

DPS FRAMEWORK SCHEDULE 4: LETTER OF APPOINTMENT AND CONTRACT TERMS**Part 1: Letter of Appointment**

Department for
International Trade

Dear Sir/Madam

Letter of Appointment

This letter of Appointment dated 4/01/2022, 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:	Project_1390
From:	The Secretary of State for the Department for International Trade ("Customer")
To:	LSE Enterprise Ltd. ("Supplier")

Effective Date:	06/01/2022
Expiry Date:	24/03/2022

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:	<div style="background-color: black; width: 100px; height: 15px; margin-bottom: 2px;"></div> <div style="background-color: black; width: 100px; height: 15px; margin-bottom: 2px;"></div> <div style="background-color: black; width: 100px; height: 15px; margin-bottom: 2px;"></div> <div style="background-color: black; width: 100px; height: 15px; margin-bottom: 2px;"></div> <div style="background-color: black; width: 100px; height: 15px;"></div>
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Contract Charges (including any applicable discount(s), but excluding VAT):	Fixed Price (£) (excl. VAT) <div style="background-color: black; width: 150px; height: 15px; margin-bottom: 10px;"></div> TOTAL FIXED PRICE £101,200.00
Insurance Requirements	The Supplier shall hold and maintain the insurances required pursuant to Clause 10.8 of the DPS Agreement. No additional insurances are required.
Liability Requirements	Suppliers limitation of Liability (Clause Error! Reference source not found. of the Contract Terms);
Customer billing address for invoicing:	Department for International Trade c/o UK SBS, Queensway House West Precinct Billingham TS23 2NF Email: ap@uksbs.co.uk Telephone: 03332079122
GDPR	See Schedule 7 of the Contract Terms (Processing, Personal Data and Data Subjects)

Alternative and/or additional provisions (including Schedule 8(Additional clauses)):	<p>Clause 29.5.4 of the Call Off Contract Terms is amended as follows:</p> <p>29.</p> <p>4. not transfer Personal Data outside of the UK unless the prior written consent of the Customer has been obtained and the following conditions are fulfilled:</p> <p>i.the Customer or the Supplier has provided appropriate safeguards in relation to the transfer (whether in accordance with GDPR Article 46 or LED Article 37) as determined by the Customer;</p>
	<p>ii.the Data Subject has enforceable rights and effective legal remedies;</p> <p>iii.the Supplier complies with its obligations under the Data Protection Legislation by providing an adequate level of protection to any Personal Data that is transferred (or, if it is not so bound, uses its best endeavours to assist the Customer in meeting its obligations); and</p> <p>iv.the Supplier complies with any reasonable instructions notified to it in advance by the Customer with respect to the processing of the Personal Data;</p>

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]

Signature:

[REDACTED]

Signature:

[REDACTED]

Date:

7/1/2022

Date:

ANNEX A

Customer Project Specification

Background / Policy context

The Secretary of State has set out her ambition for the UK to be a global leader on services, and for the UK to become a hub for digital, services and data. Alongside this ambition, the UK Government has repeatedly emphasised its commitment to use its policies to level up UK regions. The policy context for this report is the ambition to develop greater analytical insights between the linkages of these two policies. This work links to the agreements that DIT have negotiated and continue to negotiate that look to liberalise and grow services trade. This work links to the wider departmental goals found within the Outcome Delivery Plan, including ensuring we have the evidence to justify consumers and business benefitting from our FTAs [ODP 1], ensuring our agreements are delivering growth to all nations and regions of the UK, potentially through the stimulating of investment [ODP 2] and through ensuring our agreements provide the provisions that businesses need [ODP 3]. This research would build on previous related research that DIT has commissioned, including research on Mode 5, the OECD UK services trade report and research on environmental services trade. It also links to and builds on wider research into services trade conducted by the OECD. We have assessed our evidence base using all of these pieces, as well as our internal work, to determine key remaining evidence gaps in the area.

Project Aims and Objectives

This research aims to build on previous research conducted by the OECD into UK Services as well as commissioned work by DIT into the importance of Mode 5 Services and analysis conducted internally. Through this we have identified three areas where research would be valuable:

- Analysis of the economic benefits achieved by services trade, specifically at the regional level and broken down by detailed sectors.
- Explore evidence of how services trade impacts competitiveness and productivity of UK sectors and workers.
- Understand how the UK could maximise the benefits of services trade, specifically the impact that regulatory transparency, provisions that 'lock in market access' have and

more. We break these down below and give a guide to the methodology and deliverables we would expect also.

Research questions

The supplier must deliver a formal paper which at minimum contains the following sections:

- Literature review
- Methodology
- Findings
- Recommendations
- The paper must consider the below objectives.

Objective 1 and 2

Analysis of the economic benefits achieved by services trade by region & sector and 2) Explore the evidence of how services trade impacts competitiveness and productivity of UK sectors and workers.

These sections can be completed as part of one analysis or two separate analyses however we have produced a list of questions that the research would look to answer:

The impact of Services trade by Regions and Sectors

What is the true value of services trade to the UK economy, accounting for value not reflected in traditional balance of payment statistics, such as mode 3 services trade?

To what extent does services trade contribute to economic activity, such as output, jobs and investment, in the UK regions?

Which sectors provide the most value to individual UK regions? Per sub-sector, for example Engineering Services EBOPS 10.3.1.2. How does this differ by mode of supply? Including as part of goods trade [mode 5]?

What is the significance of Services Trade by region, as a proportion of regional economic output / consumption and as a proportion of sectoral output / consumption in each region?

How Services Trade impacts competitiveness and productivity?

How does exporting services impact a companies' productivity and worker productivity?

How does open access to skilled professionals impact this?

How does this relationship differ by sector?

How do open service markets (both import and export) impact the competitiveness of sectors?

Objective 3

How could the UK maximise the benefits of Services Trade?

What is the impact of regulatory transparency and trade facilitation measures on UK businesses, per sub-sector, for example Engineering Services EBOPS 10.3.1.2?

What is the impact of provisions that 'lock-in market access' to service exporters, per subsector, for example Engineering Services EBOPS 10.3.1.2?

Are there specific sectors which benefit the most from these provisions per sub-sector, for example Engineering Services EBOPS 10.3.1.2?

Do these provisions have more impact for different types of markets and/or trading partners?

What is the evidence for this?

Where agreements are underutilised, not understood, what steps can DIT take to improve the utilisation of service provisions?

Methodology

This project must include a mixture of methodologies to answer the above questions effectively. Tenderers need to design a methodology that meets the project's aims and objectives. The methodology must fulfil the below requirements:

- This report should have limited reliance on literature reviews. As part of the process we can indicate the evidence we have developed on these subjects to streamline the process, however in areas such as productivity, wages and the relationship to services trade, further literature research could be useful.
- Secondary analysis and econometric analysis must play a role in this project as we look to develop empirical evidence for the causal relationship between services trade and the variables discussed above (regional growth, sectoral importance, productivity...). We need this to primarily be used for Section 1 and need data sources such as ONS balance of payments & modes of supply data, along with WTO TiSOS data, OECD TiVA data, Regional GVA and export data and input-output methodologies. For section 3 need limited analysis/modelling but where possible we desire experimental gravity modelling using data sets such as DETA and ITPD-E.
- For Section 3 and elements of section 2, qualitative interviews must play a key role. DIT will not provide lists of the interviewees but we are happy to confirm a list provided by the supplier. We are looking to understand the importance of different FTA provisions and multilateral agreements to UK service exporters. This report should gain significant insight from qualitative interviews, led by the supplier but in consultation with our team to understand how provisions impact investment decisions and business planning. For section 2, we would welcome insights into how trade impacts a firm or sector's competitiveness and productivity.

If regression analysis, through ONS productivity data as well as an international productivity comparator e.g. KLEMS, can be feasibly delivered within the contract period and will support the supplier to meet the project aims and objectives, then DIT will expect this to be delivered to support section 2.

Deliverables

As a deliverable we would expect a quality assured final report consisting of the following outputs.

For section 1, we would expect robust estimates of the share of Services trade in UK output per region and the proportion of activity in the region, including traditionally less well captured components such as mode 3 and mode 5. We would expect this breakdown to include a breakdown by sector, including the importance to each region and for this breakdown to be at the sub-sector level referenced above e.g. Engineering Services EBOPS 10.3.1.2.

For section 2, we are realistic in the ability to prove links between services trade and productivity/competitiveness empirically. Therefore, we would expect a combination of secondary evidence through literature reviews and robustly conducted analysis, a form of primary analysis as referenced above and for the question to be tackled through stakeholder interviews and other qualitative evidence.

For section 3, we would first expect econometric analysis supported by theory, showing the impact that regulatory transparency, trade facilitation and other liberalising provisions have had for businesses, both UK and peers. Additionally, to understand the impact that provisions that lock in market access and those that promote transparent regulations, we

would expect qualitative evidence from stakeholder interviews, approximately 25 across a variety of service sectors and regions. We would expect a summary / write up of interviews and would value inputting into these questions at the appropriate time.

Alongside the final report we would expect:

- A report structure prior to drafting
- Qualitative interview set of questions prior to stakeholder interviews
- Regular updates to the steering group [format and timing to be agreed]
- PowerPoint slides summarising the key findings
- Write up of stakeholder interviews and anonymised as required

All research instruments and reports should be provided in draft format to DIT for review and comment initially.

Audience

The audience of this report are most directly the DIT Trade in Services policy team, a team consisting of Trade negotiators and sectoral leads, as well as the DIT Analyst team who lead on DIT's evidence base and modelling capability.

Secondary to that, the report is likely to be reviewed and used by other Government department trade teams, for example BEIS and HM Treasury, along with DIT strategy teams and those responsible for wider policies on levelling up and strengthening the union. Once the Supplier's Quality Assurance process has been carried out, DIT's chief economist will be required to sign off the project before payment can be made.

Project Management

1. DIT will nominate a Project Manager who will be responsible for the day-to-day management of the project. Weekly meetings with DIT Project Manager and the supplier will be organised.

2. DIT will appoint a steering group that includes DIT staff from the services policy team and DIT's analysis team. This could include external participants from other government department trade teams and DIT will give notice of this where required. The steering group can meet as often as useful for the supplier but we would expect to meet at a minimum every month as well as at minimum at the inception, mid-way through, to discuss the first draft and to review final draft and review final outputs. Key dates for these meetings will be agreed on a later date. The Steering Group will monitor progress and provide advice, support and guidance on project scope, methodology, policy focus and research outputs. The Governance arrangements are set out in the tables about Personnel and Governance below.

3. The supplier will ensure the necessary personnel are put in place to deliver against the required deliverables. *The supplier should also nominate an individual as a point of contact for DIT queries throughout the project.*

Personnel

<i>Project Director</i>	<i>The Project Director cannot be replaced until completion unless there are extenuating circumstances that makes the project director no longer available.</i>
<i>Core Delivery Team</i>	<i>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. The supplier should nominate an individual as a point of contact for DIT queries throughout the project.</i>

Governance

Meeting/report	Content	Frequency	Format
<i>Kick-off meeting</i>	<i>Project planning, set out what we expect from the project, discuss background and how the project will be managed. Include discussions on future working groups</i>	<i>1 meeting at project initiation</i>	<i>Virtual- Microsoft Teams.</i>
<i>Weekly working group Meeting along with weekly written updates.</i>	<i>Contract performance. Weekly call to discuss project progress and findings from the weekly written updates. This will be with project manager and working group and supplier.</i>	<i>Weekly</i>	<i>Virtual- Microsoft Teams.</i>
<i>Report</i>	<i>Provide written summaries and full transcripts of interviews with the 10 stakeholders as</i>	<i>Weekly. Can be included in our weekly meeting.</i>	<i>Microsoft Word.</i>
	<i>and when they are taking place.</i>		

Timetable

We would expect the supplier to propose a feasible and appropriate timeline to meet the completion date of 31st March 2022, outlining their clear understanding of potential risks and mitigations in place to counteract these risks.

- Initial meeting with researcher to discuss strategy- Once research is underway Date to be arranged once project has been awarded.
- Weekly interim updates on progress and findings. Date Commencement date to be arranged once project has been awarded.
- Supplier to Submit first draft report – February 14th 2022.
- 1 2-3 weeks for DIT to review
- Contractors undertake second phase of literature review to explore additional feedback.

- Slide deck summarising main findings, presented to DIT officials by the supplier 1st March
- Supplier Submission of final report, project completes and final presentation – 24th March 2022

Peer Review

The supplier may wish to seek peer review of the outputs of the project. In order to ensure deliverability within the timetable, DIT will not insist on peer review as a requirement for this project.

The project's outputs will need to go through a rigorous quality assurance process to ensure that they are robust and will stand up to scrutiny. This quality assurance can be either be completed internally by the supplier, or externally through their network of contacts. The supplier must provide documentation of the quality assurance process undertaken.

ANNEX B Supplier Proposal



Annex 3 Contract Terms

Please refer to “DTN RM6018-Call-Off-Contract-Terms-2 (1)”