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Attachment 3 – Statement of Requirements

1. OVERVIEW OF THE AUTHORITY

- 1.1. HM Treasury (HMT) is the Government's (HMG) economic and finance ministry, maintaining control over public spending, setting the direction of the UK's economic policy and working to achieve strong and sustainable economic growth.
- 1.2. This procurement is being undertaken to inform the work of the Special Situations team which sits within the Enterprise and Growth Unit (EGU) in HMT, specifically in relation to the steel sector.
- 1.3. EGU is responsible for growth-related policy and spending. It brings together teams that focus on areas that are crucial to the promotion of sustainable economic growth. EGU works to ensure that Government policy encourages private sector investment, enterprise, innovation and the transition to a low-carbon economy.

2. BACKGROUND TO OUR REQUIREMENT

- 2.1. As part of its normal operations HMG has always considered its contingency planning (which may or may not include support) for strategically important companies whose failure or distress could cause disproportionate harm to the UK economy or society.
- 2.2. [REDACTED]
- 2.3. HMT propose to directly award a contract under the Crown Commercial Service Framework RM6187 Management Consultancy Framework Three (MCF3) Lot 2 Strategy and Policy. [REDACTED] this award has been made on the basis of extreme urgency brought about by unforeseeable events.
- 2.4. Between 2020 and 2021, an appointed consultancy company was procured to analyse potential future configuration options for the UK steel industry. This work now needs updating in light of changed circumstances. There is an urgent need to maintain capability to react to these needs in order to enable government to make the correct policy decisions, ensuring value for money.

3. OUR REQUIREMENT

- 3.1. The scope has 2 phases. Any decisions to proceed with Phase 2 is contingent on HMG instruction to begin work and may be refined dependent on emerging views from Phase 1.

Phase 1

- 3.2. The Supplier will provide analysis on what has changed in global steel industry, and likely impacts on UK steel of:
 - Trends in commodity pricing and key drivers of change
 - Approach of European and international players on decarbonisation, including carbon credits & Carbon Border Adjustment Mechanism (CBAM)

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- Energy price impact
- 3.3. The Supplier will provide analysis on evolution of UK steel industry structure, including:
- 3.4. [REDACTED]
- 3.5. [REDACTED]
- 3.6. The Supplier will also provide ad-hoc support, analysis and industry expertise as required, including in response to any questions from stakeholders.

Phase 2

- 3.7. The Supplier will provide further analysis of evolution of the UK steel industry structure in relation to security of supply, including:
- Analysis of current state of UK steel producers and their parent companies.
 - An overview of downstream industries.
 - [REDACTED]
- 3.8. The Supplier will also provide ad-hoc support, analysis and industry expertise as required, including in response to any questions from stakeholders.

4. BASE LOCATION

- 4.1. The location of the Services will be carried out at the Supplier's own premises.

5. PAYMENT

- 5.1. Payment can only be made following satisfactory delivery of pre-agreed products and deliverables.
- 5.2. Invoices should be submitted in PDF and addressed to contacts detailed in the contract award, and should be submitted to Invoicequeries@hmtreasury.gov.uk, or sent to:

Accounts Payable
HMT
Rosebery Court,
St. Andrews Business Park,
Norwich,
NR7 0HS

- 5.3. Invoices should contain the following information:
- Contract Reference: [specific contract ref for each adviser]
 - Date period invoice covers
 - HMT PO Reference: [specific blanket PO No, for each adviser]

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- Engagement Reference (found on the PEF): XX-XXX

- 5.4. Each engagement needs to have a separate invoice.
- 5.5. If an incorrect invoice is sent to Accounts Payable, then we will require a credit note to be issued along with the corrected invoice.

6. STAFF VETTING, EXPERIENCE AND QUALIFICATIONS

- 6.1. Security Requirements as set out in Call-Off Schedule 9 (Security) will apply. Short form security requirements apply as per standard processes, however where the project requires, the long form may be used.
- 6.2. Any pre-employment checks that the Supplier subjects their staff to should be at least equivalent to the Government Baseline Personnel Security Standard (BPSS).
- 6.3. The Supplier shall have in place security clearance, which meets the requirements of the Authority, and shall ensure full compliance with the standards set out in the following link:
<https://www.gov.uk/government/publications/hmg-personnel-security-controls>
- 6.4. The Supplier shall maintain appropriate staff records for all Supplier Staff who are involved in activities related to delivery of Services, and shall make this data available to the Authority upon request.
- 6.5. The Supplier shall ensure that all employees and key representatives of the Supplier involved in activities related to delivery of the Services shall comply with the Contracting Authority's security clearance requirements.
- 6.6. The Authority reserves the right to review its Security Checking procedure throughout the duration of the Contract and may require all Supplier employees and all Sub Contractors engaged to provide the Services to have obtained either National Security Vetting clearance or a full criminal records disclosure.

7. KEY MILESTONES

Unless the Parties agree otherwise by email the Supplier shall note the following project milestones that the Authority will measure the quality of delivery against:

Milestone/Deliverable	Description	Timeframe or Delivery Date
Phase 1	Delivery of items detailed in paragraphs 3.2 - 3.5 above	Report from full team analysis at week 4, followed by two weeks light team/senior counsel to refine if needed
Phase 2 (Contingent on instruction to begin work from HMG)	Delivery of items detailed in paragraphs 3.6 – 3.8 above	Report from full team analysis at week 9, followed by two weeks light team/senior counsel to refine if needed

8. AUTHORITY'S RESPONSIBILITIES

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The Authority will provide timely and reasonable access to relevant officials and staff and any data and documentation required by the Supplier to deliver the Service.

9. REPORTING

9.1. The Supplier's engagement will consist of:

- Week 1 with light team/senior counsel
- Weeks 2-4 with full team analysis to produce report covering phase 1 above
- Weeks 5-7 with light team/senior counsel to refine report
- Weeks 8-9 will full team analysis to produce report covering phase 2 above
- Weeks 10-12 with light team/senior counsel to refine report

9.2. The Supplier will have working level touch points during the week with HMT and BEIS, and a SteerCo to read out approximately every 2 weeks with key HMG stakeholders during full-team phases, unless agreed otherwise.

9.3. The Authority may require the Supplier to attend contract review meetings, to discuss the Contract. Suppliers will be given advance warning of any responsibilities expected of them in relation to these meetings.

9.4. Attendance at Contract review meetings shall be at the Supplier's own expense.

10. DEFINITIONS AND ACRONYMS

Expression or Acronym	Definition
HMG	HM Government - Government of the United Kingdom
HMT	HM Treasury
EGU	Enterprise and Growth Unit (group within HMT)
[REDACTED]	[REDACTED]
CBAM	Carbon Border Adjustment Mechanism
DRI	Direct Reduced Iron

11. CALL-OFF INCORPORATED TERMS

11.1. The following documents will be incorporated alongside the core terms (version 3.0.10 v5) and all mandatory schedules into the Call-Off Contract awarded as a result of this ITT:

Call-Off Schedules

- Call-Off Schedule 4 (Call-Off Tender)

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- Call-Off Schedule 7 (Key Supplier Staff)
- Call-Off Schedule 9 (Security)
- Call-Off Schedule 15 (Call-Off Contract Management)
- Call-Off Schedule 20 (Call-Off Specification)

11.2. In addition to Call-Off Special Terms 1 detailed in the Call-off Order Form the following Call-Off Special Terms will also be incorporated into the Call-Off Contract awarded as a result of this ITT:

11.3. [REDACTED]

Special Term 6 - The Parties agree and acknowledge that it is not necessary for the Supplier to receive or gain access to any Personal Data to process on behalf of the Buyer for the provision of the defined services under this Call-off Contract. The Buyer will inform the Supplier explicitly and seek its prior written consent if it wishes to supply any Personal Data to the Supplier and in which case the Parties will agree suitable Personal Data protection clauses to ensure the integrity and confidentiality of the Personal Data obtained pursuant to this Call-Off Contract. Joint Schedule 11 (Processing Data) therefore does not apply save that provision regarding the Independent Controller scenario shall be interpreted in a proportionate manner to the low risk nature of the data (business contract data).

11.4. No other Supplier terms will be part of the Call-Off Contract awarded as a result of this ITT.