

York Aviation LLP

REDACTED

Attn: REDACTED

REDACTED

Date: 3rd August 2020

Dear REDACTED

Letter of Appointment

This letter of Appointment dated Friday 31st July 2020, 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:	To be provided by the Authority following contract signatory
Contract Reference:	CCMK20A01
From:	Department for Transport ("Customer")
To:	York Aviation LLP ("Supplier")

Effective Date:	Wednesday 5 th day of August 2020
Expiry Date:	End date of Initial Period – Tuesday 25 th day of August 2020 End date of Maximum Extension Period – Tuesday 8 th day of September 2020 Minimum written notice to Supplier in respect of extension: 7 days

Services required:	Set out in Section 2, Part B (Specification) of the DPS Agreement and refined by: <ul style="list-style-type: none">· 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:	REDACTED
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	REDACTED
[Guarantor(s)]	Not required

Contract Charges (including any applicable discount(s), but excluding VAT):	As per suppliers bid submission, listed in Annex 1 of the Contract.
Insurance Requirements:	Sufficient Public liability insurance, employers' liability insurance, professional indemnity insurance and product liability insurance sufficient to cover all risks in the performance of the Contract.
Liability Requirements:	Suppliers limitation of Liability (Clause Error! Reference source not found. of the Contract Terms); Limit of liability of £200,000
Customer billing address for invoicing:	REDACTED

GDPR	Not Applicable
Alternative and/or additional provisions (including Schedule 8(Additional clauses)):	Not required

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:

REDACTED

Date:

REDACTED

ANNEX A

Customer Project Specification – as advertised during the Procurement

PURPOSE

- The Department for Transport (“the Department”) invites proposals for the provision of specialist aviation and economic technical advice to support the Aviation and Maritime Analysis team.

BACKGROUND TO THE CONTRACTING AUTHORITY

- The Department for Transport’s Airports Infrastructure and Commercial Directorate has responsibility for the key airports in the UK. Within the directorate, the Aviation Commercial Interventions Division is responsible for considering the type and level of intervention the UK government is considering for the aviation sector as part of the COVID-19 response.
- The Airports Infrastructure and Commercial Directorate is supported by a team of economists, statisticians and transport modellers in the Aviation and Maritime Analysis Division. This Division is leading this project on behalf of the Department (hereafter referred to as the ‘Project Team’).

BACKGROUND TO REQUIREMENT/OVERVIEW OF REQUIREMENT

- COVID 19 has had a significant impact on the UK and other countries aviation sectors, with the substantial drop-off in demand having impacts at airports across the UK. These impacts vary depending on the focus of the airfield (leisure passenger/business/freight etc) and the size and nature of the airline network operating from the airport.
- DfT is undertaking an assessment of the airports against the Government’s strategic objectives for the aviation sector. As part of that process we have identified a need to further develop our evidence on how airports contribute to the local economy, and to develop a framework for assessing the local economic impacts of individual UK airports. This work will therefore feed into our assessments of any airports that seek assistance and will provide useful evidence to inform the DfT in assessing the case to support the sector through the restart and recovery from Covid-19.
- This scope therefore sets out the details of what the DfT would like to understand around the issue of the local economic impacts of airports.

SCOPE OF REQUIREMENT

- This project will include a review and collation of existing evidence followed by the creation of a framework to assess the local economic impacts of the UK’s main airports. Once the bidder has created an acceptable framework then the bidder will apply this framework at pace to a selection of UK airports.



- We expect the work to include (but not be limited to):
 - Review of the mechanisms by which airports affect the local economy directly (i.e. through the activity of the airport itself), indirectly (i.e. through the activities the airport supports in its supply chain) and wider catalytic impacts (i.e. through the benefits the airport offers to its users including clusters and major supply chains). This work will need to consider the following:
 - the contribution of airline connectivity to local economies both domestic and international.
 - the links between the airports, airline connectivity and key clusters/sectors in the catchment area of local airports.
 - both outbound and inbound flows, passengers and freight.
 - the wider supporting services provided by airports in terms of other (non-airline) users and how to measure
 - Identification of objective sources of data / information that could serve as metrics suitable for measuring these mechanisms – where it will be critical to ensure the metrics can be applied to secure insight into the contribution to the local economy across multiple airports quickly and efficiently. These metrics should collectively enable the DfT to assess the contribution of individual airports to their local economy at a given point in time.
- In addition to the creation of the metrics, we are looking to also explore the feasibility of capturing in the assessment framework in a proportionate way:
 - How the local economic impacts of an airport are changing through time, including, for example, taking account of the implications of existing local plans, airport masterplans and other similar local planning documents where relevant.
 - How the local economy would be affected were the airport not to exist, taking account of potential changes in behaviour (e.g. the response to local people having to travel further to access airport connectivity).
 - The Department has split the project's requirements into a number of phases, explained below:

Phase 1: Literature Review.

- Review of existing literature / other evidence to identify the mechanisms by which airports impact local economies and identification of objective information data that could be used in assessing economic impact of individual airports. (one week)
- Deliverable: technical note presenting key findings of literature review and identifying information sources that could be used to assess economic impacts of individual airports.

Phase 2: Development of framework to assess local economic impacts of airports and application to initial list of airports.

- Part 1: Development of a framework to assess the local economic impacts of airports, drawing on results of phase 1.
- Part 2: Application to a selection of airports (to be agreed with the DfT). Drawing on the experience of applying the framework to this selection of airports make any changes to the framework so that it can be applicable to all UK commercial airports, and update assessment of the list of airports the framework has already been applied to. (two weeks)
- Deliverable: technical note presenting proposed framework for assessing economic impacts of individual airports, and short slide pack presenting results of applying it to agreed selection of airports.

Breakpoint: The following phases will be commissioned subject to the results of the first two phases.

Phase 3: Assessment of final list of airports.

- Application of the agreed framework to a wider range of airports to be provided by the Department, while ensuring that ultimately all airports are assessed against a consistent framework.

Phase 4: Use of Framework for GA airfields

- Consideration, if required, to whether the framework can be modified to understand either a) the overall impact of GA airfields on the national economy and how they fit in with the larger airports, or b) a broad application to a generic/large GA airfield.

THE REQUIREMENT

- The successful Supplier will be required to:
 - Provide at all times the appropriate level of skill, resource and advice throughout the life of the contract, bringing well-reasoned commercial sense and expertise.
 - Work flexibly with the Project Team and the key Stakeholders ensuring they can adopt a partnership approach;
 - Advise on the preparation of reports, governance, or other internal approval documents;
 - Present their professional advice and assessment when required to Project Team staff;
 - Attend regular project meetings, or other meetings as determined by the Project Team;

- Provide quality assured deliverables relating to the requirements outlined in this document, present their findings and attend meetings as necessary; and
 - Raise and escalate significant, or unresolved risks and issues to the appropriate level of authority up to and including Partners or Directors, and raise such risks and issues directly with the Department's Project Manager.
- The supplier will provide a series of short technical notes during the contract on the following topics:
 - Technical note summarising the research to understand the state of the art in assessing the local economic impacts of airports.
 - Technical note setting out the proposed framework for assessing the local economic impacts of airports and how to apply it.
 - Slide pack presenting results of applying framework to agreed selection of airports.
 - Additional reporting requirements for phase 3 and 4 will be agreed should those phases be commissioned.
 - Information or training if required on the developed framework will need to be made available to allow for the transfer of knowledge of the framework and its application to the Department.

KEY MILESTONES AND DELIVERABLES

The following Contract milestones/deliverables shall apply:

Milestone	Description	Timeframe
1	Project Initiation meeting	Shortly after contract award
2	Review Point 1: Results of Literature review on the state of the art of understanding local economic impacts of airports	Within week one of the Project Initiation meeting.
3	Review Point 2: Proposed framework to assess the local economic impact of airports	Within week two of the Project Initiation meeting.
4	Review Point 3: Results of applying framework to first tranche of airports	Within week three of the Project Initiation meeting.

MANAGEMENT INFORMATION/REPORTING

- The DfT requires there to be a clear line of sight from progress reporting through to timesheet reporting. Timesheets, broken down to weekly bookings against

work products per individual, must be issued to the project team for approval. Once timesheets have been signed off, invoices will be paid one month in arrears.

QUALITY

- Effective and high standard quality assurance is a fundamental requirement for all work carried out by the successful Supplier. Bidders must include details of the Quality Assurance process proposed. With reference to the deliverables the Bidder must include examples of any specific documents formats that they propose to use during the programme. The work should draw on robust evidence from established literature and any desk analysis should be subject to an appropriate Quality Assurance process
- The study team should recognise and reflect the Department's Analytical Assurance framework 'Strength in Numbers' (available at: <https://www.gov.uk/government/publications/dft-analytical-assurance-framework-strength-in-numbers>) in their approach to quality assurance.
- The project will have a small steering group comprising DfT officials; they will be responsible for:
 - Ensuring the project follows the scope outlined above, and
 - Provide feedback and comments on the draft and final technical notes at each Review Point.

PRICE

- The contract will be a time and materials contract, as part of the assessment process, bidders will need to provide an initial estimate of the cost of Phases 1 and 2.

STAFF AND CUSTOMER SERVICE

- The Supplier shall provide a sufficient level of resource throughout the duration of the Contract in order to consistently deliver a quality service and will be to demonstrate in the bid their ability to provide the required resource to support the pace of the contract.
- The Supplier's staff assigned to the Contract shall have the relevant qualifications and experience to deliver the Contract to the required standard.
- The Supplier shall ensure that staff understand the Authority's vision and objectives and will provide excellent customer service to the Authority throughout the duration of the Contract.

SERVICE LEVELS AND PERFORMANCE

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



- The quality of work will be monitored by the Department's Project team and formally reviewed during the Contract Review Meetings. If there are any issues identified the internal DfT lead will meet with the Supplier to understand the root cause of the issue. The Supplier shall develop a Performance Improvement Plan to rectify these issues. The progress against any improvement plan implemented will then be reviewed during subsequent contract review meetings.
- If poor performance continues, formal written warnings during Contract Review Meetings will be given. Any issue identified by the Department will be raised in these meetings as well as a strategy to mitigate these issues in a cooperative manner. If issues persist, or the Department is unsatisfied with the response, then early termination of the Contract will also be considered.
- In the event that the Supplier does not meet the KPI/SLA's outlined below, the Authority will refer to the Framework Agreement in order to remedy poor Supplier performance and where necessary, terminate the contract.

KPI/SLA	Service Area	KPI/SLA description
1	Mobilisation and Delivery	Has the supplier mobilised in a manner consistent with the Clients expectations? Has the supplier suitably managed project deliverables in a timely manner? If not has the supplier provided suitable notice of any possible delays and attempted to correct these? Have the deliverables been met in accordance with the requirements and expectations on quality?
2	Management Information	Has the supplier provided clear management information on request? In particular the provision of regular financial information to track and manage project spend. Has the supplier been proactive in identifying, managing and informing the DfT on any risks of the contract.
3	Quality of service and timescales	Has the supplier provided good advice within timescale which covers all issues requested appropriately? Is the advice provided is technically sound and clearly expressed? Has the Supplier adhered to the agreed timelines and shown the right focus and struck the appropriate balance between covering issues thoroughly and providing unnecessary detail.
4	Knowledge Transfer	It is expected that the Supplier will ensure that key information and evidence forms part of the knowledge transfer to the DfT team for future use.



SECURITY AND CONFIDENTIALITY REQUIREMENTS

- Information is a key asset and its proper use is fundamental to the delivery of public services. Therefore, there is a continuing need to ensure protection of personal and other sensitive information.
- The Department takes data security extremely seriously and applies agreed Government security procedures to all Contracts involving the handling of data and 'Official Sensitive' and 'Commercial Sensitive' information. The Supplier is required to take adequate steps to ensure suitable protection of, and keep confidential, all information received as part of their Work Package, including, as necessary, limits on access to IT systems and password protections.

PAYMENT AND INVOICING

- Payment can only be made following satisfactory delivery of pre-agreed certified products and deliverables within the month in which they were scheduled to be delivered.
- Before payment can be considered, each invoice must include a detailed elemental breakdown of work completed and the associated costs.

CONTRACT MANAGEMENT

- In line with social distancing measures the Supplier is required to work remotely and ensure that suitable provisions are made to allow their staff to work from home wherever practical.
- Where working from home is not a feasible option for staff, the Supplier shall ensure that social distancing measures are maintained in any used office environments.
- Where the Supplier, and any of its staff/representatives, are required to attend site (Government Office) all efforts will be made to adhere to the social distancing and safety recommendations, however it is expected that the successful supplier is able to attend all meeting requirements virtually.
- Where the Supplier is required to come into contact with 3rd parties to meet the deliverables of the contract, they are required to ensure every effort is made to conduct this through a virtual environment. Where this is not possible the supplier is required to follow all social distancing requirements and advice.

ANNEX B

Supplier Proposal (Bid Submission)

REDACTED