**Environmental Impacts of FDI Contract**

**LETTER OF APPOINTMENT**

* 1. **Letter of Appointment**



Dear Perspective Economics Limited,

**Letter of Appointment**

This letter of Appointment dated 10/03/2021, 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.

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| Order Number: | CR\_1179 |
| From: | Department for International Trade  [THIS TEXT IS REDACTED]  (“Customer”) |
| To: | Perspective Economics Limited  [THIS TEXT IS REDACTED]  ("Supplier")  OCO Global Limited  (‘Sub-Contractor”) |

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| Effective Date: | 12 March 2021 |
| Expiry Date: | End date of Initial Period: 31st August 2021  End date Extension Period: N/A  Minimum written notice to Supplier in respect of extension: N/A |

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| Services required: | Set out in Annex A of this Letter of Appointment |

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| Key Individuals: | [THIS TEXT IS REDACTED]  Refer to Annex B, Supplier Proposal for further detail |

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| Contract Charges (including any applicable discount(s), but excluding VAT): | The total cost for Phase 1 is [THIS TEXT IS REDACTED]  The total cost for Phase 2 is [THIS TEXT IS REDACTED]  The total contract cost, if both Phases 1 and 2 are commissioned is £78,275.00  For a full breakdown of costs please refer to Annex B, Supplier Proposal. |
| Insurance Requirements | Additional public liability insurance to cover all risks in the performance of the Contract, with a minimum limit of £1 million for each individual claim  Additional employers' liability insurance with a minimum limit of £1m indemnity  Additional professional indemnity insurance adequate to cover all risks in the performance of the Contract with a minimum limit of indemnity of £1 million for each individual claim |
| Liability Requirements | **Suppliers limitation of Liability**  Clause 18.2 of the Contract Terms applies |
| Customer billing address for invoicing: | [THIS TEXT IS REDACTED] |

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| GDPR | See Contract Terms Schedule 7 (Processing, Personal Data and Data Subjects) |
| Alternative and/or additional provisions (including Schedule 8(Additional clauses)): | Not applied |

**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: [THIS TEXT IS REDACTED]

Name and Title: [THIS TEXT IS REDACTED]

Signature: [THIS TEXT IS REDACTED]

Signature: [THIS TEXT IS REDACTED]

Date: [THIS TEXT IS REDACTED]

Date: [THIS TEXT IS REDACTED]

**ANNEX A**

**Customer Project Specification**

**Background / Policy context**

**Net Zero Target**

In June 2019, UK became the first major economy to sign a legislative commitment to end its contribution to global warming by 2050, following recommendations from the UK’s independent climate advisory body, the Committee on Climate Change. The government’s target of net zero greenhouse gas emissions by 2050 stipulates that any emissions are balanced by offsetting schemes to reduce the amount of greenhouse gases in the atmosphere, such as through use of carbon capture technologies, or by planting trees. The 2019 target strengthened the government’s prior commitment to an 80% reduction in emissions required by the Climate Change Act 2008.

With the 2050 deadline for the government’s net zero target approaching, it is becoming increasingly important for DIT’s investment promotion activities to accurately account for the environmental impacts of foreign direct investment (FDI), to contribute to the successful delivery of HMG targets.

Through the capital, technology and innovation it brings, foreign direct investment (FDI), particularly ‘clean’ investment, has the potential to significantly reduce the cost of the UK’s net zero target, by reducing business emissions across a range of industries in the UK, and increasing the prominence of ‘clean’ sectors in the UK. Promotion of environmental FDI could make the UK a European or Global leader in this already large and high growth sector and will result in the creation of additional economic activity, improving UK productivity and creating high value jobs.

However, to meet the net zero target the UK will also need to stop some types of economic activity. In line with the target, DIT will reduce support for FDI projects with high emissions, which would include coal and oil projects and some types of manufacturing. This will have a cost of lost UK economic output and jobs - at least in the short to medium term - and could undermine the “levelling up” agenda, as projects in these heavy industries tend to be outside South East England.

Currently, the department lacks the evidence to inform the necessary trade-offs between pursuing investment that supports HMG net zero targets, against supporting other government objectives, such as levelling up.

**Clean Growth**

In addition to the net zero target, HMG environmental policy seeks to achieve long term sustainable economic growth and raise living standards throughout the UK. Termed ‘clean growth’, this accounts for one of the four grand challenges of the Industrial Strategy, and will increase productivity and create clean jobs while helping protect the climate and environment.

DIT’s investment strategy, which includes longer term goals beyond the current economic impact of FDI, has highlighted the significance of clean growth in investment promotion, but also that this area represents an evidence gap for DIT. To fill these gaps, DIT requires more information on the environmental impact of FDI in the UK and DIT’s investment promotion activities.

**Correcting evidence gaps**

This research seeks to correct the current evidence gaps surrounding the environmental impact of FDI in the UK. This will develop our understanding of DIT’s contribution to HMG’s environmental priorities and inform future investment decisions that account for environmental factors. More specifically, considering both the direct emissions of FDI projects and their potential spill-over effects on the wider economy will enable future policy and operational decisions on investment promotion to account for environmental factors more accurately.

In addition, in the context of declining global FDI flows, the UK faces an increasingly competitive landscape for FDI attraction. DIT must ensure that future investment decisions in this environment continue to effectively target those investments that will ensure large payoffs and positive spill-overs. A stronger evidence base on the environmental impact of different types of FDI will ensure that DIT’s investment strategy accounts for these broader payoffs and clean growth considerations.

**Project Aims and Objectives**

**Project Aims**

The key aims of the project are:

1. To understand the environmental impacts of FDI in the UK, and the contribution made to HMG environmental priorities by DIT investment promotion.
2. To explore how the environmental impacts of FDI can be disaggregated, and therefore how DIT’s investment promotion may be tailored to further support these priorities.

With regard to the former, this will involve understanding both the direct impact of FDI on emissions, and the indirect impacts of FDI on national clean growth through spill-over effects in terms of capital, technology, and innovation.

With regard to the latter, the project aims to analyse how these environmental impacts can be broken down (for instance, by sector, source country or form of FDI), to support DIT’s understanding of which types of FDI contribute to HMG’s environmental priorities to the greatest extent. This will include a consideration of both the direct and indirect environmental impacts of FDI. In the instance that secondary analysis to this degree is not feasible, the new evidence provided by case studies will help inform these decisions.

**Project Objectives**

Establishing the direct and indirect impacts of FDI on emissions and clean growth will provide the evidence for how effective DIT investment promotion is in contributing to HMG environmental targets. This will allow DIT to clearly articulate the contribution it makes to clean growth and net zero targets through investment promotion.

Furthermore, in formulating evidence that allows environmental considerations to be factored into investment trade-offs, the project will inform adjustments to investment promotion that will maximise contribution to HMG targets, with an evidence base behind environmental considerations.

The procurement addresses the wider Departmental objective to use trade and investment to underpin the government’s agenda for a Global Britain and its ambitions for prosperity, stability and security worldwide. By establishing means to contribute to clean growth and net zero targets, the project will enhance DIT’s role in maintaining Britain’s position as a world leader in the international effort against climate change. Furthermore, addressing clean growth concerns helps tackle longer term environmental security challenges.

**Research questions**

The project seeks to answer two key clusters of research questions: the first refers to aggregate impacts of FDI on UK environmental objectives, both in terms of direct impacts and indirect spill-over effects. The second attempts to disaggregate FDI to consider which types contribute more positively to UK environmental objectives and, as such, inform future DIT investment promotion trade-offs.

**Cluster 1:** **What environmental impacts does FDI have in the UK? How does DIT contribute to HMG’s objectives of clean growth and net zero in promoting FDI?**

Direct environmental impacts of FDI:

* Are foreign owned UK based businesses cleaner when compared to domestic investments?
  + If so, to what extent?
  + If so, what factors influence this?
  + Is this the case at a sector/sub-sector level?
* How do the emissions of UK domestic firms compare to their foreign competitors?
* Are there differences in emissions between DIT supported foreign firms and non-DIT supported foreign firms in the UK?
  + *This question hinges on the methodology used, but is a research question we would like to answer if possible.*
* What are the feasible metrics that can capture DIT’s contribution to net zero and clean growth through its investment promotion?

Indirect environmental impacts of FDI:

* Does FDI create environmental spill-over (indirect) effects in terms of the capital, technology, and innovation it brings?
  + If so, to what extent?
  + If so, which spill-over effects are most prominent?
  + If so, to what extent do these indirect effects reduce the cost of net zero across the economy?
* Do the spill-over effects in terms of capital, technology and innovation differ between foreign and domestic investments?
* Do lower carbon operators influence other businesses in their sector to move to a lower carbon approach?
  + If so, to what extent?

**Cluster 2:** **How can the environmental impact of FDI be disaggregated (e.g. based on sector, source country or type of investment)? How can this inform investment promotion trade-offs?**

* How can the environmental impacts and contribution to net zero of potential FDI projects be measured and compared?
  + Which types of foreign investments bring the most direct and in-direct positive contributions to the government’s net zero target?
  + Which types of foreign investments are most detrimental to the government’s net zero target?

**Methodology**

Our proposed approach to answering these research questions includes a combination of an initial literature review, case studies focusing on different types of environmental FDI, and secondary analysis. We would also welcome alternative suggestions within suppliers’ methodology responses, providing that these approaches are justified and meet the project’s aims and objectives. **Upon completion of the literature review, the exact scope of the project’s further research will be agreed with the supplier based on DIT areas of priority and the degree of data availability.**

**Literature Review**

As a first step the contractor will be required to undertake a systematic and comprehensive rapid evidence assessment, which we expect to give an up-to-date evaluation of the key areas of contention among reports and papers on the topic. This will be supported by existing internal research from DIT on the subject, which will be shared with the successful tenderer at contract commencement. The literature review should have a particular focus on the following research questions:

* Are foreign owned UK based businesses cleaner when compared to domestic investments?
  + If so, to what extent?
  + If so, what factors influence this?
  + Is this the case at a sector/sub-sector level?
* How do the emissions of UK domestic firms compare to their foreign competitors?
* To what extent does investment from FDI in terms of the capital, technology and innovation it brings create spill-over (indirect) effects associated with clean investment which reduce the cost of net zero across the economy?
  + Do these spill-over effects differ between FDI and domestic investment?
* Do lower carbon operators influence other businesses in their sector to move to a lower carbon approach?
  + If so, to what extent?
* How can the environmental impacts and contribution to net zero carbon growth of potential FDI projects be measured and compared?
  + Which types of foreign investments bring the most direct and in-direct positive contributions to the government’s net zero target?
  + Which types of foreign investments are most detrimental to the government’s net zero target?

**This literature review will help** **inform the focus points of the remaining analysis** such that notable gaps in the literature are addressed by further original research. The data sources and methodologies used in existing research should also be used to inform the scoping of further qualitative and quantitative analysis.

While the research will ultimately focus on the UK, we acknowledge that limiting the scope of the literature review to focus solely on UK evidence would likely miss key findings. Therefore, while the focus of the conclusions should be on the UK context, the literature review should include papers and studies from across the world where foreign investment has resulted in the environmental impacts outlined above.

**Case Studies**

Following the literature review, the contractor will be required to undertake case studies to assess the environmental impact of FDI. These may be used to obtain qualitative detail about investor decisions and business practices. The inferences drawn from these case studies could be generalised and tested in the subsequent secondary analysis.

We expect the key focus of the case study to be in answering the following research questions:

* Are foreign owned UK based businesses cleaner when compared to domestic investments?
  + If so, to what extent?
  + If so, what factors influence this?
* Do foreign investors bring innovation and technology to the UK that improve the trade-off between the UK’s international competitiveness and the net zero target for existing UK businesses, particularly energy intensive businesses, or benefit consumers by lowering energy bills through lower energy prices or improving energy efficiency?
* Are there differences in emissions between DIT supported foreign firms and non-DIT supported foreign firms in the UK?
* Do foreign investors undertake cleaner technologies and supply chain dependencies that have an impact on the supply chain?
  + If so, what are these?
* Are there more innovative practices undertaken by foreign investors to become more energy efficient that contribute to clean growth in the UK?
* Are there differences in business practices between the affiliate in the UK and the MNE?
* Does UK’s clean growth and net zero target ambitions provide a motive for investing in the UK?
* What role have DIT services played in fostering clean growth and business practices for the foreign investors in the UK – during both landing of the investment and as part of the aftercare activities?
  + What more could DIT do to foster clean growth and business practices both during the landing of investment and as part of the aftercare activities?

The contractor should undertake qualitative interviews with the company of study as a primary activity to obtain case study data. As a secondary activity, the contractor may consider developing an understanding of the company’s sector to verify the business claims that the firm is cleaner than its domestic rivals or industry average. The level of detail required of case studies shall be decided following an initial scoping of budget and time constraints at the beginning of the contract.

While the majority of case studies should focus on existing foreign investors in the UK, 20-25% of case studies should consider “missing FDI” firms – these are major environmental multinationals which are yet to invest in the UK. A key objective of the project will be to discover if there are further opportunities for the UK to reform its environmental, regulatory, tax and trade policies to strengthen its position and become a leader in this growth sector.

**DIT will work with the contractors to identify an appropriate short list of potential participants in case studies**, using internal analysis of DIT’s Data Hub as one source for identifying firms that have invested in the UK. We will also draw upon DIT sector teams, who have experience engaging with industry, to identify appropriate businesses and help organise interviews. Additionally, DIT have a list of the largest UK destination environmental FDI firms and will work with the contractor in identifying some “missing FDI” firms.

We expect the supplier to complete at least 20 well represented case studies. However, we recognise that this will depend on the number of companies that respond positively to the requests for involvement in the study. Further case studies may also be proposed as an alternative methodology to the secondary analysis, based on the data source investigation carried out in phase one. The case studies will be completed during the second phase of the research, as detailed in the deliverables section. To ensure the sample addresses of the depth and breadth of environmental FDI, we suggest representation on the basis of:

* **Size of business**: both small and large investors should be represented in case study selection.
* **Range of sectors:** selection should ensure primary, secondary, tertiary and quaternary sectors are represented.
* **Source country market:** investments from both developed and developing source country markets should be represented.

The energy sector is of primary interest in the case study analysis. As such, both renewable and non-renewable energy companies should be the subject of case studies. This said, the sample selected should include investors from a range of sectors beyond energy, including the automotive, real estate and manufacturing sectors.

The sample of case studies should primarily focus on investments made in the last five years. However, it will be appropriate for a small minority of case studies to refer back to the impact of major previous policy changes and their impact on environmental FDI. For example, the Climate Change Act (2008) which committed the UK to reduce emissions by 80% by 2050 and the introduction of the EU Emissions Trading Scheme (2005). This will account for the fact that longer-term investments become more influenced by UK working practices such that domestic UK environmental behaviours spill-over into foreign investor practices. Additionally, a sample focussed on businesses investing within the past five years will ensure that the identified investor choices reflect current policy: while UK’s 2050 ‘net zero’ target has only been in place since June 2019, the UK’s direction of travel on environmental policy was clear before this, with an 80% reduction by 2050 required in the Climate Change Act 2008, along with the milestone to reduce emissions by 57% by 2030.

**Secondary Analysis**

Following the literature review and case study analysis, the supplier is expected to undertake secondary analysis to provide a quantitative angle to the research. This may be used to address remaining gaps in the literature and validate inferences drawn from the case studies. The desired research questions for the secondary analysis are listed below, although **the exact scope of secondary analysis will be agreed with the supplier after phase one, based on areas of priority and the degree of data availability.**

* Are foreign owned UK based businesses cleaner when compared to domestic investors?
  + If so, to what extent?
  + If so, what factors influence this?
* To what extent does investment from FDI in terms of the capital, technology and innovation it brings create spill-over (indirect) effects associated with clean investment which reduce the cost of net zero across the economy?
  + Do these spill-over effects differ between FDI and domestic investment?
* Do lower carbon operators influence other businesses in their sector to move to a lower carbon approach?
  + If so, to what extent?
* Which types of foreign investments (including key sectors) bring the most positive contributions to the government’s net zero targets?
* What are the feasible metrics that can capture DIT’s contribution to the net zero carbon target and clean growth in the UK?

Additional (time dependent) avenues for research could include:

* Are foreign owned UK based businesses cleaner when compared to domestic investment at the sector/sub-sector level?
* Are there differences in emissions between DIT supported firms and non-DIT supported foreign firms in the UK?
* Which types of foreign investments (including key sectors) are most detrimental to the government’s net zero targets?

Secondary analysis may take the form of econometric analysis, such as panel data analysis or time series regression. **However, the exact form of the analysis should be informed by the findings of the literature review, as well as exploration of available datasets, and will be agreed between DIT and the supplier after phase one.** Contractors should be able to provide a detailed explanation of the rationale behind their method of secondary analysis. Where any analytical models are developed, the supplier will be expected to hand over the model along with necessary training and a user guide for IPPA analysts to run the model independently.

Following an initial internal investigation, we acknowledge that there is a gap in DIT data covering environmental emissions by company. While we have already identified “Environmental FDI” multinationals in previous work through fDi Markets and know many metrics regarding these firms, such as capital invested and jobs created, the emissions data and secondary characteristics of these businesses is an evidence gap. This being the case, the contractor will need to investigate whether there are available datasets for secondary analysis. We invite tenderers to consider which data sources they have access to, and which are more suitable for the secondary analysis that is desired.

**We recognise that limited data availability may limit the feasibility of secondary analysis. In this instance, we would welcome alternative methodology proposals from suppliers.** For example, time and resources could be reallocated towards further case study analysis, such that more than 20 case studies are completed. Suppliers will be expected to justify their alternative methodology choices, accounting for the proposed balance of qualitative and quantitative analysis. A final agreement of methodology approaches will take place at the end of phase one, as specified in the timelines.

**Deliverables**

The supplier will be required to deliver a detailed comparison between foreign and domestic investment in the UK and will address the question of which types of investment contribute most notably to HMG clean growth objectives.

The supplier will produce the following deliverables:

Phase 1 (committed):

1. A **literature review report** presenting the findings of the rapid evidence assessment.
2. A **scoping and agreed proposal for secondary data analysis**.

Phase 2 (optional – to be commissioned at the discretion of the Authority):

1. **High-level summaries** of the agreed secondary data analysis and case study analysis, as detailed in the timelines section
2. A **final report** presenting a summary of the literature review findings, the case study analysis, and an in-depth technical explanation of any secondary analysis used and subsequent results.
3. A **final slide pack** summarising the key findings, with an in-depth explanation of any secondary analysis methodologies used.
4. The contractor will be required to **transfer the case study transcripts and data used in the secondary analysis to DIT.** These commissioned outputs will be the property of the Department for International Trade on completion of the project.

These deliverables can be further broken down as follows:

At the end of phase 1 of the research project, the supplier should present the findings of the literature review. This may be broken down into the following deliverables:

* **A literature review report presenting the key findings of the rapid evidence assessment.** The literature review will cover the current understanding of the topic, focussing particularly on the aggregate environmental impacts of foreign direct investment in the UK, as well as a more comparative review of the environmental impacts from different types of FDI investors. It will also seek to provide a review of the quantitative approaches taken so far. The supplier will be required to present the written literature review to DIT by the end of March.
* **A scoping of secondary data analysis, allowing the precise methodology to be agreed between DIT and the supplier.** The literature review should be used to justify these choices. In the instance that a lack of data limits the feasibility of secondary analysis, a final agreement of alternative methodology should take place at this stage.

On completion of phase 2, the research project should be presented in the form of a final report and slide packs. This may be broken down into the following deliverables:

* **A section in the final report covering and summarising the findings of the literature review.** This will largely be taken from the literature review report completed in March. The review of econometric approaches taken so far should be used to justify the choice of secondary analysis in the third section of the report.
* **A second section of the final report providing well represented case studies illustrating the environmental impact of different foreign investors in the UK.** Suppliers should complete the qualitative interviews at the start of phase 2. On completion, the case studies will answer some of the more investor-specific and qualitative research questions that will further round out the final research project. The inferences drawn from the case studies can be generalised and tested in the secondary analysis that will follow. Case study transcripts should be transferred to DIT along with the final report.
* **A third section in the final report providing an in-depth technical explanation of any secondary analysis methodologies used and subsequent results, as well as a non-technical summary of the key findings.** This section should provide justification for the appropriateness of the chosen methodology, as well as presenting the key results and insights learnt from these relating to the environmental impacts of FDI in the UK. A non-technical summary of the key findings and implications is needed for ease of sharing with non-specialists and senior figures more widely. Should secondary analysis not be feasible, the third section of the final report will detail the findings of the alternative methodology used. The exact specification of this section of the report will be agreed by the end of phase 1.
* **Where there are analytical models developed, the supplier will hand over the model along with necessary training and user guide, allowing IPPA analysts to run the model independently.** This will permit further in-house interrogation of the dataset and analytical model, allowing DIT to address future research questions, or track changes to investment over time.
* **A slide pack summarising the key findings and in-depth explanation of secondary analysis methodologies used.** This will be used for internal purposes and will be presented to key stakeholders within DIT where possible.

Throughout the contract term, high-level summaries will be required at interim stages. The exact form of these summaries will fall at the discretion of the supplier.

**Audience**

The key audience for the research will be policy and operational teams within DIT that will use the identified metrics to inform trade-offs between investments. The evidence stemming from the research will be crucial for the overseas network and DIT’s investor facing teams, who will base engagements on new evidence to inform the targeting of good quality investments that will contribute to the UK’s clean growth and net zero carbon target ambitions.

The knowledge gained from research outcomes may also be disseminated to inform other departments, such as BEIS and DEFRA, who consider environmental impacts.

In allowing investment policy and operational teams to more accurately account for environmental factors, the outcomes of this research will allow investment promotion to reflect the government’s goals more directly. ‘Clean growth’ accounts for one of the four grand challenges of the industrial strategy. With more information on the drivers of clean growth, investment policy teams can use research outcomes to tailor promotion activities to target these challenges.

While we intend to publish the final report, a final decision will be made following engagement with ministers and special advisors with the research findings. Any publication would exclude case study information that would be deemed commercially sensitive

**Project Management**

The Authority will nominate a project director who will be responsible for the day-to-day management of the contract. The project director cannot be replaced until the completion of the project unless there are extenuating circumstances that makes the project director no longer available, to be agreed by the Authority in accordance with the Contract Terms. The project director must be in senior leadership (or equivalent position).

A Steering Group made up of policy and analytical staff and key stakeholders will guide the project. The Steering Group will monitor progress and provide advice, support and guidance on project scope, methodology, policy focus and research outputs. The Steering Group will meet a minimum of four times during the project: at the inception, at the end of Phase 1 to review literature findings and scoping of secondary analysis, mid-way through Phase 2 to review the high-level summaries of the case study analysis and secondary analysis, and at the end of Phase 2 to review draft final outputs. As required, DIT will also organise further touch point meetings with the supplier to address any challenges that arise during the project.

**a)** **Personnel**

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| Project Director | The Project Director cannot be replaced until completion of the project unless there are extenuating circumstances that makes the project director no longer available, to be agreed by the Authority in accordance with the Contract Terms.  The Project Director must be in senior leadership (or equivalent position). |
| Core Delivery Team | The supplier to provide named individuals who will make up the core delivery team. The supplier should also outline how they will provide delivery team cover, should this be necessary. |
| Quality Assurance | The supplier to provide named individual(s) who will deliver quality assurance of outputs. The individual(s) should sit outside the core delivery team. Where this is not possible, the tenderer must provide details of how core delivery team members will fulfil this role. |
| Liaison | There should always be a consistent liaison between the tenderer and DIT. This may be shared between roles, but they should be up to date with the project so that any question can be answered with minimal delay. |

**b)** **Governance**

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| **Meeting/report** | **Content** | **Frequency** | **Format** |
| Kick-off meeting | Project planning | 1 meeting at project initiation | Video Call |
| Meeting | Contract performance | 4 meetings:  1. Mid-point of Phase 1 to review the literature review high-level summary and begin discussion of the scope of further analysis.  2. End of Phase 1 to review rapid evidence assessment report and to agree scoping of further analysis.  3. Mid-way through Phase 2 to review the case study findings.  4. End of Phase 2 to review final outputs.  As required, DIT will also organise further touch point meetings with the supplier to address any challenges that arise during the project. | Video Call |
| Report | Case Study Fieldwork progress | Weekly during case study data collection. | Spreadsheet |
| Progress updates | Project progress | As needed, expected weekly | Email |

**Timetable**

The project will be split into two phases across the financial year.

During phase 1, the committed phase, we expect the supplier to carry out a rapid evidence assessment and complete a scoping and proposal for the secondary data analysis. We expect this phase to be completed by the end of March 2021.

If the optional phase 2 is commissioned by the Authority, we expect the supplier to carry out case studies, an agreed form of secondary data analysis and produce a final report. We expect this phase to start in April 2021 and be completed by the end of August 2021. The draft final report should be submitted at the latest by 16th August 2021.

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| **Date** | **Deadline** |
| 31st March 2021 | Completion of literature review report. |
| 31st March 2021 | Deadline for scoping and proposal for secondary data analysis (or alternative methodology). |
| 30th June 2021 | High-level summary of agreed secondary data analysis and case study analysis. |
| 16th August 2021 | Deadline for submission of final report draft, presenting a summary of the literature review findings, the case studies, and an in-depth technical explanation of any secondary analysis used and subsequent results. |
| 31st August 2021 | Final report, presenting a summary of the literature review findings, the case studies, and an in-depth technical explanation of any secondary analysis used and subsequent results. |
| 31st August 2021 | Deadline for presentations of final slide pack, summarising the key findings of the research, with an in-depth explanation of any secondary analysis used and subsequent results. |

**Peer Review**

The Authority will require the outputs from this project to be peer reviewed by an external reviewer/s. The tenderer is responsible for recommending suitable expert peer reviewer/s to provide an independent, expert review of project outputs. The Authority will approve the final choice of expert peer reviewer/s and will require sight of the peer review report when completed before the comments are reflected in the final outputs. The tenderer will need to demonstrate to the Authority how the peer reviewer comments have been addressed in the final outputs.

**Milestone Acceptance Criteria (MAC)**

1. Management of the MAC

1.1. The Authority shall issue Milestone payments upon the Supplier meeting the Milestone Acceptance Criteria (MACs) set out below. MACs shall be monitored on a regular basis and shall form part of the contract performance review within monthly project meetings. The successful Tenderer shall flag any risk to meeting a Milestone delivery date to the Authority as soon as it becomes aware of such risk and shall discuss with the Authority its proposals for mitigating against such risk arising.

1.2. Any performance issues highlighted in the monthly meetings will be addressed by the successful Tenderer, within 14 working days of the identified MAC failing to be met. Any MAC failing to be met by the successful Tenderer will result in payment not being issued by the Authority.

1.3. Once a MAC for a Milestone has been ‘Met’ to the Authority’s satisfaction, the Authority shall issue the successful Tenderer with a confirmation email to confirm that the Milestone Acceptance Criteria has been met to its satisfaction. Payment for the completed Milestone shall be made by the Authority following the issuing of the Authority’s confirmation email.

1.4. MACs are essential in order to align the successful Tenderer’s performance with the requirements of the Authority and to do so in a fair and practical way. MACs have to be met otherwise indicating that the service is failing to deliver.

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| **Metric** | **MAC** | **What information is required to measure this MAC?** | **How will the MAC be measured?** | **Not Met** | **Met** |
| Delivery | **MAC 1 –** High-level summaries | The high-level summaries of literature review, case studies and secondary analysis are delivered on time as per the timeline specified in this Call for Competition to the agreed standards. | High-level summaries are delivered on time as per the timeline specified in this Call for Competition to the agreed standards for Government Official Statistics, and with sufficient time to collect and incorporate feedback from DIT. | Delays in the completion of findings impinge on the Authority’s ability to provide feedback and leads to delays to other deliverables and project completion. | High-level summaries are delivered on time as per the timeline and to the required standard approved by the Authority. |
| Delivery | **MAC 2 –** Delivery of final report | The final report is delivered on time as per the timeline specified in this Call for Competition to the agreed standards. | The final report (including data tables) is completed on time as per the timeline specified in this Call for Competition to the agreed standards for Government Official Statistics, and with sufficient time to collect and incorporate feedback from DIT. | Delays in delivery impinge on the Authority’s ability to provide feedback and leads to delays to project completion. | The final report (including data tables) is delivered on time as per the timeline and to the required standard approved by the Authority. |
| Delivery | **MAC 3 –** Delivery of slide pack | The final slide-pack is completed and presented on time as per the timeline specified in this Call for Competition to the agreed standards. | The final slide-pack is completed and presented on time as per the timeline specified in this Call for Competition to the agreed standards for Government Official Statistics, and with sufficient time to collect and incorporate feedback from DIT. | Delays in delivery impinge on the Authority’s ability to provide feedback and leads to delays to other deliverables and project completion. | The final slide-pack is delivered on time as per the timeline and to the required standard approved by the Authority. |
| Delivery | **MAC 4 –**  Case Study data collection completion | Weekly updates are provided on fieldwork progress as part of Phase 2 on time to the agreed standards. | Delivery of fieldwork progresses on a weekly basis to meet the standards agreed abiding by the code of conduct of the Market Research Society (MRS), and provides reliable data with minimal additional input required from the Authority. | Fieldwork completed late, and not allowing for delivery of case study analysis by the end of phase 2, and without a robust explanation approved by the Authority. | Meets expectations – case studies completed on time as per the timeline specified in this Call for Competition to allow case study transcript delivery to a satisfactory quality approved by the Authority. |
| Delivery | **MAC 5 –** Transfer case study transcripts, datasets and analytical models used in secondary analysis | Delivery of case study transcripts and data used in any secondary analysis, with handover of any analytical models used along with a guidance document and code for analysis replication. | Delivery of case study transcripts, and datasets and analytical models used in any secondary analysis by the date for completion of final reports, as per the timeline specified in this Call for Competition to the agreed standards for Government Official Statistics. | Delivery of case study transcripts, datasets and any analytical models delivered > 5 working days after the agreed deadline, and without a robust explanation accepted by DIT and is not of sufficient quality. | Case study transcripts, datasets and any analytical models are delivered on time and to the required standard approved by the Authority. |
| Quality | **MAC 6 –** High-level summary quality | High-level summaries are delivered on time as per the timeline specified in this Call for Competition to the agreed standards. | High-level summaries of literature review, case studies and secondary analysis are completed to the required standard as set out by the Authority. | Significant errors are found with the summary outputs, compromising the robustness of findings, and are not delivered to the required standard to receive approval by the Authority. | High-level summaries are delivered to the required standard and are approved by the Authority. |
| Quality | **MAC 7 –** Slide pack quality | The final slide-pack is completed and presented on time as per the timeline specified in this Call for Competition to the agreed standards. | Outputs are delivered with the quality necessary to fulfil Official Statistics publication guidance. | Significant errors are found with outputs, compromising the robustness of findings, and are not delivered to the required standard to fulfil Official Statistics publication or approval by the Authority. | Outputs are delivered to the required standard to fulfil Official Statistics publication and approved by the Authority. |
| Quality | **MAC 8 –** Interim and final report quality | Interim and final reports, including data tables and quality assurance logs are delivered on time as per the timeline specified in this Call for Competition to the agreed standards. | Outputs are delivered with the quality necessary to fulfil Official Statistics publication guidance.    Quality assurance logs for outputs are completed to the required standard as set out by the Authority. | Significant errors are found with outputs, compromising the robustness of findings, and are not delivered to the required standard to fulfil Official Statistics publication or approval by the Authority. | Outputs are delivered to the required standard to fulfil Official Statistics publication and approved by the Authority. |

**ANNEX B**

**Supplier Proposal**

[THIS TEXT IS REDACTED]

**ANNEX C**

**Contract Terms**

See separate document titled RM6018-Contract-terms-v8 CR\_1179 for Contract Terms