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**Call Off Order Form and Call off Terms for the  
Management Consultancy Framework Agreement**

**RM3745**

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## 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 **CS18057 – The Provision of an Independent Administrator for the UK Extractive Industries Transparency Initiative (EITI)** dated March 2019.

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 Call Off Order Form and the Call Off Terms.

Order Number	To Follow
From	<b>The Department for Business, Energy and Industrial Strategy ("CUSTOMER")</b>
To	<b>BDO LLP, 150 Aldergate Street, London, EC1A 4AB ("SUPPLIER")</b>

### SECTION B

#### 1. CALL OFF CONTRACT PERIOD

1.1.	<b>Commencement Date: 16<sup>th</sup> June 2019</b>
1.2.	<b>Expiry Date:</b>  End date of Initial Period <b>15<sup>th</sup> June 2020</b>  End date of Extension Period <b>15<sup>th</sup> June 2022 (to be utilised in 1+1)</b>  Minimum written notice to Supplier in respect of extension: <b>28 days</b>

#### 2. SERVICES

## **2.1 Services required:**

### **Introduction**

The Extractive Industries Transparency Initiative (EITI) is a voluntary initiative and global standard for openness around the management of revenues from natural resources. It is designed to improve transparency, accountability and public trust for the revenues paid and received for a country's oil, gas and mining resources.

EITI implementation has two core components:

**Transparency:** oil, gas and mining companies disclose information about their operations, including payments to the government, and the government discloses its receipts and other relevant information on the industry, the figures are reconciled by an Independent Administrator (IA), and published annually alongside other information about the extractive industries in accordance with the EITI Standard.

**Accountability:** a multi-stakeholder group (MSG) with representatives from industry, civil society and government is established to oversee the process and communicate the findings of the EITI reporting and promote the integration of EITI into broader transparency efforts.

### **Background to the Requirement**

The UK Government signed up for EITI in 2013 and is required by the EITI Standard <https://eiti.org/document/eiti-standard-requirements-2016> to publish a reconciliation report each year.

The MSG has agreed that (apart from some payments to the Oil and Gas Authority) payments with a materiality threshold of £86,000 need to be reconciled. This threshold applies to the net total of payments and repayments. – once a threshold has been reached in a revenue stream, then all individual payments within the stream will be included. Therefore, individual payments below £86,000 are included within the revenue stream total once the threshold has been reached.

The reconciliation of company payments and government revenues must be undertaken by an IA applying international professional standards. It is a requirement that the IA is perceived by the MSG to be credible, trustworthy and technically competent. Bidders must follow, and show how they will apply, the appropriate professional standards for the reconciliation and preparation of their report.

The UK is currently undergoing a validation process carried out by the EITI International Secretariat, which is intended to provide all stakeholders with an impartial assessment of whether EITI implementation in the UK is consistent with the provisions of the EITI Standard. The validation report will also cover:

- impact of EITI in the UK
- implementation of activities encouraged by the EITI Standard
- lessons learnt in EITI implementation
- any concerns stakeholders have expressed
- recommendations for future implementation of the EITI

This specification may be impacted by the recommendations and outcomes of this validation, and the MSG's implementation of any such recommendations. The base location will be BEIS, 1 Victoria Street, London SW1H 0ET.

Further details on EITI can be found at:

UK: <https://www.gov.uk/government/groups/uk-extractive-industries-transparency-initiative-multi-stakeholder-group>

International: <https://eti.org/>

The IA will need to demonstrate:

- Detailed knowledge of the UK oil, gas and mining sectors.
- Expertise in accounting, auditing and financial analysis.
- Knowledge of EITI reporting is not required but would be advantageous or expertise in a similar transparency initiative or regulatory framework.

### **Alms & Objective**

In accordance with the EITI Standard each country and Multi-Stakeholder Group (MSG) should seek to appoint a competent and credible company, free from conflicts of interest, to take on the role of Independent Administrator (IA).

The role of the IA has five separate phases.

**Phase 1 – Preliminary analysis and inception report.** To confirm that the UK EITI process has been clearly defined, including reporting templates, data collection procedures, and the schedule for publishing the UK EITI report. This is the basis for the agreement between the MSG and the IA of the scope of the report and work to be carried out. This is subject to review annually.

**Phase 2 – Data collection.** The IA collect the data for the report in accordance with the scope confirmed in the inception report. The MSG and UK secretariat will assist in providing details for the reporting entities and assist the IA in ensuring that all reporting entities participate fully.

**Phase 3 – Initial reconciliation.** The IA needs to complete an initial reconciliation of revenue data with a view to identify any gaps or discrepancies to be further investigated.

**Phase 4 – Investigation of discrepancies and draft UK EITI report.** To investigate any discrepancies identified in the initial reconciliation. And to produce a draft UK EITI report that reconciles financial data and explains any discrepancies above the margin of error determined by the MSG.

**Phase 5 – Final EITI report.** Ensure that any comments by the MSG on the draft report have been considered and incorporated in the final UK EITI report.

At the end of the contract, information and data collected by the IA (including, for example, contact details) should be made available to the UK Secretariat.

### **Requirement**

The specific requirements for the IA for each phase are as follows:

#### **Phase 1 – Preliminary analysis and inception report**

Review the relevant background information, including governance arrangements and tax policies in the extractive industries, the findings from any preliminary scoping work, and conclusions and recommendations from the previous UK EITI reports and validations.

Review the scope proposed by the MSG with particular focus on:

- reviewing the comprehensiveness of the payments and revenues covered in the UK EITI report. The revenues covered for 2016 are listed under section 3.1 of the 2016 report (available on the UK EITI website – link above). Payments to Crown Estate Scotland were added for 2017. The MSG is currently reviewing whether to continue to collect and reconcile data on payments to the Coal Authority, The Crown Estate (for oil and gas), Crown Estate Scotland (for oil and gas), mainstream corporation tax (by mining and quarrying companies) and s.106 and similar payments (by mining and quarrying companies).

- reviewing the comprehensiveness of the companies and government entities that are required as defined by the MSG.
- supporting the MSG with examining the audit and assurance procedures in companies and government entities participating in the process. This includes examining the relevant laws and regulations, any reforms that are planned or underway, and whether these procedures are in line with International standards.
- providing the MSG with reporting templates based on the agreed benefit streams to be reported by the reporting entities.

Produce an Inception report that includes a statement of materiality confirming the MSG's decisions on the payments and revenues to be covered in the UK EITI report including:

- the definition of materiality and thresholds and resulting revenue streams to be included.
- revenue streams that should be reported by project, classifying the revenue streams that are levied on a licence/contract basis and should be reported as such as well as the revenue streams that are levied on a company basis and should be reported as such.
- coverage of social expenditure and barter arrangements.
- the materiality and inclusion of direct sub-national payments.
- the materiality and inclusion of sub-national transfers.
- the level and type of disaggregation of the UK EITI report.

Include a statement of materiality confirming the MSG's decisions on the companies and government entities that are required to report, including:

- the companies, that make material payments to the state.
- the government entities, including any sub-national government entities that receive material payments.
- any barriers to full government disclosure of total revenues received from each of the benefit streams agreed in the scope of the UK EITI report, including revenues that fall below agreed materiality thresholds.

Confirms what information participating companies and government entities are required to provide to the IA in order to assure credibility of the data.

Confirms the reporting templates, as well as procedures and provisions relating to safeguarding confidential information. The IA will also develop guidance to the reporting entities on how to complete the reporting templates and provide training to reporting entities, if required.

## **Phase 2 – Data collection**

The IA will be expected to undertake the following tasks during the data collection phase by:

- distribute the reporting templates and collect the completed forms and associated supporting documentation directly from the reporting entities. This number can vary from 60-80 companies or more.
- In previous data collection exercises some companies have also self-assessed and sent the templates pro-actively.
- distribute a Beneficial Ownership (BO) template and compile the data received in an open data format.

- contact reporting entities directly to clarify any information gaps or discrepancies.
- provide the MSG and secretariat with regular updates on the data collection process.
- ensure that any confidential information collected is treated appropriately and safeguarded.

### **Phase 3 – Initial reconciliation**

Complete an initial reconciliation of the revenue data with a view to identifying any gaps or discrepancies to be investigated further by:

- compiling a database with the payment and revenue data provided by the reporting entities. Much of this data may be confidential, so it is important that the information is safeguarded and protected in the appropriate manner (restricted to only those who need access, password protected etc.)
- comprehensively reconciling the information disclosed by the reporting entities, identifying any discrepancies (including offsetting discrepancies) in accordance with the agreed scope and any other gaps in the information provided.

### **Phase 4 – Investigation of discrepancies and draft EITI report**

Investigate any discrepancies identified in the initial reconciliation, and to produce a draft EITI report that reconciles financial data and explains any discrepancies above the margin of error determined by the MSG by:

- contacting the reporting entities to clarify the causes of any significant discrepancies or other gaps in the reported data, and to collect additional data from the reporting entities concerned.
- contact any non-compliant companies to encourage participation in the process. This can be up to 10% of the companies identified as in-scope.
- submit a draft EITI report to the MSG for comment that comprehensively reconciles the information disclosed by reporting entities, identifying any discrepancies, and reports on contextual and other information requested by the MSG. The financial data should be disaggregated to the level of detail agreed by the MSG.
- describe the methodology adopted for the reconciliation of company payments and government revenues and demonstrate the application of international professional standards.
- include a description of all revenue streams, related materiality definitions and thresholds.
- include an assessment from the IA on the comprehensiveness and reliability of the data presented, including an informative summary of the work performed by the IA and the limitations of the assessment provided.
- indicate the coverage of the reconciliation exercise, based on the government's disclosure of total revenues.
- include an assessment of whether all companies and government entities within the agreed scope of the EITI reporting process provided the requested information. Any gaps or weaknesses in reporting to the IA must be disclosed in the EITI report, including naming any entities that failed to comply with the agreed procedures, and an assessment of whether this is likely to have had material impact on the comprehensiveness of the report.
- document whether the participating companies and government entities had their financial statements audited in the financial year(s) covered by the EITI report. Any gaps or weaknesses must be disclosed. Where audited financial statements are

publicly available, it is recommended that the EITI report advises readers on how to access this information.

- include BO data for each company, details about their identity. Where legal owners have been disclosed, this should be clearly distinguished from beneficial ownership.
- where previous EITI reports have recommended corrective actions and reforms, the IA should comment on the progress in implementing those measures.
- the IA is encouraged to make recommendations on strengthening the template Terms of Reference for IA services for the attention of the EITI Board.

#### **Phase 5 – Final EITI report**

Ensure that any comments by the MSG on the draft report have been considered and incorporated in the final EITI report.

- the IA will submit the EITI report upon approval to the MSG. The MSG will endorse the report prior to its publication and will oversee its publication. Where stakeholders other than the IA decide to include additional comments in the EITI report, the authorship should be clearly indicated.
- the IA should produce electronic data files that can be published with the final report.
- following approval by the MSG, the IA is mandated to submit summary data from the EITI report electronically to the EITI International Secretariat.

#### **Scope**

This is a three-year agreement with an established yearly process (see timetable) which we do not envisage will alter over this three-year period.

We do not anticipate a huge increase or reduction in the scope of the work or any known constraints that will hinder the delivery of this work.

Throughout each phase the IA will be expected to attend and report back at the six MSG meetings each year and participate in the various EITI subgroup meetings when required.

#### **Timetable**

The key targets and milestones for the IA are as follows:

Phase 1 – Preliminary analysis – completed by the end of March each year.

Inception report – completed by the end of April each year.

Phase 2 – Data collection – taking place from May-August each year.

Phase 3 – Initial reconciliation – by the end of August each year.

Phase 4 – Investigation of discrepancies – taking place from September – October each year.

Phase 5 – Final report – November/December each year.

This timetable is subject to change by the MSG.

### **3. PROJECT PLAN**

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

<b>4.1. Standards:</b>	Clause 11 Standards and Quality
<b>4.2 Service Levels/Service Credits:</b>	Not applied
<b>4.3 Critical Service Level Failure:</b>	Not applied
<b>4.4 Performance Monitoring:</b>	Not applied
<b>4.5 Period for providing Rectification Plan:</b>	In Clause Error! Reference source not found. of the Call Off Terms the period of ten (10) Working Days

#### 5. PERSONNEL

<b>5.1 Key Personnel:</b>	<p><b>REDACTED</b> email: <b>REDACTED</b></p> <p><b>REDACTED</b> email: <b>REDACTED</b></p> <p><b>REDACTED</b> email: <b>REDACTED</b></p>
<b>5.2 Relevant Convictions</b>	See Clause Error! Reference source not found. of the Call Off Terms

#### 6. PAYMENT

<b>6.1 Call Off Contract Charges</b> (including any applicable discount(s), but excluding VAT):	<p>The total value of this contract shall not exceed £375,548.78 excluding VAT in line with AW5.2 – Price Schedule</p> <p>See Annex 1 of Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing)</p>
<b>6.2 Payment terms/profile</b> (including method of payment e.g. Government Procurement Card (GPC) or BACS):	

	<p>In Annex 2 of Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing)</p> <p>Two payments shall be made on an annual basis as follows:</p> <ul style="list-style-type: none"> <li>• Payment 1 – 50% of the annual contract charges upon completion for the delivery of the draft and Inception report</li> <li>• Payment 2 – 50% of the annual contract charge upon completion of the final report</li> </ul> <p>Payment shall be made in arrears via BACS following receipt of invoice</p>
<b>6.3</b>	<p><b>Reimbursable Expenses:</b></p> <p>In line with BEIS Expenses Policy and subsequent cost provided with in AW5.2</p>
<b>6.4</b>	<p><b>Customer billing address (paragraph 7.6 of Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing)):</b></p> <p><b>All Invoices to be sent to BEIS – Department for Business, Energy and Industrial Strategy C/O SBS, Queensway House, West Precint, Billingham, TS23 2NF Invoices should be sent to: <a href="mailto:finance@services.ukpbs.co.uk">finance@services.ukpbs.co.uk</a></b></p>
<b>6.5</b>	<p><b>Call Off Contract Charges fixed for (paragraph Error! Reference source not found. of Schedule 3 (Call Off Contract Charges, Payment and Invoicing)):</b></p> <p><b>3 Call Off Contract Years from the Call Off Commencement Date</b></p>
<b>6.6</b>	<p><b>Supplier periodic assessment of Call Off Contract Charges (paragraph Error! Reference source not found. of Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing)) will be carried out on:</b></p> <p><b>1 of each Call Off Contract Year during the Call off Contract Period</b></p>
<b>6.7</b>	<p><b>Supplier request for increase in the Call Off Contract Charges (paragraph Error! Reference source not found. of Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing)):</b></p> <p><b>Not Permitted</b></p>

## 7. LIABILITY AND INSURANCE

<b>7.1</b>	<p><b>Estimated Year 1 Call Off Contract Charges:</b></p> <p>The sum of <b>REDACTED</b> excluding VAT</p>
<b>7.2</b>	<p><b>Supplier's limitation of Liability (Clause Error! Reference source not found. of the Call Off Terms):</b></p> <p><b>In Clause Error! Reference source not found. of the Call Off Terms</b></p>
<b>7.3</b>	<p><b>Insurance</b></p> <p><b>Clause Error! Reference source not found. of the Call Off Terms</b></p>

## 8. TERMINATION AND EXIT

<b>8.1</b>	<b>Termination on material Default (Clause Error! Reference source not found. of the Call Off Terms):</b>  In Clause Error! Reference source not found. of the Call Off Terms
<b>8.2</b>	<b>Termination without cause notice period (Clause Error! Reference source not found. of the Call Off Terms):</b>  In Clause Error! Reference source not found. of the Call Off Terms. The period of thirty (30) Working Days
<b>8.3</b>	<b>Undisputed Sums Limit:</b>  In Clause Error! Reference source not found. of the Call Off Terms
<b>8.4</b>	<b>Exit Management:</b>  Not applied

## 9. SUPPLIER INFORMATION

<b>9.1</b>	<b>Supplier's Inspection of Sites, Customer Property and Customer Assets:</b>  Not Required
<b>9.2</b>	<b>Commercially Sensitive Information:</b>  - REDACTED  - REDACTED  - REDACTED  - REDACTED

## 10. OTHER CALL OFF REQUIREMENTS

<b>10.1</b>	<b>Recitals (In preamble to the Call Off Terms):</b>  Recitals B to E  Recital C - date of issue of the Statement of Requirements: <b>Monday 25<sup>th</sup> March 2019</b>  Recital D - date of receipt of Call Off Tender: <b>Monday 15<sup>th</sup> April 2019</b>
<b>10.2</b>	<b>Call Off Guarantee (Clause Error! Reference source not found. of the Call Off Terms):</b>  Not required
<b>10.3</b>	<b>Security:</b>

	<b>Short form security requirements</b>
<b>10.4</b>	<b>ICT Policy:</b> Not applied
<b>10.5</b>	<b>Testing:</b> Not applied
<b>10.6</b>	<b>Business Continuity &amp; Disaster Recovery:</b> Not applied  <b>Disaster Period:</b> For the purpose of the definition of "Disaster" in Call Off Schedule 1 (Definitions) the "Disaster Period" shall be 28 days
<b>10.7</b>	<b>NOT USED</b>
<b>10.8</b>	<b>Protection of Customer Data (Clause Error! Reference source not found. of the Call Off Terms):</b> See Below

**Annex A GDPR**

Description	Details
<b>Subject matter of the processing</b>	<p>The role of the UK Extractive Industries Transparency Initiative (EITI) Independent Administrator (IA) requires them to maintain a contact list of oil, gas, mining and quarrying companies that are "in-scope" to participate in the EITI process. The current list has approximately 60 companies.</p> <p>The IA will also have access to tax information from both HMRC and in-scope companies. The EITI process requires in-scope companies in the extractives sector to provide details of the amount of tax they pay to government each year and government provide details of the amounts they receive from in-scope companies. These figures are then reconciled.</p> <p>Confidentiality waivers are required from companies before reconciliation can take place.</p>
<b>Duration of the processing</b>	Processing will take place from 1 April 2019 for the duration of the contract.
<b>Nature and purposes of the processing</b>	BEIS already has a list of contacts for the process. BEIS will share this list with the IA. The IA will be charged with the maintenance and update of the list of contacts. This includes adding any new "in-scope" company details. The contact list will be used by the IA for the purposes of circulating the templates that companies are required to complete for the EITI process. They will also use the contact details to chase any in-scope companies who have failed to provide completed templates.
<b>Type of Personal Data</b>	The current contact list only contains the name of the company, the name of the company contact and their email address.

<b>Categories of Data Subject</b>	<b>Company name, company contact name, company contact email address.</b>
<b>Plan for return and destruction of the data once the processing is complete</b>  <b>UNLESS requirement under European Union or European member state law to preserve that type of data</b>	<b>The data will be retained by the Contractor for a duration of the contract. The Contractor will:</b>  <b>provide the Authority with a complete and uncorrupted version of the Personal Data in electronic form (or such other format as reasonably required by the Authority) and erase from any computers, storage devices and storage media that are to be retained by the Contractor after the expiry of the Contract. The Contractor will certify to the Authority that it has completed such deletion.</b>

<b>10.9</b>	<b>Notices (Clause Error! Reference source not found. of the Call Off Terms):</b> <b>Customer's postal address: Department for Business, Energy and Industrial Strategy, 1 Victoria Street, London, SW1H 0ET</b> <b>Supplier's postal address and email address:</b> <b>BDO LLP, 150 Aldergate Street, London, EC1A 4AB</b>
<b>10.10</b>	<b>Transparency Reports</b> <b>Not Required</b>
<b>10.11</b>	<b>Alternative and/or additional provisions (Including any Alternative and/or Additional Clauses under Call Off Schedule 14 and if required, any Customer alternative pricing mechanism):</b> <b>Please see Annex A in the ITQ Question Doc AW4.1</b>
<b>10.12</b>	<b>Call Off Tender:</b>

	<p>As per the below;</p> <p><b>REDACTED</b></p>
<b>10.13</b>	<p><b>Publicity and Branding (Clause 36.3.2 of the Call Off Terms)</b></p> <p><b>The supplier will have access to sensitive tax information, although companies do sign a confidentiality waiver there still need to be safety measures in place.</b></p>

**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.**

**For and on behalf of the Supplier:**

<b>Name and Title</b>	<b>REDACTED</b>
<b>Signature</b>	<b>REDACTED</b>
<b>Date</b>	

**For and on behalf of the Customer:**

<b>Name and Title</b>	<b>REDACTED</b>
<b>Signature</b>	<b>REDACTED</b>
<b>Date</b>	