

FRAMEWORK SCHEDULE 4: LETTER OF APPOINTMENT AND CALL-OFF TERMS

Part 1: Letter of Appointment

CCCO18A03

Dear Sirs

Letter of Appointment

This letter of Appointment is issued in accordance with the provisions of the Framework Agreement (RM3774) between CCS and the Agency dated 16th December 2016

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

Order Number:	To be agreed
From:	The Ministry of Defence contracting on behalf of The Royal Navy with offices at Whale Island, Portsmouth and the Royal Air Force with offices at RAF High Wycombe Naphill, High Wycombe HP14 4UE ("Client")
To:	Engine Partner UK LLP with offices at 60 Great Portland Street, London, W1W 7RT ("Agency")

Effective Date:	23 rd July 2018 2018
Expiry Date:	End date of Initial Period: 22 nd July 2021 End date of Maximum Extension Period: 22 nd July 2022 Minimum written notice to Agency in respect of extension: one (1) month

Services required:	Set out in Section 2 (Services offered) and refined by:
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	<p>The Client's Brief attached at Annex A, and the Agency's Proposal attached at Annex B.</p> <p>The Parties may enter into such Statements of Works as are agreed between the Parties under Clause 1.2. All call-off work must be agreed between both Parties using the Statement of Work, or another briefing template mutually agreed between both Parties.</p>
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Key Individuals:	<p><u>For the Client</u></p> <p>REDACTED TEXT</p> <p><u>For the Agency</u></p> <p>REDACTED TEXT</p>
Guarantor(s)	n/a
Project Notice Period	The Client may, by giving not less than 3 month's written notice to the Agency, terminate this Call-Off Contract without cause.

Call Off Contract Charges (including any applicable discount(s), but excluding VAT):	<p>Payment will be made in line with the rate card below.</p> <p>REDACTED IMAGE</p> <p>The total Contract value will not exceed £7,000,000.00. The estimated budget for the Royal Navy is £4,200,000.00. The estimated budget for the Royal Air Force is £2,800,000.00</p> <p>This is a call off contract and therefore there is no guarantee of spend. Services to be provided will be agreed between the Client and Agency prior to commencement of any work. Services to be provided will be outlined in a statement of works or agreed document as outlined in 'Services to be provided' above.</p> <p>The Client has final sign off for all creative material and payment will not be made until this is given.</p>
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	<p>Payment will only be made following satisfactory delivery of pre-agreed certified products and milestones.</p> <p>Before payment can be considered, each invoice must include a detailed elemental breakdown of work completed and the associated costs in line with the Contract rate card.</p> <p>Day rates are inclusive of all expenses but exclusive of VAT.</p>
Insurance Requirements	No additional insurance requirements above those stipulated in the Framework Terms and Conditions.
Client billing address for invoicing:	The Agency shall invoice against the approved electronic payment system (CP&F) mandated by the Ministry of Defence.
Alternative and/or additional provisions:	The Agency will be required to adhere to GDPR. Further details can be found at Annex C- Call of terms and conditions, Call-off schedule 6 Additional Clauses.

FORMATION OF CALL OFF CONTRACT

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

The Parties hereby acknowledge and agree that they have read this letter and the Call-Off Terms.

The Parties hereby acknowledge and agree that this Call-Off Contract shall be formed when the Client acknowledges (which may be done by electronic means) the receipt of the signed copy of this letter from the Agency within two (2) Working Days from such receipt.

For and on behalf of the Agency:

Name and Title:

Signature:

Date:

For and on behalf of the Client:

Name and Title:

Signature:

Date:

ANNEX A

Client Brief

1. DEFINITIONS

Expression or Acronym	Definition
AIB	Means the Admiralty Interview Board
CA	Means Careers Advisors
CNR	Means Captain Naval Recruiting
CP&F	Means the Ministry of Defence's electronic payment system
GDPR	Means the General Data Protection Regulation (GDPR)
MoD	Means the Ministry of Defence
NS	Means Naval Service which includes Royal Navy (RN), Royal Navy Reserves (RNR), the Royal Marines (RM), Royal Marines Reserves (RMR), the Royal Marines Band Service (RMBS) and the Royal Fleet Auxiliary (RFA).
POC	Means Potential Officer Course
PRMC	Means Pre-Royal Marines Course
PRNC	Means Pre-Royal Navy Course
PRTC	Means Pre-Recruit Training Course
RAF	Means Royal Air Force
RecPol	Means Recruiting Policy Cell
RFA	Means Royal Fleet Auxiliary
RM	Means Royal Marines
RMBS	Means Royal Marines Band Service
RMOR	Means RM other ranks
RMR	Means Royal Marines Reserves
RN	Means Royal Navy
RNR	Royal Navy Reserves

2. SCOPE OF REQUIREMENT

- 2.1 The Agency will act as the primary provider of creative content, creative research and quantitative tracking research for the RN/ RAF recruitment marketing campaigns for the next three financial years + a possible one year extension.
- 2.2 Included within the scope of this requirement is creative development and the production of creative assets across all campaign media channels.
- 2.3 RAF will also require website management, social media and CRM support.
- 2.4 Excluded from scope is the buying of media, the planning of strategic communications and delivery of recruiting events.

3. THE REQUIREMENT

- 3.1 The RN and RAF require the Agency to develop creative for all Naval Service and Royal Air Force including creative content, creative research and quantitative tracking research. The Agency will be required to produce creative for all media channels used, promote Naval Service and Royal Air Force roles in accordance with the communications strategy.
- 3.2 The creative required will flex during the Contract period, in response to operational recruiting need and overall marketing strategy. Respective websites give an idea of roles, and thus the likely campaigns that will seek to run. Specific requirements for creative products during the course of the Contract will be dependent on the overall strategy adopted and the recruiting needs in each year.
- 3.3 The Agency will be required to engage and deliver with existing suppliers in relation to media buying, communications planning, digital and printing.

3.4 Royal Navy

3.4.1 The Task:

- 3.4.1.1 Achieve 5,302 recruits (an increase of .605 on recruiting year 2017-2018) requiring 21,058 applicants from 108,885 contacts in 18-19. This target is subject to change throughout the life of the Contract.
- 3.4.1.2 The RN marketing team seeks to deliver sufficient numbers of applications to meet the recruitment targets, by:
 - (a) Creating awareness of the career opportunities available across all branches of the NS;

- (b) Converting awareness to interest, and interest to applications, by engaging and motivating our audiences;
- (c) Providing the marketing support, guidance and assets necessary to allow the specialist recruiters and Regional Field Force to recruit.

3.4.2 Audiences.

3.4.2.1 The main target audience is currently defined as 16-24 year olds with gate keepers and influencers as a secondary target.

3.4.2.2 The eligible audience is men and women from 16 years up. The upper age limits vary according to specialisation (RFA impose no upper age limit) and includes several niche audiences – predominantly males for RM (although females are able to join the RMs this is in the very early stages of development) and submariners (primarily male although females have been eligible from 2014), engineer officers, doctors, dentists, nurses, environmental health specialists, musicians, chaplains. In general, to maximise use of resources, the Marketing Team targets the 16 – 24 age group, with attitudinal and behavioural segments prioritised within this demographic. Digital is the natural habitat for these audiences.

3.4.2.3 However, audience research and active on the ground feedback informs that there is considerable work to do to break through with the audience:

- (a) Understanding of the NS is the poorest of all Armed Forces.
- (b) Eligible personnel have no clear idea of what NS does or the variety and number of careers available.
- (c) Friends & family involvement in the NS is currently top of the list of reasons given for joining.

3.4.3 Customer Relationship Management (CRM)

3.4.3.1 The new ICT system that is being delivered in 2017/18 means a significant amount of the recruitment process will be moved

online. In addition, as part of a drive for efficiency, there will be a significant reduction in the number of careers officers providing 'walk-in' advice at Armed Forces Careers Offices. The type and frequency of candidate communications will have to be carefully designed and optimized to ensure the move to the new digital process does not have an erosive effect on recruiting volumes.

3.5 Royal Air Force

3.5.1 The task

3.5.1.1 In order to achieve in year recruitment targets RAF require approximately 30,000 qualifying initial registrations to secure just under 3,500 recruits in 2018-19. This equates to an overall conversion ratio of around 10:1 (although RAF are keen to find ways to reduce this ratio). This target is subject to change throughout the life of the Contract.

3.5.2 Overall strategy.

3.5.2.1 The RAF marketing team exists to support the RAF with the underpinning infrastructure and tools to carry out the process of its 'attract, engage and convert' recruitment model. This essential activity will ensure the enlisting of sufficient numbers of high quality young people and Reserves in order to meet operational demands.

3.5.2.2 The RAF runs an 'always on' marketing approach, supplemented by spikes of "surge" activity at high "recruitment opportunity" times of year such as Jul-Sept (exam results) and Jan-Feb ("New Year, new me"). Like the RN, the RAF uses a range of integrated channels to drive awareness and engage potential recruits.

3.5.3 Audiences.

3.5.3.1 Core recruiting operations target 16–24 year olds who are considering future career options, and pre-eligible groups within education. The audience is necessarily diverse, as the Services seek to attract the best available talent, regardless of gender, ethnicity, religion or sexual orientation.

3.5.3.2 The target audience for the RAF Reserves is older than that of Regulars. The core age bracket for a Reservist is 25-44 but do recruit up to 55 years.

3.5.4 Social Media and Website Management

3.5.4.1 The RAF require the Agency to provide digital support encompassing day to day maintenance of its official website and social media sites, complying with all relevant Government policies and rules. The Royal Navy has already appointed a digital agency to provide this service.

4. KEY MILESTONES

4.1 The Agency should note the following project milestones:

Milestone	Description	Timeframe
1	An Account Director is to be nominated as the main Point of Contact (POC)	Within one week of award of Contract
2	Kick off meeting	Within 4 weeks of award of Contract
3	All agency introduction meetings - Separate ones for RN and RAF	Within 4 weeks of award of Contract
4	Overview all current creative in use to provide a foundation for future creative development across all Naval Service and Royal Air Force Roles	Within 10 week of award of Contract

5. CLIENT'S RESPONSIBILITIES

5.1 The Client will oversee agency cooperation to ensure an integrated, collaborative approach is maintained. Any uncertainties, concerns or disputes regarding agency cooperation will be mediated by the Client.

6. REPORTING

6.1 For the purposes of Contract monitoring, representatives from the Agency will report monthly to the Designated Officer(s) (RN&RAF) on the performance of the Contract. The Agency must provide the agenda and report at least 5 working days before each meeting.

- 6.2 The RAF and RN require separate monthly performance meetings.
- 6.3 The monthly performance meetings will be held either face-to-face or via teleconference in agreement with the Agency and Client.
- 6.4 The Agency is required to attend quarterly review meetings with the Client. The time and place will be agreed quarterly between the Client and Agency.

7. VOLUMES

- 7.1 The requirement is for a call off Contract and therefore volumes cannot be guaranteed. The volume of work is dependent on
 - 7.1.1 Creative required in the campaign laydowns
 - 7.1.2 Creative scheduled in the 5 year plan.
 - 7.1.3 Bespoke creative as required.

8. CONTINUOUS IMPROVEMENT

- 8.1 The Agency will be expected to continually improve the way in which the required Services are to be delivered throughout the Contract duration.
- 8.2 The Agency should present new ways of working to the Client during Quarterly Contract review meetings.
- 8.3 Changes to the way in which the Services are to be delivered must be brought to the Client's attention and agreed prior to any changes being implemented.

9. SUSTAINABILITY

- 9.1 Creative concept is normally required to remain extant for between 3-5 years; Broadcast media 3 years and Out of Home/Digital/Print as required, but generally aligned to the creative concept.

10. STAFF AND CUSTOMER SERVICE

- 10.1 The Client requires the Agency to provide a sufficient level of resource throughout the duration of the Contract in order to consistently deliver a quality service to all Parties.
- 10.2 Agency staff assigned to the Contract shall have the relevant qualifications and experience to deliver the Contract.
- 10.3 The Agency shall ensure that staff understand the Clients' vision and objectives and will provide excellent customer service to the Client throughout the duration of the Contract.

- 10.4 RAF seek to sustain the reputation of the RAF as a significant UK employer and a career of choice capable of attracting the brightest young talent at all levels. The recruiting operation provides, for many, their first ever contact with Service personnel and therefore it is vital that this contact is conducted professionally and in line with the highest standards of customer service.

11. SERVICE LEVELS AND PERFORMANCE

- 11.1 The Client will measure the quality of the Agency's delivery by:

11.1.1

KPI/SLA	Service Area	KPI/SLA description	Target
1	Account Management	Delivery of the Agenda and Report at least 5 working days before the monthly Contract management meeting	98%
2	Account Management	Attendance at quarterly reviews	98%
3	Account Management	Respond with resolutions to any issues or complaints within 5 working days.	98%
4	Service Delivery	Presentation of the creative approach and budget within the agreement upon timescales after agreement any strategy.	95%
5	Service Delivery	Achievement of the initial contact targets. This KPI target is subject to external factors including but not limited to external employment trends and the perception of the Client by the wider public. The Agency must draw the Client's attention to any external factors that may affect initial contact numbers. The Client will decide on the impact of the external factors in	90%

		consultation with the Agency.	
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- 11.2 SLA's will be mutually agreed on a project by project basis.
- 11.3 Where the Client identifies poor performance (4 consecutive failures in any rolling 6 month period) against the KPIs the Agency shall be required to attend a performance review meeting. The performance review meeting shall be at an agreed time no later than 5 working days from the date of notification at the Client's premises.
- 11.4 The Agency shall be required to provide a full incident report which describes the issues and identifies the causes. The Agency will also be required to prepare a full and robust 'Service Improvement Action Plan' which sets out its proposals to remedy the service failure. The Service Improvement Plan shall be subject to amendment following the performance review meeting and agreed by both parties prior to implementation.
- 11.5 The Client agrees to work with the Agency to resolve service failure issues. However, it will remain the Agency's sole responsibility to resolve any service failure issues.
- 11.6 Where the Agency fails to provide a Service Improvement Plan or fails to deliver the agreed Service Improvement Plan to the required standard, the Client reserves the right to seek early termination of the Contract in accordance with the procedures set out in Appendix C - Terms and Conditions.
- 11.7 In the event of termination, the Agency shall, within three (3) Months after the Call Off Commencement Date, deliver to the Client for Approval a draft of a plan which sets out the Agency's proposed methodology for achieving orderly transition of the provision of the Services from the Agency to the Client and/or the Replacement Agency on the Call Off Expiry Date or date of termination of this Call Off Contract (the "Exit Plan").
- 11.8 Within thirty (30) Working Days after submission of the draft Exit Plan (or any revised Exit Plan if the Client does not approve the draft Exit Plan) the Parties will use their reasonable endeavours to agree its content and if they are unable to reach agreement then the dispute shall be referred to the Dispute Resolution Procedure.

12. SECURITY REQUIREMENTS

- 12.1 The Agency must comply with General Data Protection Regulation (GDPR). All personal data gathered by agencies must be handled in accordance with these regulations. Further security checks may be carried out at specific military bases.

13. INTELLECTUAL PROPERTY RIGHTS (IPR)

- 13.1 All Copyright and Intellectual Property conferred in the United Kingdom and throughout the World relating to advertising campaigns arising out of the Contract will remain with, or be assigned to, the Client, upon payment.

14. LOCATION

- 14.1 In addition to the Agency's own premises, the services will need to be delivered in various locations across the UK, primarily London (MoD HQ) Portsmouth (for the RN) and RAF Cranwell, near Sleaford (for the RAF). However other locations will be involved, such as the Royal Marines Commando Training Centre at Lympstone, Cornwall, and potentially including filming of military assets wherever they may be located.

ANNEX B

Agency Proposal

REDACTED TEXT

Part 2: Call-Off Terms

Please see attached Annex C-Call-Off Terms