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**Department for transport**

**- and -**

**Ricardo-AEA Ltd**

**ANNEXES**

**relating to**

**Provision of Consultancy for Aviation Marginal Abatement Cost Curves (MACC) Non-Technical**

**Measures Requirements**

**Contract Reference: CCCC16B05**

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**ANNEX 1 – TERMS AND CONDITIONS**

1. Interpretation
   1. In these terms and conditions:

|  |  |
| --- | --- |
| “Agreement” | means the contract between (i) the Customer acting as part of the Crown and (ii) the Supplier constituted by the Supplier’s countersignature of the Award Letter and includes the Award Letter; |
| “Award Letter” | means the letter (including the Annexes thereto) from the Customer to the Supplier via the e-Sourcing Suite at the point of award; |
| “Central Government Body” | means a body listed in one of the following sub-categories of the Central Government classification of the Public Sector Classification Guide, as published and amended from time to time by the Office for National Statistics:   1. Government Department; 2. Non-Departmental Public Body or Assembly Sponsored Public Body (advisory, executive, or tribunal); 3. Non-Ministerial Department; or 4. Executive Agency; |
| “Charges” | means the charges for the Services as specified in the Award Letter; |
| “Confidential Information” | means all information, whether written or oral (however recorded), provided by the disclosing Party to the receiving Party and which (i) is known by the receiving Party to be confidential; (ii) is marked as or stated to be confidential; or (iii) ought reasonably to be considered by the receiving Party to be confidential; |
| “Customer” | means the person named as Customer in the Award Letter; |
| “DPA” | means the Data Protection Act 1998; |
| “Expiry Date” | means the date for expiry of the Agreement as set out in the Award Letter; |
| “FOIA” | means the Freedom of Information Act 2000; |
| “Information” | has the meaning given under section 84 of the FOIA; |
| “Key Personnel” | means any persons specified as such in the Award Letter or otherwise notified as such by the Customer to the Supplier in writing; |
| “Party” | means the Supplier or the Customer (as appropriate) and “Parties” shall mean both of them; |
| “Personal Data” | means personal data (as defined in the DPA) which is processed by the Supplier or any Staff on behalf of the Customer pursuant to or in connection with this Agreement; |
| “Purchase Order Number” | means the Customer’s unique number relating to the supply of the Services; |
| “Request for Information” | has the meaning set out in the FOIA or the Environmental Information Regulations 2004 as relevant (where the meaning set out for the term “request” shall apply); |
| “Services” | means the services to be supplied by the Supplier to the Customer under the Agreement; |
| “Specification” | means the specification for the Services (including as to quantity, description and quality) as specified in the Award Letter; |
| “Start Date” | means the commencement date of the Agreement as set out in the Award Letter; |
| “Staff” | means all directors, officers, employees, agents, consultants and contractors of the Supplier and/or of any sub-contractor of the Supplier engaged in the performance of the Supplier’s obligations under the Agreement; |
| “Staff Vetting Procedures” | means vetting procedures that accord with good industry practice or, where requested by the Customer, the Customer’s procedures for the vetting of personnel as provided to the Supplier from time to time; |
| “Supplier” | means the person named as Supplier in the Award Letter; |
| “Term” | means the period from the Start Date of the Agreement set out in the Award Letter to the Expiry Date terminated in accordance with the terms and conditions of the Agreement; |
| “VAT” | means value added tax in accordance with the provisions of the Value Added Tax Act 1994; and |
| “Working Day” | means a day (other than a Saturday or Sunday) on which banks are open for business in the City of London. |

* 1. In these terms and conditions, unless the context otherwise requires:
     1. references to numbered clauses are references to the relevant clause in these terms and conditions;
     2. any obligation on any Party not to do or omit to do anything shall include an obligation not to allow that thing to be done or omitted to be done;
     3. the headings to the clauses of these terms and conditions are for information only and do not affect the interpretation of the Agreement;
     4. any reference to an enactment includes reference to that enactment as amended or replaced from time to time and to any subordinate legislation or byelaw made under that enactment; and
     5. the word ‘including’ shall be understood as meaning ‘including without limitation’.

1. Basis of Agreement
   1. The Award Letter constitutes an offer by the Customer to purchase the Services subject to and in accordance with the terms and conditions of the Agreement.
   2. The offer comprised in the Award Letter shall be deemed to be accepted by the Supplier on receipt by the Customer, within 2 days of the date of the award letter, of a copy of the Award Letter countersigned by the Supplier.
2. Supply of Services
   1. In consideration of the Customer’s agreement to pay the Charges, the Supplier shall supply the Services to the Customer for the Term subject to and in accordance with the terms and conditions of the Agreement.
   2. In supplying the Services, the Supplier shall:
      1. co-operate with the Customer in all matters relating to the Services and comply with all the Customer’s instructions;
      2. perform the Services with all reasonable care, skill and diligence in accordance with good industry practice in the Supplier’s industry, profession or trade;
      3. use Staff who are suitably skilled and experienced to perform tasks assigned to them, and in sufficient number to ensure that the Supplier’s obligations are fulfilled in accordance with the Agreement;
      4. ensure that the Services shall conform with all descriptions, requirements, service levels and specifications set out in the Specification;
      5. comply with all applicable laws; and
      6. provide all equipment, tools and vehicles and other items as are required to provide the Services.
   3. The Customer may by written notice to the Supplier at any time request a variation to the scope of the Services. In the event that the Supplier agrees to any variation to the scope of the Services, the Charges shall be subject to fair and reasonable adjustment to be agreed in writing between the Customer and the Supplier.
3. Term
   1. The Agreement shall take effect on the Start Date and shall expire on the Expiry Date, or terminated in accordance with the terms and conditions of the Agreement.
4. Charges, Payment and Recovery of Sums Due
   1. The Charges for the Services shall be as set out in the Award Letter and shall be the full and exclusive remuneration of the Supplier in respect of the supply of the Services. Unless otherwise agreed in writing by the Customer, the Charges shall include every cost and expense of the Supplier directly or indirectly incurred in connection with the performance of the Services.
   2. All amounts stated are exclusive of VAT which shall be charged at the prevailing rate. The Customer shall, following the receipt of a valid VAT invoice, pay to the Supplier a sum equal to the VAT chargeable in respect of the Services.
   3. The Supplier shall invoice the Customer as specified in the Agreement. Each invoice shall include such supporting information required by the Customer to verify the accuracy of the invoice, including the relevant Purchase Order Number and a breakdown of the Services supplied in the invoice period.
   4. In consideration of the supply of the Services by the Supplier, the Customer shall pay the Supplier the invoiced amounts no later than 30 days after verifying that the invoice is valid and undisputed and includes a valid Purchase Order Number. The Customer may, without prejudice to any other rights and remedies under the Agreement, withhold or reduce payments in the event of unsatisfactory performance.
   5. If the Customer fails to consider and verify an invoice in a timely fashion the invoice shall be regarded as valid and undisputed for the purpose of paragraph 5.4 after a reasonable time has passed.
   6. If there is a dispute between the Parties as to the amount invoiced, the Customer shall pay the undisputed amount. The Supplier shall not suspend the supply of the Services unless the Supplier is entitled to terminate the Agreement for a failure to pay undisputed sums in accordance with clause 16.4. Any disputed amounts shall be resolved through the dispute resolution procedure detailed in clause 19.
   7. If a payment of an undisputed amount is not made by the Customer by the due date, then the Customer shall pay the Supplier interest at the interest rate specified in the Late Payment of Commercial Debts (Interest) Act 1998.
   8. Where the Supplier enters into a sub-contract, the Supplier shall include in that sub-contract:
      1. provisions having the same effects as clauses 5.3 to 5.7 of this Agreement; and
      2. a provision requiring the counterparty to that sub-contract to include in any sub-contract which it awards provisions having the same effect as 5.3 to 5.8 of this Agreement.
      3. In this clause 5.8, “sub-contract” means a contract between two or more suppliers, at any stage of remoteness from the Authority in a subcontracting chain, made wholly or substantially for the purpose of performing (or contributing to the performance of) the whole or any part of this Agreement.
   9. 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 Customer in respect of any breach of the Agreement), that sum may be deducted unilaterally by the Customer 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 Customer. The Supplier shall not be entitled to assert any credit, set-off or counterclaim against the Customer in order to justify withholding payment of any such amount in whole or in part.
5. Premises and equipment
   1. If necessary, the Customer shall provide the Supplier with reasonable access at reasonable times to its premises for the purpose of supplying the Services. All equipment, tools and vehicles brought onto the Customer’s premises by the Supplier or the Staff shall be at the Supplier’s risk.
   2. If the Supplier supplies all or any of the Services at or from the Customer’s premises, on completion of the Services or termination or expiry of the Agreement (whichever is the earlier) the Supplier shall vacate the Customer’s premises, remove the Supplier’s plant, equipment and unused materials and all rubbish arising out of the provision of the Services and leave the Customer’s premises in a clean, safe and tidy condition. The Supplier shall be solely responsible for making good any damage to the Customer’s premises or any objects contained on the Customer’s premises which is caused by the Supplier or any Staff, other than fair wear and tear.
   3. If the Supplier supplies all or any of the Services at or from its premises or the premises of a third party, the Customer may, during normal business hours and on reasonable notice, inspect and examine the manner in which the relevant Services are supplied at or from the relevant premises.
   4. The Customer shall be responsible for maintaining the security of its premises in accordance with its standard security requirements. While on the Customer’s premises the Supplier shall, and shall procure that all Staff shall, comply with all the Customer’s security requirements.
   5. Where all or any of the Services are supplied from the Supplier’s premises, the Supplier shall, at its own cost, comply with all security requirements specified by the Customer in writing.
   6. Without prejudice to clause 3.2.6, any equipment provided by the Customer for the purposes of the Agreement shall remain the property of the Customer and shall be used by the Supplier and the Staff only for the purpose of carrying out the Agreement. Such equipment shall be returned promptly to the Customer on expiry or termination of the Agreement.
   7. The Supplier shall reimburse the Customer for any loss or damage to the equipment (other than deterioration resulting from normal and proper use) caused by the Supplier or any Staff. Equipment supplied by the Customer shall be deemed to be in a good condition when received by the Supplier or relevant Staff unless the Customer is notified otherwise in writing within 5 Working Days.
6. Staff and Key Personnel
   1. If the Customer reasonably believes that any of the Staff are unsuitable to undertake work in respect of the Agreement, it may, by giving written notice to the Supplier:
      1. refuse admission to the relevant person(s) to the Customer’s premises;
      2. direct the Supplier to end the involvement in the provision of the Services of the relevant person(s); and/or
      3. require that the Supplier replace any person removed under this clause with another suitably qualified person and procure that any security pass issued by the Customer to the person removed is surrendered,

and the Supplier shall comply with any such notice.

* 1. The Supplier shall:
     1. ensure that all Staff are vetted in accordance with the Staff Vetting Procedures;
     2. if requested, provide the Customer with a list of the names and addresses (and any other relevant information) of all persons who may require admission to the Customer’s premises in connection with the Agreement; and
     3. procure that all Staff comply with any rules, regulations and requirements reasonably specified by the Customer.
  2. Any Key Personnel shall not be released from supplying the Services without the agreement of the Customer, except by reason of long-term sickness, parental leave and termination of employment or other extenuating circumstances.
  3. Any replacements to the Key Personnel shall be subject to the prior written agreement of the Customer (not to be unreasonably withheld). Such replacements shall be of at least equal status or of equivalent experience and skills to the Key Personnel being replaced and be suitable for the responsibilities of that person in relation to the Services.

1. Assignment and sub-contracting
   1. The Supplier shall not without the written consent of the Customer assign, sub-contract, novate or in any way dispose of the benefit and/ or the burden of the Agreement or any part of the Agreement. The Customer may, in the granting of such consent, provide for additional terms and conditions relating to such assignment, sub-contract, novation or disposal. The Supplier shall be responsible for the acts and omissions of its sub-contractors as though those acts and omissions were its own.
   2. Where the Customer has consented to the placing of sub-contracts, the Supplier shall, at the request of the Customer, send copies of each sub-contract, to the Customer as soon as is reasonably practicable.
   3. The Customer may assign, novate, or otherwise dispose of its rights and obligations under the Agreement without the consent of the Supplier provided that such assignment, novation or disposal shall not increase the burden of the Supplier’s obligations under the Agreement.
2. Intellectual Property Rights
   1. All intellectual property rights in any materials provided by the Customer to the Supplier for the purposes of this Agreement shall remain the property of the Customer or the respective owner of such intellectual property rights but the Customer hereby grants the Supplier a royalty-free, non-exclusive and non-transferable licence to use such materials as required until termination or expiry of the Agreement for the sole purpose of enabling the Supplier to perform its obligations under the Agreement.
   2. All intellectual property rights in any materials created or developed by the Supplier pursuant to the Agreement or arising as a result of the provision of the Services shall vest in the Supplier. If, and to the extent, that any intellectual property rights in such materials vest in the Customer by operation of law, the Customer hereby assigns to the Supplier by way of a present assignment of future rights that shall take place immediately on the coming into existence of any such intellectual property rights all its intellectual property rights in such materials (with full title guarantee and free from all third party rights).
   3. The Supplier hereby grants the Customer:
      1. a perpetual, royalty-free, irrevocable, non-exclusive licence (with a right to sub-license) to use all intellectual property rights in the materials created or developed pursuant to the Agreement and any intellectual property rights arising as a result of the provision of the Services; and
      2. a perpetual, royalty-free, irrevocable and non-exclusive licence (with a right to sub-license) to use:
         * 1. any intellectual property rights vested in or licensed to the Supplier on the date of the Agreement; and
           2. any intellectual property rights created during the Term but which are neither created or developed pursuant to the Agreement nor arise as a result of the provision of the Services,

including any modifications to or derivative versions of any such intellectual property rights, which the Customer reasonably requires in order to exercise its rights and take the benefit of the Agreement including the Services provided.

* 1. The Supplier shall indemnify, and keep indemnified, the Customer in full against all costs, expenses, damages and losses (whether direct or indirect), including any interest, penalties, and reasonable legal and other professional fees awarded against or incurred or paid by the Customer as a result of or in connection with any claim made against the Customer for actual or alleged infringement of a third party’s intellectual property arising out of, or in connection with, the supply or use of the Services, to the extent that the claim is attributable to the acts or omission of the Supplier or any Staff.

1. Governance and Records
   1. The Supplier shall:
      1. attend progress meetings with the Customer at the frequency and times specified by the Customer and shall ensure that its representatives are suitably qualified to attend such meetings; and
      2. submit progress reports to the Customer at the times and in the format specified by the Customer.
   2. The Supplier shall keep and maintain until 6 years after the end of the Agreement, or as long a period as may be agreed between the Parties, full and accurate records of the Agreement including the Services supplied under it and all payments made by the Customer. The Supplier shall on request afford the Customer or the Customer’s representatives such access to those records as may be reasonably requested by the Customer in connection with the Agreement.
2. Confidentiality, Transparency and Publicity
   1. Subject to clause 11.2, each Party shall:
      1. treat all Confidential Information it receives as confidential, safeguard it accordingly and not disclose it to any other person without the prior written permission of the disclosing Party; and
      2. not use or exploit the disclosing Party’s Confidential Information in any way except for the purposes anticipated under the Agreement.
   2. Notwithstanding clause 11.1, a Party may disclose Confidential Information which it receives from the other Party:
      1. where disclosure is required by applicable law or by a court of competent jurisdiction;
      2. to its auditors or for the purposes of regulatory requirements;
      3. on a confidential basis, to its professional advisers;
      4. to the Serious Fraud Office where the Party has reasonable grounds to believe that the other Party is involved in activity that may constitute a criminal offence under the Bribery Act 2010;
      5. where the receiving Party is the Supplier, to the Staff on a need to know basis to enable performance of the Supplier’s obligations under the Agreement provided that the Supplier shall procure that any Staff to whom it discloses Confidential Information pursuant to this clause 11.2.5 shall observe the Supplier’s confidentiality obligations under the Agreement; and
      6. where the receiving Party is the Customer:
         * 1. on a confidential basis to the employees, agents, consultants and contractors of the Customer;
           2. on a confidential basis to any other Central Government Body, any successor body to a Central Government Body or any company to which the Customer transfers or proposes to transfer all or any part of its business;
           3. to the extent that the Customer (acting reasonably) deems disclosure necessary or appropriate in the course of carrying out its public functions; or
           4. in accordance with clause 12.

and for the purposes of the foregoing, references to disclosure on a confidential basis shall mean disclosure subject to a confidentiality agreement or arrangement containing terms no less stringent than those placed on the Customer under this clause 11.

* 1. The Parties acknowledge that, except for any information which is exempt from disclosure in accordance with the provisions of the FOIA, the content of the Agreement is not Confidential Information and the Supplier hereby gives its consent for the Customer to publish this Agreement in its entirety to the general public (but with any information that is exempt from disclosure in accordance with the FOIA redacted) including any changes to the Agreement agreed from time to time. The Customer may consult with the Supplier to inform its decision regarding any redactions but shall have the final decision in its absolute discretion whether any of the content of the Agreement is exempt from disclosure in accordance with the provisions of the FOIA.
  2. The Supplier shall not, and shall take reasonable steps to ensure that the Staff shall not, make any press announcement or publicise the Agreement or any part of the Agreement in any way, except with the prior written consent of the Customer.

1. Freedom of Information
   1. The Supplier acknowledges that the Customer is subject to the requirements of the FOIA and the Environmental Information Regulations 2004 and shall:
      1. provide all necessary assistance and cooperation as reasonably requested by the Customer to enable the Customer to comply with its obligations under the FOIA and the Environmental Information Regulations 2004;
      2. transfer to the Customer all Requests for Information relating to this Agreement that it receives as soon as practicable and in any event within 2 Working Days of receipt;
      3. provide the Customer with a copy of all Information belonging to the Customer requested in the Request for Information which is in its possession or control in the form that the Customer requires within 5 Working Days (or such other period as the Customer may reasonably specify) of the Customer's request for such Information; and
      4. not respond directly to a Request for Information unless authorised in writing to do so by the Customer.
   2. The Supplier acknowledges that the Customer may be required under the FOIA and the Environmental Information Regulations 2004 to disclose Information concerning the Supplier or the Services (including commercially sensitive information) without consulting or obtaining consent from the Supplier. In these circumstances the Customer shall, in accordance with any relevant guidance issued under the FOIA, take reasonable steps, where appropriate, to give the Supplier advance notice, or failing that, to draw the disclosure to the Supplier’s attention after any such disclosure.
   3. Notwithstanding any other provision in the Agreement, the Customer shall be responsible for determining in its absolute discretion whether any Information relating to the Supplier or the Services is exempt from disclosure in accordance with the FOIA and/or the Environmental Information Regulations 2004.
2. Protection of Personal Data and Security of Data
   1. The Supplier shall, and shall procure that all Staff shall, comply with any notification requirements under the DPA and both Parties shall duly observe all their obligations under the DPA which arise in connection with the Agreement.
   2. Notwithstanding the general obligation in clause 13.1, where the Supplier is processing Personal Data for the Customer as a data processor (as defined by the DPA) the Supplier shall:
      1. ensure that it has in place appropriate technical and organisational measures to ensure the security of the Personal Data (and to guard against unauthorised or unlawful processing of the Personal Data and against accidental loss or destruction of, or damage to, the Personal Data), as required under the Seventh Data Protection Principle in Schedule 1 to the DPA;
      2. provide the Customer with such information as the Customer may reasonably request to satisfy itself that the Supplier is complying with its obligations under the DPA;
      3. promptly notify the Customer of:
         * 1. any breach of the security requirements of the Customer as referred to in clause 13.3; and
           2. any request for personal data; and
      4. ensure that it does not knowingly or negligently do or omit to do anything which places the Customer in breach of the Customer’s obligations under the DPA.
   3. When handling Customer data (whether or not Personal Data), the Supplier shall ensure the security of the data is maintained in line with the security requirements of the Customer as notified to the Supplier from time to time.
3. Liability
   1. The Supplier shall not be responsible for any injury, loss, damage, cost or expense suffered by the Customer if and to the extent that it is caused by the negligence or wilful misconduct of the Customer or by breach by the Customer of its obligations under the Agreement.
   2. Subject always to clauses 14.3 and 14.4:
      1. the aggregate liability of the Supplier in respect of all defaults, claims, losses or damages howsoever caused, whether arising from breach of the Agreement, the supply or failure to supply of the Services, misrepresentation (whether tortuous or statutory), tort (including negligence), breach of statutory duty or otherwise shall in no event exceed a sum equal to 125% of the Charges paid or payable to the Supplier; and
      2. except in the case of claims arising under clauses 9.4 and 18.3, in no event shall the Supplier be liable to the Customer for any:
         * 1. loss of profits;
           2. loss of business;
           3. loss of revenue;
           4. loss of or damage to goodwill;
           5. loss of savings (whether anticipated or otherwise); and/or
           6. any indirect, special or consequential loss or damage.
   3. Nothing in the Agreement shall be construed to limit or exclude either Party's liability for:
      1. death or personal injury caused by its negligence or that of its Staff;
      2. fraud or fraudulent misrepresentation by it or that of its Staff; or
      3. any other matter which, by law, may not be excluded or limited.
   4. The Supplier’s liability under the indemnity in clause 9.4 and 18.3 shall be unlimited.
4. Force Majeure

Neither Party shall have any liability under or be deemed to be in breach of the Agreement for any delays or failures in performance of the Agreement which result from circumstances beyond the reasonable control of the Party affected. Each Party shall promptly notify the other Party in writing when such circumstances cause a delay or failure in performance and when they cease to do so. If such circumstances continue for a continuous period of more than two months, either Party may terminate the Agreement by written notice to the other Party.

1. Termination
   1. The Customer may terminate the Agreement at any time by notice in writing to the Supplier to take effect on any date falling at least 1 month (or, if the Agreement is less than 3 months in duration, at least 10 Working Days) later than the date of service of the relevant notice.
   2. Without prejudice to any other right or remedy it might have, the Customer may terminate the Agreement by written notice to the Supplier with immediate effect if the Supplier:
      1. (without prejudice to clause 16.2.5), is in material breach of any obligation under the Agreement which is not capable of remedy;
      2. repeatedly breaches any of the terms and conditions of the Agreement in such a manner as to reasonably justify the opinion that its conduct is inconsistent with it having the intention or ability to give effect to the terms and conditions of the Agreement;
      3. is in material breach of any obligation which is capable of remedy, and that breach is not remedied within 30 days of the Supplier receiving notice specifying the breach and requiring it to be remedied;
      4. undergoes a change of control within the meaning of section 416 of the Income and Corporation Taxes Act 1988;
      5. breaches any of the provisions of clauses 7.2, 11, 12, 13 and 17;
      6. becomes insolvent, or if an order is made or a resolution is passed for the winding up of the Supplier (other than voluntarily for the purpose of solvent amalgamation or reconstruction), or if an administrator or administrative receiver is appointed in respect of the whole or any part of the Supplier’s assets or business, or if the Supplier makes any composition with its creditors or takes or suffers any similar or analogous action (to any of the actions detailed in this clause 16.2.6) in consequence of debt in any jurisdiction; or
      7. fails to comply with legal obligations in the fields of environmental, social or labour law.
   3. The Supplier shall notify the Customer as soon as practicable of any change of control as referred to in clause 16.2.4 or any potential such change of control.
   4. The Supplier may terminate the Agreement by written notice to the Customer if the Customer has not paid any undisputed amounts within 90 days of them falling due.
   5. Termination or expiry of the Agreement shall be without prejudice to the rights of either Party accrued prior to termination or expiry and shall not affect the continuing rights of the Parties under this clause and clauses 2, 3.2, 6.1, 6.2, 6.6, 6.7, 7, 9, 10.2, 11, 12, 13, 14, 16.6, 17.4, 18.3, 19 and 20.7 or any other provision of the Agreement that either expressly or by implication has effect after termination.
   6. Upon termination or expiry of the Agreement, the Supplier shall:
      1. give all reasonable assistance to the Customer and any incoming supplier of the Services; and
      2. return all requested documents, information and data to the Customer as soon as reasonably practicable.
2. Compliance
   1. The Supplier shall promptly notify the Customer of any health and safety hazards which may arise in connection with the performance of its obligations under the Agreement. The Customer shall promptly notify the Supplier of any health and safety hazards which may exist or arise at the Customer’s premises and which may affect the Supplier in the performance of its obligations under the Agreement.
   2. The Supplier shall:
      1. comply with all the Customer’s health and safety measures while on the Customer’s premises; and
      2. notify the Customer immediately in the event of any incident occurring in the performance of its obligations under the Agreement on the Customer’s premises where that incident causes any personal injury or damage to property which could give rise to personal injury.
   3. The Supplier shall:
      1. perform its obligations under the Agreement in accordance with all applicable equality Law and the Customer’s equality and diversity policy as provided to the Supplier from time to time; and
      2. take all reasonable steps to secure the observance of clause 17.3.1 by all Staff.
   4. The Supplier shall supply the Services in accordance with the Customer’s environmental policy as provided to the Supplier from time to time.
   5. The Supplier shall comply with, and shall ensure that its Staff shall comply with, the provisions of:
      1. the Official Secrets Acts 1911 to 1989; and
      2. section 182 of the Finance Act 1989.
3. Prevention of Fraud and Corruption
   1. The Supplier shall not offer, give, or agree to give anything, to any person an inducement or reward for doing, refraining from doing, or for having done or refrained from doing, any act in relation to the obtaining or execution of the Agreement or for showing or refraining from showing favour or disfavour to any person in relation to the Agreement.
   2. The Supplier shall take all reasonable steps, in accordance with good industry practice, to prevent fraud by the Staff and the Supplier (including its shareholders, members and directors) in connection with the Agreement and shall notify the Customer immediately if it has reason to suspect that any fraud has occurred or is occurring or is likely to occur.
   3. If the Supplier or the Staff engages in conduct prohibited by clause 18.1 or commits fraud in relation to the Agreement or any other contract with the Crown (including the Customer) the Customer may:
      1. terminate the Agreement and recover from the Supplier the amount of any loss suffered by the Customer resulting from the termination, including the cost reasonably incurred by the Customer of making other arrangements for the supply of the Services and any additional expenditure incurred by the Customer throughout the remainder of the Agreement; or
      2. recover in full from the Supplier any other loss sustained by the Customer in consequence of any breach of this clause.
4. Dispute Resolution
   1. The Parties shall attempt in good faith to negotiate a settlement to any dispute between them arising out of or in connection with the Agreement and such efforts shall involve the escalation of the dispute to an appropriately senior representative of each Party.
   2. If the dispute cannot be resolved by the Parties within one month of being escalated as referred to in clause 19.1, the dispute may by agreement between the Parties be referred to a neutral adviser or mediator (the “Mediator”) chosen by agreement between the Parties. All negotiations connected with the dispute shall be conducted in confidence and without prejudice to the rights of the Parties in any further proceedings.
   3. If the Parties fail to appoint a Mediator within one month, or fail to enter into a written agreement resolving the dispute within one month of the Mediator being appointed, either Party may exercise any remedy it has under applicable law.
5. General
   1. Each of the Parties represents and warrants to the other that it has full capacity and authority, and all necessary consents, licences and permissions to enter into and perform its obligations under the Agreement, and that the Agreement is executed by its duly authorised representative.
   2. A person who is not a party to the Agreement shall have no right to enforce any of its provisions which, expressly or by implication, confer a benefit on him, without the prior written agreement of the Parties.
   3. The Agreement cannot be varied except in writing signed by a duly authorised representative of both the Parties.
   4. The Agreement contains the whole agreement between the Parties and supersedes and replaces any prior written or oral agreements, representations or understandings between them. The Parties confirm that they have not entered into the Agreement on the basis of any representation that is not expressly incorporated into the Agreement. Nothing in this clause shall exclude liability for fraud or fraudulent misrepresentation.
   5. Any waiver or relaxation either partly, or wholly of any of the terms and conditions of the Agreement shall be valid only if it is communicated to the other Party in writing and expressly stated to be a waiver. A waiver of any right or remedy arising from a breach of contract shall not constitute a waiver of any right or remedy arising from any other breach of the Agreement.
   6. The Agreement shall not constitute or imply any partnership, joint venture, agency, fiduciary relationship or other relationship between the Parties other than the contractual relationship expressly provided for in the Agreement. Neither Party shall have, nor represent that it has, any authority to make any commitments on the other Party’s behalf.
   7. Except as otherwise expressly provided by the Agreement, all remedies available to either Party for breach of the Agreement (whether under the Agreement, statute or common law) are cumulative and may be exercised concurrently or separately, and the exercise of one remedy shall not be deemed an election of such remedy to the exclusion of other remedies.
   8. If any provision of the Agreement is prohibited by law or judged by a court to be unlawful, void or unenforceable, the provision shall, to the extent required, be severed from the Agreement and rendered ineffective as far as possible without modifying the remaining provisions of the Agreement, and shall not in any way affect any other circumstances of or the validity or enforcement of the Agreement.
6. Notices
   1. Any notice to be given under the Agreement shall be in writing and may be served by personal delivery, first class recorded or, subject to clause 21.3, e-mail to the address of the relevant Party set out in the Award Letter, or such other address as that Party may from time to time notify to the other Party in accordance with this clause:
   2. Notices served as above shall be deemed served on the Working Day of delivery provided delivery is before 5.00pm on a Working Day. Otherwise delivery shall be deemed to occur on the next Working Day. An email shall be deemed delivered when sent unless an error message is received.
   3. Notices under clauses 15 (Force Majeure) and 16 (Termination) may be served by email only if the original notice is then sent to the recipient by personal delivery or recorded delivery in the manner set out in clause 21.1.
7. Governing Law and Jurisdiction

The validity, construction and performance of the Agreement, and all contractual and non-contractual matters arising out of it, shall be governed by English law and shall be subject to the exclusive jurisdiction of the English courts to which the Parties submit.

**ANNEX 2 – PRICE SCHEDULE**

Please note for avoidance of doubt this Contract will not exceed £62,176.50 (excluding VAT)

REDACTED TEXT

REDACTED TEXT

**ANNEX 3 – STATEMENT OF REQUIREMENT**

# PURPOSE

## The government is committed to ensuring that the aviation sector makes a cost-effective contribution towards reducing global carbon emissions. The UK, along with 190 other states, has signed an unprecedented global agreement to combat aviation emissions. This Global Market-Based Measure (GMBM) requires airlines to offset their emissions with reductions from other sectors to deliver carbon neutral growth for the aviation sector from 2020. It complements existing mitigation measures being undertaken by the air transport community.

## Alongside this global offsetting agreement, the Department for Transport (DfT) wants to better understand the cost and potential for abating emissions from within the UK aviation sector itself. The Department also wants an independent assessment of the current baseline to reflect the latest thinking with respect to the underlying assumptions about aviation emissions. To this end, the DfT is developing Marginal Abatement Cost Curves (MACCs) for measures to reduce carbon emissions from UK international and domestic flights. The Department also wants an independent assessment of the current baseline within the Aviation Model to reflect the latest thinking with respect to the underlying assumptions about aviation emissions. We are therefore commissioning two projects. The first is to assess the cost and abatement potential of less technical measures such as behaviour change, air traffic management and biofuels (‘non-technical measures’) – detailed in this Statement of Requirements (Ref: CCCC16B05). The other is to assess the abatement cost of technical measures around engine design, fleet retrofitting and operational improvements within the control of airlines (‘technical measures’) - the project described in a separate Statement of Requirements (Ref: CCCC16B03). These are being procured as two separate projects as it is anticipated that each project may require different areas of expertise, although prospective bidders are welcome to bid for both. It is also recognised that within each project, different measures may require different expert knowledge. Potential Providers are welcome to subcontract specific tasks or draw on external knowledge where necessary but the lead contractor will be responsible for overseeing any subcontractors and ensuring delivery of the final project.

## The Potential Provider will be expected to assess the cost and carbon abatement potential of the measures they are investigating, as agreed with the DfT project officer, and to provide this information to the DfT to enable it to develop MACCs that include both technical and non-technical measures, on a cumulative emissions reduction basis.

## DfT will use the costs and carbon abatement potential to create a set of MACCs for the UK aviation sector that show the (cumulative) abatement potential and cost per tonne of CO2 saved from each measure. These MACCs will help to inform policy decisions and wider strategy in relation to options for achieving carbon reductions in the aviation sector.

# BACKGROUND TO THE CONTRACTING aUTHORITY

## The DfT works with its agencies and partners to plan, invest in and support the transport network to enable people and goods to travel around the country and internationally. Transport policy measures are developed based on a consideration of, among other things, their economic, social, and environmental impacts. The DfT continually strives to ensure it bases policy on the latest available evidence and regularly commissions external research to fill critical knowledge gaps.

## This project is being commissioned by the ‘Aviation Appraisal and Modelling Team’ that works alongside the Aviation Directorate at the DfT. The team provides analytical support on issues such as demand forecasting, airport capacity expansion and economic appraisal, as well as carbon emissions from aviation. It does this, in part, using a sophisticated modelling suite, to which this work will both relate to, and draw on.

# Background to requirement/OVERVIEW of requirement

## The Government is committed to ensuring the UK aviation sector contributes to helping the UK meet its climate change goals. Given its international nature, the government’s emphasis is on taking strong action at a global level as the best means of addressing carbon emissions from aviation. A major agreement was reached in October at the UN’s International Civil Aviation Organization (ICAO) assembly to introduce a global carbon offsetting scheme. The DfT needs to better understand what other measures are available to reduce carbon from within the aviation sector itself.

## This project seeks to build on previous work completed by the DfT in 2011[[1]](#footnote-2) in response to the Committee on Climate Change’s (CCC) 2009 report[[2]](#footnote-3) on UK Aviation Emissions to estimate the potential for, and cost of, carbon abatement from flights within and departing from the UK. Whilst the 2011 work is a useful basis for our current project, technology, cost and abatement potential data has developed since then. The purpose of this project is to update the list of available abatement measures (including identification of any additional measures) and assess (and where applicable refresh) their costs and abatement potential. The 2011 work also included a number of measures that are only practical to implement on an international level. This project’s focus will be on measures that are solely within the control of the UK i.e. that don’t require international agreement.

# definitions

|  |  |
| --- | --- |
| Expression or Acronym | Definition |
| APF | DfT’s Aviation Policy Framework |
| AvAM | Aviation Appraisal and Modelling – the aviation analysis team at DfT that is commissioning this work |
| CCC | Committee on Climate Change |
| DfT | Department for Transport |
| DfT Aviation Model | DfT’s modelling suite used for forecasting factors relating to the UK aviation sector including passenger demand, airline fleet composition and carbon emissions |
| GMBM | Global Market Based Measure |
| ICAO | International Civil Aviation Authority |
| MACCs | Marginal abatement cost curves that present the cost and cumulative abatement potential of carbon reduction measures. |
| Non-technical contractor | The contractor responsible for delivering the project examining non-technical measures. See definition of non-technical measure below |
| Non-technical measures | For the purposes of this aviation MACC work as a whole, carbon abatement measures have been split into two groups for potentially two different contractors to analyse – ‘technical’ and ‘non-technical’. Non-technical measures include: demand management, air traffic management improvements, consumer offsetting, biofuels and other measures that don’t relate to technical aircraft design or operation. |
| Technical contractor | The contractor responsible for delivering the project examining technical measures. See definition of technical measure below. |
| Technical Measures | For the purposes of this aviation MACC work as a whole, carbon abatement measures have been split into two groups for potentially two different contractors to analyse - ‘technical’ and ‘non-technical’. Technical measures include improvements to engine and aircraft design to improve fuel efficiency as well as operational measures that are within the control of the airline such as load weight and flight trajectories |
| UK aviation | Commercial flights within the UK and departing from the UK. |

# scope of requirement

## The main requirement of the project is to critically assess the relevant assumed carbon efficiency measures in the DfT model baseline, and identify a series of non-technical measures to further reduce carbon emissions from within the UK aviation sector, including the identification of any barriers to their uptake in practice. This should include measures that are within the control of the UK and do not require international agreement. They should be described clearly in a project report, alongside the private and social costs of the measure, and any benefits in addition to the carbon savings, monetised wherever possible using the Department’s appraisal guidance[[3]](#footnote-4). The estimates and final report should be quality assured to a level agreed with the DfT project officer before being submitted to the DfT.

## The quantified estimates of carbon savings and net costs should be in such a form as to enable the DfT to create a set of MACCs that illustrate the cost and cumulative abatement potential of measures to reduce UK aviation emissions out to 2050. This means that any interactions between measures should be highlighted. For example, one measure might have a constant cost per tonne of carbon saved, whereas other measures may cost less (more) per tonne of carbon saved if they are implemented before (after) another measure.

## The analysis for this, the non-technical measures project, will involve five tasks:

### critical assessment of the assumed carbon efficiency measures relevant to this specification in the DfT model baseline, along with justification for any proposed improvements; identification of the potential measures that could be used to help deliver emission reductions from within the aviation sector, with an emphasis on those that can be implemented most effectively at a UK level;

### once the baseline and measures are agreed with the DfT project officer, estimation of the potential level of emissions savings that each measure might deliver, having taken account of any barriers (as agreed with the DfT project officer) to realising the full potential and potential carbon leakage;

### estimation of the total (social) cost and any other benefits to the UK associated with each measure, in order to determine the relative cost-effectiveness (in terms of cost per tonne of CO2 saved) of the different measures;

### scenario analysis to provide a range of potential costs and benefits under different situations; and

### production of a full report detailing the analysis and work that has been carried out.

# The requirement

## **Task 1: Assessment of Baseline and Definition of Additional Policy Measures**

## The intention of this exercise is to consider a wide range of potential measures in addition to those in the DfT baseline, in order to ensure that the analysis identifies the most cost-effective options for reducing emissions from aviation. UK emissions are defined as those from commercial flights departing UK airports, including domestic flights. The DfT baseline assumes aviation’s continuing inclusion in the EU Emissions Trading System (EU ETS) or similar emissions trading arrangement, a gradual improvement in fleet efficiency, and some use of biofuels over the longer term. The specification of the model baseline will be discussed at the initial project meeting and the contractor should assess whether the relevant assumptions in the baseline continue to be reasonable. Low, medium and high impact scenarios analysed in the later task should be considered in comparison to the baseline.

## The DfT will provide the contractor with a list of non-technical measures (attached at annex A) that could be implemented unilaterally within the UK which the contractor can use as a starting point for the project. The contractor is invited to include in their bid comments on, and amendments or additions to the measures listed. The final list of measures to be assessed will be agreed in the initial project meetings.

## The DfT will be able to provide specific policy detail in the initial project meetings as required to inform cost calculations for each of the measures. This could include, for example, potential ways to implement each measure, possible barriers or suggestions of policies which are unlikely to be considered implementable.

## For your bid submission please discuss each of the measures on the list. This is not an exhaustive list and additionally identified measures can also be included. This will be carried out in conjunction with the DfT project officer and the Potential Provider is required to:

### Provide a description of the measure and specifically how it reduces emissions;

### Explain how it could be implemented by the UK unilaterally;

### Identify who would be responsible for implementing and monitoring the measure (e.g. DfT, CAA, airlines);

### Provide a timeframe associated with each measure e.g. if it were implemented today, would emissions savings be achieved straight away, or would they increase over time? How long would it take for the measure to reach its maximum effectiveness? (Completion of the subsequent tasks may be required to provide specific answers to these questions);

### Identify any pre-requisites or barriers to the adoption of the measure e.g. requires industry agreement to implement effectively; and

### Carefully consider the level of potential carbon leakage which could occur from each measure. Carbon leakage occurs when emissions reductions at the national level do not lead to emissions reductions globally. Where relevant to the measure in question, the contractor should provide a qualitative assessment of the potential level of carbon leakage and the impact on the total potential carbon abatement of that measure.

## Once the measures have been defined and fully agreed with the DfT Project Officer, the key tasks identified separately below will be required. It would be expected that the following tasks would need to be undertaken concurrently, due to the potential interaction between tasks.

## **Task 2: Assessment of Potential Emissions Savings**

## For each measure defined for *Task 1*, the contractor is required to assess the potential CO2 emissions savings from that measure in 2020, 2030, 2040 and 2050, under each scenario (scenarios A to G identified in table 1, over and above the emissions savings in the DfT aviation model baseline. The contractor will be able to request runs from the DfT aviation models[[4]](#footnote-5) as necessary to an agreed timescale in order to help with this task – the contractor is not expected to produce their own model of the UK aviation sector. However, the contractor will be required to generate the necessary assumptions to input into the DfT model. For example, the DfT model is able to forecast emissions savings up to 2050 from a given impact on demand. The contractor would be required to determine the impact on demand implied by a given carbon reduction measure, which could then be fed into the model as changes in the rate of fuel burn for particular aircraft, or changes in the number of passengers.

## **Task 3: Assessment of Costs and Benefits**

## The costs (private and social) and any benefits of the measures, in addition to the carbon savings, should be presented separately. These should include the impact on air quality, non-CO2 emissions, noise and so on, consistent with the Department’s transport appraisal guidance[[5]](#footnote-6). This should enable the contractor to assess the cost-effectiveness of each measure, measured as the cost per tonne of CO2 saved, as well as the Net Present Value (NPV) of each measure (the present value of the benefits minus the present value of the costs).

## DfT will then use this NPV along with the carbon emissions savings estimated in *Task 2* to calculate the cost effectiveness of each measure. This will be calculated as:

## Costs and benefits should be presented separately so that measures that are within the control of airlines, such as higher uptake of biofuels can also be assessed in terms of their financial cost and expressed as the financial cost per tonne of CO2. This will enable the DfT to determine what measures industry might choose to implement itself, if, for example, the price of kerosene or carbon were to rise significantly.

## In assessing the costs it will be important for the bidders to consider the barriers to take up that might exist and the costs of overcoming them. As part of their tender the bidders should propose the method they would use to value this cost. The contractor should also consider potential overlap between measures and place careful consideration on the order in which measures are calculated and presented.

## The contractor will be required to share with DfT copies of all data, analytical workings, spreadsheets and models which are used to carry out the analysis. The data should be provided in a form which is compliant with the existing DfT aviation models and can be used as an additional input. The exact form of this will be discussed in initial project meetings and throughout the project.

## **Task 4: Scenario Analysis**

## DfT will ultimately be responsible for producing the set of MACCs but the non-technical contractor will be required to contribute information for this relating to the measures they have analysed. This includes the costs of the measures and the emissions savings. The format of these MACC inputs will be discussed at the initial project meetings and should be agreed with the DfT project officer.

## DfT recognises that there is far greater uncertainty surrounding the estimates of cost and abatement potential of measures further into the future. All assumptions and sources of data should be clearly noted in the final report.

## For each measure, DfT will require a central, lower and upper estimate of the breakdown of values which comprise the Net Present Value of implementing the measure and the abatement potential of measures to reduce emissions from UK aviation to 2050, in order to generate the MACCs. Specifically, the DfT anticipate that the inputs defined below will be required. However, bidders are free to propose an alternative set to produce. This will be subject to the agreement of the DfT project officer prior to the contract being awarded. The key consideration is that the MACC inputs represent a reasonably robust central case and capture the full extent of the uncertainty around the cost and abatement potential of different measures to reduce emissions from UK aviation out to 2050.

## Some measures may be able to deliver different amounts of emissions savings depending on how they are implemented, either by government or by industry. For example, mandating biofuels could require usage levels of 5% per annum, 10% per annum, 20% per annum etc. We therefore envisage that there should be three ambition scenarios demonstrating a low, central and high level of ambition (hereafter termed “low”, “central” and “high” ambition scenarios) associated with each measure. Despite this scenario approach, the assumptions used for each measure will still be based on a subjective assessment of what is considered to be realistic under each scenario, and should therefore be agreed with the DfT project officer before a full assessment is undertaken.

## Further uncertainty derives from the projected values of the input assumptions, such as GDP or fossil fuel prices, out to 2050. The full set of input assumptions to be amended, and their values, should be agreed in advance with the DfT project officer. It is proposed that for the central ambition scenario only, two additional sets of input assumptions should be agreed that represent the full range of uncertainty.

## To encompass the full range of uncertainty, two further sets of MACC inputs should be produced that assume a) the low ambition scenario and b) the high ambition, scenario and again, the appropriate values for the input assumptions to encompass the full set of potential results.

## Table 1 below sets out the set of MACCs that the DfT intends to produce from the analysis provided by the contractor.

## **Table 1: Proposed set of MACC s**

|  |  |  |  |
| --- | --- | --- | --- |
| **MACC input set (including abatement and cost)** | **Ambition scenario** | **Input assumptions e.g. fuel prices1** | **Comment** |
| A | Low | Central | Reflects ambition uncertainty |
| B | Central | Central |
| C | High | Central |
| D | Central | Low | Reflects input assumption uncertainty |
| E | Central | High |
| F | Low | Low | Reflects the full range of uncertainty |
| G | High | High |

## Note: The fuel price assumptions refer to DECC’s published fossil fuel price scenarios to 2050[[6]](#footnote-7)

## Additionally, from a subset of the data provided, the DfT will produce a set of MACCs taking account of the private costs and benefits only. This will be used to inform what measures might be taken up voluntarily by the industry in response to different scenarios, e.g. fuel or carbon price rises.

## These 7 sets of MACC input assumptions are required for 2020, 2030, 2040 and 2050. This is intended to inform the extent to which different measures could be utilised over time (in terms of the date they should be introduced, whether individual measures should be introduced gradually and the speed of any ramping up of measures), consistent with the estimate of cost-effectiveness for 2050.

## DfT should be provided with all the data used to generate the results of the project, including those provided for inclusion in the MACC tool, all spreadsheets, input assumptions and a record of the source of all the data used. The contractor must make clear where any data used is confidential. The spreadsheets should be quality checked by the contractor before submission to the DfT, and should be provided separately to the analytical reports.

## **Task 5 – Producing a full report**

## The non-technical contractor is required to produce a report and provide inputs to the MACCs being developed by DfT. The report must include:

### an executive summary;

### the description of the measures from *Task 1*;

### an explanation of the methodology and assumptions used; and

### the results of the assessment of abatement potential, cost-effectiveness and NPV for each measure under each of the input assumption and measure ambition scenarios considered.

## The draft report should be revised following any comments from DfT, and will not be considered finalised until agreed with the DfT project officer.

## The report must be clearly written in a way that is easily accessible to a non-technical audience as far as is possible. Technical jargon and terminology must be fully explained, and plain English must be used throughout. We intend to publish the final report on the DfT website.

# key PROJECT milestones

## **Carbon abatement analysis**

## The potential contractor should note the following project milestones that the Authority will measure the quality of delivery against:

|  |  |  |  |
| --- | --- | --- | --- |
| **Milestone** | **Description** | **Deliverables** | **Provisional Timeframe** |
| 1 | Specification of the abatement measures and a detailed critical assessment of the current DfT baseline, along with any suggested improvements as set out in Task 1 above. | List of measures and brief summary of details; written recommendations on any suggested changes to the baseline as set out in Task 1 above, to be agreed with the DfT Project Officer | Wednesday 12th April 2017 |
| 2 | Assessment of potential emissions savings and NPV calculations, as described in Tasks 2 and 3 above.Provision of the inputs required to enable the DfT to produce the MACCs, as specified in Task 4 above. | Excel file with data tables showing cost and abatement potential for each measure under each scenario set out above. Must be in format suitable for use as input to DfT MACC tool. | Friday 7th July 2017 |
| 3 | Completion of non-technical measures report | Full report completed and agreement with the DfT Project Officer that it meets agreed objective. | Monday 7th August 2017 |

# authority’s responsibilities

## It is Government policy to treat all potential contractors fairly and impartially. Clarifying questions may be asked about the work specification during the initial ITT stage. This will be done through the CCS, using the e-Sourcing Event. DfT officials will then respond to any questions through the e-Sourcing event. A teleconference may also be arranged to provide a verbal response to questions. Questions about the tendering process and contractual process may also be asked, with a response provided by the CCS team.

## Once a contractor is decided, a DfT official will be in charge of the day-to-day running and project management of the contract. They will be the first point of contact in the case of any potential disputes, with support from other senior DfT officials as required.

# reporting

## Four formal meetings are anticipated; an inception meeting at the start, two meetings during Tasks 2 and 3, and a final meeting near the end of the project. Additional informal meetings may be arranged as required, including teleconferences.

## The Supplier will be expected to maintain contact with the DfT, including updates on their progress by phone once every two weeks or more often as required.

## The Potential Provider will be expected to share information with the Potential Provider of the Technical Contract CCCC16B03.

# volumes

## This work is expected to be completed within 5 months of agreeing a contractor.

# continuous improvement

## The Supplier will be expected to continually improve the way in which the required Services are to be delivered throughout the Contract duration.

## Wherever practicable, the Supplier should present new ways of working to the Authority during monthly Contract review meetings if there is an opportunity for improved efficiency and/or effectiveness in the way the relationship is managed or the requirements are delivered.

## Proposed changes to the way in which the Services are to be delivered must be brought to the Authority’s attention and agreed prior to any changes being implemented.

## It may become necessary to revise the tasks tendered and contracted or to extend the contract. The DfT project officer will consult with the contractor and the DfT contract office.

## Delivery of the agreed work will be monitored as required by telephone and email discussions with the project officer.

# Sustainability

## Not applicable.

# quality

## Suppliers submissions will be expected to provide full confidence to the DfT that they are capable of carrying out the work to the high quality expected. The DfT places a high importance on the quality assurance of our analysis and that done by contractors. Contractors should follow the Department’s Analytical Assurance Framework[[7]](#footnote-8) when carrying out their work and specify in their bid how they will incorporate this throughout the analysis.

# PRICE

## The budget set for this project is to be capped at £65,000 (excluding VAT).

## The contract should be priced on a firm price basis, inclusive of any expenses, which should be identified (and described) separately.

## Prices are to be submitted via the e-Sourcing Suite in Appendix E, excluding VAT. See Appendix D for evaluation criteria.

# STAFF AND CUSTOMER SERVICE

## The Authority requires the Potential Provider to provide a sufficient level of resource throughout the duration of the Aviation MACC Non-Technical Measures Requirements Contract in order to consistently deliver a quality service to all Parties.

## Potential Provider’s staff assigned to the Aviation MACC Non-Technical Measures Requirements Contract shall have the relevant qualifications and experience to deliver the Contract.

## The Potential Provider shall ensure that staff understand the Authority’s vision and objectives and will provide excellent customer service to the Authority throughout the duration of the Contract.

# service levels and performance

## DfT expects the analysis produced to be reliable, thorough and of a high quality. Close communication throughout the project and clear initial requirements will enable early identification of any potential issues, allowing for them to be easily resolved.

## Once milestones and deadlines are agreed, DfT expects the contractor to meet them. Any delays may result in payment being withheld until tasks are completed to a sufficient standard.

# Security requirements

## The DfT takes data security extremely seriously and applies agreed government security procedures to all Contracts involving the handling of data and ‘Official Sensitive’ and ‘Commercial Sensitive’ information.

## Contractors will be conducting their own analysis, using outputs from DfT models provided by DfT officials where necessary. Therefore, there are not considered to be any security requirements.

# intellectual property rights (ipr)

## The Intellectual Property Rights on all work undertaken under this contract, including to the project reports and any spreadsheets developed will be in line with the contracts standard terms and conditions.

## The Potential Provider should not under any circumstances publish any results from the DfT aviation model. These remain the property of the Crown and should only be used in order to complete this project. Once the project is completed, the Potential Provider should delete any outputs provided by the DfT to prevent future misuse. The winning Potential Provider will be expected to complete a Non-Disclosure Agreement NDA as part of this work.

## The contract should include a license to use any data provided under this project in any revised versions of the model, and DfT will retain the right to publish any reports and results of the model or subsequent versions.

# payment

## Payment can only be made following satisfactory delivery of pre-agreed certified products and deliverables, as agreed by the DfT Project Officer

## Before payment can be considered, each invoice must include a detailed elemental breakdown of work completed and the associated costs.

## Payments will be made as follows:

### 30% on formal agreement of the measures to be assessed and completion of the written critical assessment of the baseline (milestone 1).

### 50% once the MACC inputs and emissions calculations are received to the satisfaction of the DfT (Carbon abatement analysis milestone 2).

### 20% once a finalised version of the project report is received to a standard that DfT are content with (Carbon abatement analysis milestone 3).

# additional information

## This contract may require experts from more than one organisation. Proposed partners should be named as part of any proposal.

# Location

## The main base location for the project and any joint meetings will be the offices of the Authority (Department for Transport, Great Minster House, 33 Horseferry Road, London, SW1P 4DR)

## Services will also be carried out at a range of other premises including:

* The offices of the Supplier
* The offices of the relevant company
* Any other location as required

## Any costs incurred by the Supplier in travelling to or from the offices of the Authority are to be borne solely by the Supplier. Any costs associated with travel to other locations will be subject to the Department for Transport’s standard Travel and Subsistence arrangements.

# Annex A: List of Proposed Measures

## This annex contains a list of the measures proposed by DfT to be evaluated for their carbon abatement potential. It is not exhaustive and should only be used as a guide. Additional measures are encouraged in bids, as well as reasons why suggested measures may not be feasible. This document contains lists of both technical and non-technical measures but contracts will be awarded separately. Both types are included to give examples of the types of measures which would fall into each category.

## Non-Technical Measures - The following table sets out the non-technical and operational measures to be considered, along with potential policy levers which could be used to implement them and any additional notes for consideration. These relate to measures which can be carried out to encourage behavioural changes, improvements in operational efficiency and the use of biofuels.

### Table 1: Non-Technical Measures

|  |  |
| --- | --- |
| **Measure** | **Possible Policy Levers** |
| Advances in communication technology and demand management, e.g. increased use of video conferencing resulting in fewer business flights. | Government finance to promote video-conferencing  Information campaigns to raise awareness of CO2 footprints  Targets to reduce company flights |
| Air traffic management, e.g. incentives to reduce stacking of planes waiting to land. | Financial incentives to encourage airports to land planes sooner  Airport regulation to enforce |
| Consumer offsetting, e.g. option to donate to a charity which reduces the impact of carbon emissions when purchasing the flight. | Measures to encourage passengers to offset carbon at point of purchase, including nudging |
| Changes to flight paths and take-off and landing trajectories. | Financial incentives for airlines to use more efficient routes  Green slots, eligible only to those who meet certain efficiency standards |
| More efficient ground movements, e.g. more electric power whilst taxiing. | Airport regulation |
| Increased use of biofuels, e.g. mandating a certain proportion of biofuels must be used when departing from UK airports. | Government funding support  Regulation or voluntary agreements to mandate or incentivise biofuels / low carbon fuels uptake  R&D funding for biofuel / low carbon fuels supply chain developments |

## Technical Measures - The following table sets out the technical measures to be evaluated, along with potential policy levers which could be used to implement them and any other additional notes. These relate to measures which could be carried out to alter the engine design, encourage fleet retrofitting and other aeroplane operational improvements.

### Table 2: Technical Measures

|  |  |
| --- | --- |
| **Measure** | **Possible Policy Levers** |
| Accelerating the development of more fuel efficient aircraft | Green slots  Financial incentives |
| Bringing forward the development of more fuel efficient engines | Green slots  Financial incentives |
| Retrofitting | Green slots  Financial incentives |
| Incentives to increase R&D in mode efficient engines and aircraft | Financial incentives and funding |
| Operational measures that are within the control of the airlines, such as flight speed and altitude, and reduced cabin weight | Financial incentives  Regulation |

Proposed MACC Scenarios

### The following table presents the scenarios for marginal abatement cost curves this research is aiming to calculate. This should be used as a guide to reflect the range of potential scenarios and should not be considered as a complete or fixed list.

### Table 3: Proposed set of MACC inputs

|  |  |  |  |
| --- | --- | --- | --- |
| MACC input set (including abatement and cost) | Ambition scenario | Input assumptions e.g. fuel prices1 | Comment |
| A | Low | Central | Reflects ambition uncertainty |
| B | Central | Central |
| C | High | Central |
| D | Central | Low | Reflects input assumption uncertainty |
| E | Central | High |
| F | Low | Low | Reflects the full range of uncertainty |
| G | High | High |

Note 1: The fuel price assumptions refer to DECC’s published fossil fuel price scenarios to 2050, available through <https://www.gov.uk/government/publications/fossil-fuel-price-projections-2015>

**ANNEX 4 – SUPPLIERS RESPONSE**

**As provided within the e-Sourcing event**

REDACTED TEXT

REDACTED TEXT

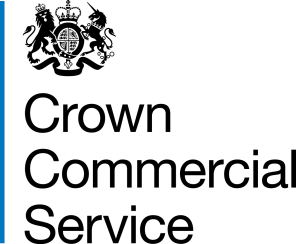
**ANNEX 5 – CLARIFICATIONS**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Ref** | **Appendix D Question Number** | **Clarification Question** | **Response** | **Date Issued** |
| 1 |  | Please could we request an extension to the deadline to allow more time to respond due to the short timescale at present? | Given the similarity between this contract and the technical measures contract (CCCC16B03), bidders should have sufficient time to prepare a bid before the stated deadline of 20th February. We are unable to extend the deadline due to other time constraints on this project. | 14th February 2017 |
| 2 |  |  |  |  |
| 3 |  |  |  |  |
| 4 |  |  |  |  |
| 5 |  |  |  |  |

**ANNEX 6 – ADDITIONAL TERMS & CONDITIONS**

Not Applicable

**ANNEX 7 – CHANGE CONTROL FORMS**



VARIATION TO CONTRACT FORM

**Contract Name:**

**CONTRACT REF:**

**Effective from:**

Between:

|  |
| --- |
|  |

The Contract is varied as follows:

|  |
| --- |
| 1. |

2. Words and expressions in this Variation shall have the meanings given to them in the Contract.

3. The Contract shall remain effective and unaltered except as amended by this Variation.

SIGNED

For the Client: For the Contractor:

Full Name: Full Name:

Title: Title:

Date: Date:

1. <http://www.icao.int/environmental-protection/Documents/ActionPlan/UK_AbatementModel_en.pdf> [↑](#footnote-ref-2)
2. <https://www.theccc.org.uk/publication/meeting-the-uk-aviation-target-options-for-reducing-emissions-to-2050/> [↑](#footnote-ref-3)
3. WebTAG, available here: <https://www.gov.uk/guidance/transport-analysis-guidance-webtag> [↑](#footnote-ref-4)
4. For further information on the DfT aviation models, see DfT (January 2009), *UK Aviation Forecasts,* available at https://www.gov.uk/government/uploads/system/uploads/attachment\_data/file/223839/aviation-forecasts.pdf. [↑](#footnote-ref-5)
5. Available at <http://www.dft.gov.uk/webtag/index.php>. [↑](#footnote-ref-6)
6. <https://www.gov.uk/government/publications/fossil-fuel-price-projections-2015> [↑](#footnote-ref-7)
7. Information on DfT’s Analytical assurance Framework can be found here: https://www.gov.uk/government/publications/dft-analytical-assurance-framework-strength-in-numbers [↑](#footnote-ref-8)