

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

### **Part 1: Letter of Appointment**

National Infrastructure Commission  
Finlaison House, 15-17 Furnival Street  
London EC4A 1AB

Dear Sirs

### **Letter of Appointment**

This letter of Appointment dated Thursday 9<sup>th</sup> May 2019, 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:	TBC
From:	The National Infrastructure Commission ("Customer") Finlaison House, 15-17 Furnival Street London EC4A 1AB
To:	Britain Thinks ("Supplier") West Wing, Somerset House London WC2R 1LA

Effective Date:	Monday 13 <sup>th</sup> May 2019
Expiry Date:	End date of Initial Period Tuesday 12 <sup>th</sup> November 2019 End date of Maximum Extension Period Friday 10 <sup>th</sup> January 2020 Minimum written notice to Supplier in respect of extension: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; and
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Key Individuals:	<b>For the Customer</b> REDACTED  <b>For the Supplier</b> REDACTED
[Guarantor(s)]	Not Applicable (N/A)

Contract Charges (including any applicable discount(s), but excluding VAT):	As per Annex C – All roles and Rates will remain firm for the duration of the Contract and any extension period.
Insurance Requirements	No additional insurance required.
Liability Requirements	Suppliers limitation of Liability – as per Clause 18 of RM6018 Terms and Conditions
Customer billing address for invoicing:	National Infrastructure Commission 4 <sup>th</sup> Floor Finlaison House 15-17 Furnival Street London EC4A 1AB

GDPR	As per Contract Terms Schedule 7 Processing, Personal Data and Data Subjects
Alternative and/or additional provisions (including Schedule 8(Additional clauses)):	N/A

## **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:

Name and Title:

Signature:

Signature:

Date:

Date:

## **ANNEX A**

### **Customer Project Specification**

#### **1. PURPOSE**

- 1.1 The purpose of this research is to provide the Customer with an understanding of public expectations around service provision within the water & wastewater, digital telecoms, energy and transport sectors, to support studies being undertaken by the Customer on the future of regulation and improving resilience of the UK's economic infrastructure.
- 1.2 In particular, the project aims to carry out qualitative and quantitative social research through some combination of deliberative workshops, focus groups, interviews and surveys to build the Customers knowledge around:
  - 1.2.1 Public expectations of service levels across the four specified sectors, under ordinary operating conditions and following a significant disruption or event, including how expected levels of service are likely to change in future.
  - 1.2.2 How risk and resilience associated with infrastructure services is understood, by the general public or stakeholder groups.
  - 1.2.3 The factors that have influenced, and are likely to influence, public perception, acceptability and valuation of infrastructure levels of service and resilience to loss of service, in particular considering the impact of new technologies, changing trends in infrastructure use and other influencing aspects such as past experience, location, socio-economic factors, etc.
  - 1.2.4 Similarities and discrepancies in consumer perceptions and expectations of the four specified sectors, across different suppliers and regions, including their views on affordability, value for money, experience, expected levels of service, and resilience to loss of service.
  - 1.2.5 A range of consumer views on the quality, affordability and value for money of the private regulated utilities (digital telecoms, water and energy services). The research should also consider whether consumer views of both the private regulated companies, and their regulators (Ofcom, Ofwat and Ofgem), are broadly positive, neutral or negative.
  - 1.2.6 A range of views on the overall customer experience and ability to engage with the supplier in both a proactive and reactive sense. This should include insights into what consumers see as barriers to engaging with their service suppliers to influence decision making and to get the service they need.
  - 1.2.7 The extent to which consumers take service or experience into account when selecting an energy or digital telecoms provider, including general willingness to pay more for enhanced performance.
  - 1.2.8 The extent of public concern around the legitimacy of the private regulated utilities (water, energy, digital) and the behaviours of companies beyond providing a quality service. This will include issues around customer treatment and differential prices; excessive profits and executive remuneration; corporate ethics (eg taxation, offshore subsidiaries); and environmental impacts.

- 1.2.9 The extent to which the public expects utility companies to behave better against these measures of legitimacy than other corporations and, if so, whether they would be willing to pay a modest bill increase to secure this higher standard.
- 1.2.10 The extent to which consumers apply different standards of fairness and equity to private regulated utilities than they do in general, for example in comparison to income and public expenditure.

## **2. BACKGROUND TO REQUIREMENT/OVERVIEW OF REQUIREMENT**

- 2.1 The Customer provides expert, impartial advice to the government on long term infrastructure needs to support sustainable economic growth, improve competitiveness and quality of life. In addition to the National Infrastructure Assessment the Customer undertakes in-depth studies into the UK's most pressing infrastructure challenges.
- 2.2 The Chancellor has recently requested that the Customer undertake two related studies, which aim to produce recommendations on:
  - 2.2.1 Changes to the existing regulatory framework required to facilitate future investment needs, promote greater competition and innovation, and meet the needs of both current and future customers across the telecoms, energy and water sectors.
  - 2.2.2 Actions which should be taken to ensure that infrastructure can cope with future changes, disruptions, shocks and accidents and a methodology to assess the long term resilience of the UK's infrastructure, to be applied during the second National Infrastructure Assessment.
- 2.3 The sectors in scope for the regulation study are digital telecoms, water & wastewater, and energy. The scope of the resilience study includes those three sectors, plus the transport sector.
- 2.4 The Customer expects to publish recommendations on the future of regulation in Autumn 2019 and the UK's infrastructure resilience in Spring 2020.

### 3. DEFINITIONS

Expression or Acronym	Definition
Regulation	means the economic regulators for telecoms (Ofcom), energy (Ofgem) and water (Ofwat).
Resilience	means the ability of a system, community or society exposed to hazards to resist, absorb, accommodate, adapt to, transform and recover from the effects of a hazard in a timely and efficient manner.
Levels of Service	means what the organisation intends to deliver, taking into the amount and type of service that is appropriate to the needs and desires of an organisation's customers, whilst remaining affordable to the organisation.
Infrastructure	means the six infrastructure sectors within the Commission's remit, namely transport, digital, energy, water and wastewater, flood risk and solid waste.
Commission	means the National Infrastructure Commission.

### 4. SCOPE OF REQUIREMENT

- 4.1 The requirement covers the components and outputs specified in Section 5 (The Requirement) and Section 6 (Key Milestones) respectively. Instructions on the specific infrastructure topics to be explored through this work will be provided to the Supplier. This will comprise of 10-15 topics exploring issues at a sector, cross-sector or sub-sector level. Any topics not included in these instructions will be out of the scope of the requirement, unless subsequent instructions are passed on during the project, and where it is still feasible to incorporate this into the project.

### 5. THE REQUIREMENT

- 5.1 The Customer recognises that it is crucial that the analysis and the recommendations made by the regulation and resilience studies are informed by the views of the public.
- 5.2 The Customer is primarily interested in obtaining a national-level understanding of public views on the different issues related to infrastructure regulation and resilience, although local-level differences will also be of interest.
- 5.3 The Customer will set up an expert panel to scrutinise the proposed approach. As such, the Supplier is expected to include sufficient flexibility in its proposal to accommodate reasonable changes to the approach following comments from the panel and agreed by the Customer and the Supplier. The interim report will be subject to expert panel review, after which the Supplier is expected to address comments and, where necessary, carry out additional fieldwork.
- 5.4 The components are:
- 5.4.1 Qualitative research, including deliberative workshops, interviews, and/or focus groups, 6-10 infrastructure topics
- The topics, based on the bullet points listed in section 1.2, will be agreed with the Supplier at the project inception meeting.
  - Due to the complexity of the topics, the Customer expects that in-depth, deliberative workshops and interviews will be used.

- The events should be spread geographically across the UK, including one event in each of the devolved administrations (Wales, Scotland and Northern Ireland), and at least five events across England, to ensure that the views received represent regional variability in public attitudes.
- The events should include views from different demographic, socio-economic, political, and professional backgrounds. In particular, the Supplier will recruit members of the public from a range of age groups, including a younger demographic to ensure representation of future customers.
- The research should specifically consider the impact of vulnerability (eg disability, social and economic vulnerabilities) on public attitudes towards the topics set out in section 1.2.
- The Customer expects that between 8 and 15 different events will be required to deliver the appropriate balance of breadth and depth for this research.
- The Customer would like to give its staff and Commissioners the opportunity to observe these events.

5.4.2 Quantitative research, such as a nationwide survey or poll, exploring 6-10 infrastructure topics

- This should include between 10 and 20 survey questions, based on the topics set out in Section 1.2.
- The quantitative research should be completed after the qualitative research, such that workshops and focus groups can be used to identify questions to test quantitatively.
- The quantitative research should be conducted with a significant, nationally-representative sample group. The Commission is interested in quantitative research which demonstrates the variability in public opinion across different groups. The research should explicitly consider the impact of location (regional, urban/rural), demographic (age), socio-economic factors and vulnerability on public attitudes.

5.5 The sectors in scope for the regulation study are digital telecoms, water and wastewater, and energy. The scope of the resilience study includes those three sectors, plus the transport sector. The Supplier will ensure that each of these sectors are explored in broadly equal detail throughout the study.

5.6 A first phase of desk-based research and expert consultation has provided insight into public attitudes towards infrastructure resilience. Relevant points from this work should be taken into consideration when deciding which issues to probe in this second phase of social research.

5.7 The above components form a recommended approach, but the Customer encourages other approaches and formats which could similarly be used to effectively understand

the public's views within the budget for this requirement. In terms of outcomes, the aims of this social research are to build the Customers knowledge around:

- 5.7.1 Public expectations of service levels across the four specified sectors, under ordinary operating conditions and following a significant disruption or event, including how expected levels of service are likely to change in future.
- 5.7.2 How risk and resilience associated with infrastructure services is understood, by the general public or stakeholder groups.
- 5.7.3 The factors that have influenced, and are likely to influence, public perception, acceptability and valuation of infrastructure levels of service and resilience to loss of service, in particular considering the impact of new technologies, changing trends in infrastructure use and other influencing aspects such as past experience, location, socio-economic factors, etc.
- 5.7.4 Similarities and discrepancies in consumer perceptions and expectations of the four specified sectors, across different suppliers and regions, including their views on affordability, value for money, experience, expected levels of service, and resilience to loss of service.
- 5.7.5 A range of consumer views on the quality, affordability and value for money of the private regulated utilities (digital telecoms, water and energy services). The research should also consider whether consumer views of both the private regulated companies, and their regulators (Ofcom, Ofwat and Ofgem), are broadly positive, neutral or negative.
- 5.7.6 A range of views on the overall customer experience and ability to engage with the supplier in both a proactive and reactive sense. This should include insights into what consumers see as barriers to engaging with their service suppliers to influence decision making and to get the service they need.
- 5.7.7 The extent to which consumers take service or experience into account when selecting an energy or digital telecoms provider, including general willingness to pay more for enhanced performance.
- 5.7.8 The extent of public concern around the legitimacy of the private regulated utilities (water, energy, digital) and the behaviours of companies beyond providing a quality service. This will include issues around customer treatment and differential prices; excessive profits and executive remuneration; corporate ethics (eg taxation, offshore subsidiaries); and environmental impacts.
- 5.7.9 The extent to which the public expects utility companies to behave better against these measures of legitimacy than other corporations and, if so, whether they would be willing to pay a modest bill increase to secure this higher standard.
- 5.7.10 The extent to which consumers apply different standards of fairness and equity to private regulated utilities than they do in general, for example in comparison to income and public expenditure.



- 5.8 The results of the qualitative and quantitative research will be written up into a final report. This final report, which must include a summary and should capture what the Supplier judges to be the most significant insights that they have identified and show consideration of how these could impact the Customers analysis and reporting in relation to the points above. Providing that the Customer judges these areas to have been sufficiently covered, there is no pre-set word or page count required for this report, although the Supplier should note that the final report will be published. The report should not contain any recommendations.
- 5.9 The results of the qualitative and quantitative research will also be presented to the resilience and regulation study teams, and the Commissioners, over the course of three meetings at the Customers offices. The presentations will capture what the Supplier judges to be the most significant insights that they have identified and show consideration of how these could impact the studies' outcomes.

## 6. KEY MILESTONES AND DELIVERABLES

- 6.1 The following Contract milestones/deliverables shall apply:

Milestone/Deliverable	Description	Timeframe or Delivery Date
1	Project inception meeting and discussion of the proposed approach with the Commission's expert panel	Tuesday 14 <sup>th</sup> May 2019
2	Project plan outlining final approach, addressing the Customer and expert panel's comments received during the inception meeting. The approach will be signed off by the Customer no later than three working days after receipt	no later than Tuesday 21 <sup>st</sup> May 2019
3	Workshops on selected topics complete	no later than Monday 24 <sup>th</sup> June 2019
4	Interim report and discussion on emerging findings.	no later than Monday 8 <sup>th</sup> July 2019
5	Response to expert panel's comments, received no later than five working days from the receipt of the interim report	no later than Friday 19 <sup>th</sup> July 2019
6	Additional workshops (if needed) and surveys complete	no later than Friday 16 <sup>th</sup> August 2019
7	Draft final report	no later than Friday 23 <sup>rd</sup> August 2019
8	Final report	no later than Friday 30 <sup>th</sup> August 2019
9	Final presentation to the Customers study teams	no later than Friday 6 <sup>th</sup> September 2019
10	Commissioners presentation	Wednesday 18 <sup>th</sup> September 2019

- 6.2 The above timetable assumes the Contract will be awarded by Monday 13<sup>th</sup> May 2019. As such it is subject to change and is dependent upon key gateway points being met

in terms of receiving information from the customer and obtaining all required approvals.

## **7. MANAGEMENT INFORMATION/REPORTING**

- 7.1 As set out in Section 6 (Key Milestones). Additionally, the Supplier will be expected to update the Customer on project progress on at least a weekly basis via a meeting or phone call, the purpose of which is to flag any issues or early findings.

## **8. CONTINUOUS IMPROVEMENT**

- 8.1 The Supplier will be expected to give due consideration to the way in which the required Services are to be delivered throughout the Contract duration and can be continually improved.
- 8.2 Changes to the way in which the Services are to be delivered must be brought to the Customers attention and agreed prior to any changes being implemented.

## **9. QUALITY**

- 9.1 The Customer expects to publish the final report and will be looking to cite the findings from the proposed components in its publications and the final reports.
- 9.2 The Supplier is expected to engage and respond to comments from an expert panel set up by the Customer. The points in time in which these comments will be received and should be addressed are outlined in section 7.
- 9.3 The methodological approach taken and final report will need to stand up to scrutiny from other experts in social research, including those from the Government's Economic and Social Research (GESR) profession.

## **10. STAFF AND CUSTOMER SERVICE**

- 10.1 The Supplier shall provide a sufficient level of resource throughout the duration of the Contract in order to consistently deliver a quality service. This should include sufficient, but not excessive, senior involvement and oversight throughout the duration of the Contract.
- 10.2 The Supplier's staff assigned to the Contract shall have the relevant qualifications and experience to deliver the Contract to the required standard. In particular, the senior management of the project should comprise of individual(s) with a track record of delivering large social research projects.
- 10.3 The Supplier shall ensure that staff understand the Customers vision and objectives and will provide excellent customer service to the Customer throughout the duration of the Contract.

## **11. SERVICE LEVELS AND PERFORMANCE**

- 11.1 The Customer will measure the quality of the Supplier's delivery by:

KPI/SLA	Service Area	KPI/SLA description	Target
1	Project plan	An overview of the different components of the project, alongside timescales and resource for each. This should follow on from the winning bid and be informed by the project inception meeting. The Customer will subsequently provide its agreement with the plan, following revisions if deemed appropriate.	100%
2	Events	8-15 events, such as workshops and focus groups, facilitated across at least 5 different locations in England and each of the devolved administrations (Scotland, Wales, Northern Ireland).	100%
3	Interim report on emerging findings	An interim report which captures what the successful bidder judges to be the most significant emerging insights, supported by evidence from qualitative research. The report should be of sufficient depth and quality to support the development of a draft executive summary for the regulation study.	100%
4	Draft final report	A draft of the final report which captures what the Supplier judges to be the most significant insights that they have identified.	100%
5	Final report	The final report, which should include a summary, should capture what the successful bidder judges to be the most significant insights that they have identified and show consideration of how these could impact the Customers analysis and recommendations in the Regulation and Resilience studies.	100%
6	Study team presentations	Presentation of findings to be delivered to the regulation and resilience study teams, with key insights tailored to the teams' specific areas of interest.	100%
7	Commission meeting	One presentation to be delivered to Commissioners, detailing the key findings relevant to each of the studies.	100%
8	Enquiries/escalations	Enquiries/escalations responded to within 48 hours	90%

- 11.2 In the event of poor performance through failure to deliver KPI's to time and of appropriate quality, the Customer shall meet with the Supplier to understand the root causes of the issue. The Supplier shall formulate a Performance Improvement Plan to rectify the issues and meet the requirements.
- 11.3 The Customer may, without prejudice to any other rights and remedies under this Contract, withhold or reduce payments in the event of unsatisfactory performance.
- 11.4 If poor performance continues, following formal written warnings, early termination of the Contract will be considered.

- 11.4.1 The Customer will monitor the work of the Supplier throughout the project through regular contact with the Customers day to day contact.

## **12. SECURITY AND CONFIDENTIALITY REQUIREMENTS**

- 12.1 Due care must be taken by the Supplier to protect the confidentiality of all analysis and outputs (including in development, draft and interim phases) relating to this requirement, to avoid pre-empting the Customers placement of the final report or any information about the work into the public domain.
- 12.2 All analysis (including in development, draft and interim phases) used to generate the outputs should be provided to the Customer for future use. This analysis, and the interim and final report and literature review, will be the property of the Customer. The Supplier must not disclose either the literature review or the final report (either in part or in full) to any third parties prior to publication by the Customer, unless the Customer gives express consent to do so.

## **13. PAYMENT AND INVOICING**

- 13.1 Payment can only be made following satisfactory delivery of pre-agreed certified products and deliverables.
- 13.2 Before payment can be considered, each invoice must include a detailed elemental breakdown of work completed and the associated costs.
- 13.3 The Customers project manager will agree an invoice schedule based upon the project milestones and confirm the payment process with the Supplier upon award of Contract.
- 13.4 All invoices must contain a valid purchase order number.

## **14. CONTRACT MANAGEMENT**

- 14.1 The Supplier will be expected to provide regular updates to the Customer throughout the project.
- 14.2 Attendance at Contract Review meetings shall be at the Supplier's own expense.

## **15. LOCATION**

- 15.1 The location of the Services will be carried out at the Suppliers offices. However frequent meetings will need to take place with the Customer at the Suppliers offices, at the Customers offices in Finlaison House, 15 – 17 Furnival Street, London, EC4A 1AB.

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

**Annex C – Contract Charges - REDACTED**

## Part 1: Contract Terms



Contract Terms v6.0