

DPS FRAMEWORK SCHEDULE 4: LETTER OF APPOINTMENT AND CONTRACT TERMS**Part 1: Letter of Appointment**

Dear Sir/Madam,

Letter of Appointment

This letter of Appointment dated 22/10/2021 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.

Order Number:	SR706267710
From:	HMRC ("Customer")
To:	Ipsos MORI

Effective Date:	22/10/2021
Expiry Date:	End date of Initial Period: 31/03/2022 End date of Maximum Extension Period: 30/06/2022 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
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Key Individuals:	<p>Information redacted under section 43 (2) of FOI Act 2000.</p>
	<p>Information redacted under section 43 (2) of FOI Act 2000.</p>
Guarantor(s)	N/A

Contract Charges (including any applicable discount(s), but excluding VAT):	Total contract charge is £150,000. The full Contract Charge breakdown can be found within Annex 1 of Schedule 6 of the Contract.
Insurance Requirements	<p>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</p> <p>Additional employers' liability insurance with a minimum limit of £5 million indemnity</p> <p>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.</p>
Liability Requirements	Suppliers limitation of Liability (Clause Error! Reference source not found. 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:

[Redacted]

Name and Title:

[Redacted]

Signature:

[Redacted]

Signature:

[Redacted]

Date:

[Redacted]

Date:

[Redacted]

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

ANNEX A

Customer Project Specification

Overview of Requirements

1. Introduction

- 1.1 HM Revenue & Customs (HMRC) invites suppliers from the Research Marketplace agreement (RM6018) to undertake research aimed at understanding whether 'scaleup' businesses experience access-to-talent challenges and whether an extension of the Enterprise Management Incentives (EMI) could support their growth and development.
- 1.2 HMRC intends for this contract to be in place by the week commencing 04th October 2021, with final outputs expected by March 2022.
- 1.3 HMRC will maintain the overall management of the project.
- 1.4 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.
- 1.5 To ensure fairness, all Suppliers 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 2.1. The Government has a public priority to make the UK the 'best place to start and grow' a business. In his Budget 2021 speech, the Chancellor set out his expectation that Enterprise Management Incentives EMI has a key part to play in this priority action.

2.2. Enterprise Management Incentives¹ (EMI) is a tax-advantaged share options scheme designed to enable smaller companies in the UK to recruit and retain the qualified employees they need to achieve their growth potential.

2.3. UK-based small and medium enterprises (SMEs) are often not able to offer a sufficient level of remuneration needed to attract key employees. In turn, this could potentially adversely affect the overall level of innovation, productivity, growth and job creation in the UK economy. EMI specifically targets these problems by enabling SMEs to offer a more attractive remuneration package even where cash flow is constrained. This allows them to compensate for some of the adverse attributes that working in a potentially risky SME may involve, attracting workers that would otherwise have joined larger employers.

¹ <https://www.gov.uk/tax-employee-share-schemes/enterprise-management-incentives-emis>

- 2.4. EMI is a discretionary scheme, meaning companies can choose which employees they offer options to. It is available to quoted and unquoted companies with gross assets of £30m or less and fewer than 250 employees. The company must carry on a qualifying trade. Examples of trades that do not qualify include leasing, farming, financial activities and property development. Where companies are in a group, EMI share options must be granted over shares in the parent company and at least one of the trading subsidiaries must carry on a qualifying trade.
- 2.5. Provided the scheme's conditions are met, there is usually no liability to income tax or NICs for the employee, and the employer also gets a NICs and Corporation Tax advantage.² There may also be a Capital Gains Tax advantage for employees, depending on how long the option/share is held for before disposal.³
- 2.6. HMT & HMRC are interested in whether there is a need to expand EMI, which is currently aimed at SMEs only, to larger-sized 'scale up' businesses.
- 2.7. From previous research, we know that SMEs experience market failures that make it harder for them to recruit and retain the right people to grow their business in comparison with larger companies. However, we do not have evidence to determine whether slightly larger firms i.e. scale ups, (which may also have high growth potential), experience similar market failures for which an expansion of EMI would be appropriate.
- 2.8. A 'scale-up', for the purpose of this exercise, is defined as the phase of growth beyond the definition of an SME. To qualify as a scale-up, a business must have no more than 499 employees and gross assets of no more than £99.9m. At least one of these two metrics must exceed the parameters of an SME, i.e. either at least 250 employees or at least £30m in gross assets. This is demonstrated in the following table:

	0 - 250 employees	251 - 500 employees	501+ employees
£0 - £30 million gross assets	SME (current policy)	Scale-Up	Not qualifying
£30 - £100 million gross assets	Scale-Up	Scale-Up	Not qualifying
>£100 million gross assets	Not qualifying	Not qualifying	Not qualifying

3. Research Aims & Objectives

² <https://www.gov.uk/hmrc-internal-manuals/employee-tax-advantaged-share-scheme-usermanual/etassum57010>

³ <https://www.gov.uk/hmrc-internal-manuals/employee-tax-advantaged-share-scheme-usermanual/etassum57190>

3.1 The core objectives of this research are:

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- a. To understand whether there is a market failure for scale-up businesses compared to the wider business population, which manifests itself through scale-up businesses being unable to recruit/retain key skills because of cash constraints and competition from larger businesses for the same skills.
 - b. To understand whether an extension of EMI to scale-up businesses would support these businesses to grow and develop.

3.2 The research aims to answer the following questions around several themes:

a. Vacancies

- a. Do scale-ups have higher levels of vacancies compared to the wider business population?
- b. Are vacancies within scale-ups left unfilled for longer compared to the wider business population?

b. Recruitment

- a. How easy or difficult is it to recruit staff for scale-ups compared to the wider UK business population?
- b. Why might scale-ups find it difficult to recruit staff and to what extent are any difficulties shared by the wider business population?
- c. Has it become easier, or more difficult for scale-ups to recruit staff?
- d. How long does the recruitment process take for scale-ups and does this differ to other companies?

c. Retention

- a. How easy or difficult is it to retain staff for scale-ups and how do their churn rates compare to other businesses?
- b. Why might it be difficult for scale-ups to retain staff?

d. Remuneration

- a. How do scale-ups' wages compare to the average in their industry?

e. Current benefits offered to staff

- a. What benefits or bonuses are currently offered to staff in scale-ups compared to employees elsewhere in the same/similar sectors?

f. Expectations of growth

- a. Do scale-ups expect to grow in the next few years and how do their growth expectations compare to the wider business population?
- b. What kind of growth is expected (e.g. turnover, employees, investment etc.)?

4 Methodology & Scope

- 4.1 HMRC requires the Supplier to deliver the research project via a mixed methods approach comprising a quantitative survey with follow-up qualitative interviews.
- 4.2 Suppliers must submit a proposal that is compliant with HMRC's proposed methodology, as stated within Clauses 4.4 – 4.13 of this document but may also submit an alternative approach in line with Section 14 Alternative Bids.
- 4.3 If an alternative proposal is also submitted by the Supplier, both the primary and indicative methodologies must be fully costed in the manner set out in paragraph 17.5.

Quantitative Stage

- 4.4 The survey will comprise a random probability nationally representative 20 minute Computer Aided Telephone Interview (CATI) survey of a total of **1,500** businesses in the UK.
- 4.5 HMRC anticipates that the following number of interviews be carried out with each of the groups:
 - **1,300** to be carried out with UK businesses. Given the random probability design, we are not outlining absolute minimum interview target in each strata. However, contractors should outline how their proposed sampling designs will allow for robust comparisons across the below sub-groups. That said, given the particular interest in this survey around scale-ups, we would expect particular over-sampling of this group and any sampling design to be structured in such a way that maximises the chances of achieving 200 interviews with this group.
 - Micro businesses (under 10 employees)
 - Small businesses (10–49 employees)
 - Medium businesses (50-249 employees)
 - Scale-ups (250-499 employees or £30-99.9m in gross assets)
 - Other large businesses (500+ employees)
 - **200** interviews must be carried out with businesses which are current EMI claimants.
- 4.6 Medium and large businesses, as well as scale-ups, will need to be oversampled. The Supplier must demonstrate within their proposal how they will mitigate the risk of low response rates from scale-ups, medium and large businesses within their sampling strategy to enable statistically robust analysis.
- 4.7 Employee counts of businesses will be included within the sample data provided by HMRC, however the Supplier will be required to include a screening question to ascertain a business' gross assets and thus whether a business is a scale-up.

- 4.8 As a result of oversampling, two weighting schema will be required. One to weight the 1,300 sample of business back to a nationally representative business profile. The other to weight the sample of 200 current EMI claimants so that it represents the claimant population profile.
- 4.9 The sample frames for both UK businesses and for EMI claimants will be provided by HMRC, from HMRC data.
- 4.10 The Supplier must assume that telephone number matching will be required for both sample frames. Approximately 60% of the EMI sample frame contains telephone numbers. The availability of telephone numbers in the UK business dataset is shown in the table below. The Supplier must use the anticipated availability of telephone numbers for each customer group when developing and costing their methodology.

	No. of records	% of population	No. of records without phone numbers	No. of records with phone numbers	% of records with phone numbers
Total	3,489,246	100%	2,802,075	687,171	20%
Large	75,876	2%	44,558	31,318	41%
Medium-sized	84,807	2%	43,959	40,848	48%
Small	551,975	16%	132,469	419,506	47%
Micro	1,633,301	47%	1,515,078	118,223	22%
Indeterminate SME size	1,143,287	33%	1,066,011	77,276	7%

* All figures in this table based on active, incorporated companies in the UK. Phone number data sourced only from FAME. Business size definition based on EU definitions of turnover, no. of employees and assets.

Qualitative Stage

- 4.11 Follow up 60 minute tele-depth qualitative interviews will be carried out with 30 randomly selected businesses across each of the groups. These interviews will provide more detailed information in relation to the potential market failures that the businesses face.
- 4.12 The sample for the qualitative stage will also be provided by HMRC. Proposed costs must reflect the fact that the sample for both elements will be provided by HMRC.
- 4.13 In accordance with HMRC guidelines, a Welsh service must be offered to those requesting it. Letters sent to individuals in Wales must also provide a Welsh translation, with the option to request the interview be carried out in Welsh. Suppliers must outline any additional costs associated with providing this service within their cost document.

5 Timetable

- 5.1 The timeline provided below is indicative of the timelines expected by HMRC. The supplier must demonstrate in their tender that they will be able to complete the research within the below timelines or sooner.
- 5.2 This timetable will be superseded by the project plan submitted by the supplier in their bid.

Activity	Date	Comments
ITT Issued	Tuesday 24 th August 2021	
Deadline to confirm receipt of ITT	Thursday 26 th August 2021	
Deadline for queries on ITT	Wednesday 1st September 2021	
HMRC response to ITT queries	Monday 6 th September 2021	
Deadline for response to ITT	Tuesday 14th September 2021	
Contract awarded	Friday 22 nd October 2021	
Set-up meeting	w/c Monday 18 th October 2021	
Opt-out	October 2021	2 weeks opt out – to be conducted by supplier
Fieldwork	October/November 2021	
Presentation of interim, headline findings	November 2021	Indicative overview of data to be provided shortly after the conclusion of fieldwork
Presentation of interim findings	Early December 2021	
Presentation of findings	March 2022	
Final outputs signed off, project close	March 2022	

5.3 The successful supplier will be expected to attend a set-up meeting in the week commencing 18th October 2021.

5.4 All stages of the contract must be completed by March 2022.

6 Length of Contract

6.1 The total contract duration will be six months with an optional extension period of three months.

7 Outputs

7.1 The Supplier must deliver the following outputs:

- a) Detailed project plan outlining key dates and milestones, clearly indicating any actions for HMRC;
- b) An initial set-up meeting to define the scope of the project and the planned approach;
- c) Agreed approach for sampling;
- d) Agreed versions of the research materials including surveys
- e) Development of survey scripts, e.g. CATI;
- f) Weekly progress updates, via phone and/or email;
- g) 1500 surveys across UK businesses, including scale-ups, EMI claimants and micro, small, medium and large businesses (see section 4);
- h) Detailed analysis plan, including the following:
 - a) List of derived and recoded variables
 - b) Statistical analysis to be carried out
 - c) Weighting specification
- i) Analysis meeting (can be over the telephone);
- j) Dataset of raw survey data and derived variables in SPSS format. All variables including derived variables, should be clearly labelled. Data tables to also be provided.
- k) A dummy data file/ script which allows HMRC to test the construction of any derived variables.
- l) Details of the syntax or code used to produce the analysis (regardless of statistical programme used);
- m) Informal interim findings briefing and a short word document with the findings.
- n) Presentation/workshop of final findings to stakeholders, prepared through full analysis of the quantitative and qualitative results;
- o) A written report presenting the findings from the research suitable for publication, in a final form agreed with HMRC. The report should include an executive summary and a technical appendix.
- p) A technical note related to all findings, including but not limited to; the approach taken to append telephone numbers, how the sample was

treated/cleaned, sampling and response rate, statistical analysis undertaken and weighting strategy applied.

7.2 All summaries, reports, data outputs (e.g. tables and graphs) and presentations must be provided in an electronic format, compatible with Microsoft Office applications. All presentations and reports must 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.

7.3 Contractors are also reminded that any research reports to be published on www.gov.uk must meet the accessibility requirements for public sector bodies' publications:

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

8 Quality and Risk Management

8.1 Suppliers 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.

8.2 Suppliers must include a quality control plan with their proposal, which must demonstrate their internal procedures to assure quality control. Tenders must provide detail on their quality assurance processes at each stage of the project. In particular, this must include the following stages:

- a) Development of recruitment and fieldwork materials
- b) Fieldwork stage
- c) Analysis
- d) Reviewing findings in the report, including the presentation and report.

8.3 It is the responsibility of the supplier to quality assure the data. As part of this, HMRC will review a set proportion of the figures in the outputs. If HMRC deems the level of error to be systemic, HMRC will expect the supplier to conduct a further full review of all outputs before re-submission.

8.4 In addition to the above, suppliers are expected to outline their quality assurance processes and/or systems for the project in accordance with tender evaluation criterion (Section 16). This should also be accompanied by proposing a named member of the project, at an appropriate level of seniority, who will be responsible for the overall quality of the project and provide, where necessary, written confirmation that quality assurance has been performed.

8.5 Proposals must also include an assessment of the key risks to this project. This must 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.

9 Expertise and Capability

- 9.1 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.
- 9.2 HMRC is looking for suppliers who can demonstrate that their proposed team incorporates those with:
- a. Experience with quantitative research methods, particularly random probability, nationally representative survey design.
 - b. Experience recruiting from business populations.
 - c. Experience gathering complex information.
 - d. Experience of undertaking quantitative analysis.
 - e. Experience with qualitative research methods, particularly conducting teledepth interviews.
 - f. Experience of undertaking qualitative analysis.
 - g. Experience delivering the outputs required.
 - h. Any other relevant experience must be highlighted.
- 9.3 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.
- 9.4 The proposal must specify details of which parts (if any) of the project will be subcontracted, 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 Supplier 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.

10 Project Management and Contract Administration

- 10.1 [REDACTED] 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.
- 10.2 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. [REDACTED] is responsible for all decisions that involve funding.
- 10.3 In costing your tender you must allow for attendance at a minimum of 3 meetings. Meetings are expected to take place virtually whilst the Covid-19 pandemic continues to restrict face to face interactions. Once face to face meetings resume, these are expected to take place at HMRC offices in London, although some may take place at the research organisation's premises by arrangement
- 10.4 These might include the following:
- a) Project set-up meeting;
 - b) A briefing to discuss the initial findings / ensure robustness of the research
 - c) Presentation of key findings and final analysis.

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

11. Tax Compliance

11.1 General

11.1.1 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.

11.1.2 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.

12. HMRC eTrading System

21.1 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.

21.2 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.

21.3 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.

21.4 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.

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

13. Data security and protection

13.1 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:

- a. How tenderers will hold data on sampled participants;
- b. How long tenderers will keep data on sampled participants;
- c. What details about participants will be passed to recruiters and/or interviewers; and
- d. 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.

13.2 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.

13.3 The Security Questionnaire submitted at tender stage will form the Security Plan within the contract.

13.4 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.

13.5 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.

14. Other Ethical Issues

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

15. Procurement Transparency

- 15.1 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.
- 15.2 If Bidders believe that any of the information requested is commercially sensitive they should provide such information in a separate letter marked as such.
- 15.3 HMRC ITTs are commercially sensitive documents; the contents of any HMRC ITT should not be divulged to those without a business need to know.

16. Access to Government Information

- 16.1 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.

ANNEX B
Supplier Proposal



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