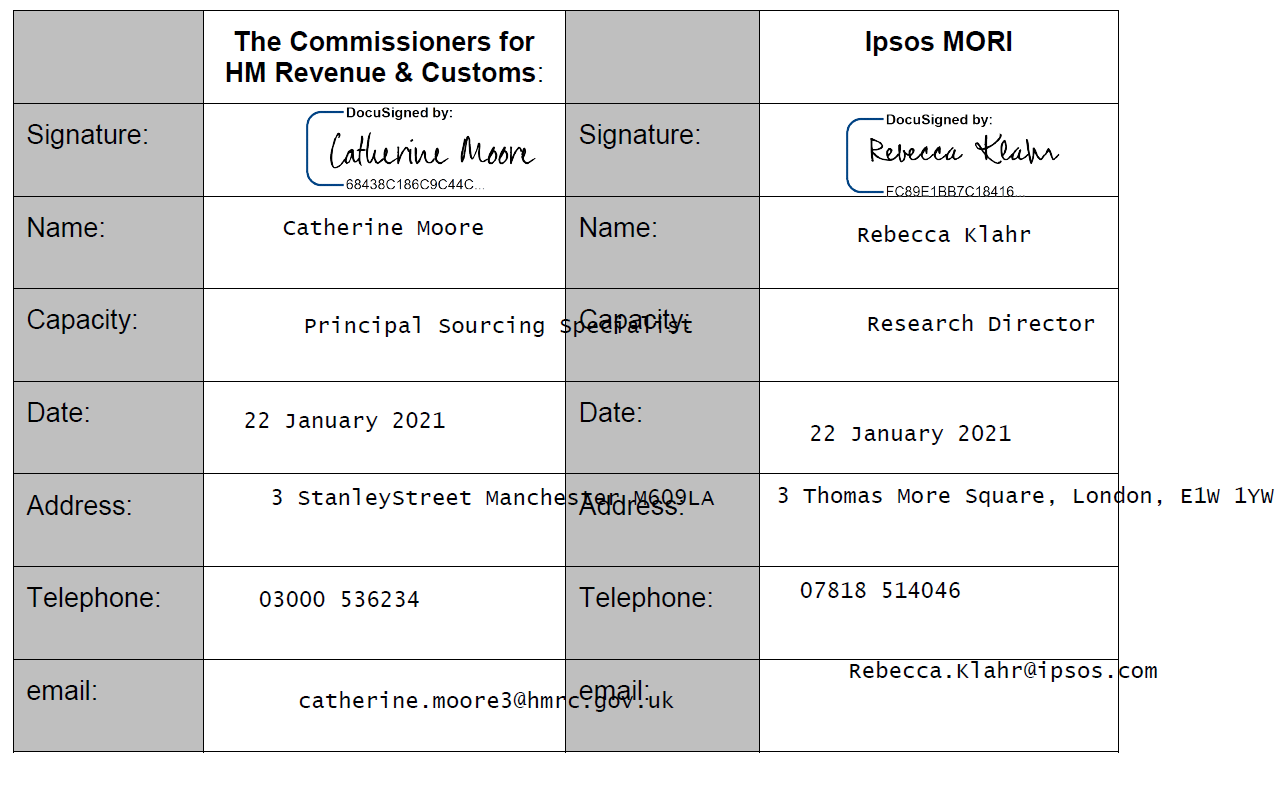
**Service Order**

|  |  |  |
| --- | --- | --- |
| **HM REVENUE & CUSTOMS SERVICE ORDER** | | |
| **A1.** | **HMRC Information**  **Purchase Order to be issued under separate cover** | |
| CD Reference: | | Understanding the Customs Intermediaries sector SR547336931 |
| Purchase / Limit Order No | | TBC |
| HMRC Commercial Contact | | |
| Name: | | Cat Moore |
| Contact Telephone No.: | | 03000 536234 |
| email: | | Catherine.moore3@hmrc.gov.uk |
| HMRC Work Manager | | |
| Name: | | Megan White |
| Contact Telephone No.: | | 0300 057 3981 |
| Contact Address: | | 3/59, 100 Parliament Street, London, SW1A 2BQ |
| email: | | Megan.white@hmrc.gov.uk |
| HMRC Authorised Officer:  (Sponsor/Budget Approver/Invoicing & timesheets) | | Brian O'Callaghan |
|  | |  |
| **A2.** | **Supplier Information** | |
| Supplier: | | Ipsos MORI |
| Contact: | | Rebecca Klahr |
| Contact Tel No: | | 07818 514046 |
| Contact Address: | | 3 Thomas More Square, London, E1W 1YW |
| email: | | rebecca.klahr@ipsos.com |
|  | |  |
| **A3.** | **Contractual Detail** | |
| Special Terms and Conditions:  e.g. overtime, expenses, travel & subsistence, notice period. | | This agreement will be governed by HMRC’s Mandatory Clauses as set out within the following appendices:  Appendix 1: Authority’s Mandatory Terms.  Appendix 2: Security Plan. |

|  |  |  |  |
| --- | --- | --- | --- |
| **A4.** | **Project Information** | | |
| Project Title | | Sizing and quantitative research of the Customs Intermediaries Sector | |
| Primary Location:  (including full address) | | 3/59, 100 Parliament Street, London, SW1A 2BQ | |
| Services Start Date: | | 20/01/2021 | |
| End Date: | | 20/01/2022 | |
|  | |  | |
| **A5.** | **Commercial Detail** | | |
| Milestone 1: Analysis and reporting of wave 2 | | | Redacted in Line with FOI Act Section 43(2) |
| Milestone 2: Development, fieldwork, analysis and reporting for wave 3 | | | Redacted in Line with FOI Act Section 43(2) |
| Milestone 3: Reporting of all three waves | | | Redacted in Line with FOI Act Section 43(2) |
|  | | | |
| **Grand Total (£)**  exclusive of VAT: | | | **£131,030.00** |
|  | | | |
| **A6.** | **Specification** | | |
| The section below should be used to provide clear details relating to the requirements for delivery of the project/assignment. It should include, where appropriate, milestones / key deliverables with dates, and proposals for skills transfer. | | | |
| The requirement is a continuation of the project previously tendered on 16 October 2019 date under the UK SBS BEIS Research framework. The project was delayed subject to government social research restrictions in light of the Coronavirus pandemic. Milestones 3,4 and 5 were not delivered within the previous contract duration so will be delivered under this service order agreement. A breakdown of the payment milestones can be found below:  Milestone 3  Payable upon satisfactory receipt of the following deliverables, anticipated milestone date: 22/01/2021   * Summary Report of wave 1, c.10 pages including charts and commentary, as well as technical details on the methodology. * Delivery of wave 2 which includes 500 interviews composed of 350 longitudinal interview (c.15 minutes), and 150 cross-sectional interviews (c.25 minutes); * Delivery of 15 follow up depth interviews, c.45 mins, with intermediaries; * Top line qualitative findings; * Data processing and coding; * Grossing analysis; including updating the business population where appropriate, grossing of existing and updated questions; * Provision of 4 transcripts from the follow up depth interviews with intermediaries’ during the fieldwork period; * Wave 2 analysis and reporting, including data tables, SPSS data, presentation of results with slide pack. * Summary Report of wave 2, c.10 pages including charts and commentary, as well as technical details on the methodology.   Milestone 4  Payable upon satisfactory receipt of the following deliverables, anticipated milestone date: 15/03/2021   * Delivery of wave 3 which includes 400 longitudinal interviews (20 minutes) * Delivery of 15 follow up depth interviews, c.45 mins, with intermediaries; * Top line qualitative findings; * Data processing and coding; * Grossing analysis; including updating the business population where appropriate, grossing of existing and updated questions; * Provision of 4 transcripts from the follow up depth interviews with intermediaries’ during the fieldwork period; * Wave 3 analysis and reporting, including data tables, SPSS data, presentation of results with slide pack.   Milestone 5  Payable upon satisfactory receipt of the following deliverables, anticipated milestone date: 21/05/2021   * Presentation of findings covering all waves; * Final report covering all waves of field work and full technical report- with draft versions; * Acceptance of final report to HMRC standards and meets accessibility requirements.   The Supplier will deliver HMRC’s requirements in full, as set out within HMRC’s Invitation to Tender (ITT) document issued on 16/10/2019. This document can be found at Appendix 3: HMRC’s Requirement.  The Supplier will deliver the service as per their proposal which was submitted on 04/11/2019. This document can be found at Appendix 4: Supplier Proposal.  **Confidential Information**  As part of the Government’s Transparency Agenda, this agreement and any associated winning tender may be published. The contractor must notify the project manager (provided at 1. above) of any commercially sensitive information to be considered for redaction prior to publication.  (7.1) The following information shall be deemed Commercially Sensitive Information or Confidential Information:-  • Detailed cost breakdown, including staff day rates and fees (only overall contract value should be published)  • Such material including but not limited to the Contractor’s methodologies and proprietary tools and techniques as the Contractor reasonably considers by virtue of the intellectual property contained therein i) to be a trade secret; or ii) that their release into the public domain would prejudice its competitive, commercial interests  • Details of our other clients and projects undertaken  • The project risk register  • CVs and staff biographies  (7.2) Duration that the information shall be deemed Commercially Sensitive Information or Confidential Information:-  • We would request that the information should be reserved permanently. | | | |

The Agreement effected by the signing of this Form of Agreement constitutes the entire agreement between the Parties relating to the subject matter of the Agreement and supersedes all prior negotiations, representations or understandings whether written or oral.

Signed for and on behalf of:





**Appendix 1:**

**AUTHORITY’S MANDATORY TERMS**

1. For the avoidance of doubt, references to ‘the Agreement’ mean the attached Call-Off Contract between the Supplier and the Authority. References to ‘the Authority’ mean ‘the Buyer’ (the Commissioners for Her Majesty’s Revenue and Customs).
2. The Agreement incorporates the Authority’s mandatory terms set out in this Appendix 1.
3. In case of any ambiguity or conflict, the Authority’s mandatory terms in this Appendix 1 will supersede any other terms in the Agreement.
4. **Definitions**

|  |  |
| --- | --- |
| **“Affiliate”** | in relation to a body corporate, any other entity which directly or indirectly Controls, is Controlled by, or is under direct or indirect common Control with, that body corporate from time to time; |
| **“Authority Data”** | 1. the data, text, drawings, diagrams, images or sounds (together with any database made up of any of these) which are embodied in any electronic, magnetic, optical or tangible media, and which are:    * + 1. supplied to the Supplier by or on behalf of the Authority; and/or        2. which the Supplier is required to generate, process, store or transmit pursuant to this Agreement; or 2. any Personal Data for which the Authority is the Controller, or any data derived from such Personal Data which has had any designatory data identifiers removed so that an individual cannot be identified; |
| **“Charges”** | the charges for the Services as specified in section A5 of the Service Order; |
| **“Connected Company”** | means, in relation to a company, entity or other person, the Affiliates of that company, entity or other person or any other person associated with such company, entity or other person; |
| **“Control”** | the possession by a person, directly or indirectly, of the power to direct or cause the direction of the management and policies of the other person (whether through the ownership of voting shares, by contract or otherwise) and “Controls” and “Controlled” shall be interpreted accordingly; |
| **“Controller”, “Processor”, “Data Subject”,** | take the meaning given in the GDPR; |
| **“Data Protection Legislation”** | * 1. the GDPR, the Law Enforcement Directive (Directive EU 2016/680) and any applicable national implementing Laws as amended from time to time;   2. the Data Protection Act 2018 to the extent that it relates to processing of personal data and privacy;   3. all applicable Law about the processing of personal data and privacy; |
| **“GDPR”** | the General Data Protection Regulation (Regulation (EU) 2016/679); |
| **“Key Subcontractor”** | any Subcontractor:   1. which, in the opinion of the Authority, performs (or would perform if appointed) a critical role in the provision of all or any part of the Services; and/or 2. with a Subcontract with a contract value which at the time of appointment exceeds (or would exceed if appointed) ten per cent (10%) of the aggregate Charges forecast to be payable under this Call-Off Contract; |
| **“Law”** | any applicable Act of Parliament, subordinate legislation within the meaning of section 21(1) of the Interpretation Act 1978, exercise of the royal prerogative, enforceable community right within the meaning of section 2 of the European Communities Act 1972, regulatory policy, guidance or industry code, judgment of a relevant court of law, or directives or requirements of any regulatory body with which the Supplier is bound to comply; |
| **“Personal Data”** | has the meaning given in the GDPR; |
| **“Purchase Order Number”** | the Authority’s unique number relating to the supply of the Services; |
| **“Services”** | the services to be supplied by the Supplier to the Authority under the Agreement, including the provision of any Goods; |
| **“Subcontract”** | any contract or agreement (or proposed contract or agreement) between the Supplier (or a Subcontractor) and any third party whereby that third party agrees to provide to the Supplier (or the Subcontractor) all or any part of the Services, or facilities or services which are material for the provision of the Services, or any part thereof or necessary for the management, direction or control of the Services or any part thereof; |
| **“Subcontractor”** | any third party with whom:   1. the Supplier enters into a Subcontract; or 2. a third party under (a) above enters into a Subcontract,   or the servants or agents of that third party; |
| **“Supplier Personnel”** | all directors, officers, employees, agents, consultants and contractors of the Supplier and/or of any Subcontractor of the Supplier engaged in the performance of the Supplier’s obligations under the Agreement; |
| **“Supporting Documentation”** | sufficient information in writing to enable the Authority to reasonably verify the accuracy of any invoice; |
| **“Tax”** | 1. all forms of tax whether direct or indirect; 2. national insurance contributions in the United Kingdom and similar contributions or obligations in any other jurisdiction; 3. all statutory, governmental, state, federal, provincial, local government or municipal charges, duties, imports, contributions. levies or liabilities (other than in return for goods or services supplied or performed or to be performed) and withholdings; and 4. any penalty, fine, surcharge, interest, charges or costs relating to any of the above,   in each case wherever chargeable and whether of the United Kingdom and any other jurisdiction; |
| **“Tax Non-Compliance”** | where an entity or person under consideration meets all 3 conditions contained in the relevant excerpt from HMRC’s “Test for Tax Non-Compliance”, as set out in Annex 1, where:   1. the “Economic Operator” means the Supplier or any agent, supplier or Subcontractor of the Supplier requested to be replaced pursuant to Clause 4.3; and 2. any “Essential Subcontractor” means any Key Subcontractor; |
| **“VAT”** | value added tax as provided for in the Value Added Tax Act 1994. |

1. **Payment and Recovery of Sums Due**

## The Supplier shall invoice the Authority as specified in Clause A5 of the Agreement. Without prejudice to the generality of the invoicing procedure specified in the Agreement, the Supplier shall procure a Purchase Order Number from the Authority prior to the commencement of any Services and the Supplier acknowledges and agrees that should it commence Services without a Purchase Order Number:

### the Supplier does so at its own risk; and

### the Authority shall not be obliged to pay any invoice without a valid Purchase Order Number having been provided to the Supplier.

* 1. Each invoice and any Supporting Documentation required to be submitted in accordance with the invoicing procedure specified in the Agreement shall be submitted by the Supplier, as directed by the Authority from time to time via the Authority’s electronic transaction system.
  2. If any sum of money is recoverable from or payable by the Supplier under the Agreement (including any sum which the Supplier is liable to pay to the Authority in respect of any breach of the Agreement), that sum may be deducted unilaterally by the Authority from any sum then due, or which may come due, to the Supplier under the Agreement or under any other agreement or contract with the Authority.  The Supplier shall not be entitled to assert any credit, set-off or counterclaim against the Authority in order to justify withholding payment of any such amount in whole or in part.

1. **Warranties**
   1. The Supplier represents and warrants that:
      1. in the three years prior to the Effective Date, it has been in full compliance with all applicable securities and Laws related to Tax in the United Kingdom and in the jurisdiction in which it is established;
      2. it has notified the Authority in writing of any Tax Non-Compliance it is involved in; and
      3. no proceedings or other steps have been taken and not discharged (nor, to the best of its knowledge, are threatened) for the winding up of the Supplier or for its dissolution or for the appointment of a receiver, administrative receiver, liquidator, manager, administrator or similar officer in relation to any of the Supplier’s assets or revenue and the Supplier has notified the Authority of any profit warnings issued in respect of the Supplier in the three years prior to the Effective Date.
   2. If at any time the Supplier becomes aware that a representation or warranty given by it under Clause 3.1.1, 3.1.2 and/or 3.1.3 has been breached, is untrue, or is misleading, it shall immediately notify the Authority of the relevant occurrence in sufficient detail to enable the Authority to make an accurate assessment of the situation.
   3. In the event that the warranty given by the Supplier pursuant to Clause 3.1.2 is materially untrue, the Authority shall be entitled to terminate the Agreement pursuant to the Call-Off clause which provides the Authority the right to terminate the Agreement for Supplier fault (termination for Supplier cause or equivalent clause).
2. **Promoting Tax Compliance**
   1. All amounts stated are stated exclusive of VAT, which shall be added at the prevailing rate as applicable and paid by the Authority following delivery of a valid VAT invoice.
   2. To the extent applicable to the Supplier, the Supplier shall at all times comply with all Laws relating to Tax and with the equivalent legal provisions of the country in which the Supplier is established.
   3. The Supplier shall provide to the Authority the name and, as applicable, the Value Added Tax registration number, PAYE collection number and either the Corporation Tax or self-assessment reference of any agent, supplier or Subcontractor of the Supplier prior to the provision of any material Services under the Agreement by that agent, supplier or Subcontractor. Upon a request by the Authority, the Supplier shall not contract, or will cease to contract, with any agent, supplier or Subcontractor supplying Services under the Agreement.
   4. If, at any point during the Term, there is Tax Non-Compliance, the Supplier shall:
      1. notify the Authority in writing of such fact within five (5) Working Days of its occurrence; and
      2. promptly provide to the Authority:
3. details of the steps which the Supplier is taking to resolve the Tax Non-Compliance and to prevent the same from recurring, together with any mitigating factors that it considers relevant; and
4. such other information in relation to the Tax Non-Compliance as the Authority may reasonably require.
   1. The Supplier shall indemnify the Authority on a continuing basis against any liability, including any interest, penalties or costs incurred, that is levied, demanded or assessed on the Authority at any time in respect of the Supplier's failure to account for or to pay any Tax relating to payments made to the Supplier under this Agreement. Any amounts due under this Clause 4.5 shall be paid in cleared funds by the Supplier to the Authority not less than five (5) Working Days before the date upon which the Tax or other liability is payable by the Authority.
   2. Upon the Authority’s request, the Supplier shall provide (promptly or within such other period notified by the Authority) information which demonstrates how the Supplier complies with its Tax obligations.
   3. If the Supplier:
      1. fails to comply (or if the Authority receives information which demonstrates to it that the Supplier has failed to comply) with Clauses 4.2, 4.4.1 and/or 4.6 this may be a material breach of the Agreement;
      2. fails to comply (or if the Authority receives information which demonstrates to it that the Supplier has failed to comply) with a reasonable request by the Authority that it must not contract, or must cease to contract, with any agent, supplier or Subcontractor of the Supplier as required by Clause 4.3 on the grounds that the agent, supplier or Subcontractor of the Supplier is involved in Tax Non-Compliance this shall be a material breach of the Agreement; and/or
      3. fails to provide details of steps being taken and mitigating factors pursuant to Clause 4.4.2 which in the reasonable opinion of the Authority are acceptable this shall be a material breach of the Agreement;

and any such material breach shall allow the Authority to terminate the Agreement pursuant to the Call-Off Clause which provides the Authority the right to terminate the Agreement for Supplier fault (termination for Supplier cause or equivalent clause).

* 1. The Authority may internally share any information which it receives under Clauses 4.3 to 4.4 (inclusive) and 4.6, for the purpose of the collection and management of revenue for which the Authority is responsible.

1. **Use of Off-shore Tax Structures**
   1. Subject to the principles of non-discrimination against undertakings based either in member countries of the European Union or in signatory countries of the World Trade Organisation Agreement on Government Procurement, the Supplier shall not, and shall ensure that its Connected Companies, Key Subcontractors (and their respective Connected Companies) shall not, have or put in place (unless otherwise agreed with the Authority) any arrangements involving the use of off-shore companies or other off-shore entities the main purpose, or one of the main purposes, of which is to achieve a reduction in United Kingdom Tax of any description which would otherwise be payable by it or them on or in connection with the payments made by or on behalf of the Authority under or pursuant to this Agreement or (in the case of any Key Subcontractor and its Connected Companies) United Kingdom Tax which would be payable by it or them on or in connection with payments made by or on behalf of the Supplier under or pursuant to the applicable Key Subcontract (**“Prohibited Transactions”**). Prohibited Transactions shall not include transactions made between the Supplier and its Connected Companies or a Key Subcontractor and its Connected Companies on terms which are at arms-length and are entered into in the ordinary course of the transacting parties’ business.
   2. The Supplier shall notify the Authority in writing (with reasonable supporting detail) of any proposal for the Supplier or any of its Connected Companies, or for a Key Subcontractor (or any of its Connected Companies), to enter into any Prohibited Transaction. The Supplier shall notify the Authority within a reasonable time to allow the Authority to consider the proposed Prohibited Transaction before it is due to be put in place.
   3. In the event of a Prohibited Transaction being entered into in breach of Clause 5.1 above, or in the event that circumstances arise which may result in such a breach, the Supplier and/or the Key Subcontractor (as applicable) shall discuss the situation with the Authority and, in order to ensure future compliance with the requirements of Clauses 5.1 and 5.2, the Parties (and the Supplier shall procure that the Key Subcontractor, where applicable) shall agree (at no cost to the Authority) timely and appropriate changes to any such arrangements by the undertakings concerned, resolving the matter (if required) through the escalation process in the Agreement.
   4. Failure by the Supplier (or a Key Subcontractor) to comply with the obligations set out in Clauses 5.2 and 5.3 shall allow the Authority to terminate the Agreement pursuant to the Clause that provides the Authority the right to terminate the Agreement for Supplier fault (termination for Supplier cause).
2. **Data Protection and off-shoring**
   1. The Processor shall, in relation to any Personal Data processed in connection with its obligations under the Agreement:
      1. not transfer Personal Data outside of the United Kingdom unless the prior written consent of the Controller has been obtained and the following conditions are fulfilled:
   2. the Controller or the Processor has provided appropriate safeguards in relation to the transfer (whether in accordance with GDPR Article 46 or LED Article 37) as determined by the Controller;
   3. the Data Subject has enforceable rights and effective legal remedies;
   4. the Processor 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 Controller in meeting its obligations); and
   5. the Processor complies with any reasonable instructions notified to it in advance by the Controller with respect to the processing of the Personal Data;
   6. Failure by the Processor to comply with the obligations set out in Clause 6.1 shall allow the Authority to terminate the Agreement pursuant to the Clause that provides the Authority the right to terminate the Agreement for Supplier fault (termination for Supplier cause or equivalent clause).
3. **Commissioners for Revenue and Customs Act 2005 and related Legislation** 
   1. The Supplier shall comply with, and shall ensure that all Supplier Personnel who will have access to, or are provided with, Authority Data comply with the obligations set out in Section 18 of the Commissioners for Revenue and Customs Act 2005 (‘CRCA’) to maintain the confidentiality of Authority Data. Further, the Supplier acknowledges that (without prejudice to any other rights and remedies of the Authority) a breach of the aforesaid obligations may lead to a prosecution under Section 19 of CRCA.
   2. The Supplier shall comply with, and shall ensure that all Supplier Personnel who will have access to, or are provided with, Authority Data comply with the obligations set out in Section 123 of the Social Security Administration Act 1992, which may apply to the fulfilment of some or all of the Services. The Supplier acknowledges that (without prejudice to any other rights and remedies of the Authority) a breach of the Supplier’s obligations under Section 123 of the Social Security Administration Act 1992 may lead to a prosecution under that Act.
   3. The Supplier shall regularly (not less than once every six (6) months) remind all Supplier Personnel who will have access to, or are provided with, Authority Data in writing of the obligations upon Supplier Personnel set out in Clause 7.1 above. The Supplier shall monitor the compliance by Supplier Personnel with such obligations.
   4. The Supplier shall ensure that all Supplier Personnel who will have access to, or are provided with, Authority Data sign (or have previously signed) a Confidentiality Declaration, in the form provided at Annex 2. The Supplier shall provide a copy of each such signed declaration to the Authority upon demand.
   5. In the event that the Supplier or the Supplier Personnel fail to comply with this Clause 7, the Authority reserves the right to terminate the Agreement with immediate effect pursuant to the clause that provides the Authority the right to terminate the Agreement for Supplier fault (termination for Supplier cause).

**Annex 1**

**Excerpt from HMRC’s “Test for Tax Non-Compliance”**

*Condition one (An in-scope entity or person)*

1. There is a person or entity which is either: (“X”)
2. The Economic Operator or Essential Subcontractor (EOS)
3. Part of the same Group of companies of EOS. An entity will be treated as within the same Group of EOS where that entities’ financial statements would be required to be consolidated with those of EOS if prepared in accordance with *IFRS 10 Consolidated Financial Accounts[[1]](#footnote-1)*;
4. Any director, shareholder or other person (P) which exercises control over EOS. ‘Control’ means P can secure, through holding of shares or powers under articles of association or other document that EOS’s affairs are conducted in accordance with P’s wishes.

*Condition two (Arrangements involving evasion, abuse or tax avoidance)*

1. X has been engaged in one or more of the following:
   1. Fraudulent evasion[[2]](#footnote-2);
   2. Conduct caught by the General Anti-Abuse Rule[[3]](#footnote-3);
   3. Conduct caught by the Halifax Abuse principle[[4]](#footnote-4);
   4. Entered into arrangements caught by a DOTAS or VADR scheme[[5]](#footnote-5);
   5. Conduct caught by a recognised ‘anti-avoidance rule’[[6]](#footnote-6) being a statutory provision which targets arrangements where either a main purpose, or an expected benefit, is to obtain a tax advantage or where the arrangement is not effected for commercial purposes. ‘Targeted Anti-Avoidance Rules’ (TAARs). It may be useful to confirm that the Diverted Profits Tax is a TAAR for these purposes;
   6. Entered into an avoidance scheme identified by HMRC’s published Spotlights list[[7]](#footnote-7);
   7. Engaged in conduct which falls under rules in other jurisdictions which are equivalent or similar to (a) to (f) above.

*Condition three (Arrangements are admitted, or subject to litigation/prosecution or identified in a published list (Spotlights))*

1. X’s activity in *Condition 2* is, where applicable, subject to dispute and/or litigation as follows:
   1. In respect of (a), either X:
      1. Has accepted the terms of an offer made under a Contractual Disclosure Facility (CDF) pursuant to the Code of Practice 9 (COP9) procedure[[8]](#footnote-8); or,
      2. Has been charged with an offence of fraudulent evasion.
   2. In respect of (b) to (e), once X has commenced the statutory appeal process by filing a Notice of Appeal and the appeal process is ongoing including where the appeal is stayed or listed behind a lead case (either formally or informally). NB Judicial reviews are not part of the statutory appeal process and no supplier would be excluded merely because they are applying for judicial review of an HMRC or HMT decision relating to tax or national insurance.
   3. In respect of (b) to (e), during an HMRC enquiry, if it has been agreed between HMRC and X that there is a pause with the enquiry in order to await the outcome of related litigation.
   4. In respect of (f) this condition is satisfied without any further steps being taken.
   5. In respect of (g) the foreign equivalent to each of the corresponding steps set out above in (i) to (iii).

### For the avoidance of doubt, any reference in this Annex 1 to any Law includes a reference to that Law as amended, extended, consolidated or re‑enacted from time to time including any implementing or successor legislation.

**Annex 2 Form**

**CONFIDENTIALITY DECLARATION**

CONTRACT REFERENCE: SR522957309 (‘the Agreement’)

DECLARATION:

I solemnly declare that:

1. I am aware that the duty of confidentiality imposed by section 18 of the Commissioners for Revenue and Customs Act 2005 applies to Authority Data (as defined in the Agreement) that has been or will be provided to me in accordance with the Agreement.
2. I understand and acknowledge that under Section 19 of the Commissioners for Revenue and Customs Act 2005 it may be a criminal offence to disclose any Authority Data provided to me.

|  |
| --- |
| SIGNED: |
| FULL NAME: |
| POSITION: |
| COMPANY: |
| DATE OF SIGNITURE: |

Appendix 3: HMRC Requirements



**Research Specification**

**Research into Customs Intermediaries**

**BEIS Research and Evaluation Framework**

**Invitation to Tender**

**16 October 2019**

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[2. Context 3](file:///\\c\s\CAF1\CD%20Sourcing%20and%20Contract%20Management\Live%20Sourcing%20Events\Understanding%20the%20Customs%20Intermediaries%20sector%20SR547336931\7.%20FINALISATION%20OF%20CONTRACT%20CORRESPONDENCE\HMRC%20Invitation%20to%20Tender_Research%20on%20Customs%20Intermediaries.docx#_Toc532992259)

[3. Research aims and objectives 5](file:///\\c\s\CAF1\CD%20Sourcing%20and%20Contract%20Management\Live%20Sourcing%20Events\Understanding%20the%20Customs%20Intermediaries%20sector%20SR547336931\7.%20FINALISATION%20OF%20CONTRACT%20CORRESPONDENCE\HMRC%20Invitation%20to%20Tender_Research%20on%20Customs%20Intermediaries.docx#_Toc532992260)

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[7. Outputs 10](file:///\\c\s\CAF1\CD%20Sourcing%20and%20Contract%20Management\Live%20Sourcing%20Events\Understanding%20the%20Customs%20Intermediaries%20sector%20SR547336931\7.%20FINALISATION%20OF%20CONTRACT%20CORRESPONDENCE\HMRC%20Invitation%20to%20Tender_Research%20on%20Customs%20Intermediaries.docx#_Toc532992264)

[8. Project management and contract administration 11](file:///\\c\s\CAF1\CD%20Sourcing%20and%20Contract%20Management\Live%20Sourcing%20Events\Understanding%20the%20Customs%20Intermediaries%20sector%20SR547336931\7.%20FINALISATION%20OF%20CONTRACT%20CORRESPONDENCE\HMRC%20Invitation%20to%20Tender_Research%20on%20Customs%20Intermediaries.docx#_Toc532992265)

[9. Quality and risk management 11](file:///\\c\s\CAF1\CD%20Sourcing%20and%20Contract%20Management\Live%20Sourcing%20Events\Understanding%20the%20Customs%20Intermediaries%20sector%20SR547336931\7.%20FINALISATION%20OF%20CONTRACT%20CORRESPONDENCE\HMRC%20Invitation%20to%20Tender_Research%20on%20Customs%20Intermediaries.docx#_Toc532992266)

[10. Expertise and capability 12](file:///\\c\s\CAF1\CD%20Sourcing%20and%20Contract%20Management\Live%20Sourcing%20Events\Understanding%20the%20Customs%20Intermediaries%20sector%20SR547336931\7.%20FINALISATION%20OF%20CONTRACT%20CORRESPONDENCE\HMRC%20Invitation%20to%20Tender_Research%20on%20Customs%20Intermediaries.docx#_Toc532992267)

[11. Tender evaluation approach 13](file:///\\c\s\CAF1\CD%20Sourcing%20and%20Contract%20Management\Live%20Sourcing%20Events\Understanding%20the%20Customs%20Intermediaries%20sector%20SR547336931\7.%20FINALISATION%20OF%20CONTRACT%20CORRESPONDENCE\HMRC%20Invitation%20to%20Tender_Research%20on%20Customs%20Intermediaries.docx#_Toc532992268)

[12. Quality criteria and how we assess quality 13](file:///\\c\s\CAF1\CD%20Sourcing%20and%20Contract%20Management\Live%20Sourcing%20Events\Understanding%20the%20Customs%20Intermediaries%20sector%20SR547336931\7.%20FINALISATION%20OF%20CONTRACT%20CORRESPONDENCE\HMRC%20Invitation%20to%20Tender_Research%20on%20Customs%20Intermediaries.docx#_Toc532992269)

[13. Price and how we assess price 14](file:///\\c\s\CAF1\CD%20Sourcing%20and%20Contract%20Management\Live%20Sourcing%20Events\Understanding%20the%20Customs%20Intermediaries%20sector%20SR547336931\7.%20FINALISATION%20OF%20CONTRACT%20CORRESPONDENCE\HMRC%20Invitation%20to%20Tender_Research%20on%20Customs%20Intermediaries.docx#_Toc532992270)

[14. Summary of evaluation criteria 16](file:///\\c\s\CAF1\CD%20Sourcing%20and%20Contract%20Management\Live%20Sourcing%20Events\Understanding%20the%20Customs%20Intermediaries%20sector%20SR547336931\7.%20FINALISATION%20OF%20CONTRACT%20CORRESPONDENCE\HMRC%20Invitation%20to%20Tender_Research%20on%20Customs%20Intermediaries.docx#_Toc532992271)

[15. Data security and protection 16](file:///\\c\s\CAF1\CD%20Sourcing%20and%20Contract%20Management\Live%20Sourcing%20Events\Understanding%20the%20Customs%20Intermediaries%20sector%20SR547336931\7.%20FINALISATION%20OF%20CONTRACT%20CORRESPONDENCE\HMRC%20Invitation%20to%20Tender_Research%20on%20Customs%20Intermediaries.docx#_Toc532992272)

[16. Other ethical issues 17](file:///\\c\s\CAF1\CD%20Sourcing%20and%20Contract%20Management\Live%20Sourcing%20Events\Understanding%20the%20Customs%20Intermediaries%20sector%20SR547336931\7.%20FINALISATION%20OF%20CONTRACT%20CORRESPONDENCE\HMRC%20Invitation%20to%20Tender_Research%20on%20Customs%20Intermediaries.docx#_Toc532992273)

[17. Procurement transparency 17](file:///\\c\s\CAF1\CD%20Sourcing%20and%20Contract%20Management\Live%20Sourcing%20Events\Understanding%20the%20Customs%20Intermediaries%20sector%20SR547336931\7.%20FINALISATION%20OF%20CONTRACT%20CORRESPONDENCE\HMRC%20Invitation%20to%20Tender_Research%20on%20Customs%20Intermediaries.docx#_Toc532992274)

[18. Commissioning Conditions 17](file:///\\c\s\CAF1\CD%20Sourcing%20and%20Contract%20Management\Live%20Sourcing%20Events\Understanding%20the%20Customs%20Intermediaries%20sector%20SR547336931\7.%20FINALISATION%20OF%20CONTRACT%20CORRESPONDENCE\HMRC%20Invitation%20to%20Tender_Research%20on%20Customs%20Intermediaries.docx#_Toc532992275)

[19. Summary of requirements 18](file:///\\c\s\CAF1\CD%20Sourcing%20and%20Contract%20Management\Live%20Sourcing%20Events\Understanding%20the%20Customs%20Intermediaries%20sector%20SR547336931\7.%20FINALISATION%20OF%20CONTRACT%20CORRESPONDENCE\HMRC%20Invitation%20to%20Tender_Research%20on%20Customs%20Intermediaries.docx#_Toc532992276)

[20. Queries on this research specification 18](file:///\\c\s\CAF1\CD%20Sourcing%20and%20Contract%20Management\Live%20Sourcing%20Events\Understanding%20the%20Customs%20Intermediaries%20sector%20SR547336931\7.%20FINALISATION%20OF%20CONTRACT%20CORRESPONDENCE\HMRC%20Invitation%20to%20Tender_Research%20on%20Customs%20Intermediaries.docx#_Toc532992277)

[21. Information on how and when to return tenders 19](file:///\\c\s\CAF1\CD%20Sourcing%20and%20Contract%20Management\Live%20Sourcing%20Events\Understanding%20the%20Customs%20Intermediaries%20sector%20SR547336931\7.%20FINALISATION%20OF%20CONTRACT%20CORRESPONDENCE\HMRC%20Invitation%20to%20Tender_Research%20on%20Customs%20Intermediaries.docx#_Toc532992278)

**Introduction**

HM Revenue & Customs (HMRC) invites suppliers who confirmed their interest in receiving HMRC research commissions from short Lot 3 of the BEIS Research and Evaluation Framework to undertake independent, multi stage qualitative and quantitative research to size the customs intermediaries sector and to provide a detailed understanding of the population and its capacity.

HMRC intends for this contract to be in place **in mid-November 2019**, with first phase outputs expected **by the end of April 2020**. Final outputs are expected by the end of October 2020.

HMRC will maintain the overall management of the project.

The contract will be awarded to the organisation deemed to best meet HMRC’s requirements and provide best value for money. Assessment will be based on the factors included in sections 12, 13 and 14.

**We remind all tenderers that HMRC ITTs are commercially sensitive documents; the contents of any HMRC ITT should not be divulged to those without a business need to know.**

**Context**

‘Customs intermediaries’ is an umbrella term used to mean businesses who deal with customs processes on behalf of other businesses who trade internationally. Currently this is for trade between the UK and countries outside the EU, but after EU Exit the need for these services will expand to all international trade. The tasks intermediaries carry out can include assessing goods to ensure compliance, providing advice on duties, interaction with various IT systems, and providing their clients with appropriate customs documentation to facilitate movement of goods.

Specifically the different types of customs intermediary are defined below:

* Customs Agents/Brokers: intermediaries who facilitate the clearance of goods through customs;
* Freight Forwarders: a person or company who manages the end-to-end movement of goods from a trader to their customer. This includes the completion of customs requirements;
* Express Operators/Fast Parcel Operators: transporters of goods within specific time frames. They are able to deal with customs as part of the delivery arrangements.

Understanding the structure, capacity and behaviour of the customs intermediary sector is critical to the effective design of our future customs system because intermediaries are the preferred method for most importers/exporters to manage customs processes. As such, the capacity and capability of the intermediary sector will impact hundreds of thousands of traders. To develop effective policy for future customs arrangements, we need to understand the current capacity in the sector, and current plans to expand (including how fast).

However, HMRC currently lacks reliable quantitative information about the customs intermediary sector as it is unregulated and fragmented. We do not know the overall size and structure of the population, or of the key groups within this (Customs Brokers/Agents, Hauliers, Freight Forwarders, and Fast Parcel Operators) or what services they provide (there isn’t a standard service offer). Without an understanding of the structure of the population, designing policies to target them is challenging.

Alongside the gap in our understanding of the current size of the sector, we only have limited/anecdotal evidence about their level of readiness for EU Exit and how their capacity to support customers will change over time as a result of EU Exit policy developing (including the grant scheme, e-learning and proposed changes to liability). Furthermore, without an ongoing, regular measure of capacity in this sector, we will be unable to properly quantify emerging risks in our customs system or track the success of our policies and contingency plans.

Additionally, understanding the number of employees working for customs intermediaries and the number of declarations they process will provide further insight into the capacity of the sector and how it will change post EU Exit.

Improved data on the behaviour of customs intermediaries would also help HMRC understand whether intermediaries are receiving the right information and support to prepare, and tailor communications content, channels and support options to maximise the effectiveness of its Communications strategy. For instance, it may help identify key information gaps or areas where further support or refinements to service design are required. This could help the sector respond more effectively to EU exit, ultimately benefiting the trader population.

Some research has previously taken place with this sector, but methods to reach participants have been limited by the lack of sample frame. This research would seek to build on past research.

**Research aims and objectives**

**Aims**

The overarching aim of this research is to size and understand the customs intermediaries sector and to conduct quarterly surveys to provide insight into the capacity of the sector.

**Objectives**

The objectives of this research are:

* 1. To accurately estimate the size and capacity of the customs intermediaries population, as well as the sub-groups within it;
  2. To better understand the customs population in terms of characteristics, structure, services provided and customer groups serviced;
  3. To design a more robust sample frame and method for conducting quarterly surveys going forward;
  4. To conduct quarterly surveys to measure how capacity is changing over time in response to EU Exit policies.

**Research questions**

These aims and objectives will be met by answering the following research questions, amongst others.

At a static point in time, this research should look to understand the size and structure of the sector:

* What is the size of the customs intermediaries sector (Customs Brokers/Agents, Hauliers, Freight Forwarders, and Fast Parcel Operators)?
* What is the size and structure of the workforce supporting the sector, with a particular focus on the number of individuals trained to complete customs formalities and the level of training they have received?
* What is the structure of this sector, including any overlap and interdependencies between ‘types’ of intermediaries?
* What is the demographic profile of the sector as a whole, and, where feasible, within key subgroups (e.g. business size, region)?
* What types of trade do intermediaries currently support: EU only, EU and ROW, or ROW only? How does this vary by ‘type’ of intermediary?
* What activities (e.g. in the process of making declarations, interacting with other government agencies) do different types of intermediary take to support trade?
* What are the costs/charges associated with providing different activities?
* What are the customer profiles of different types of intermediary?
* What, if any, additional capacity to do more do they have?
* How is it anticipated that the sector will change and scale (qualitatively and quantitatively) over the next 5-10 years in response to EU Exit?

On a regular (likely quarterly basis), research should also aim to answer:

* To what extent have intermediaries been impacted by exiting the EU (e.g. additional demand for intermediaries’ services, impact of changes to customs processes)?
* What activities have intermediaries undertaken as a response to exiting the EU?
* How is the overall capacity of the sector changing in terms of the numbers of customers it can support and the services it can provide?
  + Have they expanded their size or range of services in the last 3 months and by how much?
  + Do they plan to expand, if so how much and how quickly, does it extend their service offer and what is stopping them going further faster?
* What further changes, if any, do intermediaries believe they need to make to their business model as a result of EU Exit? How long would these take to implement?
* What, if anything, is preventing and/or delaying intermediaries responding to exiting the EU?
* What resources/channels have intermediaries used to understand EU exit and potential impacts on them (e.g. the HMRC partner pack)?
* To what extent the intermediaries’ sector provides automated customs activities and how far further automation could provide benefits such as increasing the customer base and/or lowering costs?
* What government assistance (easements, grants, e-learning offer) are they aware of and have they used? Has this helped? Is there appetite for further assistance of this nature?
* Do they know/have an idea of what their ‘demand’ of customers is/will be? What increase in demand are they expecting?

**Methodology and scope**

**Approach**

An indicative methodology for the research is proposed below. Tenderers are welcome to suggest alternative ways of answering the research questions. The approach must be fully justified and any risks fully explained.

Both the indicative methodology and any alternative approach must be fully costed in the manner set out in paragraph 13.2.

We encourage collaborative bids where a mix of primary research and sectoral or sizing expertise would be deemed to improve the quality of the deliverables.

**Methodology**

1. **Understanding the size, structure and capacity of the sector**

We require a systematic engagement with the sector to understand who they are, what they look like, how they operate etc.

In the first instance, we expect a significant part of the work to consist of exploratory desk and primary research. We welcome ideas for this stage, but envision engagement with the sector (e.g. roundtables, meetings with the strategy teams of big companies as well as conversations with some of the sole trader intermediaries). We also envision possible research on the ground at ports, with trade bodies and others with relevant experience that can help to better pinpoint the sector for research and sizing purposes.

We would also like the research to develop a robust definition of each of the types of intermediary, based on how intermediaries define and describe themselves as well as what activities they carry out and the services they provide.

Based on outcomes from the exploratory work, we will also need quantitative data to accurately measure the size of the customs intermediary population, its structure, and current capacity to form a baseline for comparison.

We welcome suggestions on how to quantify the population, but envisage that this could require a large scale survey of a known population, for instance all businesses, or all businesses within a relevant SIC code, to measure incidence of intermediaries, and for eligible intermediaries a survey designed to gather more detailed information about their business. This would focus on the whole population, including those who trade within the UK only, the EU only, and the EU and ROW.

To obtain sufficient detail about key groups we think we would need to achieve an overall sample of around 750-1000 interviews with intermediaries, which may require screening of a significant number of businesses overall. We may also look to boost specific subgroups within this.

Sample could be obtained from the IDBR through ONS, or via a composite frame designed for the purpose of this work.

The survey should be carried out with an individual who has overall responsibility for direction and planning of customs work. This may be the owner of the business, a director or a manager.

We would expect the survey to be carried out in February to fit with continuous quarterly monitoring of the population (Wave 1).

We also envision an analytical stage to bring together any exploratory research and fieldwork into a robust estimate of size and capacity and suggest a process for obtaining robust estimates going forward.

1. **Quarterly survey to measure change**

Once the first stage has been delivered, we would then require two further survey waves to be delivered on a quarterly basis, likely to be in May and August (Waves 2 and 3). Please note, whilst the need for these waves is expected, HMRC will review whether to proceed with these further waves after Wave 1.

We would expect these waves to follow the method of the February survey as closely as possible so we can accurately measure change, although we acknowledge that some refinements may need to be made.

We anticipate achieving around 500 interviews in each wave (we recommend aiming for this number).

We will also need to ensure these further waves do not overburden the population. We would want to explore a longitudinal approach, at least in part (for instance, asking for permission to re-contact, and going back to some of the same businesses), as well as approaching fresh sample.

**Sample**

HMRC does not have a sample frame for customs intermediaries. One of the objectives of the research is to source a relevant sample frame and tenderers should discuss potential sample frames and any likely costs.

It is required that the sample specifically includes the different types of customs intermediary as defined below:

* Customs Agents/Brokers: intermediaries who facilitate the clearance of goods through customs;
* Freight Forwarders: a person or company who manages the end-to-end movement of goods from a trader to their customer. This includes the completion of customs requirements;
* Express Operators/Fast Parcel Operators: transporters of goods within specific time frames. They are able to deal with customs as part of the delivery arrangements.

Groups such as Express Operators/Fast Parcel Operators (and some other intermediaries) have been hard to find and recruit in previous research, so exploring better ways of finding this sample will be a key part of the exploratory research.

In the past, sample has been created using two SIC codes; ‘freight transport by road’ (SIC Code 49,901) and ‘other transportation support activities’ (SIC code 52.290), with respondents screened to ask if they were a customs broker, freight forwarder and/or a haulier to determine eligibility. However, we expect the exploratory research to inform improvements to this method.

**Data processing and analysis**

Tenderers should present their proposed approach for data capture, editing and processing, as well as a brief analysis plan.

We anticipate that the successful contractor will draft and agree the research instruments and analysis plans with HMRC

1. **Timetable**

The following research timetable is proposed:

|  |  |
| --- | --- |
| **Task** | **Date** |
| Issue ITT | Wednesday 16th October 2019 |
| Deadline for ITT | 12pm, Monday 4th November 2019 |
| Post-tender negotiations | w/c Monday 4th November 2019 |
| Contract awarded and project set-up meeting | w/c Monday 11th November 2019 |
| Exploratory primary research | To feed into survey |
| Sizing survey (Wave 1) | Feb 2020 |
| Analysis | End Feb/Early March 2020 |
| Final presentation of findings | March 2020 |
| Reporting | April 2020 |
| Further waves (if required after review) | May and August 2020 (timings to be confirmed) |

HMRC will require a contractor to work at pace throughout the research project. As such, we expect tenderers to provide a realistic work programme that will enable them to meet this requirement.

The work programme should include the highlighting of any potential pressure points, with details of how they will be managed. We expect contractors to be flexible in their approach to any unavoidable constraints (e.g. due to a Purdah preceding any snap General Election) and respond to changes as they arise.

1. **Length of contract**

The first survey should be completed by the end of April 2020.

HMRC will review the need for the second and third waves before proceeding and a break clause will be placed in any contract to this effect.

All stages of the contract must be completed by end October 2020. Tenderers should state if they can meet these deadlines.

**Outputs**

HMRC will require the following outputs for this project. Payment milestones are likely to be linked to delivery of a number of outputs, the details of which will be agreed between the parties during post-tender negotiations:

1. A detailed project plan outlining key dates and milestones, clearly indicating any actions for HMRC;

An initial set up meeting to finalise the scope of the project and the planned approach;

An agreed approach for sampling and survey design;

Agreed versions of any qualitative research materials;

Weekly progress reports;

Approximately 750 to 1000 survey responses, including a pilot for the first wave; two further waves of 500 survey responses;

An analysis plan agreed with HMRC;

Interim findings summarising exploratory research and plans for survey design.

A final presentation agreed with HMRC for each wave, including a slide-pack summarising key findings.

A summary infographic for each wave, agreed with HMRC.

A report suitable for publication and in a final form agreed with HMRC.

The tenderer should assume that fieldwork materials and reports will need to be amended in the light of comments made by the department and that at least two drafts will be required before agreeing a final report.

All summaries, reports, data, and presentations should be provided in an electronic format, compatible with Microsoft Office applications. All presentations and reports should be concisely written in plain English. They should be of a high standard suitable for online publication. HMRC expects all drafts to be complete, to have been proof-read before delivery, and for data in the drafts to have been quality assured. HMRC may arrange for any final reports produced to be peer-reviewed, either in-house or externally.

Tenderers should be mindful that any reports to be published on Gov.uk must meet new accessibility requirements for public sector bodies. More information can be found here: <https://www.gov.uk/guidance/accessibility-requirements-for-public-sector-websites-and-apps#accessibility-standards>

**Project management and contract administration**

Megan White is the HMRC Manager for this project. She will be responsible for the day to day management of the contract. Once the contract has been awarded, all contact with HMRC concerning the project should be made through her. The research organisation will be required to appoint a contract manager who will act as the principal point of contact for the Department.

The research organisation will be expected to work closely with the HMRC project manager and, through her, with internal customers within HMRC throughout the duration of the contract. She must be kept informed of progress and be involved in key decisions. Proposed changes in project staffing (at all levels) or deviations from the agreed work programme must be discussed and agreed with the project manager in advance.

In costing your tender, you should allow for attendance at a minimum of three face-to-face meetings. The majority of meetings are expected to take place at HMRC offices in London, although some may take place at the research organisation’s premises by arrangement. These will include the following:

1. Project set-up meeting;

Interim presentation of emerging findings;

Final presentation of key research findings.

**Quality and risk management**

Tenderers must include a project plan and time schedule for the work that identifies the main tasks and key milestones that will be used to monitor progress, indicating clearly where HMRC is expected to contribute.

Tenderers should include a quality control plan with their proposal, which should demonstrate their internal procedures to assure quality control. In particular, this should include strategies for achieving a high response rate, monitoring of interviewer performance, securing reliable data from respondents, ensuring high standards in data analysis, and ensuring final outputs meet HMRC’s needs.

Proposals should also include an assessment of the key risks to this project. This should identify the most significant risks to successful completion of the programme of work, assess the degree of risk (likelihood and impact), and set out strategies for minimising these risks and managing the consequences if problems occur. A quality plan template is at Annex C.

**Sensitivity**

There are some sensitivities around this research. The successful tenderer will need to work closely with HMRC to ensure that appropriate language, wording and communication are used throughout.

**Expertise and capability**

HMRC acknowledges that considerable resources are required for the successful delivery of this project to time. It is possible that agencies invited to tender have the skills and ability within their organisation to undertake all or part of this research but do not have sufficient resources required to successfully deliver the whole research requirement. We therefore encourage agencies to collaborate with other suppliers to ensure that they are fully capable of undertaking this work.

HMRC is looking for tenderers who can demonstrate that their proposed team incorporates those with experience of:

1. Delivering high-quality research with the customs intermediary sector about sensitive information;

Designing and undertaking exploratory research/feasibility studies;

Delivering complex research projects with hard to reach groups to time, specification and budget.

Proposals should summarise the skills and expertise that particular members of staff bring to the team and clearly identify the project manager, with CVs included as an annex.

The proposal should specify details of which parts (if any) of the project will be sub-contracted, the name of the sub-contractor who will work on the project, their experience of related research, and their responsibilities within the project. If it is proposed to sub-contract any of the work, the same details as those provided by the tenderer should be given about the qualifications, experience and responsibilities of staff involved along with a description of their respective roles and the management arrangements put in place. Ultimately, the successful contractor will be held to account for the performance of any sub-contractor and needs to demonstrate their confidence to successfully manage sub-contractors. This should also be considered for any joint submissions, as the second contractor will be treated as a sub-contractor.

**Tender evaluation approach**

HMRC will accept the tender that provides best value for money. Quality forms 80 per cent and price 20 per cent of our assessment of value for money.

**Quality criteria and how we assess quality**

Quality will be assessed separately to cost. Quality criteria will be evaluated on a scale from 0 to 100 (where 0 = totally fails to meet the criteria and 100 = exceeds the requirement, with detailed explanation/evidence in support).

|  |  |
| --- | --- |
| **Score** | **Description** |
| 0 | Totally fails to meet the requirements |
| 25 | Meets some of the requirements, with limited and/or inconsistent explanation and supporting evidence |
| 50 | Meets some of the requirements, with moderate and consistent explanation and supporting evidence |
| 75 | Meets most of the requirements, with satisfactory and consistent explanation and supporting evidence |
| 100 | Fully meets requirements, with substantial, detailed and consistent explanation and supporting evidence |

Tenderers should set out their tender according to the following quality criteria but can add additional sections such as an introduction and summary. Particular attention should be paid to the information requested under each criterion.

1. Addressing aims and objectives (15% of total score)
   * The extent to which the potential contractor demonstrates an understanding of the aims and objectives of the research, its wider context and key policy issues, any sensitivities and associated risks.

Methodology and scope (30% of total score)

The quality of the proposed methodology, including:

The proposed method and audience for the exploratory research;

The proposed method for sizing and understanding the population to allow future comparisons;

The proposed method for quarterly waves with a longitudinal element;

Proven methods to maximise response rates, as well as managing recruitment risk;

Identification of key risks to the project and proposed strategies to mitigate these risks.

Delivery to time and quality (15% of total score)

Evidence of project management skills and the ability to deliver to our deadlines, including timely delivery of key outputs specified by HMRC;

Evidence of quality processes to ensure research and outputs meet HMRC’s required standards.

Team experience (20% of total score)

The relevant experience within the project team of exploratory research methods and quantitative survey techniques, including recruitment, fieldwork, and analysis;

Days allocated for each team member at each key stage of the project, including the daily rate of each member.

HMRC may invite tenderers to clarify elements of their proposal as part of the tender process to assess the quality score.

**Price and how we assess price**

Price forms 20 per cent of the tenderer’s overall score. The lowest priced tenderer will be awarded 100 points for the cost element of their proposal. Subsequent bids will receive lower scores based on the differential in their pricing, relative to the lowest cost proposal.

Tenderers must separately provide a firm price offer (excluding VAT) giving a breakdown of costs in person days to each task, as outlined below. Separate tables should be provided for the lead contractor and any collaborator.

| **Activity** | **Personnel (level of staff)** | **Number of days per team member** | **Day rate per team member** | **Over-heads** | **Total**  **(£)** |
| --- | --- | --- | --- | --- | --- |
|  | | | | | |
| Project management: including initial set-up meeting, regular updates, progress checks and additional meetings |  |  |  |  |  |
| Design of sample and research tools |  |  |  |  |  |
| Exploratory research |  |  |  |  |  |
| Sizing and understanding study (Wave 1) |  |  |  |  |  |
| Delivery of waves 2 and 3 |  |  |  |  |  |
| Analysis of data |  |  |  |  |  |
| Presentation of interim findings |  |  |  |  |  |
| Final presentation of findings |  |  |  |  |  |
| Writing of the final report for (inclusive of revisions to draft reports) |  |  |  |  |  |
| Other costs, including administration, travel and subsistence |  |  |  |  |  |
| VAT (if applicable) |  |  |  |  |  |

Tenders that do not supply a schedule of costs in the format outlined above will not be accepted. Rows/columns can be added to the above table as necessary.

HMRC may require additional meetings and presentations to those as itemised in paragraph 8.3 above. Tenderers should supply costs per meeting and presentation.

If the decision not to continue with this project at any stage has additional costs associated, this should be clearly identified and a justification for these costs provided. Any additional costs identified will be subject to negotiation and agreement with HMRC prior to any contract being awarded.

**Summary of evaluation criteria**

The scores for quality and cost will be added to provide an overall score from 0 to 100, as summarised below.

|  |  |
| --- | --- |
| **Evaluation criteria** | **Weighting** |
| **Quality** | **80%** |
| 1. Addressing aims and objectives 2. Methodology and scope 3. Delivery to time and quality 4. Team experience | 15%  30%  15%  20% |
| **Price** | **20%** |
| **Total** | **100%** |

The tender with the highest overall mark will be selected by HMRC as the preferred tendering organisation deemed to best meet the requirement and provide greatest value for money.

Following final selection, any necessary post tender negotiations will be held with the preferred contractor in order to finalise the work programme prior to awarding the contract.

**Data security and protection**

The successful tenderer will be required to submit a security plan before the start of the contract. This will detail your approach to safeguarding confidential information including your company policies for handling sensitive documents and computer files from unauthorised access. This will contain details of how the following will be administered:

1. How tenderers will hold data on sampled participants;

How long tenderers will keep data on sampled participants;

What details about participants will be passed to recruiters and/or interviewers;

How tenderers will destroy data once it has been used. This must include originally transferred data files, copies of data files held on all computers, and copies held on archived back-up systems.

If you intend to involve sub-contractors at any stage of the project please include details of how you will ensure their compliance with all aspects of the Security Plan.

A Security Plan questionnaire is attached (please see Annex D).

**Other ethical issues**

To preserve confidentiality and anonymity, details of individual participants in the research must not be included in the analysis and reports.

**Procurement transparency**

HMRC is obliged to publish tender documents for all contracts with a whole life value of over £10,000. It is a condition of bidding for this work that applicants agree to the subsequent publication of the contract once awarded.

If tenderers believe that any of the information requested is commercially sensitive they should provide such information in a separate letter.

HMRC ITTs are commercially sensitive documents; the contents of any HMRC ITT should not be divulged to those without a business need to know.

**Commissioning Conditions**

The BEIS Research & Evaluation Framework Terms and Conditions will form the basis of the contractual agreement between the successful tendering organisation and HMRC.

Additional contractual information relating to the Protection of Information is included in Annex B. The contractual agreement will be subject to the contractor complying with the Official Secrets Acts and related Legislation including Section 18 and 19 of the Commissioners for Revenue and Customs Act 2005.

HMRC retains the option of whether or not to commission the study, or any element of it.

Terminating the contract – HMRC reserves the right to terminate the contract prematurely (for any reason) should this be deemed necessary. In the event that it would become necessary to terminate or adjust the contract, HMRC will cover costs for services provided up to that point. Tenderers should not book or schedule fieldwork until written confirmation has been provided by HMRC. Tenderers should provide a cancellation policy, including details of charges (if any) should it be necessary to cancel fieldwork.

**Summary of requirements**

Tenders should include the following information:

1. A proposal in a read-only format including:

A detailed explanation of proposals to meet the aims and objectives outlined above. This should include details of methodology;

A detailed timetable for the proposed research for each specific information requirement, taking into account that outlined in Section 5;

Quality control procedures and risk register as outlined in Section 9 (as annexes);

Curriculum Vitae of key personnel proposed, their status within the company and area of expertise.

A firm price (exclusive of VAT) in a read-only pdf as detailed in Section 13. Including:

Details of key individual personnel’s chargeable day rates;

Chargeable rates for other personnel proposed. Where these can be identified as groups (e.g. administration, support etc.) then a group rate will suffice;

Any further costs identified.

Tenders should not exceed 25 pages (inclusive of 15 pages for the main body and 10 pages of annexes). Information included after this limit will not be considered.

**Queries on this research specification**

Tenderers with any queries about the research specification should contact Emma Glassey via email: [emma.glassey@hmrc.gov.uk](mailto:emma.glassey@hmrc.gov.uk). Please copy Megan White into this email: [megan.white@hmrc.gov.uk](mailto:megan.white@hmrc.gov.uk).

The deadline for queries is **12pm, Wednesday 23rd October**. Responses will be sent to all tenderers on Thursday 24th October 2019.

**Information on how and when to return tenders**

Tenderers should provide notification of their intention to submit a proposal by email to Emma Glassey ([emma.glassey@hmrc.gov.uk](mailto:emma.glassey@hmrc.gov.uk)) by **Friday 25th October 2019**. Please copy Megan White into this email: [megan.white@hmrc.gov.uk](mailto:megan.white@hmrc.gov.uk).

**You should send a PDF or read-only electronic copy of your proposal by email to Louise Cendrowska (**[**louise.cendrowska@hmrc.gov.uk**](mailto:louise.cendrowska@hmrc.gov.uk)**) no later than 12pm, Monday 4th November 2019.**

Tenders received after the stated deadline will not be considered.

In summary, tenderers should note the following:

| **Action** | **Due date** | **Contact** |
| --- | --- | --- |
| ITT issued | Wednesday 16th October 2019 | Emma Glassey |
| Submit queries | 12pm, Wednesday 23rd October 2019 | Emma Glassey/Megan White |
| Answers will be provided | Thursday 24th October 2019 | Emma Glassey/Megan White |
| Notify your intention to submit a proposal | Friday 25th October 2019 | Emma Glassey/Megan White |
| Submit read only tender and cost proposal via email | 12pm, Monday 4th November 2019 | Louise Cendrowska |
| Evaluation | w/c Monday 4th November 2019 | Megan White |
| Providers noted of outcome (successful & unsuccessful) | w/c Monday 4th November 2019 | Megan White |
| Contract award completed | w/c Monday 11th November 2019 | Megan White |

Appendix 4: Supplier Response

Redacted in line with FOI Act Section 43(2).

1. <https://www.iasplus.com/en/standards/ifrs/ifrs10> [↑](#footnote-ref-1)
2. ‘Fraudulent evasion’ means any ‘UK tax evasion offence’ or ‘UK tax evasion facilitation offence’ as defined by section 52 of the Criminal Finances Act 2017 or a failure to prevent facilitation of tax evasion under section 45 of the same Act. [↑](#footnote-ref-2)
3. “General Anti-Abuse Rule” means (a) the legislation in Part 5 of the Finance Act 2013; and (b) any

   future legislation introduced into Parliament to counteract tax advantages arising from abusive

   arrangements to avoid national insurance contributions [↑](#footnote-ref-3)
4. “Halifax Abuse Principle” means the principle explained in the CJEU Case C-255/02 Halifax and others [↑](#footnote-ref-4)
5. A Disclosure of Tax Avoidance Scheme (DOTAS) or VAT Disclosure Regime (VADR) scheme caught by rules which require a promoter of tax schemes to tell HM Revenue & Customs of any specified notifiable arrangements or proposals and to provide prescribed information on those arrangements or proposals within set time limits as contained in Section 19 and Part 7 of the Finance Act 2004 and in secondary legislation made under vires contained in Section 19 and Part 7 of the Finance Act 2004 and as extended to National Insurance Contributions by the National Insurance Contributions (Application of Part 7 of the Finance Act 2004) Regulations 2012, SI 2012/1868 made under s.132A Social Security Administration Act 1992. [↑](#footnote-ref-5)
6. The full definition of ‘Anti-avoidance rule’ can be found at Paragraph 25(1) of Schedule 18 to the Finance Act 2016 and Condition 2 (a) above shall be construed accordingly. [↑](#footnote-ref-6)
7. Targeted list of tax avoidance schemes that HMRC believes are being used to avoid paying tax due and which are listed on the Spotlight website: <https://www.gov.uk/government/collections/tax-avoidance-schemes-currently-in-the-spotlight> [↑](#footnote-ref-7)
8. The Code of Practice 9 (COP9) is an investigation of fraud procedure, where X agrees to make a complete and accurate disclosure of all their deliberate and non-deliberate conduct that has led to irregularities in their tax affairs following which HMRC will not pursue a criminal investigation into the conduct disclosed. [↑](#footnote-ref-8)