement to individual campaign proposals and issue of purchase orders.
- 9.3 Prices are to be submitted via the e-Sourcing Suite [Attachment 4 – Price Schedule excluding VAT and including all other expenses relating to Contract delivery. Prices submitted in any other format will not be considered at tender stage. Prices will be held firm for the duration of the contract.

10. INTELLECTUAL PROPERTY RIGHTS

10.1 The Agency acknowledges that the Client retains ownership of materials developed by the Agency as part of the partnership marketing programme, including all modifications and adaptations, and all Intellectual Property Rights in them.

11. STAFF AND CUSTOMER SERVICE

11.1 The Agency shall provide a sufficient level of resource throughout the duration of the Contract in order to consistently deliver a quality service.

11.2 The Agency's staff assigned to the Contract shall have the relevant qualifications and experience to deliver the Contract to the required standard.

11.3 The Agency shall ensure that staff understand the Client's vision and objectives and will provide excellent customer service to the Client throughout the duration of the Contract.

12. SERVICE LEVELS AND PERFORMANCE

12.1 The Client will agree KPIs with the Agency at briefing stage for each campaign.

12.2 The Client will also measure the quality of the Agency's delivery by:

KPI/SLA	Service Area	KPI/SLA description	Target
1	Account Management	Status reports to be submitted -, attendance face to face as agreed	Weekly
2	Service Delivery	Production: Responsiveness and delivery against overall brief	2 weeks for response to brief, 1 week response in exceptional circumstances
3	Performance	Testing: campaign optimised based on ongoing feedback and testing	Targets and frequency to be agreed at briefing stage
4	Outputs	Social reach and website metrics: Quality of partners and effectiveness of partner prioritisation – partner reach, relevance and outputs Minimum ROI of 3:1	Targets and frequency to be agreed at briefing stage Partner ROI of 3:1
5	Performance	Performance against previous content and campaigns e.g. engagement rates and partner take up.	Targets and frequency to be agreed at briefing stage

6	Performance	Set attitudinal measures	pre and post campaign activity
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12.3 Quarterly contract review meetings will be undertaken to recognise success and provide opportunity to improve in any areas of underperformance.

12.4 On termination of the contract all information and assets created as part of the contract will be supplied to the Client at no additional cost.

13. SECURITY AND CONFIDENTIALITY REQUIREMENTS

13.1 As outlined in the Terms and Conditions

13.2 The Agency shall keep all campaign briefings, materials and partner agreements confidential until such time that the Client has agreed their release.

14. PAYMENT AND INVOICING

14.1 Detailed itemised costs must be provided and signed off by the Client before any work commences. After which a Purchase Order will be provided by the Client.

14.2 The Agency shall produce and agree an invoicing schedule within 3 weeks of each detailed campaign brief.

14.3 Payment can only be made following satisfactory delivery of pre-agreed products and deliverables that have been approved by the Client.

14.4 Before payment can be considered, a detailed elemental breakdown of work completed, unit price and cost must be provided to the client in an agreed format. This will be required ahead of the Agency issuing an invoice as directed below, and could potentially be the draft invoice.

14.5 For DfT orders, Agency invoices should be sent to either (not both):

14.6 Email to SSa.invoice@sharedservicesarvato.co.uk in pdf format. It is the Agency's responsibility to ensure the email is received by the Account Payable team.

14.7 Post to Accounts Payable, Shared Services arvato, 5 Sandringham Park, Swansea Vale, Swansea SA7 0EA

14.8 For BEIS orders, Agency invoices should be sent by email to ap@uksbs.co.uk.

15. CONTRACT MANAGEMENT

This Contract will be managed by the Clients. Contract Review meetings will be held on a quarterly basis, at the Client's offices and shall be at the Agency's own expense.

16. LOCATION

16.1 The location of the Services will be carried out at the Agency's offices however the Agency will be expected to regularly attend meetings at the Client's offices

16.2 DfT: Great Minster House, 33 Horseferry Road, Westminster, London SW1P 4DR or at the offices of the DfT Executive Agencies and other arms-length bodies.

16.3 BEIS: 1 Victoria Street, London SW1H 0ET.

