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

**Letter of Appointment**

This letter of Appointment dated 07/05/2021 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.

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| From: | National Infrastructure Commission ("Customer") |
| To: | Element Energy Limited ("Supplier") |

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| --- | --- |
| Effective Date: | 10th May 2021 |
| Expiry Date: | 16th July 2021 |

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

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| Key Individuals: | REDACTED |
| [Guarantor(s)] | None required |

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| Contract Value (ex VAT) | REDACTED |
| Insurance Requirements | REDACTED |
| Liability Requirements | **Suppliers limitation of Liability** (Clause 18.2 of the Contract Terms);  *125% of Contract Sum* |
| Customer billing address for invoicing: | Finlaison House,  15-17 Furnival Street,  London,  EC4A 1AB. |

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| GDPR | As per Contract Terms Schedule 7 (Processing, Personal Data and Data Subjects) |

**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:

REDACTED Name and Title: REDACTED

Signature: REDACTED Signature: REDACTED

**Annex A**

**Customer Project Specification**

1. **PURPOSE**

In July 2019, the greenhouse gas emissions target was updated – the UK must now reach net zero emission by 2050. This is expected to require greenhouse gas removal technologies to be deployed.

The National Infrastructure Commission wishes to appoint a specialist supplier to conduct a technical review of greenhouse gas removal technologies. This will be used to inform recommendations to the government on the policy mechanisms that will support investment in greenhouse gas removal technologies in the short, medium and long term.

1. **BACKGROUND TO THE CONTRACTING aUTHORITY**

The National Infrastructure Commission (“NIC”, “The Commission”) is an independent body which provides the government with expert advice on major long-term infrastructure challenges.

The objectives of the Commission are to support sustainable economic growth across all regions of the UK, improve competitiveness and improve quality of life. The Commission’s remit covers six sectors of infrastructure: transport, energy, water and wastewater, digital communication, solid waste and flood risk management.

Once a parliament, the Commission undertakes a National Infrastructure Assessment and sets out recommendations to the government on how to address long-term infrastructure needs. The first National Infrastructure Assessment was published in July 2018.

The Commission also undertakes in-depth studies into the UK’s most pressing infrastructure challenges and monitors the government’s progress in delivering infrastructure projects and programmes recommended by the Commission.

1. **Background to requirement/OVERVIEW of requirement**

In July 2019, the UK government passed legislation to update the 2050 greenhouse gas emissions target – the UK must now reach net zero emissions by 2050. Doing this will require a range of new technologies and infrastructure to be deployed.

The Commission has been asked by government to carry out a study into greenhouse gas removal (GGR) technologies. This procurement will be a key input into the development of the Commission’s recommendations to government on this topic.

GGR technologies remove greenhouse gases from the atmosphere. The most viable methods are considered to be Bioenergy with Carbon Capture and Storage (BECCS) and Direct Air Carbon Capture and Storage (DACCS). Other ‘nature-based’ options for removing greenhouse gases, such as soil treatment and afforestation, are outside of the scope of this work.

GGR technologies are still at a nascent stage of development. By conducting a technical review of the existing evidence, this procurement will synthesise the latest evidence base on the policy mechanisms that will be needed to facilitate investment in the technologies.

1. **definitions**

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| **Expression or Acronym** | **Definition** |
| NIC, Commission, Customer, Authority | National Infrastructure Commission |
| Supplier | The supplier who is awarded the contract to deliver the services set out in this specification. |
| BECCS | Bioenergy with Carbon Capture and Storage captures and then stores the CO2 emitted when biomass is combusted. |
| DACCS | Direct Air Carbon Capture and Storage is the name given to different technologies that can be used to absorb CO2 directly from the atmosphere using chemical bonding. The captured CO2 can then be stored. |

1. **scope of requirement**

The primary objective is to synthesise existing evidence in order to provide a source of information and data to support the Commission in making recommendations related to the rollout of GGR technologies.

The work will synthesise the latest evidence on the ability of BECCS and DACCS to deliver greenhouse gas removals. In delivering this, the Supplier will be expected to collect quantitative and qualitative evidence through a review of existing literature and engagement.

To achieve this objective gathering information on the following is within scope. Areas for research will be agreed between the Supplier and the Authority at the project inception meeting.

* Policy mechanisms that can support investment in ‘first of a kind’ GGR projects in the medium term and in a maturing industry.
* Design features of the policy mechanisms, strengths and limitations, prerequisites such as any enabling policies, possible trade-offs and unintended consequences.
* The revenue generating potential of the policy mechanisms.
* Complementary mechanisms that will enable the effective implementation of the primary policy mechanisms.
* Key factors that will be critical to evolution of the policy mechanisms and enabling increased private sector investment in GGRs as the industry transitions from investment in ‘first of a kind’ projects to a maturing sector.

1. **The requirement**

The key output of the work will be a report which summarises and synthesises the evidence found that meets the above criteria. In particular it is expected the supplier will provide the Authority with:

* A final report which summarises the overall findings. This will be published on the Authority's website and therefore needs to be drafted to a publishable standard, with the messaging clear, concise, and comprehensive.
* Key insights from the work on an ongoing basis. This is important so that this work can be effectively integrated into the Commission’s wider study.

Given the level of detail required for this work it is expected that any Supplier will have a strong track record in delivering similar projects.

Where data or evidence from external sources is not freely available the cost of this will be borne by the Supplier.

1. **key milestones and Deliverables**

The following Contract milestones/deliverables shall apply:

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| **Milestone/Deliverable** | **Description** | **Timeframe or Delivery Date** |
| 1 | Initial kick-off meeting | Within 1 week of contract award |
| 2 | Ongoing catchups with NIC team | Ongoing every week from kick off meeting to project conclusion |
| 3 | Workshop with the NIC team setting out assessment of policy mechanisms and proposed feasible options | Within 4 weeks of contract award |
| 4 | Outline of final report for review | Within 6 weeks of contract award. |
| 5 | Draft final report to review | Within 9 weeks of contract award |

1. **MANAGEMENT INFORMATION/reporting**

As set out in Section 7 (Key Milestones). This includes a requirement that the Supplier update the Customer on project progress on at least a weekly basis, including to flag any issues or early findings.

1. **volumes**

Examples of previous work commission by the NIC are available on the NIC website.

1. **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.

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.

1. **Sustainability**

The Supplier will take all possible steps to ensure that they operate in a way which minimises impact on the environment, for example conducting meetings remotely where possible, minimising their carbon footprint etc.

1. **quality**

This is a substantial piece of work – the expectation is that all the outputs and related materials will be of a high quality and produced to a publishable standard. The following paragraphs detail the quality assurance requirements that should be demonstrated in the proposal. The Commission may also seek views from its expert technical panel on the work and findings of this project. Any advice or comments will be fed back to the Supplier via the Customer.

Responsibility - Responsibility for the quality of outputs sits with the supplier, whether outputs are produced directly by the supplier or whether – if the contract allows – work has been subcontracted to a third party. To reflect this responsibility, any report published will be published in the supplier’s name on behalf of the Commission, which provides transparency and accountability. The Customer plans to publish the ‘Final Report’ on the Commission’s website.

Transparency - Methodology and assumptions used should be communicated clearly and be open to interrogation rather than in a ‘black-box’. Analysis should be documented, and documentation made available to the Commission.

Assumptions & Sources - Assumptions logs should be provided, listing for each assumption, for example: what the assumption is, its effective date, source, level of certainty, materiality, and the sensitivity of output to changes in the assumption. All facts, figures and evidence used must be correctly sourced, appraised and referenced and subject to internal peer review.

Validation - Outputs of analysis should be reconciled with previous outputs from the supplier (or sub-contractor) if these exist, as well as against outputs of related analysis published by third parties, and differences explained.

Evidence of quality assurance - The supplier should provide details of how their analysis will be quality assured in a quality assurance plan agreed with the Commission at the project’s inception meeting. This plan should include specifying someone, independent of the project, who will take overall responsibility for the supplier’s quality assurance. Evidence of the supplier’s quality assurance process being followed should be available, including detail of the quality assurance checks undertaken, and the supplier may be expected to present their analysis to the Commission and its relevant experts and answer detailed questions on the analysis and quality assurance undertaken. The supplier should complete a quality assurance log in a format to be agreed with the Customer in the inception report.

Planning - Appropriate time for quality assurance is expected to be built into the project plan throughout the project lifecycle, and in discussion with the Commission, time and resource should be allocated to joint review meetings.

1. **PRICE**

The maximum budget for the full requirement is £40,000.00 (excl. VAT), bids over this value will be excluded.

Prices should be inclusive of all expenses and exclusive of VAT.

Prices are to be submitted via the e-Sourcing Suite [Attachment 4 – Price Schedule excluding VAT and including all other expenses relating to Contract delivery.

1. **STAFF AND CUSTOMER SERVICE**

The Supplier shall provide a sufficient level of resource throughout the duration of the Contract in order to consistently deliver a quality service.

The Supplier’s staff assigned to the Contract shall have the relevant qualifications and experience to deliver the Contract to the required standard.

The Supplier 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.

The Supplier should not replace staff members in the team which was assembled and presented in the bidding process without informing and getting consent from the Customer.

1. **service levels and performance**

The Customer will measure the quality of the Supplier’s delivery by:

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| **KPI/SLA** | **Service Area** | **KPI/SLA description** | **Target** |
| 1 | Weekly project updates | The Supplier will be expected to update the Customer on project progress on at least a weekly basis via a meeting or phone call, including to flag any issues or early findings. | 100% |
| 2 | Reports and documentations | Reports and documentation should cover scope and requirements set out in sections 5 and 6. | 100% |
| 3 | Account Management | Respond with resolutions to any issues within 5 working days. | 100% |
| 4 | Quality | Adherence to quality assurance outlined in section 12. | 100% |

1. **Security and CONFIDENTIALITY requirements**

Due care must be taken by the Supplier to protect the confidentiality of all analysis and outputs (including in development and draft phases) relating to this requirement, to avoid pre-empting the Customer’s placement of the final report or any of its contents into the public domain.

1. **payment AND INVOICING**

Payment can only be made following satisfactory delivery of pre-agreed certified products and deliverables.

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

Invoices should be submitted to: [invoicequerries@hmtreasury.gov.uk](mailto:invoicequerries@hmtreasury.gov.uk)

Invoices must include the contract reference number stated clearly. The contract reference number will be provided by the Customer once the Supplier is appointed.

1. **CONTRACT MANAGEMENT**

See sections 7 (Key Milestones and Deliverables) and section 8 (Management Information/Reporting).

Attendance at Contract Review meetings shall be at the Supplier’s own expense.

1. **Location**

The location of the Services will be carried out at the Offices of the Supplier. Should government policy on management of Covid-19 related health and safety permit, some meetings with the NIC may take place at the NIC’s offices in Finlaison House,15-17 Furnival Street, London EC4A 1AB, or at other locations in central London.

**Annex B**

**Supplier Proposal**

REDACTED