

**Crown Commercial Service**

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**Call Off Order Form for Management Consultancy Services**

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**FRAMEWORK SCHEDULE 4**

**CALL OFF ORDER FORM**

## PART 1 – CALL OFF ORDER FORM

### SECTION A

This Call Off Order Form is issued in accordance with the provisions of the Framework Agreement for the provision of **Business Consultancy Services** dated **04 September 2018**.

The Supplier agrees to supply the Services specified below on and subject to the terms of this Call Off Contract.

For the avoidance of doubt this Call Off Contract consists of the terms set out in this Template Call Off Order Form and the Call Off Terms.

Order Number	CS20347
From	Department for Business, Energy and Industrial Strategy, 1 Victoria Street, London, SW1H 0ET ("CUSTOMER")
To	BDO LLP, 55 Baker Street, London, W1U 7EU ("SUPPLIER")
Date	13 August 2020 ("DATE")

### SECTION B

#### 1. CALL OFF CONTRACT PERIOD

1.1.	Commencement Date: Monday 17 August 2020
1.2.	Expiry Date:  End date of Initial Period: Friday 4 September 2020  End date of Extension Period: Not applicable  Minimum written notice to Supplier in respect of extension: Not applicable

#### 2. SERVICES

2.1	<p><b>Services required:</b></p> <p><b>BACKGROUND TO REQUIREMENT/OVERVIEW OF REQUIREMENT</b></p> <p>The COVID-19 pandemic has had wide ranging impacts on the economy and society. UK universities have faced a drop in multiple income streams, notably international student fees, which are used to subsidise research, which is a loss making activity. This loss puts the UK research base at risk, with researchers performing high quality research potentially losing their jobs, and the UK losing key capabilities.</p> <p>Maintaining the university research base is critical to the UK economy and the achievement of the Government's ambitions set out in the Research and Development Roadmap. It plays a key role in delivering local and national economic prosperity, helping to deliver higher levels of productivity and anchoring R&amp;D-intensive companies to the UK.</p> <p>On 27th June the Government announced that they would provide a package of support to research-active universities, consisting of low-interest loans with long pay-back periods,</p>
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supplemented by a small amount of government grants. The announcement stated that the package would cover up to 80% of a university's income losses from international students for the academic year 20/21, up to the value of non-publicly funded research activity in that university.

The approach to loans portion of the fund is being developed by BEIS. To make the loans attractive to universities, some of which are known to be heavily leveraged, there will be a long payback period of 10 years, and a low interest rate.

This procurement is to seek advice on that interest rate, which must cover the cost of government borrowing and the administration costs of the loan programme. In addition to this, we are also seeking advice on other commercial issues facing the fund, including administration costs, and on the design of the loan programme.

#### **DEFINITIONS AND ACRONYMS**

<b>EXPRESSION OR ACRONYM</b>	<b>MEANING</b>
SURE	SUSTAINING UNIVERSITY RESEARCH EXPERTISE
BEIS	THE DEPARTMENT OF BUSINESS ENERGY AND INDUSTRIAL STRATEGY.
STEM	SCIENCE, TECHNOLOGY, ENGINEERING, AND MATHEMATICS
NDA	NON-DISCLOSURE AGREEMENT

#### **THE REQUIREMENT**

We will require the supplier to work at pace on three distinct strands of work, to be delivered in w/c 31 August and no later than 4 September 2020. This will draw upon the supplier's expertise in the structure and delivery of loans services. The work strands are to:

- Review BEIS forecasts for administration costs of the loan programme. This should examine the key assumptions for delivery of the loan programme and identify ways in which these might be affected by choices on delivery. This will form the basis of the administration costs element needed to advise on an interest rate for the loans to be offered.
- Provide advice on the technical detail of delivering the loan scheme, considering key structural options, including but not limited to repayment profiles, assessing credit quality, loan security, interaction with existing covenants, information undertakings. This should provide information on options available and the impacts they would have on the delivery of the loan package and in particular on the interest rate.
- Develop a financial model to inform BEIS on determining an appropriate figure for the minimum interest rate that will cover the cost of government borrowing and the administration costs of the loan programme.

#### **KEY MILESTONES**

As the project will be delivered at pace, the key milestone will be the delivery of a report a proposes a suitable interest rate for the SURE fund and other supporting advice. The timing for delivery is in w/c 31 August and no later than 4 September 2020.

	<p><b>AUTHORITY'S RESPONSIBILITIES</b> BEIS will be required to work closely with the supplier, providing sensitive data to input into models and forecasts. As some of this information may be sensitive, we will use an NDA between ourselves and the supplier.</p> <p><b>BASE LOCATION</b> The service will be delivered remotely, keeping in touch via phone, email and Microsoft Teams. This is in line with remote working arrangements made common due to the COVID-19 pandemic.</p> <p><b>Limitations of Scope of Services</b> Under the terms of this Engagement, the supplier is not required to perform any of the following:</p> <ul style="list-style-type: none"> <li>(a) generate input data for the model unless specifically agreed during the scope, specification and design stage of model development;</li> <li>(b) consider the cash flows, account balances and taxation in respect of the Project from the perspective of specific stakeholders, other than to the extent that they are explicitly represented in the Model;</li> <li>(c) consider whether any financial statements are presented in a format (including disclosure notes that may be required) that would be suitable for public financial reporting or acceptable to taxation authorities;</li> <li>(d) assess whether the model tax treatment conforms to tax law;</li> <li>(e) consider the impact of adopting International Accounting and Reporting Standards;</li> <li>(f) perform a detailed model review. Whilst the supplier is expected to include internal quality assurance procedures in their approach, it is understood that it is not practicable to test a computer model to an extent whereby it can be guaranteed that all errors have been detected and, accordingly, no such assurance will be expected in respect of the model;</li> <li>(g) take responsibility for determining the values of any assumptions which are required. The supplier is also not required to comment on the validity of the assumptions, and express opinion as to how closely the results actually achieved will compare with the model's projections; and</li> <li>(h) include any work in the nature of a financial audit and verify any of the assets or liabilities involved in the project.</li> <li>(i) include any work in nature of a review of the model, and will not be required to verify the integrity of any assumptions, inputs, calculations or outputs within the model.</li> </ul>
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### 3. PROJECT PLAN

<b>3.1.</b>	<b>Project Plan:</b> In Call Off Schedule 4 (Project Plan)  Not required
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#### 4. CONTRACT PERFORMANCE

4.1.	<b>Standards:</b> Not applicable			
4.2	<b>Service Levels/Service Credits:</b> The Authority will measure the quality of the Supplier's delivery by:			
	KPI/SLA	SERVICE AREA	KPI/SLA DESCRIPTION	TARGET
	1	DELIVERY TIMESCALES	THE ADVICE WILL BE DELIVERED WITHIN THE AGREED TIMESCALES	DUE WEEK COMMENCING 31 AUGUST AND NO LATER THAN 4 SEPTEMBER.
	2	QUALITY OF ADVICE	THE ADVICE WILL ENABLE BEIS TO MAKE A DECISION ABOUT THE INTEREST RATE FOR THE LOANS TO BE OFFERED THROUGH THE SURE FUND.	OUTPUTS (INCLUDING SUMMARY ADVICE AND SUPPORTING ANALYSIS AND THE FINANCIAL MODELLING) SHOULD CLEARLY SUMMARISE KEY RECOMMENDATIONS AND CONSIDERATIONS IN RELATION TO SETTING THE INTEREST RATE.
4.3	<b>Critical Service Level Failure:</b> Not applied			
4.4	<b>Performance Monitoring:</b> Not applied			
4.5	<b>Period for providing Rectification Plan:</b> In Clause 39.2.1(a) of the Call Off Terms			

#### 5. PERSONNEL



<b>5.1</b>	<b>Key Personnel:</b> <b>REDACTED</b>
<b>5.2</b>	<b>Relevant Convictions (Clause 28.2 of the Call Off Terms):</b> Not applicable

## 6. PAYMENT

<b>6.1</b>	<b>Call Off Contract Charges</b> (including any applicable discount(s), but excluding VAT): The total contract value shall not exceed £75,000.00 excluding VAT, however there is no commitment to spend up to this amount. All charges will be in alignment with the below panel rates; <b>REDACTED</b>
<b>6.2</b>	<b>Payment terms/profile</b> (including method of payment e.g. Government Procurement Card (GPC) or BACS): BDO LLP will invoice for the delivery of the service once all strands are complete, including notes of advice for the three strands of the requirement. The invoice should include a detailed elemental breakdown of the work completed, all associated costs, valid purchase order number and contract reference number. Invoice are to be sent to UK SBS c/o The Department for Business, Energy and Industrial Strategy, Queensway House, West Precinct, Billingham, TS23 2NF; Email: <a href="mailto:finance@services.uksbs.co.uk">finance@services.uksbs.co.uk</a> and a copy to <b>REDACTED</b>
<b>6.3</b>	<b>Reimbursable Expenses:</b> Permitted
<b>6.4</b>	<b>Customer billing address</b> (paragraph 7.6 of Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing)): 1 Victoria Street, London, SW1H 0ET
<b>6.5</b>	<b>Call Off Contract Charges fixed for</b> (paragraph 8.2 of Schedule 3 (Call Off Contract Charges, Payment and Invoicing)): For the full duration of the contract
<b>6.6</b>	<b>Supplier periodic assessment of Call Off Contract Charges</b> (paragraph 9.2 of Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing)) will be carried out on: Not applicable
<b>6.7</b>	<b>Supplier request for increase in the Call Off Contract Charges</b> (paragraph 10 of Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing)): Not Permitted

## 7. LIABILITY AND INSURANCE

<b>7.1</b>	<b>Estimated Year 1 Call Off Contract Charges:</b>
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	The sum of £45,000.00 ex VAT.
<b>7.2</b>	<b>Supplier's limitation of Liability</b> (Clause 37.2.1 of the Call Off Terms); In Clause 37.2.1 of the Call Off Terms
<b>7.3</b>	<b>Insurance</b> (Clause 38.3 of the Call Off Terms): In Clause 38.3 of the Call Off Terms

## 8. TERMINATION AND EXIT

<b>8.1</b>	<b>Termination on material Default</b> (Clause 42.2 of the Call Off Terms)); In Clause 42.2.1(c) of the Call Off Terms
<b>8.2</b>	<b>Termination without cause notice period</b> (Clause 42.7 of the Call Off Terms): In Clause 42.7 of the Call Off Terms
<b>8.3</b>	<b>Undisputed Sums Limit:</b> In Clause 43.1.1 of the Call Off Terms
<b>8.4</b>	<b>Exit Management:</b> Not applied

## 9. SUPPLIER INFORMATION

<b>9.1</b>	<b>Supplier's inspection of Sites, Customer Property and Customer Assets:</b> Not applicable
<b>9.2</b>	<b>Commercially Sensitive Information:</b> All outputs will be commercially sensitive at OS security level as well as the Supplier proposal document, any fee/pricing breakdowns, any Supplier personal data and Supplier background Intellectual Property Rights.

## 10. OTHER CALL OFF REQUIREMENTS

<b>10.1</b>	<b>Recitals</b> (in preamble to the Call Off Terms): Recital A
<b>10.2</b>	<b>Call Off Guarantee</b> (Clause 4 of the Call Off Terms): Not required
<b>10.3</b>	<b>Security:</b> Select short form security requirements
<b>10.4</b>	<b>ICT Policy:</b> Not applied



10.6	<b>Business Continuity &amp; Disaster Recovery:</b> Not applied
10.7	<b>NOT USED</b>
10.8	<b>Protection of Customer Data</b> (Clause 35.2.3 of the Call Off Terms): In alignment with the Non Disclosure Agreement
10.9	<b>Notices</b> (Clause 56.6 of the Call Off Terms): Customer's postal address and email address: 1 Victoria Street, London, SW1H 0ET, <b>REDACTED</b> Supplier's postal address and email address: 55 Baker Street, London W1U 7EU <b>REDACTED</b>
10.10	<b>Transparency Reports</b> Not applicable
10.11	<b>Alternative and/or Additional Clauses from Call Off Schedule 14 and if required, any Customer alternative pricing mechanism:</b> Not applicable
10.12	<b>Call Off Tender</b> <b>REDACTED</b>
10.13	<b>Publicity and Branding</b> In Clause 36.3.2 of the Call Off Terms
10.14	<b>Staff Transfer</b> Not applicable
10.15	<b>Processing Data</b> Call Off Schedule 17
10.16	<b>MOD DEFCONs and DEFFORM</b> Not applicable

## FORMATION OF CALL OFF CONTRACT

**BY SIGNING AND RETURNING THIS CALL OFF ORDER FORM** (which may be done by electronic means) the Supplier agrees to enter a Call Off Contract with the Customer to provide the Services in accordance with the terms Call Off Order Form and the Call Off Terms.

The Parties hereby acknowledge and agree that they have read the Call Off Order Form and the Call Off Terms and by signing below agree to be bound by this Call Off Contract.

In accordance with paragraph 7 of Framework Schedule 5 (Call Off Procedure), the Parties hereby acknowledge and agree that this Call Off Contract shall be formed when the Customer acknowledges (which may be done by electronic means) the receipt of

the signed copy of the Call Off Order Form from the Supplier within two (2) Working Days from such receipt.

For and on behalf of the Supplier:

Name and Title	<b>REDACTED</b>
Signature	<b>REDACTED</b>
Date	25/08/2020

For and on behalf of the Customer:

Name and Title	<b>REDACTED</b>
Signature	<b>REDACTED</b>
Date	25/08/2020