



**CONTRACT FOR THE PROVISION OF *Lot 1 - Flexibility Innovation Programme: Laboratory testing and demonstration of interoperable DSR applications in settings indicative of the real world* TO THE DEPARTMENT OF BUSINESS, ENERGY AND INDUSTRIAL STRATEGY (THE CONTRACT OFFER LETTER)**

01-09-2022

This Contract is dated ..... and is made between:-

1. **The Secretary of State for Business, Energy & Industrial Strategy** (the “Authority”) of 1 Victoria Street, London SW1H 0ET, acting as part of the Crown;  
  
and
2. *Engage Consulting Limited* (the “Contractor”) whose registered office is at *Staffords Unit 1, Cambridge House Camboro Business Park Oakington Road Girton Cambridge, CB3 0QH, Companies House Number :03923081*

## **INTRODUCTION**

- (A) On *4 February 2022* the Authority issued an invitation to tender for the provision of *Lot 1 - Flexibility Innovation Programme: Laboratory testing and demonstration of interoperable DSR applications in settings indicative of the real world* including the specification a copy of which is set out in Schedule 1 (the “Specification”).
- (B) In response the Contractor submitted a proposal dated *7 March 2022* and entitled *Proposal for Flexibility Innovation Tender 5532/12/2021: DSR Lot 1* explaining how it would provide the Services a copy of which is set out in Schedule 2 (the “Proposal”).
- (C) *The Specification and the Proposal were supplemented by the correspondence copies of which are set out in Schedule 5 (the “Correspondence”).*

The parties agree as follows:-

### **1. SUPPLY OF SERVICES AND PRICE**

In consideration of payment by the Authority to the Contractor of the sums set out in Schedule 4 (exclusive of Value Added Tax) (the “Contract Price”) and in accordance with (a) the Specification; (b) the Contractor’s Proposal; and (c) the Authority’s Standard Terms and Conditions of Contract for Services (the “Standard Terms”) (a copy of which is attached at Schedule 3); (d) the Correspondence (a copy of which is attached at Schedule 5); the Contractor shall provide the



Services described in the Specification and the Contractor's Proposal and the Correspondence if applicable to the Authority.

## **2. COMMENCEMENT AND CONTINUATION**

This Contract shall commence on 1 September 2022 subject to any provisions for earlier termination contained in the Standard Terms shall continue for a period of 18 months *or end on 31 March 2024*.

## **3. TERMS AND CONDITIONS**

3.1 The Standard Terms shall form part of this Contract.

3.2 The Contractor's terms and conditions of business shall not apply to this Contract.

3.3 This Contract is formed of these clauses and the Schedules hereto. Any other attachments are provided for information purposes only and are not intended to be legally binding. In the event of any conflict or inconsistency, the documents prevail in the following order:

- a) these clauses;
- b) the Standard Terms (as set out in Schedule 3);
- c) the Correspondence (as set out in Schedule 5);
- d) the Specification (as set out in Schedule 1) and Contract Price (as set out in Schedule 4); and
- e) finally, the Contractor's Proposal (as set out in Schedule 2)

## **4. CONTRACTOR'S OBLIGATIONS**

4.1 Where the Contractor is supplying goods to the Authority these shall be delivered to the Authority in full compliance with the Specification and shall be of satisfactory quality and fit for purpose. Where the Contractor is performing Services for the Authority it shall do so in accordance with the Specification and exercise reasonable skill and care.

4.2 BEIS requires Lot 1 and Lot 2 suppliers to enter into a collaboration agreement, (including collaboration with organisations appointed to deliver related and anticipated sub-programmes and projects where necessary), but we expect the Lot 1 and Lot 2 contractors to manage this. An example collaboration agreement could be provided if necessary

## **5. MANAGEMENT AND COMMUNICATIONS**



- 5.1 The Contractor shall perform the Services under the direction of the Authority.
- 5.2 Any direction by the Authority may be given by [REDACTED] (the “Contract Manager”) who is an officer in the Authority’s *Department for Business, Energy & Industrial Strategy* or such other person as is notified by the Authority to the Contractor in writing. All queries (including any notice or communication required to be provided under this Contract) to the Authority from Contractor shall initially be addressed to the Contract Manager
- 5.3 The Contractor appoints [REDACTED]  
[REDACTED]  
[REDACTED] to be the Contractor’s first point of contact for this Contract. All queries (including any notice or communication required to be provided under this Contract) to the Contractor from the Authority’s Contract Manager shall initially be addressed to the Contractor’s first point of contact.
- 5.4 The Contractor’s first point of contact and the Contract Manager shall meet as often as either the Contractor or the Authority may require to review the Contractor’s performance of the Contract.

## **6. INVOICES AND PAYMENT**

- 6.1 Subject to the Contractor providing the Services to the Authority in accordance with this Contract and submitting invoices to the Contract Manager in the manner reasonably required by the Contract Manager payment will be made by the Authority to the Contractor in accordance with condition 17 of the Standard Terms.

## **7. TRANSPARENCY**

- 7.1 The Authority will publish the Contract and the Schedules hereto on a designated government internet site, using the redacted version of the contract attached. (That version is for illustrative purposes only, and does not form part of the Contract). The Authority has made the decision on the specific redactions to be made in light of the exemptions under the Freedom of Information Act 2000 (FOIA) and Condition 40 of the Standard Terms.

However, subject to those redactions, the rest of the Contract and Schedules will be published in full, in accordance with the government’s policy on the publication of contracts, which forms part of the government’s transparency agenda, and the Contract is therefore entered into on the basis of such publication taking place.

The Authority emphasises that its decision to redact information on this occasion does not preclude it publishing such information

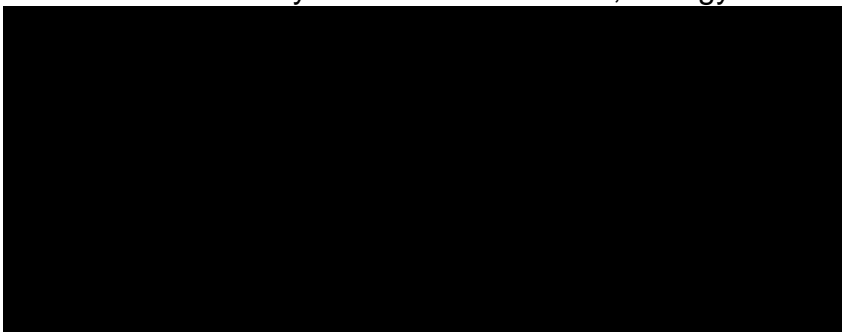


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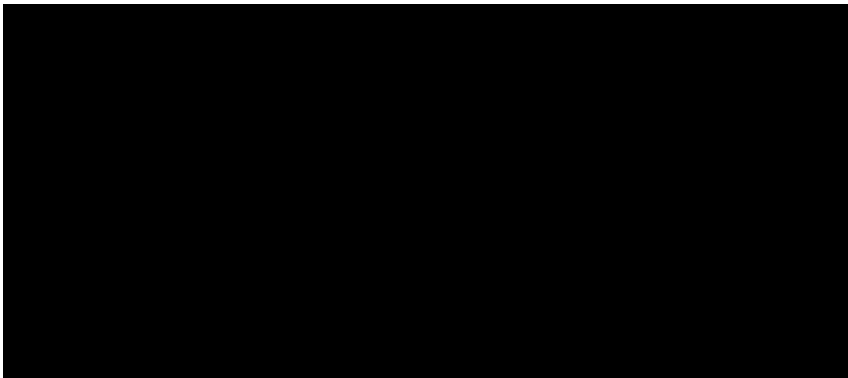
in the future in the context of other contracts. Neither does it preclude the disclosure of such information in the circumstances of a request for disclosure under FOIA or the Environmental Information Regulations 2004 (EIR) or where such disclosure is required by virtue of any other legal requirement. In such cases, the Authority would need to consider disclosure in the context of the particular circumstances of the request or requirement concerned.

**Signed by the parties' duly authorised representatives:-**

For the Secretary of State for Business, Energy & Industrial Strategy



For the Contractor





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**The following Schedules and Annexes form part of this Contract:**

Schedule 1	The Authority's Specification
Schedule 2	The Contractor's Proposal
Schedule 3	The Authority's Standard Terms & Conditions of Contract for Supplies/Services
Schedule 4	Contract Price
Schedule 5	The Correspondence
Schedule 6	Annex 1 - Processing, Personal Data and Data Subjects schedule

Suppliers are required to provide data on their direct spend with SMEs in the supply chain relating to the Contract. Extra Conditions have been included in the Standard Terms and Conditions to reflect this. The following annex must be included if the Contract will exceed £1 million in one or more Contract Years:

Annex 2                      MI Reporting Template



MI%20Reporting%20Template.xlsx



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## Schedule 1 – Authority’s Specification



**Flexibility**  
**Innovation-ITT-Labo**



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## Schedule 2 – Contractor’s Proposal





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## Schedule 3 – Standard Terms and Conditions



terms-of-condition-  
services.pdf



Attachment 1 -  
Expenses Policy.pdf



## Schedule 4 – Contract Price

### 1. Calculation of the Contract Price

The Contract Price shall be calculated on the basis of the rates and prices set out in this Schedule. The Contract Price shall represent the sole remuneration due to the Contractor under this Contract.

*Fixed costs for this contract are £999,250.00 (exc. VAT)*

*Variable costs for this contract based on time and materials elements capped at £1,609,405.00 (exc VAT). This is dependent on the number of projects.*

*Total Cap for this contract is £2,608,655.00 (exc. VAT)*

TABLE 1.1 FIXED COSTS

IMPLEMENTATION (FIXED)					
Section 2, 2.8 Deliverables / Outputs Table 7. Deliverable/Output Reference					
	R1 1a	R1 1b	R1 1c	R2 2a	R2 2c
	Direct Costs				
Labour					
Equipment					
Subcontract Costs					
Travel & Subsistence					
Other (add detail here)					
Sub-total	£420,900	£237,540	£16,350	£163,100	£161,360
	Indirect Costs				
Indirect costs, e.g. HR and Admin Costs, leasehold or rent costs (%)					
Sub-total					
Total Cost					
Profit (%)					
Total for each activity					

TABLE 1.2 TESTING COSTS

TESTING (VOLUME BASED)		
Section 2, 2.8 Deliverables / Outputs Table 7. Deliverable/Output Reference	Range of ESAs and DSRSP platforms	
	Bottom end of range	Top end of range
R2 2b.	10 ESAs and 5 DSRSP platforms (x2) <i>to facilitate multiple testing to allow design improvements</i>	20 ESAs and 5 DSRSP platforms (x2) <i>to facilitate multiple testing to allow design improvements</i>
Sub-total		
R2 2d.	14 ESAs and 7 DSRSP platforms (x2) <i>to facilitate multiple testing to allow design improvements.</i>	20 ESAs and 7 DSRSP platforms (x2) <i>to facilitate multiple testing to allow design improvements</i>
Sub-total		
Total		
Average of Totals	£575,300	



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TABLE 1.3 PROJECT GOVERNANCE COSTS

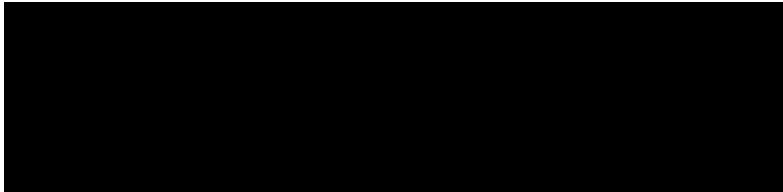
Role Title	Summary of Role	Daily Rate	No. of days on Contract	Total Price Offered per Resource
	Overall responsibility for overseeing the entire technical solution			
				Total

£986,105

TABLE 1.4 PROJECT GOVERNANCE (NON-STAFF)

Item	No. of items	Price per item	Total Price Offered
			Total

£48,000





## Schedule 5 – Correspondence





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## Schedule 6

### Annex 1

## Processing, Personal Data and Data Subjects schedule

