

## DPS FRAMEWORK SCHEDULE 4: LETTER OF APPOINTMENT AND CONTRACT TERMS

### Part 1: Letter of Appointment

Dear [REDACTED]

#### Letter of Appointment

This letter of Appointment dated Thursday 2<sup>nd</sup> December 2021, is issued in accordance with the provisions of the DPS Agreement (RM6018) between CCS and the Supplier.

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

Order Number:	PS21135 Evaluation of Knowledge Transfer Partnership Scheme
From:	<b>UK Research and Innovation</b> Polaris House, North Star Avenue, Swindon, Wiltshire, SN2 1FL (" <b>Customer</b> ")
To:	<b>SQW Limited</b> a company registered in United Kingdom under Company Number 01701564 whose registered office is at Oxford Centre for Innovation, New Road, Oxford, OX1 1BY (" <b>Supplier</b> ")

Effective Date:	Monday 6 <sup>th</sup> December 2021
Expiry Date:	Friday 16 <sup>th</sup> September 2022
	Notice Period of Cancellation is 30 days

Services required:	Set out in Section 2, Part B (Specification) of the DPS Agreement and refined by: The Customer's Project Specification attached at Annex A and the Supplier's Proposal attached at Annex B;
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Key Individuals:	<u>UK Research and Innovation:</u> [REDACTED] [REDACTED]  <u>SQW Limited:</u> [REDACTED] [REDACTED]
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Contract Charges (including any applicable discount(s), but excluding VAT):	As per the suppliers AW5.2 Price Schedule bid submission response and 'Annex 1 – Contract Charges' of the PS21135 - RM6018-Call-Off-Contract-Terms, the total value of this contract shall not exceed £213,526.00 Excluding VAT.
Insurance Requirements	Additional public liability insurance to cover all risks in the performance of the Contract, with a minimum limit of £5 million for each individual claim  Additional employers' liability insurance with a minimum limit of £5m indemnity  Additional professional indemnity insurance adequate to cover all risks in the performance of the Contract with a minimum limit of indemnity of £2 million for each individual claim.
Liability Requirements	<b>Suppliers limitation of Liability</b> (Clause 18.2 of the Contract Terms);
Customer billing address for invoicing:	All invoices should be sent to should be sent to  UK Research and Innovation, Polaris House, North Star Avenue, Swindon, SN2 1FL <a href="mailto:finance@uksbs.co.uk">finance@uksbs.co.uk</a> ,
GDPR	As per Contract Terms Schedule 7 (Processing, Personal Data and Data Subjects)

#### FORMATION OF CONTRACT

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

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

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

For and on behalf of the Supplier:

For and on behalf of the Customer:

Name and Title: [REDACTED]

Name and Title: [REDACTED]

[REDACTED]

Signature: [REDACTED]

Signature: [REDACTED]

Date: 06/12/2021

Date: 9th December 2021

## ANNEX A

### Customer Project Specification

#### 1. Introduction

This procurement for the evaluation of the Knowledge Transfer Partnership scheme (KTP) is part of ongoing work in building an evidence base to understand the effectiveness and impact obtained through Innovate UK interventions.

The KTP scheme was last evaluated in 2015, looking specifically at the impact for KTP Associates and the Knowledge Base partners. This evaluation is broader in scope and seeks to establish whether KTPs have a long-term beneficial impact for participants and the UK economy.

#### 2. Aims & Objectives

The review should gather from a wide array of data sources (which will include primary data collection and access to secondary administrative information) to provide a picture of the impact of participation in a KTP for the UK economy, businesses, knowledge bases and KTP Associates.

The review should demonstrate how participation in a KTP has made an impact in each of the following thematic areas and factors including but not limited to:

- Economic impacts, Gross Value Add (GVA), economic growth, increased Research & Development (R&D) spend, and exports.
- Business level performance, R&D activity, innovation capabilities, growth and exports.
- R&D and innovation activity, increased Knowledge Base activity, leveraged funding, changes in technology clusters, novelty and quality of innovations and UK positioning in key technologies.
- Commercialisation outcomes, Intellectual Property (IP), Mergers and acquisitions (M&A) and Patents.
- Skills.
- Career trajectory, earning potential and skills of KTP Associates.

Organisational performance should consider not just organisation growth but wider indicators of innovativeness in the organisation such as culture (the collection of behaviours, values and processes that are embedded in the way the business operates) and capability, including the ability to raise private finance.

The elements of the review should cover the following outputs/outcomes:

##### Primary

- UK Economy level:
  - GVA effect.
  - Export growth.
  - R&D activity growth.
- Business Level Performance R&D activity, innovation capability and growth:
  - Increased overall firm level performance in terms of turnover, employment & productivity.
  - Increase in company's valuation.
  - Further R&D and innovation investment including capital investments.
  - Establishing a culture of innovation.

- Increase in innovation capability.
  - Leveraging private investment from financial markets.
  - Increased exports to global market.
  - Impact of firm size on success of KTP and subsequent outcomes: Micro, Small, Medium, Medium-Large and Large.
- Knowledge Base benefits and value add:
    - R&D activity, research papers, access to grants, skills.
    - Leveraging additional funding.
    - Industry engagement and consultancy projects/income.
    - Academic, improved teaching materials.
    - Contribution to Research Excellence Framework (REF) and Knowledge Exchange Framework (KEF) submissions.
    - Career benefits for KB led academic.
    - Commercialisation outcomes, patents, IP, spin-offs and outs.
  - KTP Associate benefits and value add:
    - Career, earnings.
    - Personal development, skills.
    - Impact of Business Leader of Tomorrow and Future Innovator awards.
    - Further engagement in KTPs.
  - Increase in R&D and innovation activity:
    - By Knowledge Base.
    - Establishing or growth in technology clusters.
    - Improving the UK positioning in R&D for key technologies and business positioning in their sector.
  - Commercialisation outcomes:
    - IP development and patents registered.
    - Business involvement in merger & acquisition activity, public exchange listing.
    - Knowledge Base spin-offs or outs.
    - Skills – the level of and type of skills developed and retained following KTP or growth in skills base in the business, knowledge base, KTP Associate, and spill over effects at sector level and region.

### Secondary

- Diversity of participants, considering the firm ownership and leadership, academic lead and KTP Associate.
- Regional impacts of KTPs.
- Spillovers such as knowledge, clustering or agglomeration effects.

### 3. Objectives

The Research questions the review seeks to answer are:

- To what extent does the KTP Scheme contribute to the UK economy? e.g. GVA.
- How has the scheme contributed to UK global competitiveness? e.g. export growth.
- To what extent has the KTP scheme resulted in the creation of sustainable jobs?

- To what extent can a causal link be evidenced between funding individual businesses pursuit of innovation and UK economic effects?
- In which ways does a firm benefit from participation in a KTP directly and indirectly during and after the period of the partnership and are the outcomes achieved sustained in the period following completion?
- Does the size of business have a material impact on the level of outcomes achieved?
  - Does the scheme provide the same benefits to businesses of all sizes? Is there an optimal size?
- What factors have impeded the achievement of projected benefits post-partnership? How can these challenges be overcome?
- What commercialisation outcomes are achieved by KTPs? What role does the partnership play on achieving these outcomes?
  - Do businesses and knowledge bases involved in a KTP see a continuation of commercialisation outcomes after the KTP is completed?
  - How effective are businesses in embedding or increasing their innovation capabilities due to participating in a KTP? Do businesses participating in KTPs experience changes in ownership structure, for example through IPO or M&A, in the period after completion?
- Which partner (firm or knowledge base) initiates contact to create a KTP? To what extent do third parties (agencies, trade bodies et al) introduce partners? Are there any differences in the outcomes depending who initiated contact to create a KTP?
- To what extent does involvement in a KTP stimulate or leverage additional public or private funding in the firm, knowledge base or sector?
- To what extent does a KTP accelerate innovation and its commercialisation?
- Are KTPs an economically efficient method of increasing commercialisation of innovation, providing value for money?
- What are the geographical distributions between the KT partnerships? Are there any differences between the geographical closeness of these partnerships in the outcomes of interest? What is the driver for regional impacts?
- Are there any regional differences in the benefits achieved by the firm and the knowledge base? Specifically to their geography of origin and where the activity is taking place?
- How effective is a KTP in generating further and sustained R&D and innovation capabilities?
- Has the KTP scheme contributed to the UK global positioning in R&D in key technologies? (Key Technologies of interest to be defined).
- Does participating in a KTP enable businesses to attain a leading position in their sector.
- To what extent do KTPs create sustainable jobs in the firm, knowledge base or supply chain?

#### 4. Background to the Requirement

**Innovate UK** is part of UK Research and Innovation (UKRI), a non-departmental public body. Innovate UK aims to drive productivity and economic growth by supporting businesses to develop and realise the potential of new ideas, including those from the UK's world-class research base.

The Knowledge Transfer Partnership (KTP) scheme aims to deliver UK economic growth through supporting the commercialisation of innovation. The KTP scheme helps UK businesses to innovate and grow, improving their competitiveness and productivity by enabling a business to deliver a specific, strategic innovation project using new skills and the latest academic thinking. It does this by linking a business with an academic or research organisation and a graduate, in a funded partnership.

The programme originated over 45 years ago and is well regarded and embedded within the UK's knowledge transfer and innovation landscape. Innovate UK is the lead funding organisation for KTP, in partnership with the Research Councils, the Devolved Administrations, Department of Health, Department for Environment, Food and Rural Affairs as well as the Nuclear

Decommissioning Authority and RSSB (formerly known as the Rail Safety and Standards Board), both of whom have been one off funders of calls for KTPs on specific themes.

There are on average 324 KTPs receiving a grant offer letter per year, though approximately 14% of those approved fail to start, with an average total annual grant value of £33m. Of the KTPs approved 54% are for a period of up to 24 months, and 46% for a period of 36 months.

A number of studies have been conducted previously reviewing different aspects of the scheme, including Quinquennial reviews (since 1991), studies looking at the scheme at national level or devolved nation level, specific sector KTPs and the participation of the Knowledge Base and KTP Associate. Each of these studies has offered some additional insights into the scheme, its working and dynamics, and drivers for success.

This evaluation aims to build on the body of knowledge by considering and capturing the economic and wider impacts of the scheme on its participant businesses in the period beyond the completion of the KTP. The intention is to provide a picture of the long-term benefits of participation, reflecting the projected benefits included in submissions covering a period of five years, post-partnership completion, in regards to growth, R&D and innovation investment, skills development and ownership (for example public exchange listing or merger and acquisition activity).

Innovate UK would like to conduct an impact review covering the last ten years (2010-2020) of this scheme conducted primarily through a survey of the companies supported and a suitable counterfactual. The impact review will capture the impacts of the projects funded through the KTP Scheme on the organisations participating and so far, as is possible, the wider UK economy.

The review will include analysis of inputs, activities, outputs, and impacts, broken down by a number of characteristics including, but not necessarily limited to:

- Sector.
- Size of organisation, including an additional segmentation of large businesses.
- National, Nation and Regional geography.
- Business ownership.

## **5. Scope**

The review is to cover the KTP scheme in the period 2010 - 2020.

During this period, 3093 KTPs were established, receiving approximately £316m in grants from Innovate UK.

Source data available from the administration of the Scheme includes:

- KTP Database, a comprehensive log of all partnerships funded.
- Application Data, the application process is very detailed and captures a large amount of data.
- Monitoring data, partnerships in progress are monitored through the Knowledge Transfer Network (KTN) advisor team. Though a separate organisation there is an agreement in place between KTN and Innovate UK to access data related to KTPs.
- Project Completion Forms (PCFs), Innovate UK funded projects require the submission of PCFs post-completion.

An overview of the data available and appropriate access to data sets will be provided as part of this project, subject to the Schedule of Processing, Personal Data and Data Subjects in Annex A.

## **6. Requirement**



**Phase 1: to be completed before end of October 2021**

- Evaluation plan for the assessment to include:
  - A review of the logic model which will reinforce or refine the logic model presented in previous evaluations<sup>1</sup>
  - A detailed theory of change describing the KTP scheme and its constituent parts.
  - A summary of the mix of methods that will allow the research questions to be answered.
  - A clear description of which and how data sources are going to be utilised.
  - A detailed review of how outcomes link with data sources and methodological approaches.

**Phase 2 (subject to completion of Phase 1 and approval) - to be completed by Mid-February 2022**

- Implementation of the Evaluation Framework:
  - This refers to the full development and implementation of research tools and recruitment to gather the information and analyse the information that will inform the evaluation research questions.
- Interim Report – which should include:
  - Aim of the report is to demonstrate the validity of the data gathered to date and the applicability of the methods described in the evaluation framework.
  - Summary of the appropriateness and feasibility of the methodology to answer the research questions.
  - Summary of data gathered to date.
  - Emerging findings.
  - Challenges and next steps.

**Phase 3: Final Report and Close – July 2022**

- Draft Evaluation Report:
  - An executive summary.
  - Quality assured final report and presentation summarising the key findings.
- Quality Assured Final Evaluation Report – which should include:
  - An executive summary.
  - A short executive report summarising all the findings.
  - All relevant technical annexes as an appendix to the main report.
  - Data sets (anonymised where relevant).
  - Any analytical code used for the analysis.

**Project Management:**

- Bi –weekly updates on emerging findings and project progress, is expected and will be attended by individuals across IUK and the successful bidder as necessary. This is expected to take place over zoom or other teleconference means. Ad-hoc face-to-face meetings might be necessary (depending on need and restrictions as well as internal policies for both IUK and the appointed bidder).

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[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/467141/KTP\\_Report\\_July\\_2015\\_1-SEP-15\\_.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/467141/KTP_Report_July_2015_1-SEP-15_.pdf)

Innovate UK places great weight on the robustness of the methodology, and bids should clearly define the methodological approach to address the analytical challenges around the evaluation and explain why this methodology is deemed to be the most robust option given these challenges.

- The study should aim to quantify and monetise as many of the outputs, outcomes, and impacts as possible, and proposals should set out how this will be achieved. We would expect a high-level logic model and theory of change to be developed.
- Critical to the success of any proposal will be the deployment of a sound, robust counterfactual. Proposals should set out how this will be defined and measured. It is anticipated that data linking to administrative data or surveys of non-participants could be part of this solution, although Innovate UK are open to alternative suggestions. Innovate UK would welcome multiple approaches to measuring the additionality of the scheme. We encourage bidders to think innovatively when developing a suitable counterfactual as the option of utilizing unsuccessful applicants is limited and there are several challenges around selection bias (from each of the actors: knowledge base, academic, and firm). It is possible and suggested to look at early versus late KTPs (pipeline design), development of a synthetic counterfactual, or utilizing matching methods to draw in insight from the broader business population.
- All proposals should follow best practice guidance in designing evaluations as set out in HM Treasury's Magenta Book. Critical to the success of any proposal will be a sound approach to measuring and accounting for deadweight, displacement, leakages and spillovers, so far as is possible. It will not be considered sufficient to rely on general estimates drawn from the wider literature to account for these.
- The bidder should address how they plan to conduct the evaluation with participants that have been involved in several projects. We need to limit the disruption to these organisations, while capturing the best information on the project outputs and outcomes. The bidder should also address whether they plan to contact all project participants, where there is more than one, or just the lead participants from the project. Innovate UK holds data for a contact at each of the participating organisations which can be provided, although it can be expected that some of these contact details will be out of date, particularly for earlier projects.
- Bidders are encouraged to propose the use of external datasets that contain information from further investment from private financial markets and company's valuations, to understand broader impacts of the impact of the KTP Scheme on participants.

The KT partnerships included in this study would have ended at different times during the period covered in the evaluation. Bidders will need to address how they will tackle this challenge when it comes to completing the survey. It is anticipated that this project will require a combination of analytical techniques. These could include econometric analysis, primary or secondary data, data linking; and surveys and in-depth interviews of participants (Businesses, Knowledge Bases and KT Associates). It may be that not all are appropriate, but it is unlikely that any one alone will be sufficient. Bidders are encouraged to think innovatively in terms of how they propose to meet the requirement of the review, although innovation should not be to the detriment of robustness. Innovate UK are keen to push boundaries in their evaluations, to improve the quality of their evidence base.

For this impact review, Innovate UK expect a minimum of a survey of beneficiaries and appropriate control group firms (incl. non-beneficiaries), case studies and data linking with external data sets. These case studies could possibly highlight the contribution participation in a KTP makes to Knowledge Bases, for example supporting Research Excellence Framework (REF) and Knowledge Exchange Framework (KEF) submissions, or the career benefits experienced by KT Associates.

Innovate UK would expect any survey to be telephone based. The questions used in this survey should support and complement the information set gathered through Innovate UK's project completion form, adding breadth and depth to the wider KTP dataset. This would enable some of the impacts from projects that have already been completed to be compared to impacts on future projects.



Spillover impacts (distinct from multiplier effects) are typically overlooked or poorly captured by evaluations of innovation support, and so proposals should consider how this might be overcome in this instance. Most standard approaches to evaluation will not capture impacts which occur outside of direct beneficiaries, and so complementary approaches should be considered.

The proposal should set out, where relevant, required sample sizes to ensure that the power of the analysis is sufficient, and how these will be achieved. It is expected that the entire sample will be used, given expected non-response rates and the requirement for robust statistical analysis.

*The bidder should indicate their preferred approach to meeting the research/evaluation objectives as set out above.*

Innovate UK should not need to explain exactly how the research/evaluation is to be conducted – bidders responding to this tender will be responsible for this.

Innovate UK will indicate the methodology anticipated to be used, explaining in broad terms how they propose to answer the specific objectives, and consider the type of evidence needed to respond to the questions:

- Literature review, study of existing research evidence.
- Quantitative data (numbers-based).
- Qualitative data (open-ended feedback).
- Data / MI analysis.

Innovate UK will set out who is to be interviewed:

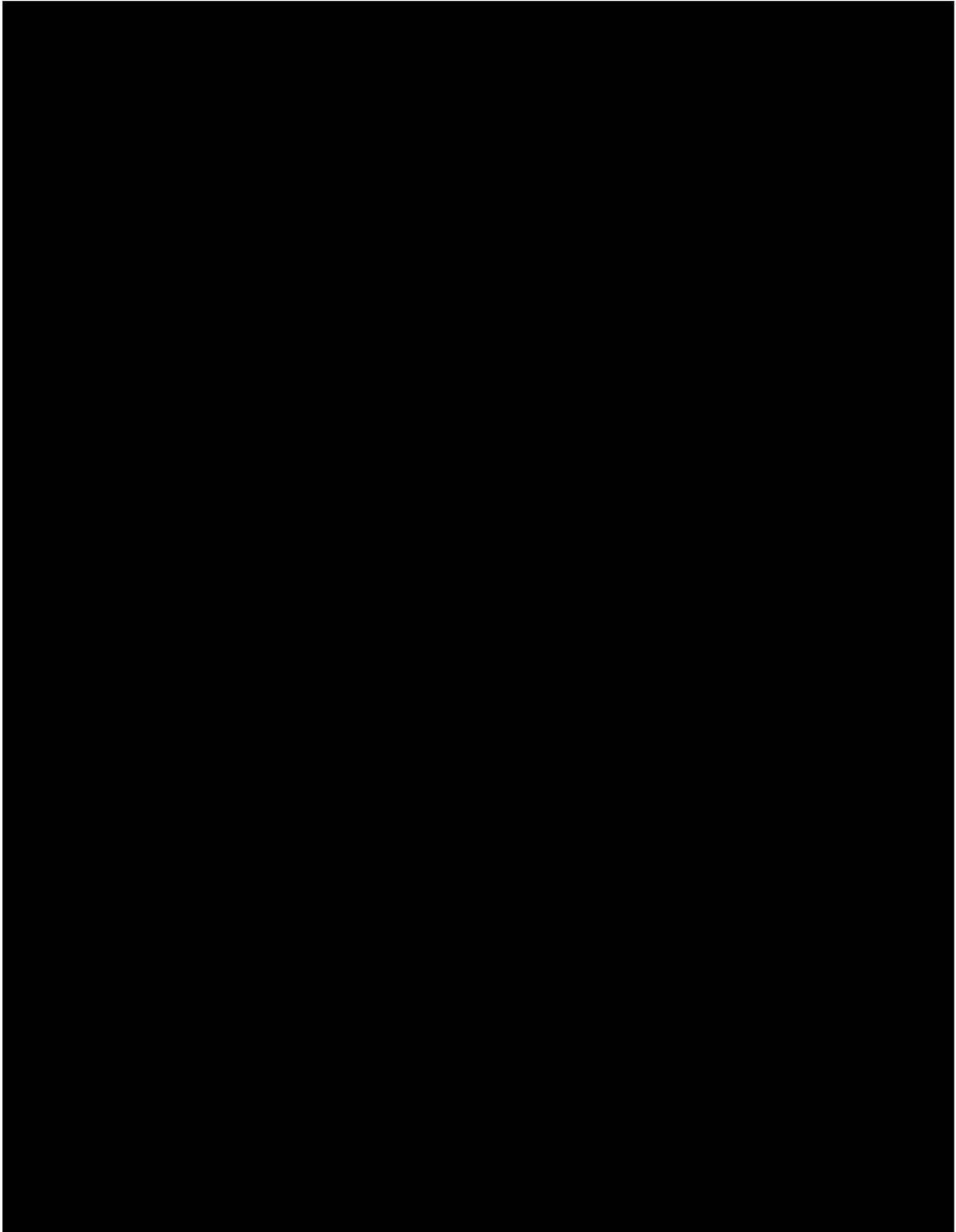
- Firm representatives.
- Knowledge Base academic leads.
- KTP Associates.
- KTN Monitors – Innovate UK work with the Knowledge Transfer Network (KTN), which is a separate organisation. KTN has an in-house monitoring team, that provides a point of contact for the KTP partners, and provides an oversight service for the KTP scheme.

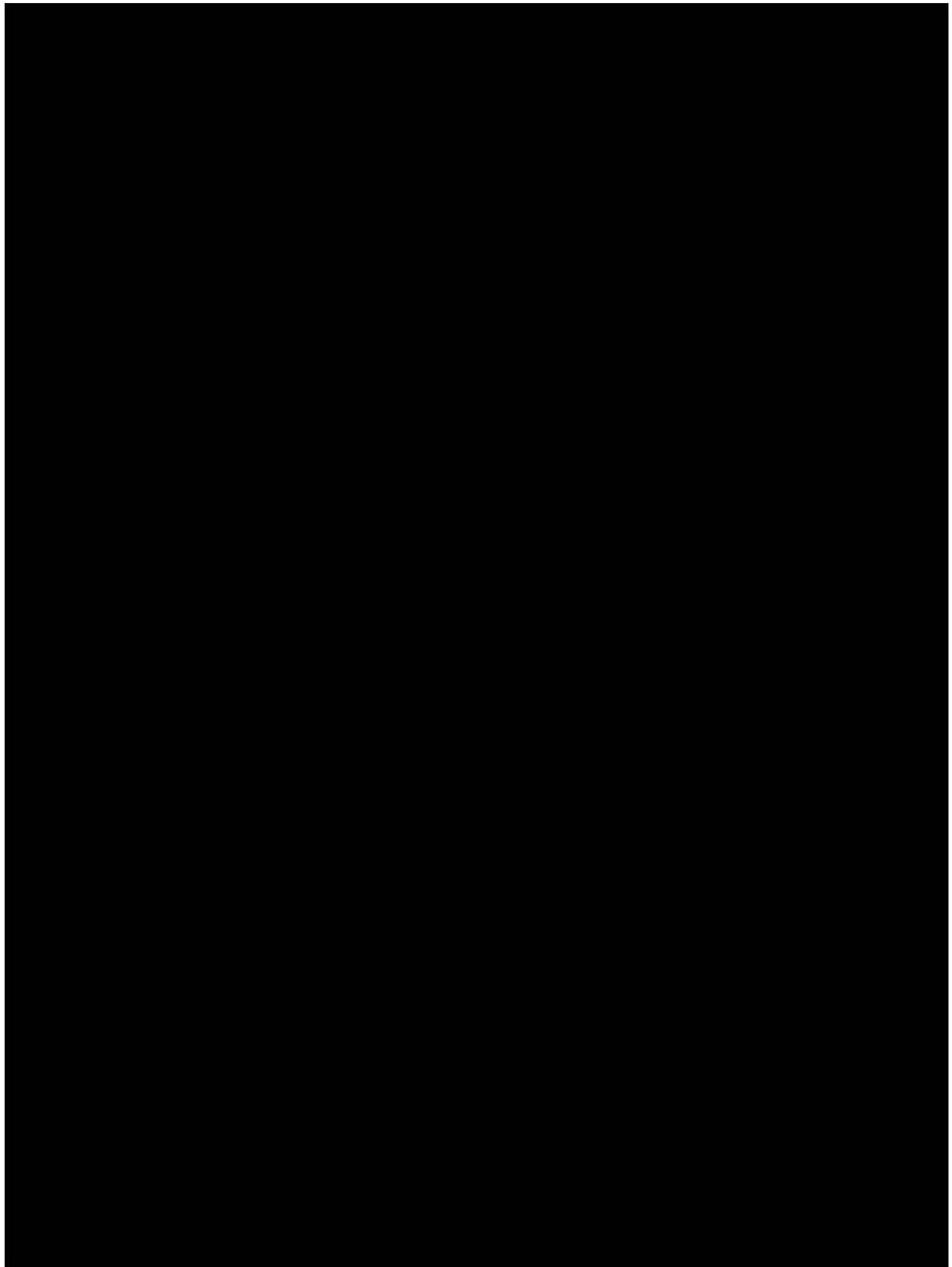
## 7. Timetable

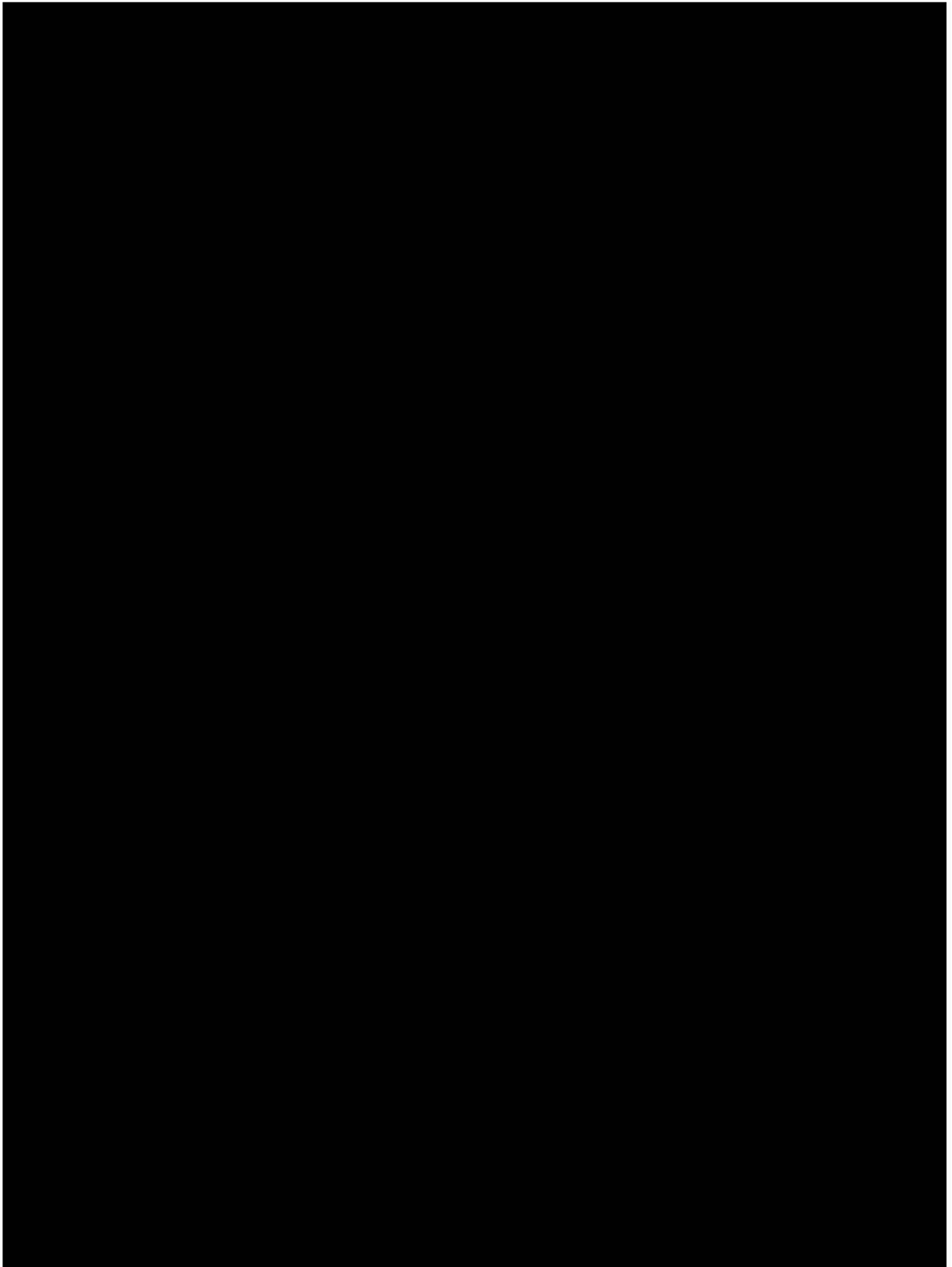
	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22
	PHASE 1			PHASE 2				PHASE 3		
<b>Procurement</b>										
<b>Award</b>	w/c 11/10									
<b>Project Initiation</b>	w/c 18/10 Data Review and Scoping									
<b>Mobilisation</b>		w/c 01/11 Plan agreed								
<b>Fieldwork</b>					Interim report w/c 14th					

Analysis										
Reporting									Draft Report	Final Report

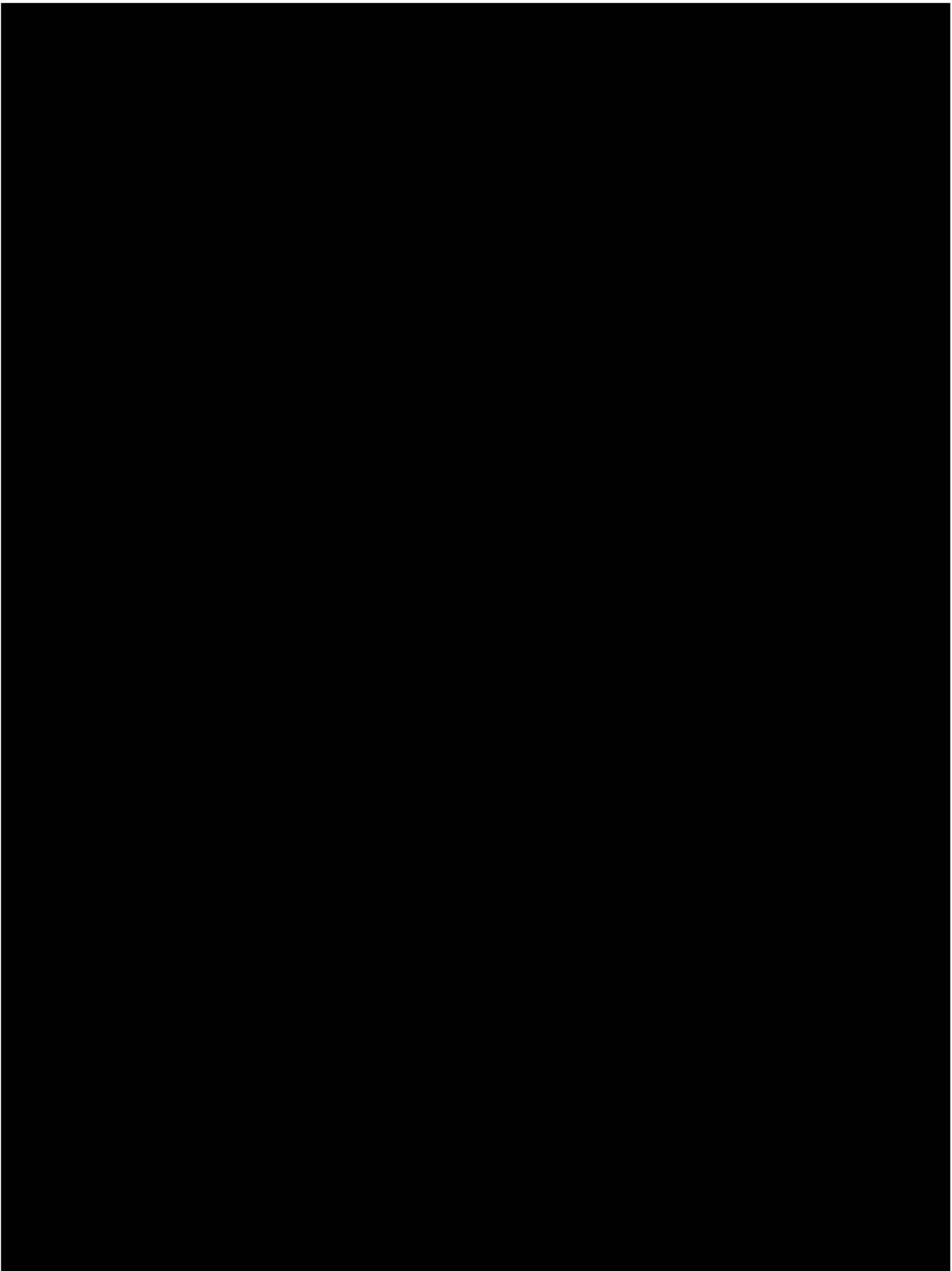
**ANNEX B**  
**Supplier Proposal**

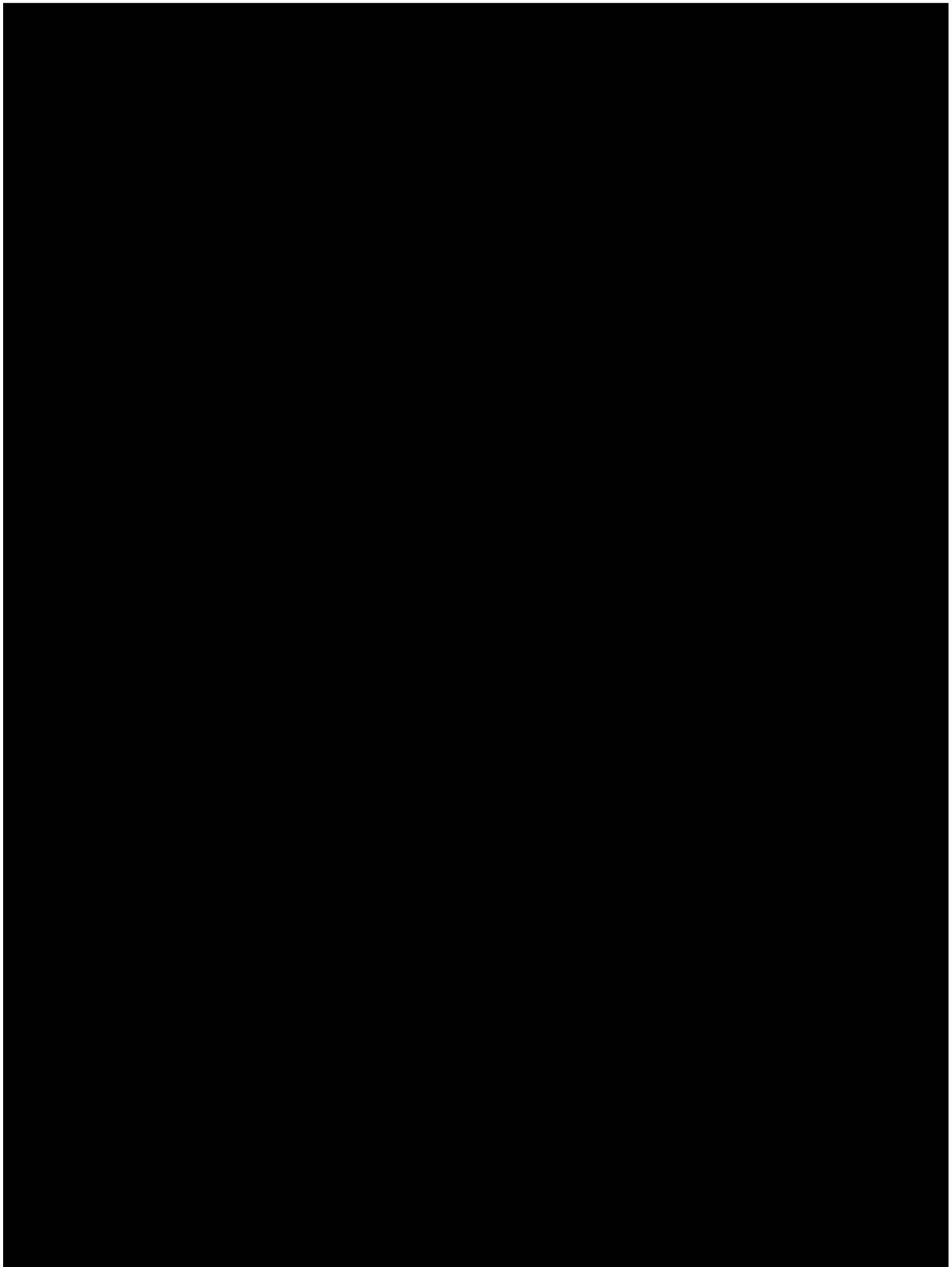


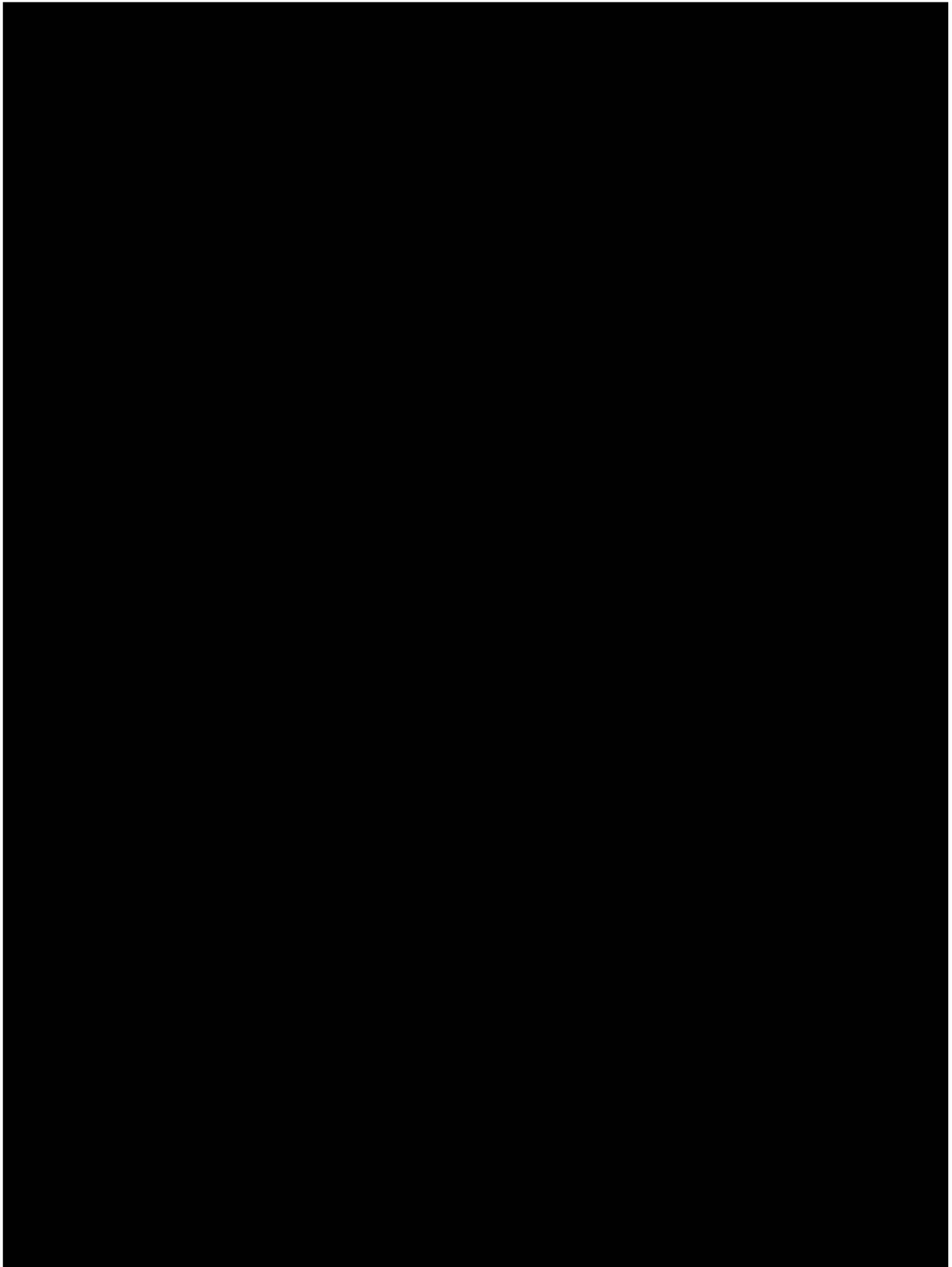


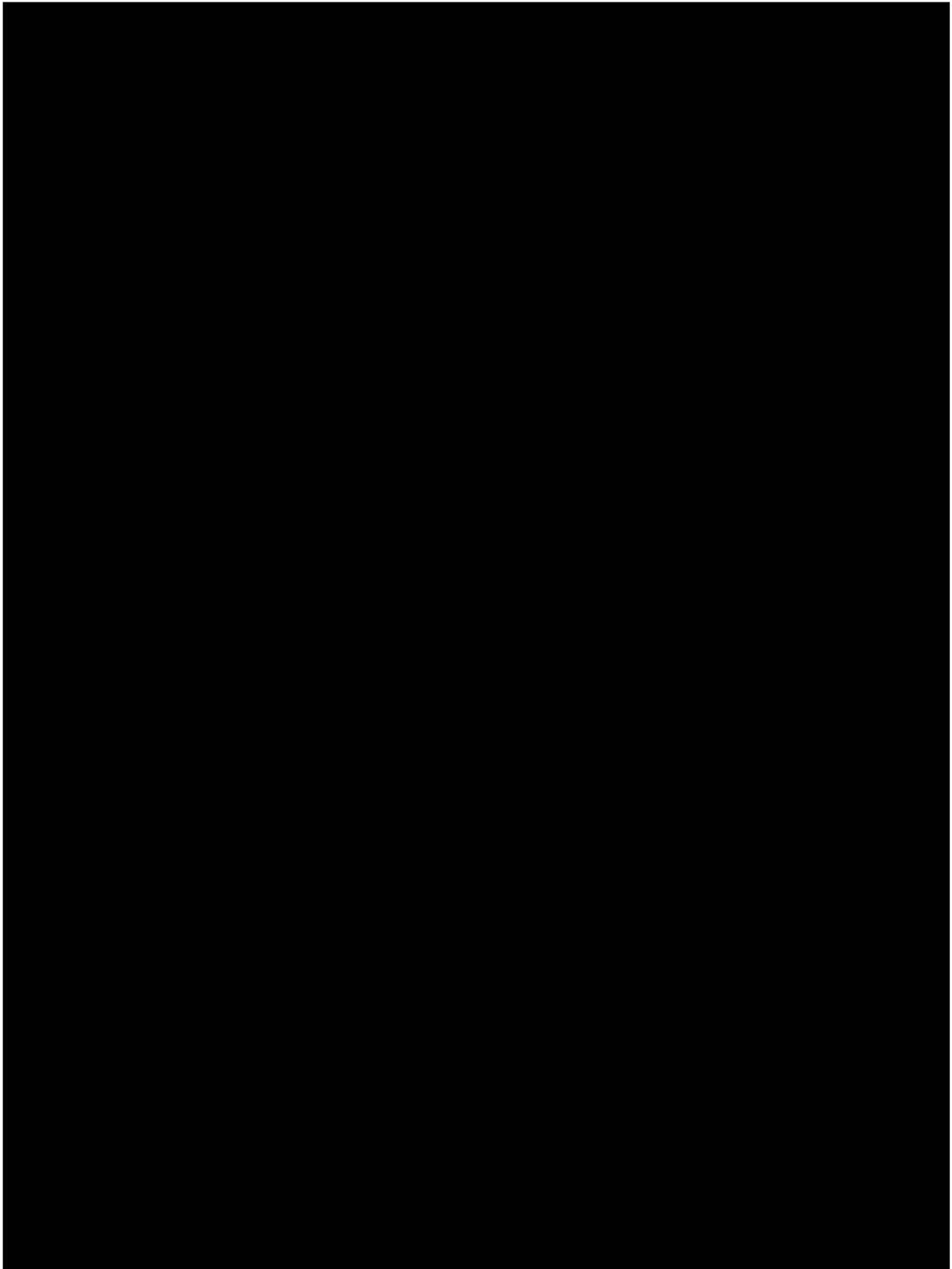


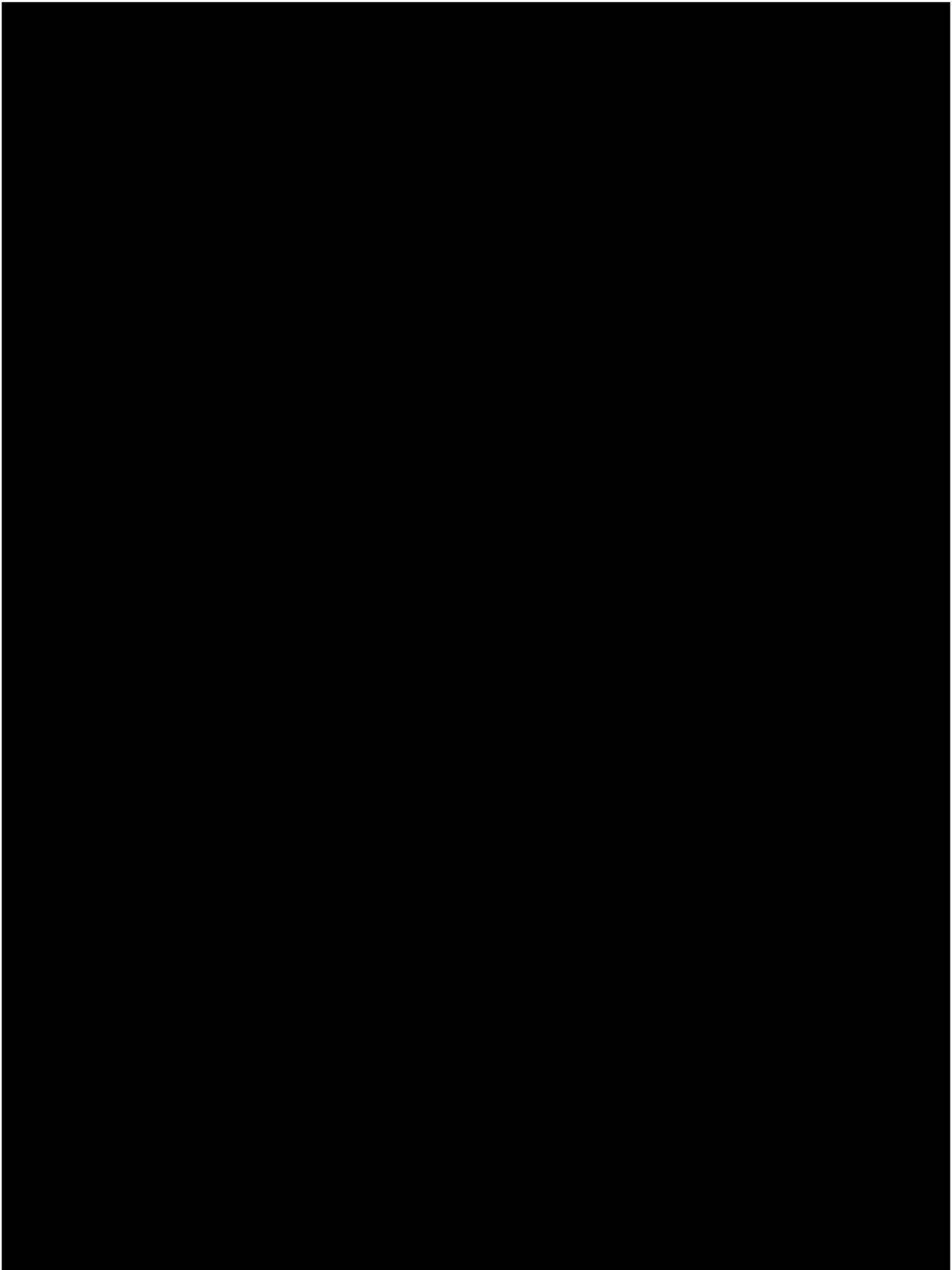




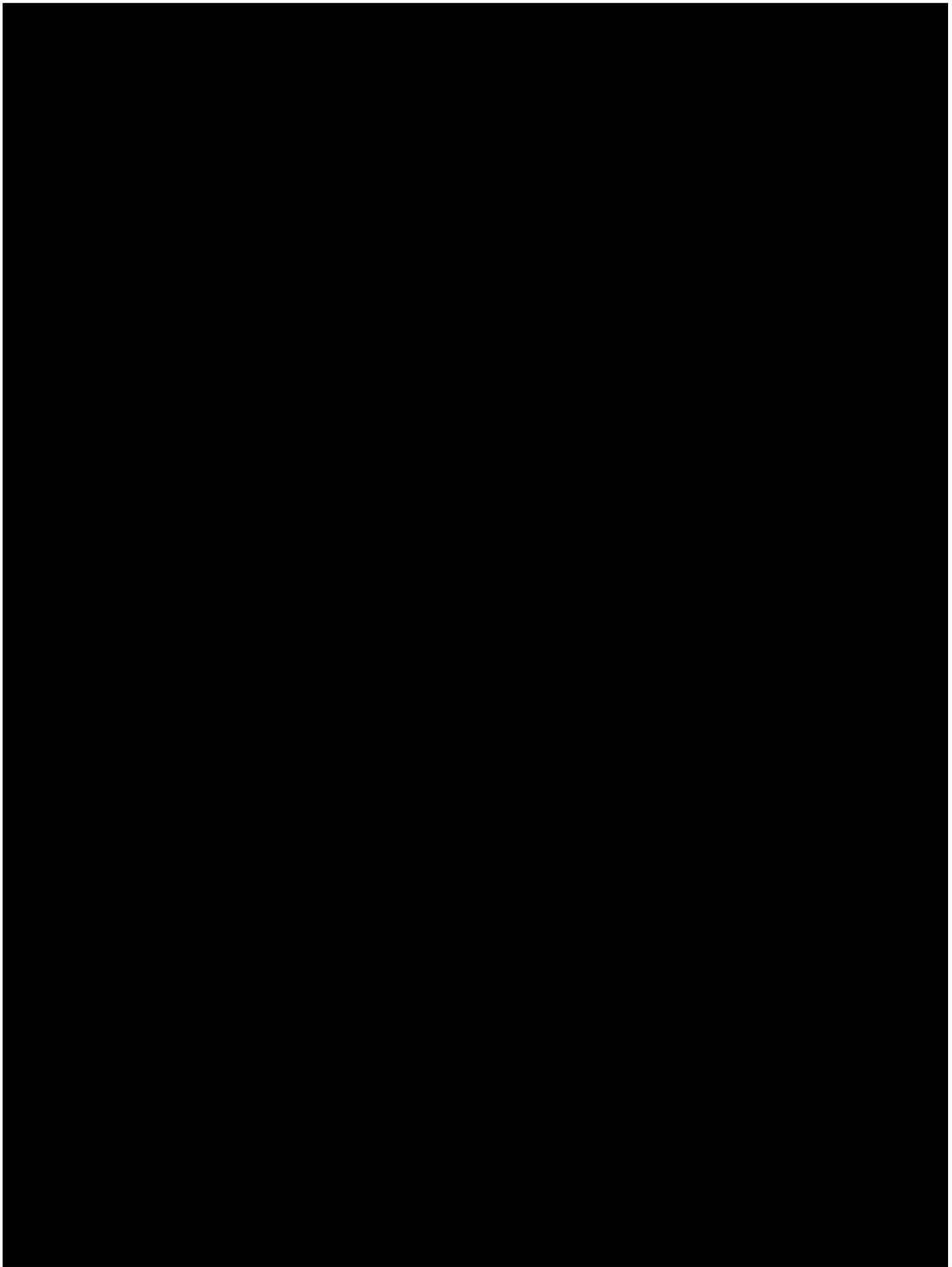


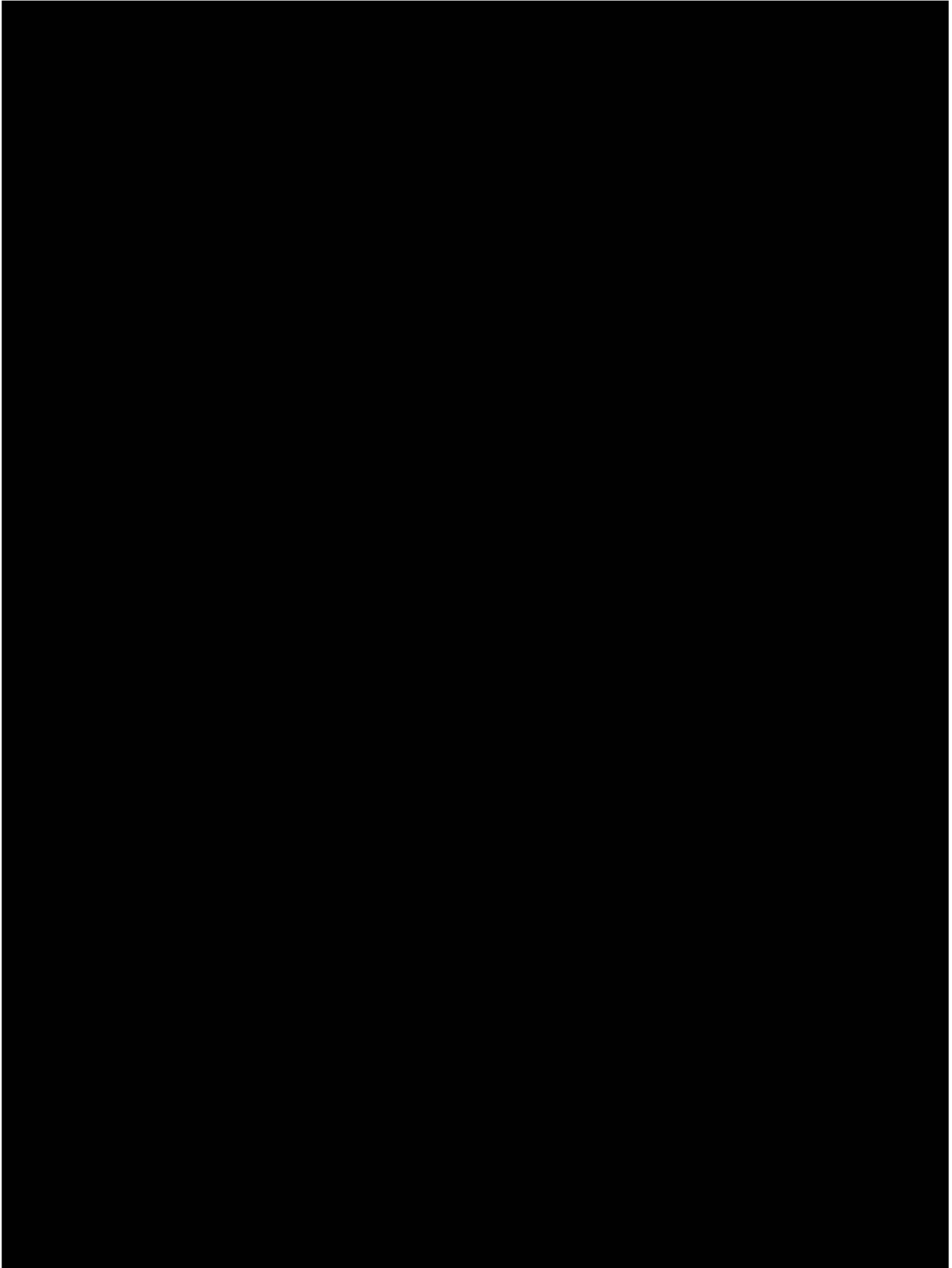


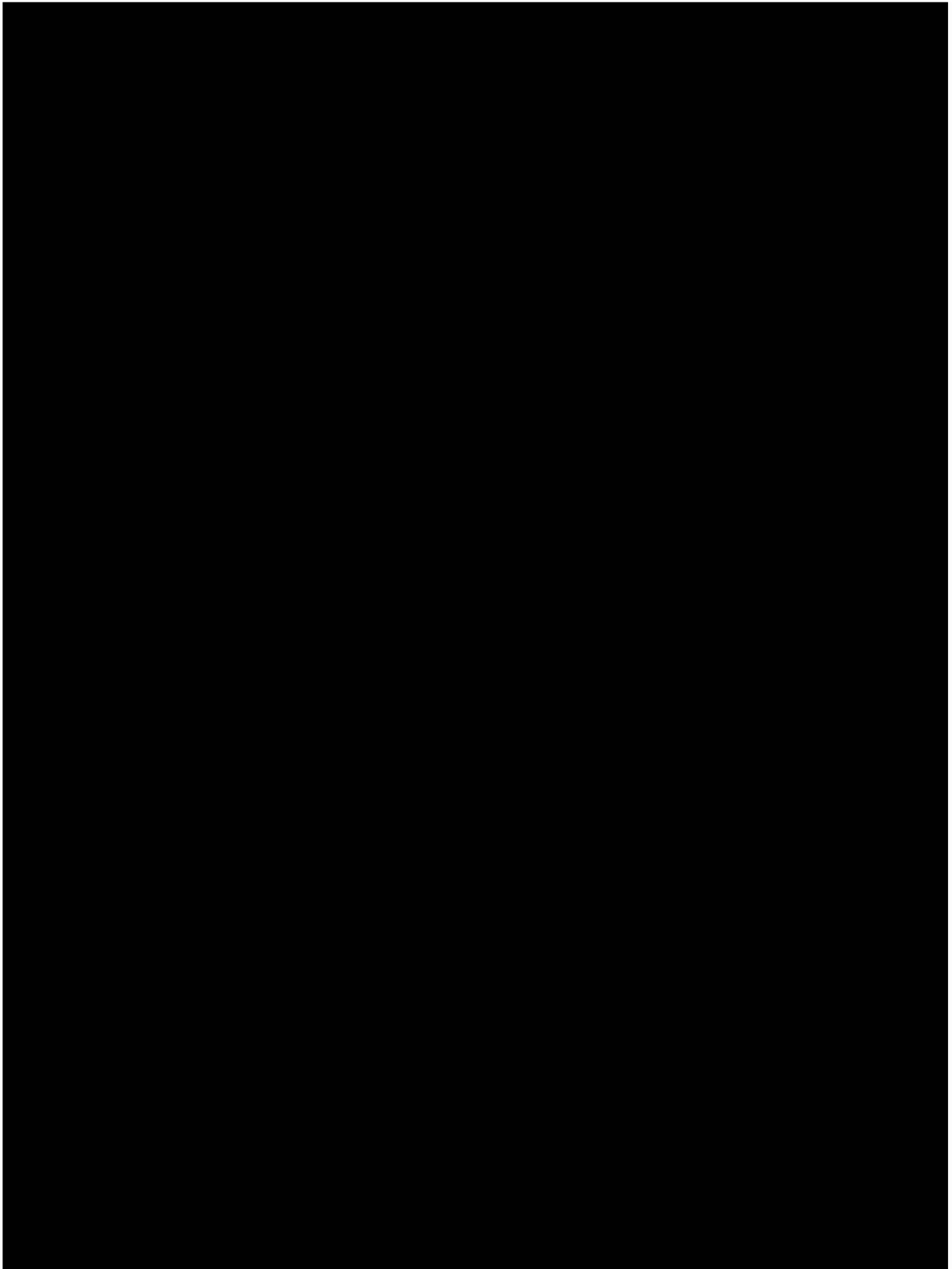


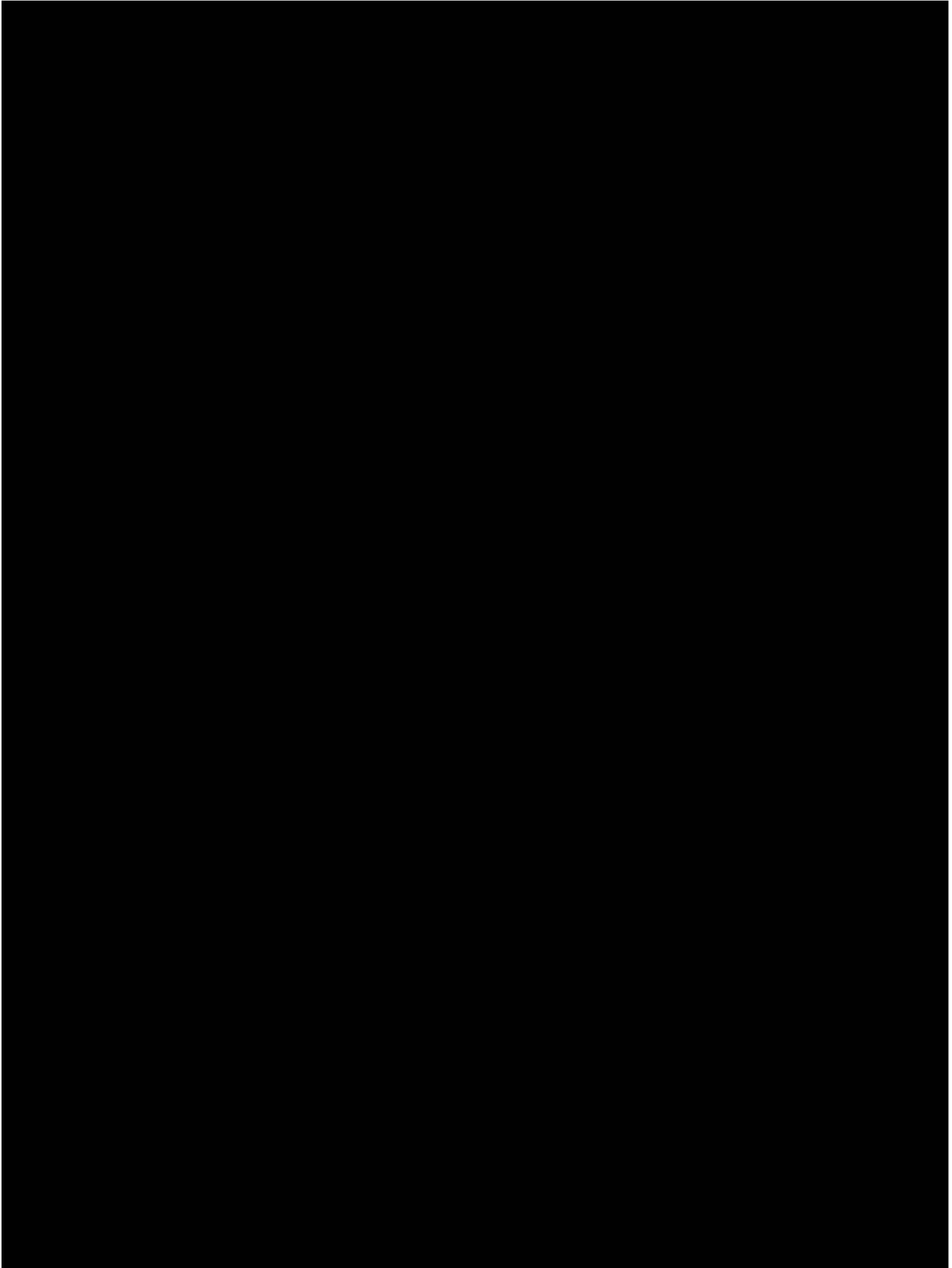


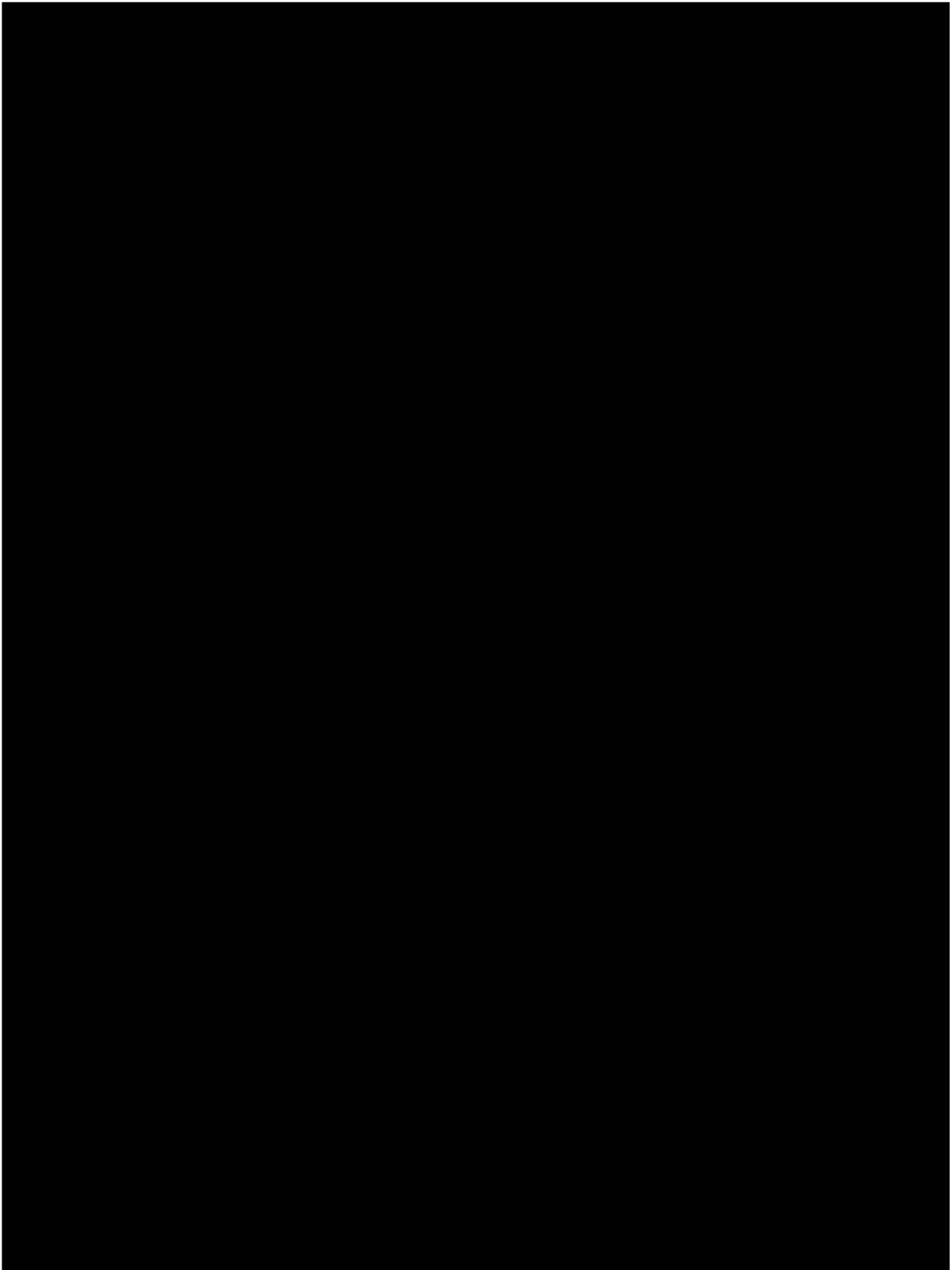




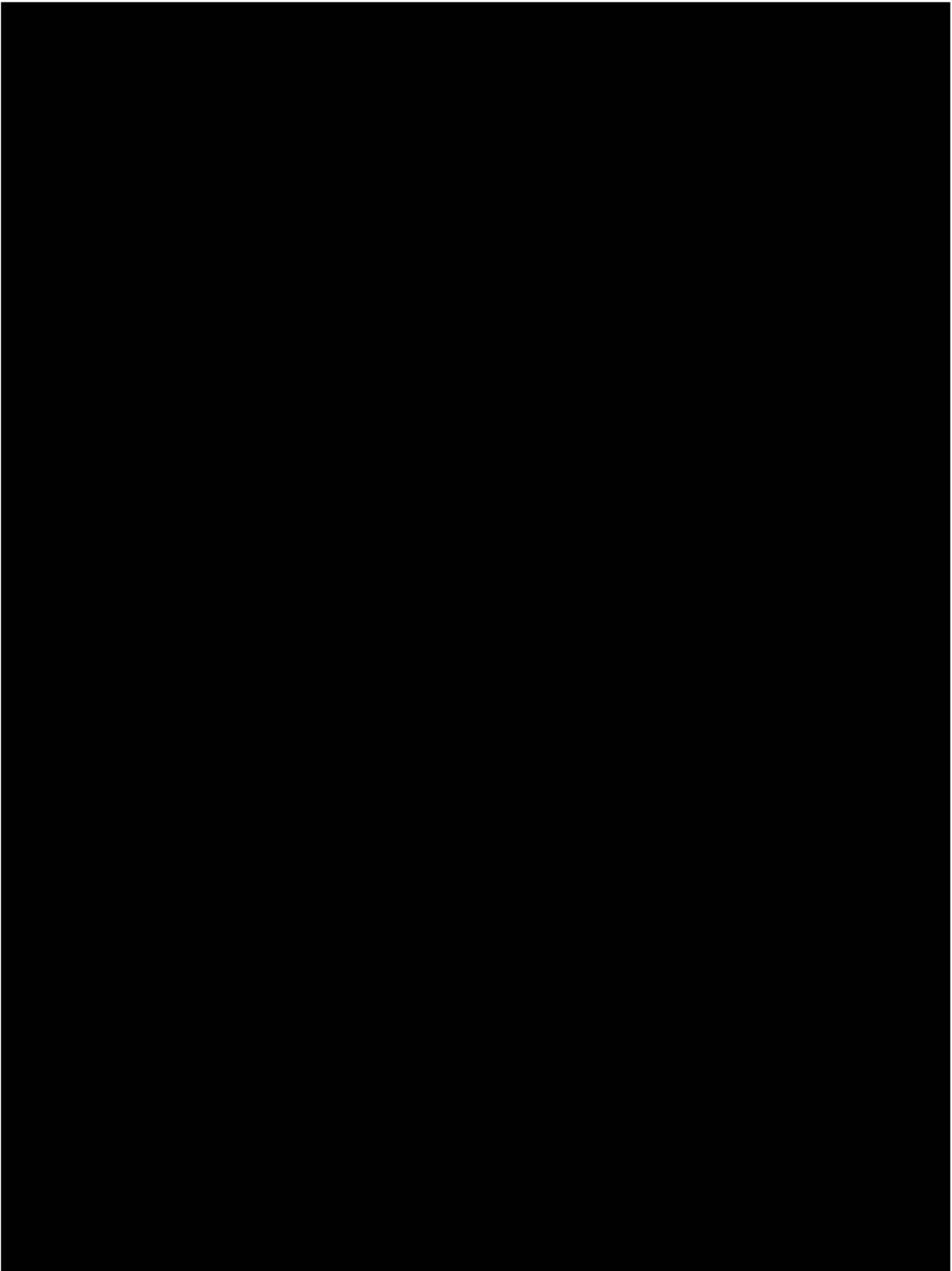


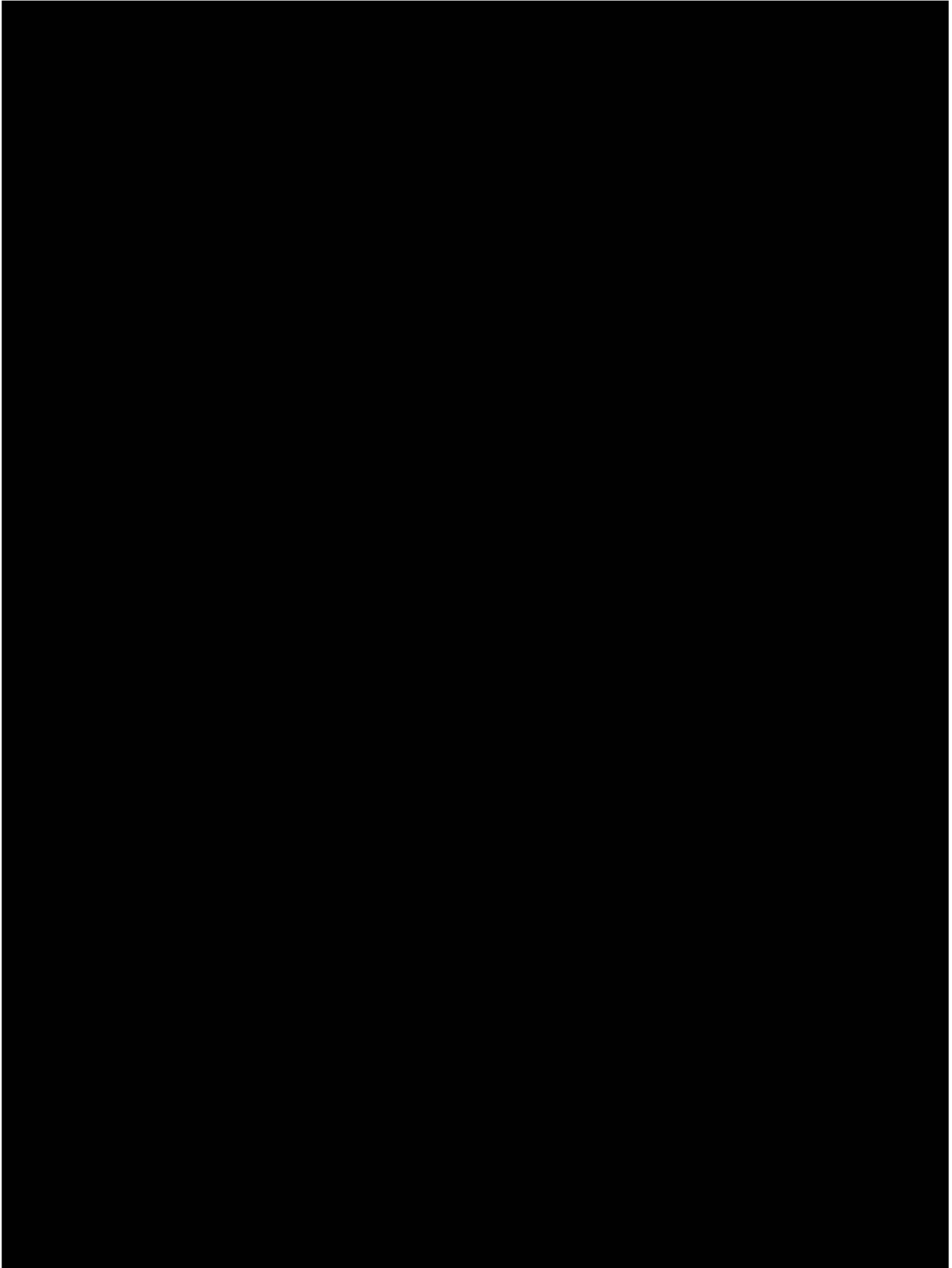


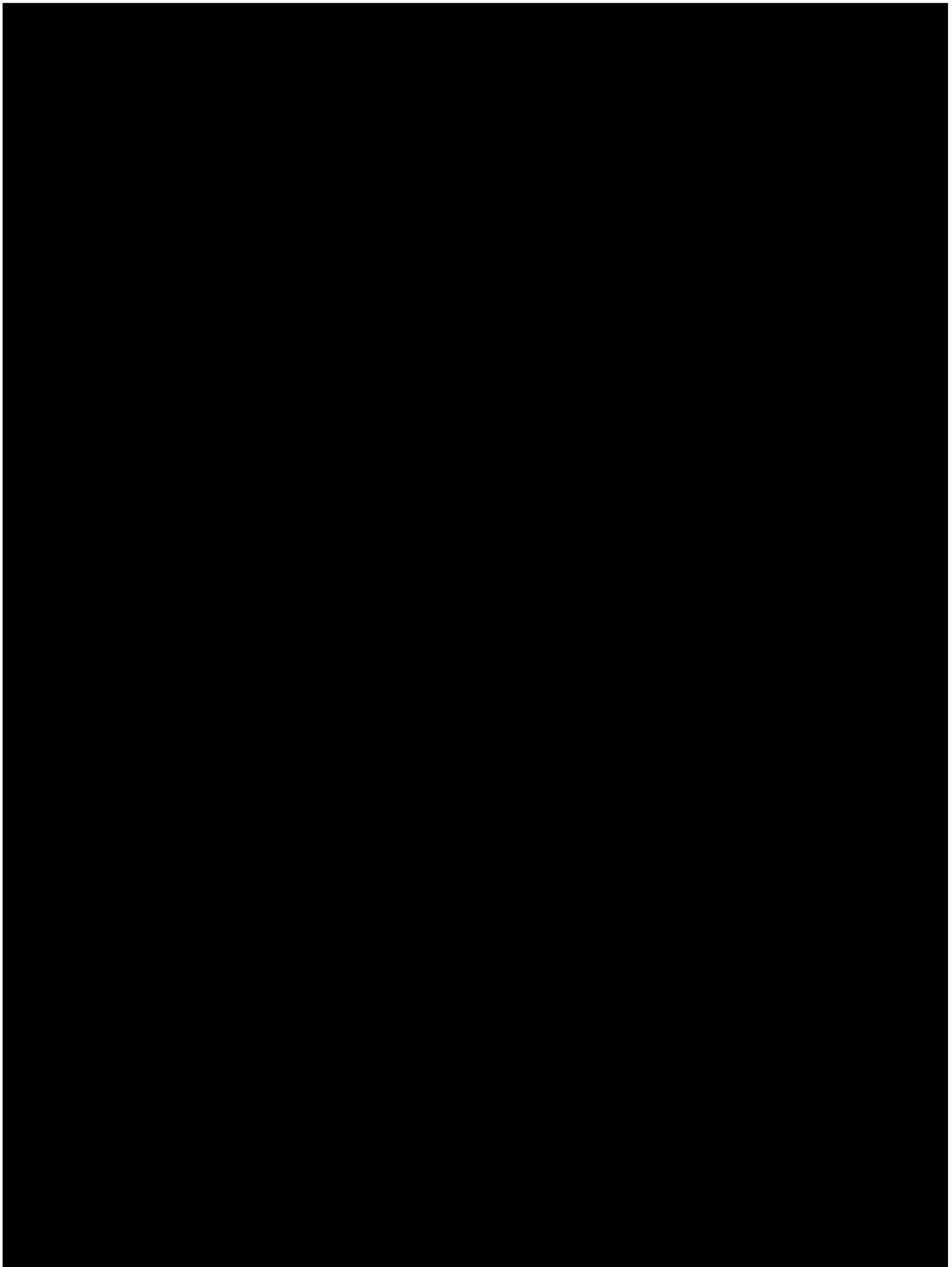


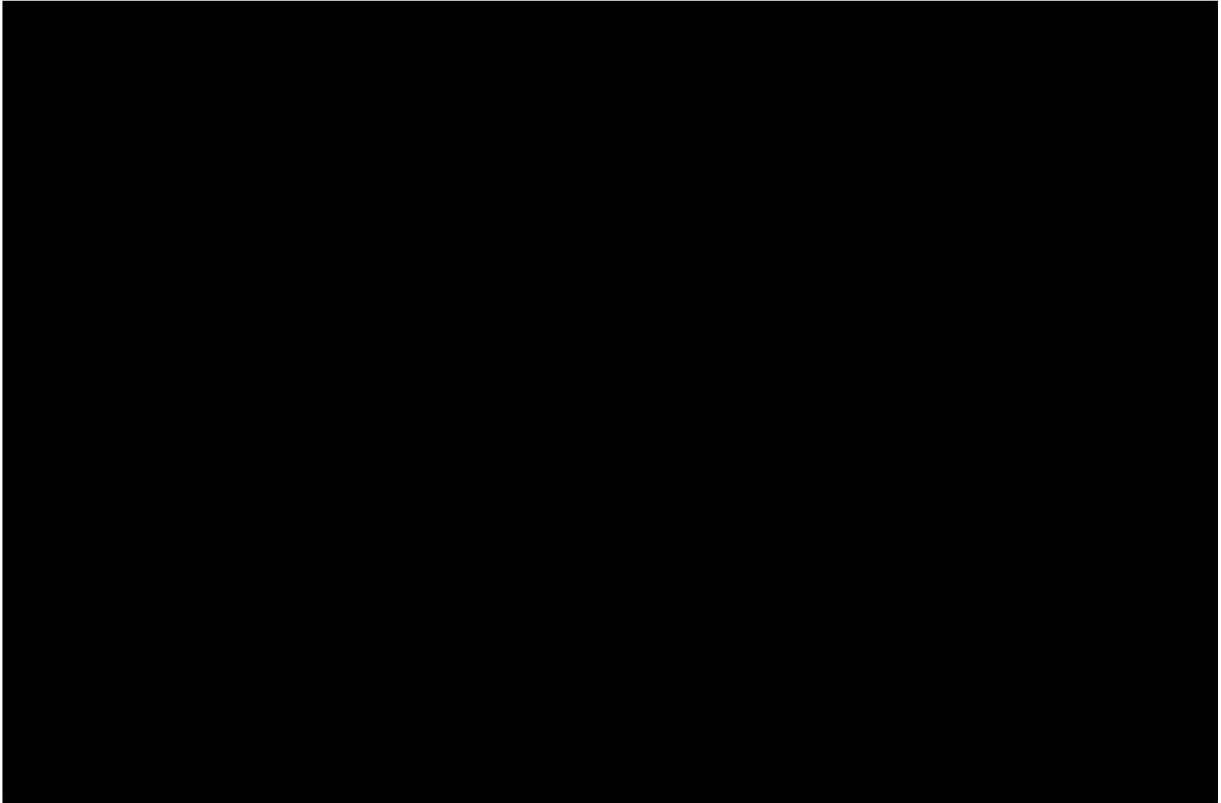


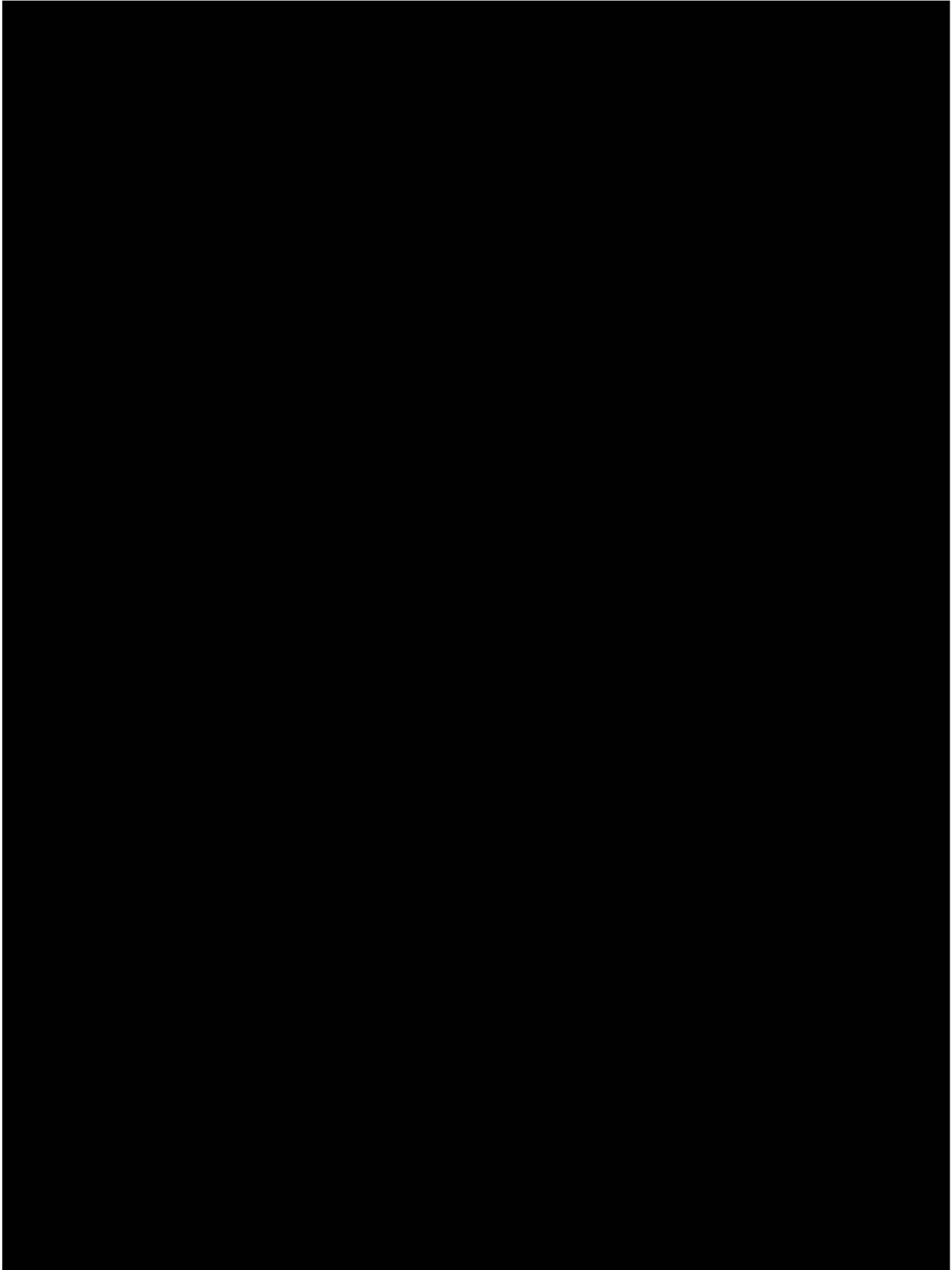




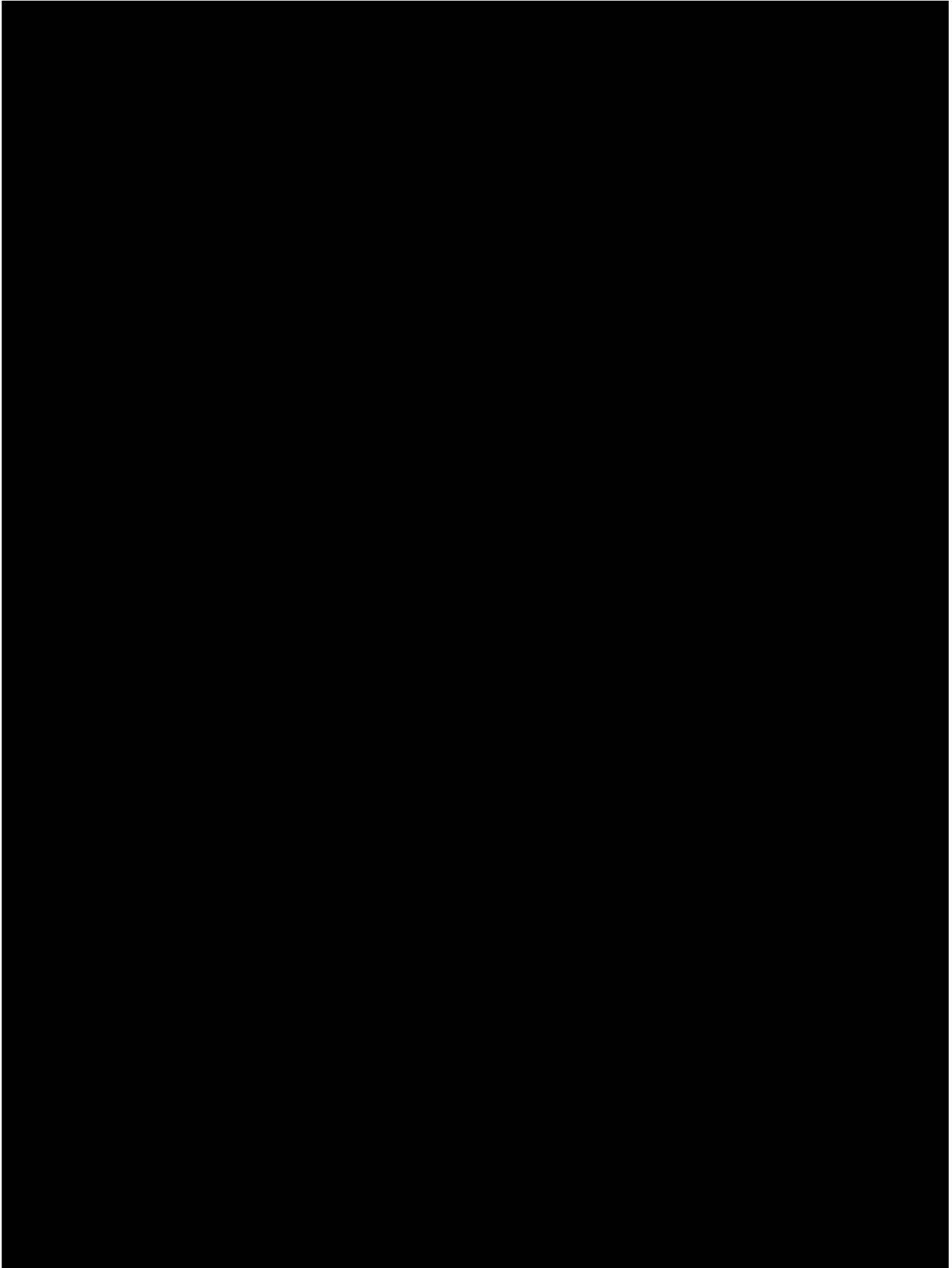


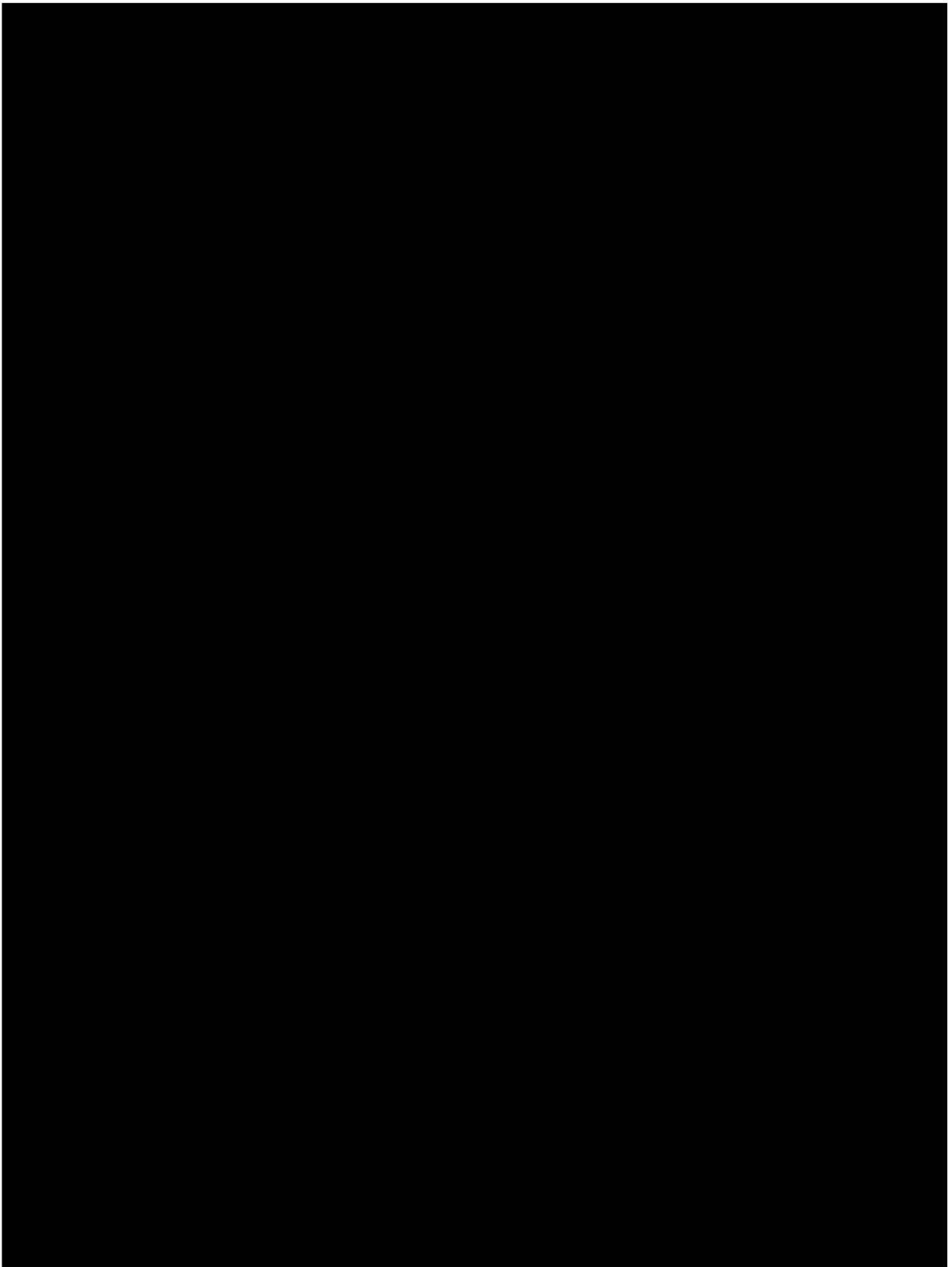


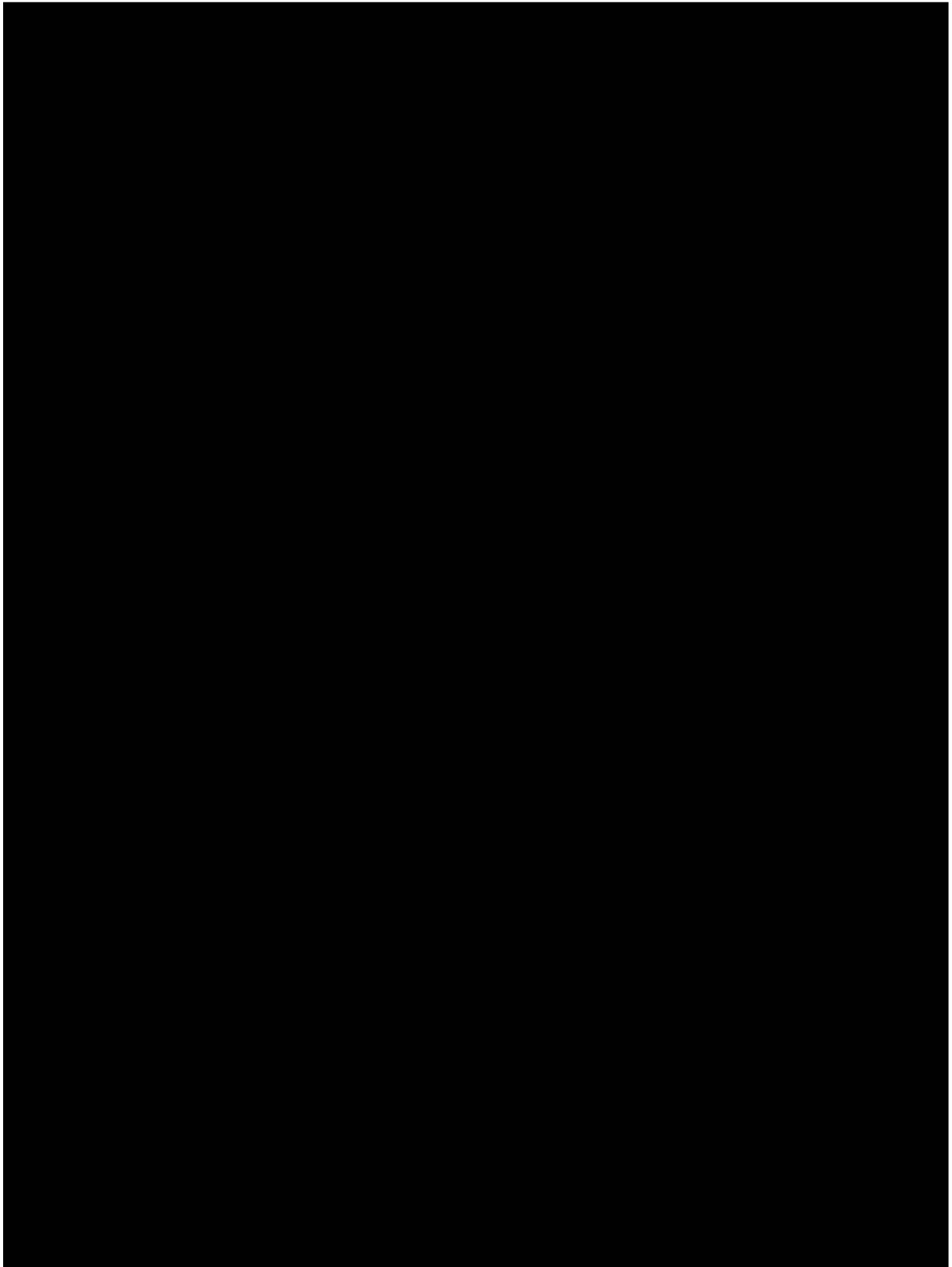


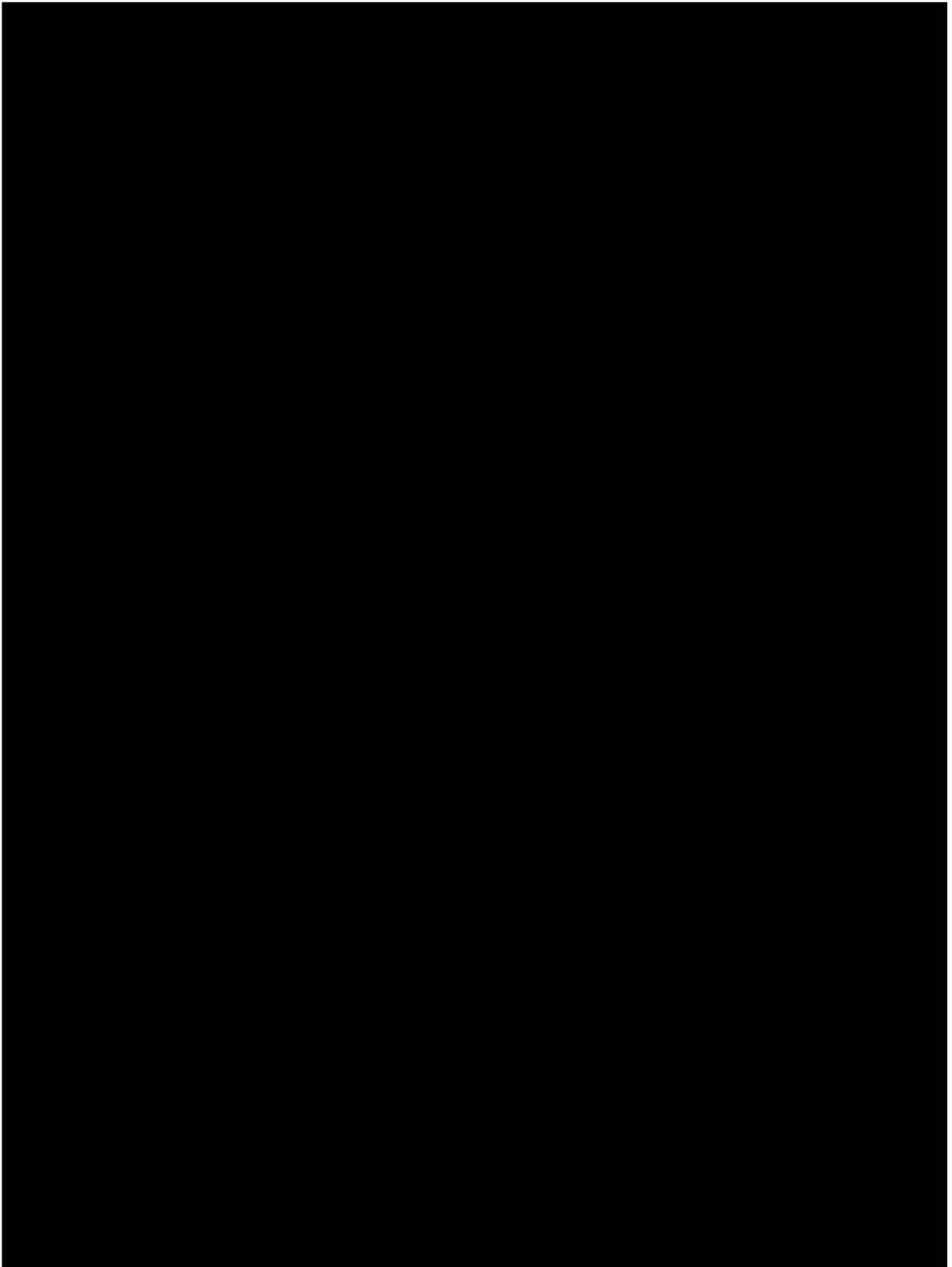


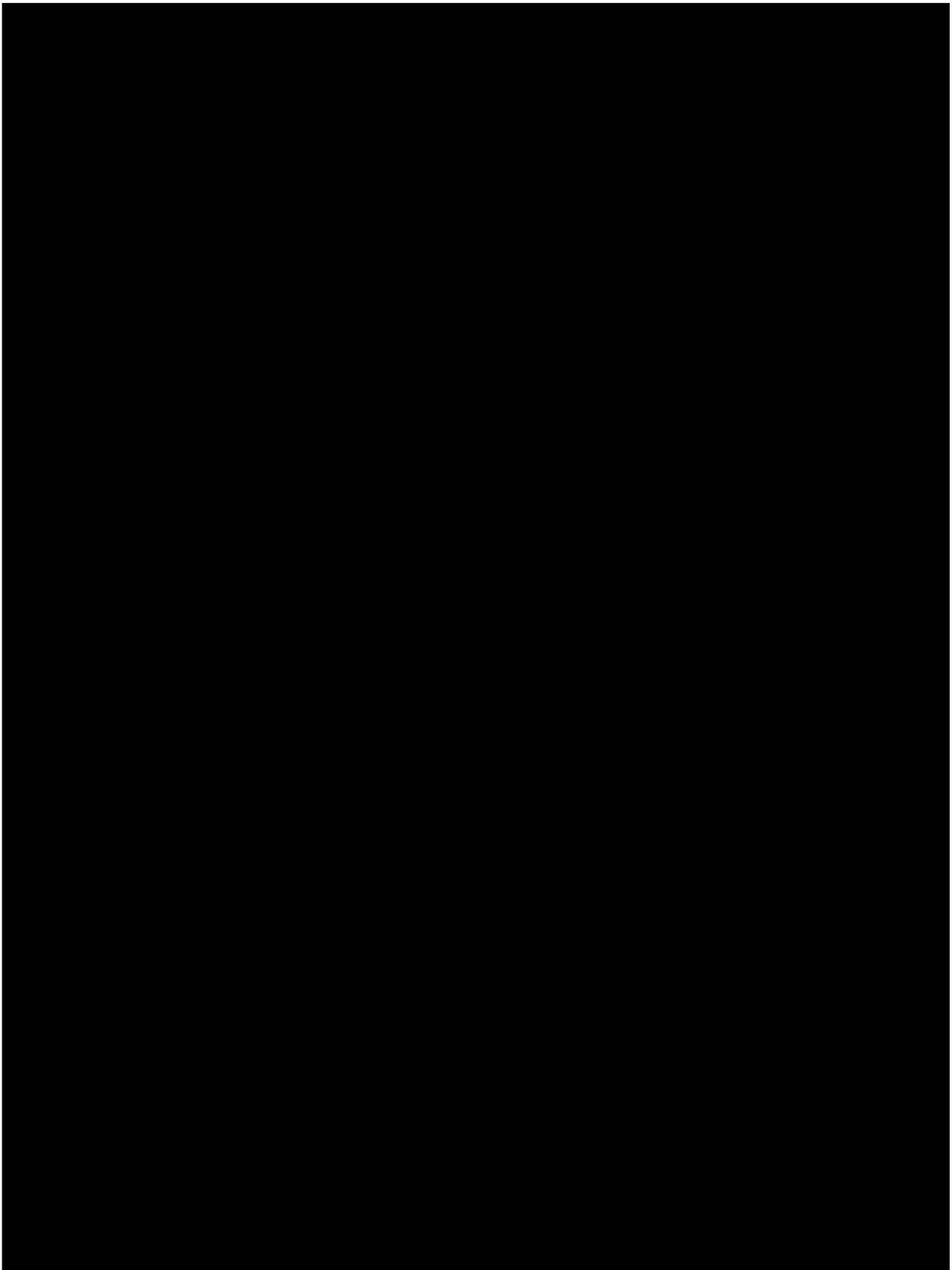












## **Part 2: Contract Terms**



Contract Terms v6.0