

**Crown Commercial Service**

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**Call Off Order Form for Management Consultancy Services**

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**FRAMEWORK SCHEDULE 4**

**CALL OFF ORDER FORM**

**PART 1 – CALL OFF ORDER FORM**

**SECTION A**

This Call Off Order Form is issued in accordance with the provisions of the Framework Agreement for the provision of **Strategic Consultancy Services** dated **04 September 2018**.

The Supplier agrees to supply the Services specified below on and subject to the terms of this Call Off Contract.

For the avoidance of doubt this Call Off Contract consists of the terms set out in this Template Call Off Order Form and the Call Off Terms.

Order Number	<b>CS20321</b>
From	<b>The Department for Business, Energy and Industrial Strategy of 1 Victoria Street, London, SW1H 0ET</b> <b>("CUSTOMER")</b>
To	<b>KPMG LLP of 15 Canada Square, Canary Wharf, London, E14 5GL</b> <b>("SUPPLIER")</b>
Date	<b>Thursday 10<sup>th</sup> September 2020</b> <b>("DATE")</b>

**SECTION B**

**1. CALL OFF CONTRACT PERIOD**

<b>1.1.</b>	<b>Commencement Date: Thursday 10<sup>th</sup> September 2020</b>
<b>1.2.</b>	<b>Expiry Date:</b>  <b>End date of Initial Period: Friday 5<sup>th</sup> March 2021</b>  <b>End date of Extension Period: N/A</b>  <b>Minimum written notice to Supplier in respect of extension: N/A</b>

**2. SERVICES**

**2.1****Services required:**

In Call Off Schedule 2 (Services)

**1. Introduction**

The Department for Business energy and Industrial Strategy (BEIS) is seeking to appoint financial advisers to develop and assess possible ways of supporting offshore wind Integrated Manufacturing Port Hub(s).

BEIS has responsibility for business, industrial strategy, science, innovation, energy, and climate change.

To find out more about our work visit the BEIS website at <https://www.gov.uk/government/organisations/department-for-business-energy-and-industrial-strategy>

**2. Background**

The UK has 9.8 Gigawatts (GW) of offshore wind installed, expected to rise to 19.5GW by the mid-2020s and has provided more support for offshore wind than any other country in the world, through the Renewables Obligation and the Contracts for Difference (CfD) schemes. This accounts for around one third of the world's installed offshore wind capacity, with just over 34% and the largest amount of offshore wind capacity in Europe with 44%.

In March 2019, BEIS published the Offshore Wind Sector Deal, designed to bring a strategic approach to deliver increased capacity of offshore wind to 30GW by 2030, while boosting the UK economy, enhancing growth and continuing to reduce costs.

The Sector Deal aims to deliver the following:

- Offshore Wind Growth Partnership – investing up to £250 million in the UK based supply chain through developers and large Tier 1 suppliers to help UK companies become more competitive, productive, move up the value chain more quickly, and increase exports.
- A sector commitment to increase UK content to 60% in UK projects by 2030.
- Continued cost reduction both in terms of the cost of projects and system costs.
- Up to 30GW of installed capacity by 2030.
- Commitment to increase diversity in the sector, including an ambition of 40% women employed across the sector by 2030 with a target for increasing the number of black, Asian and minority ethnic workers in the sector from 5% today to 9% in 2030, aiming for a more ambitious target of 12% if feasible.

The existing UK based supply chain in offshore wind has been delivered through sustained policy support, the Supply Chain Plan Policy and a dedicated cross-

government team in BEIS and the Department for International Trade (DIT), which works with the offshore wind industry to increase UK content in offshore wind projects and promote exports. As the sector moves from 8-9MW turbines to 14-15MW turbines, the manufacturing base will need additional capacity to supply the growing UK and European markets.

To deliver this growth requires a strategic and holistic approach to building an industrial base and sustainable supply chain growth. We therefore want to consider a range of investment structures and lending options to enable Government support for offshore wind Integrated Manufacturing Port Hub(s) (IMPH).

### **3. Scope of the Requirement**

**Within the scope of the requirement:**

- All available forms of Government investment and lending (including forms of revenue guarantee) to private or publicly owned companies.
- Specific consideration of IMPH business models.
- Consideration of non-UK IMPH business models.

### **4. Detailed Requirement**

The main aim of this tender exercise is to identify a provider to develop and assess the potential need for Government support, and options for how this could best be delivered, to enable the construction of offshore wind Integrated Manufacturing Port Hub(s), incorporating specific business model requirements.

The specific objectives for the contract and expectations of the successful supplier are detailed below:

- To provide advice to BEIS on whether there is a market failure that requires Government intervention, and if so potential options for intervention, to enable delivery of offshore wind Integrated Manufacturing Port Hub(s).
- This will include the following for each option:
  - Value for money assessment
  - Cost benefit analysis
  - Advice on risk allocation
  - Advice relating to government balance sheet considerations
  - Comparison of timescales to implement each option
  - Tax and accountancy advice
  - A detailed account of Integrated Manufacturing Port Hub business model considerations

- To provide BEIS with a financial model to support findings that will be accessible during and beyond the length of the agreed contract that includes:
  - Clearly articulated assumptions
  - Ability to manipulate inputs
  - Associated analysis that is as suitable for use in a Government business case
- To summarise advice on potential investment structures and lending options in a final report, informed by analysis undertaken through financial modelling.
- To provide ongoing financial advice for the length of the contract that may include:
  - Financial due diligence of offshore wind Integrated Manufacturing Port Hub(s) proposals and business plans
  - Support and advice to develop financing vehicles such as a fund or competition

In addition, the successful supplier must demonstrate capacity to identify and engage effectively and discretely with developers, vendors and financial and other institutions relevant to the required knowledge, expertise and policy context

#### **Team**

BEIS require the successful bidder to have appropriate capacity in their organisation to augment delivery resource during stress points (peaks and troughs).

Personnel allocated to the project by the successful supplier will have regular contact with BEIS Officials and will be expected to provide progress updates in line with the outlined timetable in section 5. The successful supplier will not be located in BEIS' offices themselves but will nevertheless be expected to liaise closely as part of a virtual team with BEIS staff typically within the hours of 9-5 (whilst allowing flexibility when required) Monday to Friday through Microsoft Teams.

The successful supplier will be expected to identify one named point of contact through whom all enquiries can be filtered. A BEIS contract manager will be assigned to the project and will be the central point of contact throughout.

#### **Engagement**

The successful supplier will attend an initial virtual scoping meeting via Microsoft Teams to confirm requirements, to be held within two working days of the contract start date.

We expect weekly virtual informal progress updates provided throughout the length of the contract.

We also expect there to be regular two-way engagement throughout the length of the contract.

#### **Protection of information & security arrangements**

	<p>The supplier and their subcontractors will be required to sign (or abide by) a non-disclosure agreement and apply BEIS information security policies (please refer to <a href="#">Appendix A</a>) to all information they access as part of this work.</p> <p>The supplier will need to demonstrate the availability of adequate infrastructure and the ability to deliver the work to a high level of quality at the required time, ensuring the protection of information at all times.</p> <p><b>5. Timetable</b></p> <p>BEIS expects the successful supplier to adhere to the following timetable:</p> <p><b>Detailed final report on potential investment structures and lending options for Government support for Integrated Manufacturing Port Hub(s)</b></p> <ul style="list-style-type: none"> <li>• Completed within 6 weeks of the contract start date.</li> <li>• Virtual progress meeting 3 weeks after the contract start date to provide BEIS with an update on progress.</li> </ul> <p><b>Financial model</b></p> <ul style="list-style-type: none"> <li>• Completed within 6 weeks of the contract start date.</li> <li>• Virtual progress meeting 3 weeks after the contract start date to provide BEIS with an update on progress of work undertaken and to assess progress and QA model functionality and assumptions.</li> </ul> <p><b>Ongoing Financial Advice</b></p> <p>To provide ongoing financial advice for the length of the contract. This will take the form of work packages issued by BEIS to the successful supplier on an ad hoc basis.</p> <p>Please note the report and financial modelling will account for 25% (approximately £40,000) of the total contract value. The remaining 75% (approximately £120,000) of the contract value will be allocated to ongoing financial advice. The indicative milestones and phasing of payments will be agreed as part of each work package.</p> <div style="text-align: center;">  <p>Appendix A May-2018_Governmer</p> </div>
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### 3. PROJECT PLAN

<p><b>3.1.</b></p>	<p><b>Project Plan:</b></p> <p>The Supplier shall provide the Customer with a draft Project Plan for Approval within 5 Working Days from the Call Off Commencement Date</p>
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#### 4. CONTRACT PERFORMANCE

4.1.	<b>Standards:</b> Cyber Essentials
4.2	<b>Service Levels/Service Credits:</b> Not applied
4.3	<b>Critical Service Level Failure:</b> Not applied
4.4	<b>Performance Monitoring:</b> Not applied
4.5	<b>Period for providing Rectification Plan:</b> In Clause 39.2.1(a) of the Call Off Terms

#### 5. PERSONNEL

5.1	<b>Key Personnel:</b> 
5.2	<b>Relevant Convictions (Clause 28.2 of the Call Off Terms):</b> As per Clause 28.2 of the Call Off Terms

## 6. PAYMENT

**6.1 Call Off Contract Charges** (including any applicable discount(s), but excluding VAT):

In Annex 1 of Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing)

The total value of the contract shall not exceed £160,000.00 excluding VAT.

6.2	<b>Payment terms/profile</b> (including method of payment e.g. Government Procurement Card (GPC) or BACS): In Annex 2 of Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing)
6.3	<b>Reimbursable Expenses:</b> Not permitted
6.4	<b>Customer billing address</b> (paragraph 7.6 of Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing)): 1 Victoria Street, London, SW1H 0ET

6.5	<p><b>Call Off Contract Charges fixed for</b> (paragraph 8.2 of Schedule 3 (Call Off Contract Charges, Payment and Invoicing)): Until the expiry of the contract</p>
6.6	<p><b>Supplier periodic assessment of Call Off Contract Charges</b> (paragraph 9.2 of Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing)) will be carried out on: Not applicable</p>
6.7	<p><b>Supplier request for increase in the Call Off Contract Charges</b> (paragraph 10 of Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing)): Not Permitted</p>

## 7. LIABILITY AND INSURANCE

7.1	<b>Estimated Year 1 Call Off Contract Charges:</b> The sum of, and not to exceed £160,000.00 excluding VAT.
7.2	<b>Supplier's limitation of Liability (Clause 37.2.1 of the Call Off Terms);</b> As per clause 37.2.1 of the Call Off Terms, 125% of the Call Off Contract Charges (£200,000.00 excluding VAT).
7.3	<b>Insurance (Clause 38.3 of the Call Off Terms):</b> <b>As per Framework Schedule 14: Insurance Requirements:</b> Third Party Public & Products Liability Insurance – not less than five million pounds (£5,000,000) in respect of any one occurrence and in the aggregate per annum Professional Indemnity Insurance - not less than five million pounds (£5,000,000) in respect of any one occurrence and in the aggregate per annum

## 8. TERMINATION AND EXIT

8.1	<b>Termination on material Default (Clause 42.2 of the Call Off Terms):</b> In Clause 42.2.1(c) of the Call Off Terms
8.2	<b>Termination without cause notice period (Clause 42.7 of the Call Off Terms):</b> In Clause 42.7 of the Call Off Terms
8.3	<b>Undisputed Sums Limit:</b> In Clause 43.1.1 of the Call Off Terms
8.4	<b>Exit Management:</b> Not applied

## 9. SUPPLIER INFORMATION

9.1	<b>Supplier's inspection of Sites, Customer Property and Customer Assets:</b> Not applied
9.2	<b>Commercially Sensitive Information:</b> Details of the consultants' costs and fee rates should be considered commercially confidential. Details of the consultants' methodologies should also be considered commercially confidential.

## 10. OTHER CALL OFF REQUIREMENTS

10.1	<b>Recitals (in preamble to the Call Off Terms):</b>
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	<p>Recitals B to E</p> <p>Recital C - date of issue of the Statement of Requirements: <b>Monday 3<sup>rd</sup> August 2020</b></p> <p>Recital D - date of receipt of Call Off Tender: <b>Monday 17<sup>th</sup> August 2020</b></p>
10.2	<p><b>Call Off Guarantee (Clause 4 of the Call Off Terms):</b></p> <p>Not required</p>
10.3	<p><b>Security:</b></p> <p>Select short form security requirements</p> <p>The supplier and their subcontractors will be required to sign (or abide by) a non-disclosure agreement and apply BEIS information security policies (see Appendix A of the Mini Competition Document) to all information they access as part of this work.</p>
10.4	<p><b>ICT Policy:</b></p> <p>Not applied</p>
10.6	<p><b>Business Continuity &amp; Disaster Recovery:</b></p> <p>Not applied</p>
10.7	<b>NOT USED</b>
10.8	<b>Protection of Customer Data (Clause 35.2.3 of the Call Off Terms)</b>
10.9	<p><b>Notices (Clause 56.6 of the Call Off Terms):</b></p> <p>Customer's postal address and email address:</p> <p>The Department for Business, Energy and Industrial Strategy, 1 Victoria Street, London, SW1H 0ET <a href="mailto:professionalservices@uksbs.co.uk">professionalservices@uksbs.co.uk</a></p> <p>Supplier's postal address and email address: KPMG LLP, 15 Canada Square, Canary Wharf, London, E14 5GL [REDACTED]</p>
10.10	<p><b>Transparency Reports</b></p> <p>In Call Off Schedule 13 (Transparency Reports)</p>
10.11	<p><b>Alternative and/or Additional Clauses from Call Off Schedule 14 and if required, any Customer alternative pricing mechanism:</b></p> <ol style="list-style-type: none"> <li>1. Subject to Clause 34.10.3, the Supplier hereby warrants that the Project Specific IPR Items will be supplied in a plain/unbranded format suitable for publication as Open Source ("the Open Source Publication Material") no later than the date notified to the Supplier under Clause 34.10.1.</li> <li>2. Draft papers and Deliverables <ol style="list-style-type: none"> <li>a) The parties agree that the Supplier will retain ownership of its drafts, notes, analyses, and other working papers prepared or generated by it during the course of providing the Services and</li> </ol> </li> </ol>

	<p>(to the extent required) licenses the same to the Customer for the purposes set out in this Call Off Order Form.</p> <p>b) Notwithstanding any other provision of this Call Off Contract, except where required by the Freedom of Information Act 2000, the Customer shall not:</p> <ol style="list-style-type: none"> <li>i. disclose or transfer any Supplier branded Deliverable to any third party; or</li> <li>ii. ii) alter any Supplier branded Deliverable; or</li> <li>iii. iii) attribute any non-Supplier branded Deliverable to the Supplier; or</li> <li>iv. iv) make reference to the Supplier's role in the provision of any non-Supplier branded Deliverable;</li> </ol> <p>in each case without the Supplier's prior written consent.</p> <p>c) Where the Customer transfers, discloses or sub-licenses any Deliverable to any third party, it shall inform such third party that, to the fullest extent permitted by law, the Supplier accepts no responsibility or liability to them in connection with the same and shall procure that any third party does not make any claim against the Supplier in this regard.</p> <p>3. The Supplier may terminate this Call Off Contract upon such period of written notice as is reasonable in the circumstances if there is a change of law, rule, regulation or professional standard or circumstances arise that would prejudice the Supplier's ability to comply with applicable auditor independence requirements provided that the Supplier shall use reasonable endeavours to mitigate the impact of any such circumstances and seek a work-around solution with the Customer, prior to issuing any notice of termination.</p>
<p><b>10.12</b></p>	<p><b>Call Off Tender:</b></p> <p>In Schedule 16 (Call Off Tender)</p> <p>Annex 1 Supplier response set out below</p>
<p><b>10.13</b></p>	<p><b>Publicity and Branding (Clause 36.3.2 of the Call Off Terms)</b></p> <p>The Supplier shall not use the Customer's name or brand without Approval.</p> <p>Each Party acknowledges to the other that nothing in this Call Off Contract either expressly or by implication constitutes an endorsement of any products or services of the other Party (including the Services and Supplier Equipment) and each Party agrees not to conduct itself in such a way as to imply or express any such approval or endorsement.</p> <p>The Supplier shall:</p> <ul style="list-style-type: none"> <li>• ensure that neither it nor any of its Affiliates, Sub-Contractors, sub-contractors, employees, agents, servants or representatives embarrass the Customer or other Crown Bodies;</li> </ul>

	<ul style="list-style-type: none"> <li>• cause, permit, contribute or is in any way connected to material adverse publicity relating to or affecting the Customer, other Crown Bodies and/or the Contract;</li> <li>• or brings the Customer or other Crown Bodies into disrepute by engaging in any act or omission which is reasonably likely to diminish the trust that the public places in the Customer or other Crown Bodies, regardless of whether or not such acts or omissions are related to the Supplier's obligations under the Call Off Contract.</li> </ul>
<b>10.14</b>	<b>Staff Transfer</b> Annex to Schedule 10, List of Notified Sub-Contractors (Call Off Tender).
<b>10.15</b>	<b>Processing Data</b> Call Off Schedule 17 BEIS Data Protection Officer <a href="mailto:dataprotection@beis.gov.uk">dataprotection@beis.gov.uk</a>
<b>10.16</b>	<b>MOD DEFCONs and DEFFORM</b> Call Off Schedule 15

#### FORMATION OF CALL OFF CONTRACT

**BY SIGNING AND RETURNING THIS CALL OFF ORDER FORM** (which may be done by electronic means) the Supplier agrees to enter a Call Off Contract with the Customer to provide the Services in accordance with the terms Call Off Order Form and the Call Off Terms.

The Parties hereby acknowledge and agree that they have read the Call Off Order Form and the Call Off Terms and by signing below agree to be bound by this Call Off Contract.

In accordance with paragraph 7 of Framework Schedule 5 (Call Off Procedure), the Parties hereby acknowledge and agree that this Call Off Contract shall be formed when the Customer acknowledges (which may be done by electronic means) the receipt of the signed copy of the Call Off Order Form from the Supplier within two (2) Working Days from such receipt.

































