**DPS FRAMEWORK SCHEDULE 4: LETTER OF APPOINTMENT AND CONTRACT TERMS**

* 1. **Letter of Appointment**

Dear Sir/Madam,

**Letter of Appointment**

This letter of Appointment dated 04/02/2022 is issued in accordance with the provisions of the DPS Agreement (RM6018) between CCS and the Supplier.

Capitalised terms and expressions used in this letter have the same meanings as in the Contract Terms unless the context otherwise requires.

|  |  |
| --- | --- |
| Order Number: | SR773689123 |
| From: | HMRC ("Customer") |
| To: | IFF Research Ltd. |

|  |  |
| --- | --- |
| Effective Date: | 31/01/2022 |
| Expiry Date: | End date of Initial Period: 31/01/2022  End date of Maximum Extension Period: 31/07/2022  Minimum written notice to Supplier in respect of extension: 1 month |

|  |  |
| --- | --- |
| Services required: | Set out in Section 2, Part B (Specification) of the DPS Agreement and refined by:  · the Customer’s Project Specification attached at Annex A and the Supplier’s Proposal attached at Annex B; and |

|  |  |
| --- | --- |
| Key Individuals: | XXXXXXXXXXXXXXXXXXXXXXXXX  **Information redacted under section 43 (2) of FOI Act 2000.** |
| Guarantor(s) | N/A |

|  |  |
| --- | --- |
| Contract Charges (including any applicable discount(s), but excluding VAT): | Total contract charge is £120,000.00. The full Contract Charge breakdown can be found within Annex 1 of Schedule 6 of the Contract. |
| Insurance Requirements | Additional public liability insurance to cover all risks in the performance of the Contract, with a minimum limit of £5 million for each individual claim  Additional employers' liability insurance with a minimum limit of £5 million indemnity  Additional professional indemnity insurance adequate to cover all risks in the performance of the Contract with a minimum limit of indemnity of £1 million for each individual claim. |
| Liability Requirements | **Suppliers limitation of Liability** (Clause 18.2 of the Contract Terms); |
| Customer billing address for invoicing: | Ralli Quays, West Building, 3 Stanley Street, Salford M60 9HL. |

|  |  |
| --- | --- |
| GDPR | See Contract Terms Schedule 7 (Processing, Personal Data and  Data Subjects) |
| Alternative and/or additional provisions (including Schedule 8(Additional clauses)): | The additional terms which will apply to this contract are as  set out within the following annexes at Schedule 8:  a. Annex 1: HMRC Mandatory Clauses  b. Annex 2: Protection of Information |

**FORMATION OF CONTRACT**

**BY SIGNING AND RETURNING THIS LETTER OF APPOINTMENT (which may be done by electronic means) the Supplier agrees to enter a Contract with the Customer to provide the Services in accordance with the terms of this letter and the Contract Terms.**

**The Parties hereby acknowledge and agree that they have read this letter and the Contract Terms.**

**The Parties hereby acknowledge and agree that this Contract shall be formed when the Customer acknowledges (which may be done by electronic means) the receipt of the signed copy of this letter from the Supplier within two (2) Working Days from such receipt**

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

Name and Title: Name and Title:

XXXXXXXXXXXXXXXXXXX XXXXXXXXXXXXXXXX

Signature: Signature:

XXXXXXXXXXXXXXXXX XXXXXXXXXXXXXX

Date: XXXXXXX Date: XXXXXX

**Information redacted under section 43 (2) of FOI Act 2000.**

**Annex A**

**Customer Project Specification**

1. **Introduction**
   1. HM Revenue and Customs (HMRC) invites suppliers from the Research Marketplace agreement (RM6018) to understand customer readiness for a digital Child Benefit (ChB) service and what customers require in managing claims.
   2. HMRC intends for this contract to be in place by February 2022, with final outputs expected by July 2022.
   3. HMRC will maintain the overall management of the project.
   4. The contract will be awarded to the organisation that is deemed to have submitted the most economically advantageous tender (MEAT). Assessment will be based on the factors outlined in sections 15 to 18.
   5. To ensure fairness all tenderers are required to submit their tenders in accordance with these instructions and any further requirements contained in the invitation letter. Failure to comply could invalidate your tender.
2. **Context**
   1. Child Benefit was introduced in 1977 as a regular payment for all qualifying parents and guardians of children and young people. Those responsible for bringing up a child who is either under 16 or under 20 if they stay in approved education or training are eligible to claim the benefit. Child Benefit is designed to help with the extra costs of bringing up a child. The weekly rate is £21.15 for the eldest or only child, and £14 for every additional child. It is paid every 4 weeks and there is no limit to the number of children an individual can claim for.
   2. In January 2013, Child Benefit claimants may be liable to a tax charge called the High Income Child Benefit Charge (HICBC). Being liable for this charge does not affect a child’s entitlement to Child Benefit but any Child Benefit recipient is required to pay some or all of their Child Benefit back if they or their partner has an individual income of more than £50,000 per year. The tax charge increases gradually for taxpayers with incomes between £50,000 and £60,000. Where income exceeds £60,000, the tax charge is equal to the amount payable in Child Benefit. Alternatively, claimants affected by HICBC should still claim Child Benefit but have the option to opt-out of receiving the benefit, thereby ceasing their payments.
   3. As of 31st August 2020 there were 7.21 million families in receipt of Child Benefit, this is a fall of approximately 71,000 when compared to a year earlier. The central estimate of the Child Benefit take-up rate (the proportion of children eligible for Child Benefit who are registered) in 2019-20 is 92%, a fall of 1% when compared with the previous year [[1]](#footnote-1).
   4. Individuals can claim Child Benefit as soon as they’ve registered the birth of their child, or they come to live with them. The process is paper based, with individuals required to fill in a Child Benefit claim form and send it to the Child Benefit Office with the birth certificate of each child, when making a claim. If the child was adopted, the adoption certificate must be sent. This current paper-based process for an individual to claim Child Benefit can be burdensome and often results in a high volume of calls made to the helpline.
   5. Once registered, Child Benefit claimants can currently report changes to family circumstances affecting Child Benefit online, for example, change of name, address or bank account details[[2]](#footnote-2). These changes can be made by signing in to the Government Gateway using a user ID and password. However, any changes reported online are manually captured by advisors in the back-office rather than updating a customer’s record immediately/automatically.
   6. We are exploring making the Child Benefit claim and management process digital, allowing claimants to quickly and efficiently make a claim and update change of circumstances in a timely manner using a Single Customer Account. Previous research in 2016[[3]](#footnote-3) found that 63% of claimants found the idea of an online Child Benefit service appealing while a quarter would need support to access. The proposed research will build on this to provide current insight into attitudes across the Child Benefit population.
   7. Digitalising the Child Benefit system fits with a core strand of HMRC’s Tax Administration Strategy, the Single Customer Account (SCA). This will be the way in which HMRC and customers exchange information and transact tax in the future, through an online hub which will allow for two-way engagement and be the place to go when customers think of tax or benefits administered by HMRC.
   8. The digital landscape has changed over the past 5 years and linking Child Benefit to the Single Customer Account (SCA) has not been previously explored. We would benefit from insight into the services a customer expects HMRC to provide and what customers would need to fully engage with a digital Child Benefit service. We would also benefit from further information on the needs of HICBC customers in relation to a digital service.
   9. A quantitative survey with Child Benefit claimants would be used to identify and support the digitalisation of the Child Benefit service. The research will help HMRC to shape digital services based on customer need. It will enable us to understand the impacts of the digitalization of Child Benefit on customers and plan future customer demand resource and channel shifts.
3. **Research Aims & Objectives**
   1. The core objectives of this research are:

* To develop a clearer understanding of ChB customers’ current attitudes and expectations of a digital ChB service.
* To understand customers’ needs to access online services in order for us to identify information and communications required.
  1. The research aims to answer the following questions:

1. Are customers aware of current online facilities?
2. What are the reasons for customer contact in HMRC?
3. What information and communications are needed to notify customers of digital services to make the transition experience as positive as possible?
4. What are customers attitudes towards an online ChB service?
5. How much acceptance/resistance is likely for the potential to move to a ‘digital by default’ service?
6. What customers would like to use a ChB digital service? What will the demographic of a digital ChB customer base be?
7. What do customers expect from a ChB digital service?
8. Are customers likely to use digital services in the future rather than telephone/paper channels?

The research also aims to provide a broader understanding of customer appetite for a digital service and customers’ needs to access online services.

1. **Methodology & Scope**
   1. A quantitative approach is required to provide robust insight into Child Benefit customers current attitudes and expectations on a digital Child Benefit Service. A structured survey will be used to explore the research questions outlined above amongst a representative sample of Child Benefit customers. Adopting this approach will allow findings to be generalised across the Child Benefit population, which will ensure the set-up and roll-out of a digital Child Benefit service will meet the needs of customers.
   2. The contractor must conduct between 1,000 and 1,500 surveys with participants sampled from HMRC’s Child Benefit database. The contractor must conduct these surveys via telephone with each survey lasting between 30-40 minutes. This approach would allow a larger number of claimants to be reached whilst also aligning with any Covid-19 social distancing measures that may be in place at the time of fieldwork. The supplier must submit a methodology aligned with this approach and specify how many surveys they will be able to deliver in their proposed methodology to best meet HMRC’s Methodology and Scope requirements as set out within this ITT.
   3. It is important that all research follows government guidelines in response to the Coronavirus pandemic regarding social distancing measures.
   4. HMRC welcomes drawing upon the expertise of the tenderers in finalising the details of the sampling or methodology. If tenderers suggest alternative options or other changes to the methodology or sample, these must be fully justified according to better achieving the aims and objectives of the study. We welcome examples drawn from wider research to demonstrate how such techniques have contributed to the insights from the research. Any alternative methodology to that stated in 4.2 must be separately costed with a supporting justification.
   5. HMRC intends to provide the successful contractor with a random sample of claimants of Child Benefit customers, drawn from Child Benefit databases. This sample will likely contain individuals’ first name, surname, home address, and telephone number. Those who do not opt-out of the research will form the sample for recruitment. The contractor will be responsible for carrying out the opt-out, which is necessary in order to comply with the Data Protection Act.
   6. Tenderers must specify how they are going to analyse the data from the study in a way which answers the research questions. The successful contractor must draft and agree the research instruments and analysis approach with HMRC.
   7. All materials sent to addresses in Wales must include a Welsh language version. We also ask that, if requested, surveys are able to be carried out in Welsh.
2. **Timetable**
   1. The timeline provided below is indicative of the timelines expected by HMRC. Tenderers are required to demonstrate in their tenders that they will be able to complete the research within the below timelines or sooner.

|  |  |
| --- | --- |
| **Activity** | **Date** |
| Deadline for queries on ITT | 4pm Friday 10th December 2021 |
| HMRC response to ITT queries | Friday 17th December 2021 |
| **Deadline for response to ITT** | 3pm Friday 7th January 2022 |
| Contract awarded | w/c 31st January 2022 |
| Set-up meeting | w/c 7th February 2022 |
| Opt-out | March 2022 |
| Fieldwork | March – April 2022 |
| Presentation of interim findings | May 2022 |
| Presentation of findings | June 2022 |
| Final outputs signed off, project close | July 2022 |

* 1. The successful supplier will be expected to attend a set-up meeting in the week commencing 7th February 2022.
  2. All stages of the contract must be completed by July 2022.

1. **Length of Contract**
   1. The contract duration will be 6 months with an optional extension period of 3 months.
2. **Outputs** 
   1. Outputs must include:
   2. Regular progress updates to HMRC.
   3. Agreed versions of all research instruments e.g. survey questionnaire and supporting material which will be used for the quantitative research, including the option to carry out survey in Welsh.
   4. Emerging findings slide deck for HMRC use only.
   5. Face-to-face or Microsoft Teams presentation from the research agency of the main findings from the research, with accompanying slide deck for HMRC use only.
   6. A fully accessible PDF or HTML summary report for publication purposes. HMRC will provide an accessibility checklist for the contractor to follow. Once the final report is signed-off, it will be published in line with the HMRC Freedom of Information publication scheme.
   7. All summaries, reports, data outputs (eg tables and graphs) and presentations must be provided in an electronic format, compatible with Microsoft Office applications. All presentations and reports should be concise and written in plain English. They must be of a high (publishable) 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.
   8. Contractors are also reminded that any research reports to be published on [www.gov.uk](http://www.gov.uk) must meet the accessibility requirements for public sector bodies’ publications:

<https://www.gov.uk/guidance/accessibility-requirements-for-public-sector-websites-and-apps#accessibility-standards>

1. **Quality and Risk Management**
   1. 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.
   2. Tenderers must include a quality control plan with their proposal, which must demonstrate their internal procedures to assure quality control. In particular, this must include strategies for achieving a high response rate, strategies for managing the sensitive nature of the project with respondents, monitoring of interviewer performance, securing reliable data from respondents, ensuring high standards in data analysis and ensuring final outputs meeting HMRC’s needs and research objectives.
   3. Proposals must 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 risk register template is at Annex B.
2. **Expertise and Capability**
   1. 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 if required to ensure that they are fully capable of undertaking this work.
   2. HMRC is looking for suppliers who can demonstrate that their proposed team incorporates those with:
   3. Experience of conducting quantitative telephone surveys with parents.
   4. Experience of exploring the digital readiness of a population
   5. Proposals must summarise the skills and expertise relevant to this requirement that particular members of staff bring to the team and clearly identify the project manager, with CVs included as an annex.
   6. The proposal must 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 must be given about the qualifications, experience and responsibilities of sub-contractor 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 must also be considered for any joint submissions, as the second contractor will be treated as a sub-contractor.
3. **Project Management and Contract Administration**
   1. Selina Keeton is HMRC Manager for this project. They 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 them. The research organisation will be required to appoint a contract manager who will act as the principal point of contact for the Department.
   2. The research organisation will be expected to work closely with the HMRC project manager and through them, with internal customers within HMRC throughout the duration of the contract. They 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. Selina Keeton is responsible for all decisions that involve funding.
   3. In costing your tender you must allow for attendance at a minimum number of 4 meetings. The meetings will take place in accordance with government guidelines in response to the Coronavirus pandemic regarding social distancing measures. However, the meetings may be expected to take place at HMRC offices in Liverpool or Preston, although some may take place at the research organisation’s premises by arrangement. These might include the following:
4. Project set-up meeting;
5. Regular updates at each project milestone;
6. A briefing to discuss the emerging findings / ensure robustness of the research and;
7. Presentation of key findings and final analysis.

## Tax Compliance

* 1. General
     1. As referred to in Regulation 57(3) and 57 (4) of the Public Contracts Regulations, Tenderers may be subject to mandatory or discretionary exclusion if they are found to be in breach of obligations relating to the payment of taxes or social security contributions.
     2. HMRC, as a revenue collecting Government Department, reserves the right to (a) conduct revenue compliance checks and enquiries throughout the procurement process and (b) exclude any economic operator from participation in the competitive procurement exercise and/or potential delivery of the contract or framework agreement where it can demonstrate the non-payment of taxes or social security contributions, including in instances where no binding legal decision has been taken by a judicial or administrative body.
  2. Scope and Conduct of the Revenue Compliance Checks
     1. HMRC will undertake revenue compliance checks in connection with the fulfilment of obligations relating to the payment of taxes and social security contributions over the last three years of trading.
     2. Where revenue compliance enquiries identify certain circumstances such as, but not necessarily limited to those listed below, the Tenderer may be required to provide additional explanations or background information necessary for a full understanding of the situation:

a. time to pay arrangements;

b. late payment of taxes;

c. late payment of taxes resulting in interest charges; and

d. a breach of obligations, which has been established by a judicial or administrative body having final and binding ruling in accordance with the legal provisions of the country in which it is established or with those of any of the jurisdictions of the United Kingdom.

20.2.3 Decisions whether to exclude any party will be taken on a case by case basis and will take account of (a) the regulatory provisions, (b) any clarification or additional information that might subsequently be provided by the Tenderer, (c) information available to HMRC from its own resources by virtue of its special status as a revenue collecting Department and administrator of direct and indirect taxes and (d) any other relevant information from any other appropriate source.

## HMRC eTrading System

* 1. HMRC has a “Purchase Order Mandatory Policy” and with effect from 11th November 2019 will process all purchase orders and all invoices using its eTrading system, provided by SAP Ariba.
  2. Successful Tenderers are required to register on the SAP Ariba Network in order to transact with HMRC via the eTrading system and to ensure that they will continue to be able to receive purchase orders from and issue invoices to HMRC.
  3. Registration for HMRC’s eSourcing and eTrading portals is undertaken concurrently and instructions are set out here: <http://hmrc.supplier-eu.ariba.com/ad/register/SSOActions?type=full>. SAP Ariba will not charge suppliers to HMRC, VOA or RCDTS to register on the SAP Ariba Network and suppliers will not incur any fees when transacting with HMRC, VOA or RCDTS across HMRC’s eTrading system. However, fees may apply when transacting with suppliers’ other customers over the SAP Ariba Network.

* 1. Suppliers to HMRC, VOA and RCDTS are not required to invest in any additional products or services from SAP Ariba or from any other supplier in order to transact with HMRC, VOA or RCDTS using HMRC’s eTrading system.

* 1. Payment will be made by BACS within 30 days of receipt of a valid invoice.

## Data security and protection

* 1. The successful contractor will be required to submit a security plan in their tender submission. 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;
2. How long tenderers will keep data on sampled participants;
3. What details about participants will be passed to recruiters and/or interviewers; and
4. How tenderers will destroy data once they have 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.
   1. 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.
   2. The Security Questionnaire submitted at tender stage will form the Security Plan within the contract.
   3. A Security Plan questionnaire is attached (please see Annex C) which is assessed on a pass/fail basis. Where suppliers are unable to meet HMRC’s data security requirements, they will not be awarded the contract.
   4. Where the highest scoring bidder is not awarded the contract due to failing to meet HMRC’s data security requirements as per 22.3, HMRC reserves the right to award the contract to the next highest scoring bidder, subject to that bidder meeting HMRC’s data security requirements.

## Other Ethical Issues

* 1. To preserve confidentiality and anonymity, details of individual participants in the research must not be included in the analysis and reports.
  2. Published outputs of statistics will be consistent with statistical disclosure guidelines, as advised by HMRC.

## Procurement Transparency

* 1. 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.
  2. If Bidders believe that any of the information requested is commercially sensitive they should provide such information in a separate letter marked as such.
  3. HMRC ITTs are commercially sensitive documents; the contents of any HMRC ITT should not be divulged to those without a business need to know.

## Access to Government Information

* 1. Under the Government Code of Practice on Access to Government Information, the Department must reserve the general right to disclose either information about your tender or the tender itself, including your price or range of prices, once a contract is awarded. However, you may request that certain information is not disclosed if to do so would prejudice your legitimate commercial interests. Requests for non-disclosure must accompany your tender and include clear and substantive justification together with a time limit when any confidential information could be disclosed – this is not normally expected to be more than 7 years. It would be helpful, if appropriate, if you could keep the areas that you consider should not be disclosed separate from other areas of your tender. The terms of any confidentiality agreement (not the items themselves – they would remain confidential) would, if necessary, be available for publication.

## Financial Capacity

* 1. HMRC will act in accordance with the Public Contracts Regulations 2015 and Cabinet Office Procurement Policy Note 02/13 (Supplier Financial Risk Issues) when specifying any minimum financial standards and undertaking financial assessments.
  2. Where considered appropriate, on the basis of a financial assessment, award of contract may be conditional on a successful Tenderer providing a Parent Company Guarantee. If the guarantor is a charity, HMRC would need to establish whether anything in the charity’s constitution prevents them from performing this role and, if so, whether an alternative guarantor may be required. Where suppliers are unable to satisfy HMRC’s minimum financial standards, they will not be awarded the contract.

**Annex B**

**Supplier Proposal**

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

**Information redacted under section 43 (2) of FOI Act 2000.**

**Annex B**

**Security Questionnaire Plan**

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

**Information redacted under section 43 (2) of FOI Act 2000.**

**Annex 1**

**Contract Charges**

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXx

**Information redacted under section 43 (2) of FOI Act 2000.**

1. [Child Benefit Statistics: Annual Release, August 2020 Main Commentary - GOV.UK (www.gov.uk)](https://www.gov.uk/government/statistics/child-benefit-statistics-annual-release-august-2020/child-benefit-statistics-annual-release-august-2020-main-commentary) [↑](#footnote-ref-1)
2. [Report changes to family circumstances affecting Child Benefit - GOV.UK (www.gov.uk)](https://www.gov.uk/government/publications/child-benefit-change-of-family-circumstances) [↑](#footnote-ref-2)
3. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\_data/file/806165/Child\_Benefit\_Customer\_Survey\_-\_HMRC\_research\_report\_470.pdf [↑](#footnote-ref-3)