



Department  
for Environment  
Food & Rural Affairs

# Short Form Contract

## Contract for De-Minimis and Single Point of Compliance Packaging Reform

Contract Reference itt\_5843

July 2019

## Contents

1. Interpretation .....	1
2. Basis of Agreement .....	5
3. Supply of Services .....	5
4. Term .....	6
5. Charges, Payment and Recovery of Sums Due .....	6
6. Premises and equipment .....	7
7. Staff and Key Personnel .....	8
8. Assignment and sub-contracting .....	9
9. Intellectual Property Rights .....	10
10. Governance and Records .....	11
11. Confidentiality, Transparency and Publicity .....	11
12. Freedom of Information .....	13
13. Protection of Personal Data and Security of Data .....	13
14. Liability .....	18
15. Force Majeure .....	19
16. Termination .....	19
17. Compliance .....	20
18. Prevention of Fraud and Corruption .....	21
19. Dispute Resolution .....	22
20. General .....	22
21. Notices .....	23
22. Governing Law and Jurisdiction .....	23
SCHEDULE 1 - PROCESSING, PERSONAL DATA AND DATA SUBJECTS .....	24
Specification of Services .....	26
Eunomia Research & Consulting Ltd .....	32

Prices .....45

# 1. Interpretation

## 1.1 In these terms and conditions:

Term	Description
“Agreement”	means the contract between (i) the Customer acting as part of the Crown and (ii) the Contractor constituted by the Contractor’s acceptance of the Award Letter via Bravo;
“Award Letter”	means the letter from the Customer to the Contractor printed above these terms and conditions;
“Bravo”	means the Customer’s electronic contract management system
“Central Government Body”	<p>means a body listed in one of the following sub-categories of the Central Government classification of the Public Sector Classification Guide, as published and amended from time to time by the Office for National Statistics:</p> <p>Government Department;</p> <p>Non-Departmental Public Body or Assembly Sponsored Public Body (advisory, executive, or tribunal);</p> <p>Non-Ministerial Department; or</p> <p>Executive Agency;</p>
“Charges”	means the charges for the Services as specified in the Award Letter;
“Confidential Information”	means all information, whether written or oral (however recorded), provided by the disclosing Party to the receiving Party and which (i) is known by the receiving Party to be confidential; (ii) is marked as or stated to be confidential; or (iii) ought reasonably to be considered by the receiving Party to be confidential;
“Contractor”	means the person named as Contractor in the Award Letter;
“Controller”	has the meaning given in the GDPR;

“Customer”	means the person identified in the letterhead of the Award Letter;
“Data Loss Event”	means any event that results, or may result, in unauthorised access to Personal Data held by the Contractor under this Agreement, and/or actual or potential loss and/or destruction of Personal Data in breach of this Agreement, including any Personal Data Breach;
“Data Protection Impact Assessment”	means an assessment by the Controller of the impact of the envisaged processing on the protection of Personal Data;
“Data Protection Legislation”	means (i) the GDPR, the LED and any applicable national implementing Laws as amended from time to time (ii) the DPA 2018 to the extent that it relates to processing of personal data and privacy; and (iii) all applicable Law about the processing of personal data and privacy;
“Data Protection Officer”	has the meaning given in the GDPR;
“Data Subject”	has the meaning given in the GDPR;
“Data Subject Request”	means a request made by, or on behalf of, a Data Subject in accordance with rights granted pursuant to the Data Protection Legislation to access their Personal Data;
“DPA 2018”	means the Data Protection Act 2018;
“Expiry Date”	means the date for expiry of the Agreement as set out in the Award Letter;
“FOIA”	means the Freedom of Information Act 2000;
“GDPR”	means the General Data Protection Regulation (Regulation (EU) 2016/679);
“Information”	has the meaning given under section 84 of the FOIA;
“Joint Controllers”	means where two or more Controllers jointly determine the purposes and means of processing.]

“Key Personnel”	means any persons specified as such in the Award Letter or otherwise notified as such by the Customer to the Contractor in writing;
“Law”	means any law, statute, subordinate legislation within the meaning of section 21(1) of the Interpretation Act 1978, bye-law, enforceable right within the meaning of section 2 of the European Communities Act 1972, regulation, order, regulatory policy, mandatory guidance or code of practice, judgment of a relevant court of law, or directives or requirements of any regulatory body with which the relevant Party is bound to comply;
“LED”	means Law Enforcement Directive (Directive (EU) 2016/680);
“Party”	the Contractor or the Customer (as appropriate) and “Parties” shall mean both of them;
“Personal Data”	has the meaning given in the GDPR;
“Personal Data Breach”	has the meaning given in the GDPR;
“Processor”	has the meaning given in the GDPR;
“Protective Measures”	means appropriate technical and organisational measures which may include: pseudonymising and encrypting Personal Data, ensuring confidentiality, integrity, availability and resilience of systems and services, ensuring that availability of and access to Personal Data can be restored in a timely manner after an incident, and regularly assessing and evaluating the effectiveness of the such measures adopted by it;
“Purchase Order Number”	means the Customer’s unique number relating to the order for Goods to be supplied by the Contractor to the Customer in accordance with the terms of the Agreement;
“Request for Information”	has the meaning set out in the FOIA or the Environmental Information Regulations 2004 as relevant (where the meaning set out for the term “request” shall apply);
“Services”	means the services to be supplied by the Contractor to the Customer under the Agreement;

“Specification”	means the specification for the Services (including as to quantity, description and quality) as specified in the Award Letter;
“Staff”	means all directors, officers, employees, agents, consultants and contractors of the Contractor and/or of any sub-contractor of the Contractor engaged in the performance of the Contractor’s obligations under the Agreement;
“Staff Vetting Procedures”	means vetting procedures that accord with good industry practice or, where applicable, the Customer’s procedures for the vetting of personnel as provided to the Contractor from time to time;
“Sub-processor”	means any third party appointed to process Personal Data on behalf of the Contractor related to this Agreement;
“Term”	means the period from the start date of the Agreement set out in the Award Letter to the Expiry Date as such period may be extended in accordance with Clause 4.2 or terminated in accordance with the terms and conditions of the Agreement;
“VAT”	means value added tax in accordance with the provisions of the Value Added Tax Act 1994; and
“Working Day”	means a day (other than a Saturday or Sunday) on which banks are open for business in the City of London.

1.2 In these terms and conditions, unless the context otherwise requires:

- 1.2.1 references to numbered clauses are references to the relevant clause in these terms and conditions;
- 1.2.2 any obligation on any Party not to do or omit to do anything shall include an obligation not to allow that thing to be done or omitted to be done;
- 1.2.3 the headings to the clauses of these terms and conditions are for information only and do not affect the interpretation of the Agreement;
- 1.2.4 any reference to an enactment includes reference to that enactment as amended or replaced from time to time and to any subordinate legislation or byelaw made under that enactment; and
- 1.2.5 the word ‘including’ shall be understood as meaning ‘including without limitation’.

## 2. Basis of Agreement

- 2.1 The Award Letter constitutes an offer by the Customer to purchase the Services subject to and in accordance with the terms and conditions of the Agreement.
- 2.2 The offer comprised in the Award Letter shall be deemed to be accepted by the Contractor on receipt by the Customer of the Contractor's notification of acceptance via Bravo within 7 days of the date of the Award Letter.

## 3. Supply of Services

- 3.1 In consideration of the Customer's agreement to pay the Charges, the Contractor shall supply the Services to the Customer for the Term subject to and in accordance with the terms and conditions of the Agreement.
- 3.2 In supplying the Services, the Contractor shall:
  - 3.2.1 co-operate with the Customer in all matters relating to the Services and comply with all the Customer's instructions;
  - 3.2.2 perform the Services with all reasonable care, skill and diligence in accordance with good industry practice in the Contractor's industry, profession or trade;
  - 3.2.3 use Staff who are suitably skilled and experienced to perform tasks assigned to them, and in sufficient number to ensure that the Contractor's obligations are fulfilled in accordance with the Agreement;
  - 3.2.4 ensure that the Services shall conform with all descriptions and specifications set out in the Specification;
  - 3.2.5 comply with all applicable laws; and
  - 3.2.6 provide all equipment, tools and vehicles and other items as are required to provide the Services.
- 3.3 The Customer may by written notice to the Contractor at any time request a variation to the scope of the Services. In the event that the Contractor agrees to any variation to the scope of the Services, the Charges shall be subject to fair and reasonable adjustment to be agreed in writing between the Customer and the Contractor.



## 4. Term

- 4.1 The Agreement shall take effect on the date specified in Award Letter and shall expire on the Expiry Date, unless it is otherwise extended in accordance with clause 4.2 or terminated in accordance with the terms and conditions of the Agreement.
- 4.2 The Customer may extend the Agreement for a period of up to 6 months by giving not less than 10 Working Days' notice in writing to the Contractor prior to the Expiry Date. The terms and conditions of the Agreement shall apply throughout any such extended period.

## 5. Charges, Payment and Recovery of Sums Due

- 5.1 The Charges for the Services shall be as set out in the Award Letter and shall be the full and exclusive remuneration of the Contractor in respect of the supply of the Services. Unless otherwise agreed in writing by the Customer, the Charges shall include every cost and expense of the Contractor directly or indirectly incurred in connection with the performance of the Services.
- 5.2 All amounts stated are exclusive of VAT which shall be charged at the prevailing rate. The Customer shall, following the receipt of a valid VAT invoice, pay to the Contractor a sum equal to the VAT chargeable in respect of the Services.
- 5.3 The Contractor shall invoice the Customer as specified in the Agreement. Each invoice shall include such supporting information required by the Customer to verify the accuracy of the invoice, including the relevant Purchase Order Number and a breakdown of the Services supplied in the invoice period.
- 5.4 In consideration of the supply of the Services by the Contractor, the Customer shall pay the Contractor the invoiced amounts no later than 30 days after verifying that the invoice is valid and undisputed and includes a valid Purchase Order Number. The Customer may, without prejudice to any other rights and remedies under the Agreement, withhold or reduce payments in the event of unsatisfactory performance.
- 5.5 If there is a dispute between the Parties as to the amount invoiced, the Customer shall pay the undisputed amount. The Contractor shall not suspend the supply of the Services unless the Contractor is entitled to terminate the Agreement for a failure to pay undisputed sums in accordance with clause 16.4. Any disputed amounts shall be resolved through the dispute resolution procedure detailed in clause 19.

- 5.6 If a payment of an undisputed amount is not made by the Customer by the due date, then the Customer shall pay the Contractor interest at the interest rate specified in the Late Payment of Commercial Debts (Interest) Act 1998.
- 5.7 Where the Contractor enters into a sub-contract, the Contractor shall include in that sub-contract:
- 5.7.1 provisions having the same effects as clauses 5.3 to 5.6 of this Agreement; and
  - 5.7.2 a provision requiring the counterparty to that sub-contract to include in any sub-contract which it awards provisions having the same effect as 5.3 to 5.7 of this Agreement.
- 5.8 In this clause 5.8, “sub-contract” means a contract between two or more Contractors, at any stage of remoteness from the Authority in a subcontracting chain, made wholly or substantially for the purpose of performing (or contributing to the performance of) the whole or any part of this Agreement.
- 5.9 If any sum of money is recoverable from or payable by the Contractor under the Agreement (including any sum which the Contractor is liable to pay to the Customer in respect of any breach of the Agreement), that sum may be deducted unilaterally by the Customer from any sum then due, or which may come due, to the Contractor under the Agreement or under any other agreement or contract with the Customer. The Contractor shall not be entitled to assert any credit, set-off or counterclaim against the Customer in order to justify withholding payment of any such amount in whole or in part.

## 6. Premises and equipment

- 6.1 If necessary, the Customer shall provide the Contractor with reasonable access at reasonable times to its premises for the purpose of supplying the Services. All equipment, tools and vehicles brought onto the Customer’s premises by the Contractor or the Staff shall be at the Contractor’s risk.
- 6.2 If the Contractor supplies all or any of the Services at or from the Customer’s premises, on completion of the Services or termination or expiry of the Agreement (whichever is the earlier) the Contractor shall vacate the Customer’s premises, remove the Contractor’s plant, equipment and unused materials and all rubbish arising out of the provision of the Services and leave the Customer’s premises in a clean, safe and tidy condition. The Contractor shall be solely responsible for making good any damage to the Customer’s premises or any objects contained on the Customer’s premises which is caused by the Contractor or any Staff, other than fair wear and tear.

- 6.3 If the Contractor supplies all or any of the Services at or from its premises or the premises of a third party, the Customer may, during normal business hours and on reasonable notice, inspect and examine the manner in which the relevant Services are supplied at or from the relevant premises.
- 6.4 The Customer shall be responsible for maintaining the security of its premises in accordance with its standard security requirements. While on the Customer's premises the Contractor shall, and shall procure that all Staff shall, comply with all the Customer's security requirements.
- 6.5 Where all or any of the Services are supplied from the Contractor's premises, the Contractor shall, at its own cost, comply with all security requirements specified by the Customer in writing.
- 6.6 Without prejudice to clause 3.2.6, any equipment provided by the Customer for the purposes of the Agreement shall remain the property of the Customer and shall be used by the Contractor and the Staff only for the purpose of carrying out the Agreement. Such equipment shall be returned promptly to the Customer on expiry or termination of the Agreement.
- 6.7 The Contractor shall reimburse the Customer for any loss or damage to the equipment (other than deterioration resulting from normal and proper use) caused by the Contractor or any Staff. Equipment supplied by the Customer shall be deemed to be in a good condition when received by the Contractor or relevant Staff unless the Customer is notified otherwise in writing within 5 Working Days.

## 7. Staff and Key Personnel

- 7.1 If the Customer reasonably believes that any of the Staff are unsuitable to undertake work in respect of the Agreement, it may, by giving written notice to the Contractor:
- 7.1.1 refuse admission to the relevant person(s) to the Customer's premises;
  - 7.1.2 direct the Contractor to end the involvement in the provision of the Services of the relevant person(s); and/or
  - 7.1.3 require that the Contractor replace any person removed under this clause with another suitably qualified person and procure that any security pass issued by the Customer to the person removed is surrendered,
- and the Contractor shall comply with any such notice.
- 7.2 The Contractor shall:
- 7.2.1 ensure that all Staff are vetted in accordance with the Staff Vetting Procedures;

- 7.2.2 if requested, provide the Customer with a list of the names and addresses (and any other relevant information) of all persons who may require admission to the Customer's premises in connection with the Agreement; and
- 7.2.3 procure that all Staff comply with any rules, regulations and requirements reasonably specified by the Customer.
- 7.3 Any Key Personnel shall not be released from supplying the Services without the agreement of the Customer, except by reason of long-term sickness, maternity leave, paternity leave, termination of employment or other extenuating circumstances.
- 7.4 Any replacements to the Key Personnel shall be subject to the prior written agreement of the Customer (not to be unreasonably withheld). Such replacements shall be of at least equal status or of equivalent experience and skills to the Key Personnel being replaced and be suitable for the responsibilities of that person in relation to the Services.

## **8. Assignment and sub-contracting**

- 8.1 The Contractor shall not without the written consent of the Customer assign, sub-contract, novate or in any way dispose of the benefit and/ or the burden of the Agreement or any part of the Agreement. The Customer may, in the granting of such consent, provide for additional terms and conditions relating to such assignment, sub-contract, novation or disposal. The Contractor shall be responsible for the acts and omissions of its sub-contractors as though those acts and omissions were its own.
- 8.2 Where the Customer has consented to the placing of sub-contracts, the Contractor shall, at the request of the Customer, send copies of each sub-contract, to the Customer as soon as is reasonably practicable.
- 8.3 The Customer may assign, novate, or otherwise dispose of its rights and obligations under the Agreement without the consent of the Contractor provided that such assignment, novation or disposal shall not increase the burden of the Contractor's obligations under the Agreement.

## 9. Intellectual Property Rights

- 9.1 All intellectual property rights in any materials provided by the Customer to the Contractor for the purposes of this Agreement shall remain the property of the Customer but the Customer hereby grants the Contractor a royalty-free, non-exclusive and non-transferable licence to use such materials as required until termination or expiry of the Agreement for the sole purpose of enabling the Contractor to perform its obligations under the Agreement.
- 9.2 All intellectual property rights in any materials created or developed by the Contractor pursuant to the Agreement or arising as a result of the provision of the Services shall vest in the Contractor. If, and to the extent, that any intellectual property rights in such materials vest in the Customer by operation of law, the Customer hereby assigns to the Contractor by way of a present assignment of future rights that shall take place immediately on the coming into existence of any such intellectual property rights all its intellectual property rights in such materials (with full title guarantee and free from all third party rights).
- 9.3 The Contractor hereby grants the Customer:
- 9.3.1 a perpetual, royalty-free, irrevocable, non-exclusive licence (with a right to sub-license) to use all intellectual property rights in the materials created or developed pursuant to the Agreement and any intellectual property rights arising as a result of the provision of the Services; and
- 9.3.2 a perpetual, royalty-free, irrevocable and non-exclusive licence (with a right to sub-license) to use:
- a. any intellectual property rights vested in or licensed to the Contractor on the date of the Agreement; and
  - b. any intellectual property rights created during the Term but which are neither created or developed pursuant to the Agreement nor arise as a result of the provision of the Services,
- including any modifications to or derivative versions of any such intellectual property rights, which the Customer reasonably requires in order to exercise its rights and take the benefit of the Agreement including the Services provided.
- 9.4 The Contractor shall indemnify, and keep indemnified, the Customer in full against all costs, expenses, damages and losses (whether direct or indirect), including any interest, penalties, and reasonable legal and other professional fees awarded against or incurred or paid by the Customer as a result of or in connection with any claim made against the Customer for actual or alleged infringement of a third party's intellectual property arising out of, or in connection with, the supply or use

of the Services, to the extent that the claim is attributable to the acts or omission of the Contractor or any Staff.

## 10. Governance and Records

10.1. The Contractor shall:

10.1.1. attend progress meetings with the Customer at the frequency and times specified by the Customer and shall ensure that its representatives are suitably qualified to attend such meetings; and

10.1.2. submit progress reports to the Customer at the times and in the format specified by the Customer.

10.2. The Contractor shall keep and maintain until 6 years after the end of the Agreement, or as long a period as may be agreed between the Parties, full and accurate records of the Agreement including the Services supplied under it and all payments made by the Customer. The Contractor shall on request afford the Customer or the Customer's representatives such access to those records as may be reasonably requested by the Customer in connection with the Agreement.

## 11. Confidentiality, Transparency and Publicity

11.1. Subject to clause 11.2, each Party shall:

11.1.1. treat all Confidential Information it receives as confidential, safeguard it accordingly and not disclose it to any other person without the prior written permission of the disclosing Party; and

11.1.2. not use or exploit the disclosing Party's Confidential Information in any way except for the purposes anticipated under the Agreement.

11.2. Notwithstanding clause 11.1, a Party may disclose Confidential Information which it receives from the other Party:

11.2.1. where disclosure is required by applicable law or by a court of competent jurisdiction;

11.2.2. to its auditors or for the purposes of regulatory requirements;

11.2.3. on a confidential basis, to its professional advisers;

- 11.2.4. to the Serious Fraud Office where the Party has reasonable grounds to believe that the other Party is involved in activity that may constitute a criminal offence under the Bribery Act 2010;
- 11.2.5. where the receiving Party is the Contractor, to the Staff on a need to know basis to enable performance of the Contractor's obligations under the Agreement provided that the Contractor shall procure that any Staff to whom it discloses Confidential Information pursuant to this clause 11.2.5 shall observe the Contractor's confidentiality obligations under the Agreement; and
- 11.2.6. where the receiving Party is the Customer:
- a) on a confidential basis to the employees, agents, consultants and contractors of the Customer;
  - b) on a confidential basis to any other Central Government Body, any successor body to a Central Government Body or any company to which the Customer transfers or proposes to transfer all or any part of its business;
  - c) to the extent that the Customer (acting reasonably) deems disclosure necessary or appropriate in the course of carrying out its public functions; or
  - d) in accordance with clause 12.

and for the purposes of the foregoing, references to disclosure on a confidential basis shall mean disclosure subject to a confidentiality agreement or arrangement containing terms no less stringent than those placed on the Customer under this clause 11.

- 11.3. The Parties acknowledge that, except for any information which is exempt from disclosure in accordance with the provisions of the FOIA, the content of the Agreement is not Confidential Information and the Contractor hereby gives its consent for the Customer to publish this Agreement in its entirety to the general public (but with any information that is exempt from disclosure in accordance with the FOIA redacted) including any changes to the Agreement agreed from time to time. The Customer may consult with the Contractor to inform its decision regarding any redactions but shall have the final decision in its absolute discretion whether any of the content of the Agreement is exempt from disclosure in accordance with the provisions of the FOIA.
- 11.4. The Contractor shall not, and shall take reasonable steps to ensure that the Staff shall not, make any press announcement or publicise the Agreement or any part of the Agreement in any way, except with the prior written consent of the Customer.

## 12. Freedom of Information

- 12.1 The Contractor acknowledges that the Customer is subject to the requirements of the FOIA and the Environmental Information Regulations 2004 and shall:
  - 12.1.1 provide all necessary assistance and cooperation as reasonably requested by the Customer to enable the Customer to comply with its obligations under the FOIA and the Environmental Information Regulations 2004;
  - 12.1.2 transfer to the Customer all Requests for Information relating to this Agreement that it receives as soon as practicable and in any event within 2 Working Days of receipt;
  - 12.1.3 provide the Customer with a copy of all Information belonging to the Customer requested in the Request for Information which is in its possession or control in the form that the Customer requires within 5 Working Days (or such other period as the Customer may reasonably specify) of the Customer's request for such Information; and
  - 12.1.4 not respond directly to a Request for Information unless authorised in writing to do so by the Customer.
- 12.2 The Contractor acknowledges that the Customer may be required under the FOIA and the Environmental Information Regulations 2004 to disclose Information concerning the Contractor or the Services (including commercially sensitive information) without consulting or obtaining consent from the Contractor. In these circumstances the Customer shall, in accordance with any relevant guidance issued under the FOIA, take reasonable steps, where appropriate, to give the Contractor advance notice, or failing that, to draw the disclosure to the Contractor's attention after any such disclosure.
- 12.3 Notwithstanding any other provision in the Agreement, the Customer shall be responsible for determining in its absolute discretion whether any Information relating to the Contractor or the Services is exempt from disclosure in accordance with the FOIA and/or the Environmental Information Regulations 2004.

## 13. Protection of Personal Data and Security of Data

- 13.1. The Parties acknowledge that for the purposes of the Data Protection Legislation, the Customer is the Controller and the Contractor is the Processor unless otherwise specified in Schedule 1. The only processing that the Contractor is authorised to do is listed in Schedule 1 by the Customer and may not be determined by the Contractor.



- 13.2. The Contractor shall notify the Customer immediately if it considers that any of the Customer's instructions infringe the Data Protection Legislation.
- 13.3. The Contractor shall provide all reasonable assistance to the Customer in the preparation of any Data Protection Impact Assessment prior to commencing any processing. Such assistance may, at the discretion of the Customer, include:
- a. a systematic description of the envisaged processing operations and the purpose of the processing;
  - b. an assessment of the necessity and proportionality of the processing operations in relation to the Services;
  - c. an assessment of the risks to the rights and freedoms of Data Subjects; and
  - d. the measures envisaged to address the risks, including safeguards, security measures and mechanisms to ensure the protection of Personal Data.
- 13.4. The Contractor shall, in relation to any Personal Data processed in connection with its obligations under this Agreement:
- a. process that Personal Data only in accordance with Schedule 1 unless the Contractor is required to do otherwise by Law. If it is so required the Contractor shall promptly notify the Customer before processing the Personal Data unless prohibited by Law;
  - b. ensure that it has in place Protective Measures which are appropriate to protect against a Data Loss Event, which the Customer may reasonably reject (but failure to reject shall not amount to approval by the Customer of the adequacy of the Protective Measures), having taken account of the:
    - i. nature of the data to be protected;
    - ii. harm that might result from a Data Loss Event;
    - iii. state of technological development; and
    - iv. cost of implementing any measures;
  - c. ensure that :
    - i. the Staff do not process Personal Data except in accordance with this Agreement (and in particular Schedule 1);
    - ii. it takes all reasonable steps to ensure the reliability and integrity of any Staff who have access to the Personal Data and ensure that they:
      - 1. are aware of and comply with the Contractor's duties under this clause;

2. are subject to appropriate confidentiality undertakings with the Contractor or any Sub-processor;
  3. are informed of the confidential nature of the Personal Data and do not publish, disclose or divulge any of the Personal Data to any third party unless directed in writing to do so by the Customer or as otherwise permitted by this Agreement; and
  4. have undergone adequate training in the use, care, protection and handling of Personal Data; and
- d. not transfer Personal Data outside of the European Union unless the prior written consent of the Customer has been obtained and the following conditions are fulfilled:
- i. the Customer or the Contractor has provided appropriate safeguards in relation to the transfer (whether in accordance with the GDPR Article 46 or LED Article 37) as determined by the Customer;
  - ii. the Data Subject has enforceable rights and effective legal remedies;
  - iii. the Contractor complies with its obligations under the Data Protection Legislation by providing an adequate level of protection to any Personal Data that is transferred (or, if it is not so bound, uses its best endeavours to assist the Customer in meeting its obligations); and
  - iv. the Contractor complies with any reasonable instructions notified to it in advance by the Customer with respect to the processing of the Personal Data;
- e. at the written direction of the Customer, delete or return Personal Data (and any copies of it) to the Customer on termination of the Agreement unless the Contractor is required by Law to retain the Personal Data.
- 13.5. Subject to clause 13.6 the Contractor shall notify the Customer immediately if, in relation to any Personal Data processed in connection with its obligations under this Agreement, it:
- a. receives a Data Subject Request (or purported Data Subject Request);
  - b. receives a request to rectify, block or erase any Personal Data;
  - c. receives any other request, complaint or communication relating to either Party's obligations under the Data Protection Legislation;
  - d. receives any communication from the Information Commissioner or any other regulatory authority;

- e. receives a request from any third party for disclosure of Personal Data where compliance with such request is required or purported to be required by Law; or
  - f. becomes aware of a Data Loss Event.
- 13.6. The Contractor's obligation to notify under clause 13.5 shall include the provision of further information to the Customer in phases, as details become available.
- 13.7. Taking into account the nature of the processing, the Contractor shall provide the Customer with full assistance in relation to either Party's obligations under Data Protection Legislation in relation to any Personal Data processed in connection with its obligations under this Agreement and any complaint, communication or request made under Clause 13.5 (and insofar as possible within the timescales reasonably required by the Customer) including by promptly providing:
- a. the Customer with full details and copies of the complaint, communication or request;
  - b. such assistance as is reasonably requested by the Customer to enable the Customer to comply with a Data Subject Request within the relevant timescales set out in the Data Protection Legislation;
  - c. the Customer, at its request, with any Personal Data it holds in relation to a Data Subject;
  - d. assistance as requested by the Customer following any Data Loss Event;
  - e. assistance as requested by the Customer with respect to any request from the Information Commissioner's Office, or any consultation by the Customer with the Information Commissioner's Office.
- 13.8. The Contractor shall maintain complete and accurate records and information to demonstrate its compliance with this clause 13. This requirement does not apply where the Contractor employs fewer than 250 staff, unless:
- a. the Customer determines that the processing is not occasional;
  - b. the Customer determines the processing includes special categories of data as referred to in Article 9(1) of the GDPR or Personal Data relating to criminal convictions and offences referred to in Article 10 of the GDPR; or
  - c. the Customer determines that the processing is likely to result in a risk to the rights and freedoms of Data Subjects.
- 13.9. The Contractor shall allow for audits of its Personal Data processing activity by the Customer or the Customer's designated auditor.

- 13.10. Each Party shall designate its own Data Protection Officer if required by the Data Protection Legislation.
- 13.11. Before allowing any Sub-processor to process any Personal Data related to this Agreement, the Contractor must:
- a. notify the Customer in writing of the intended Sub-processor and processing;
  - b. obtain the written consent of the Customer;
  - c. enter into a written agreement with the Sub-processor which give effect to the terms set out in this clause 13 such that they apply to the Sub-processor; and
  - d. provide the Customer with such information regarding the Sub-processor as the Customer may reasonably require.
- 13.12. The Contractor shall remain fully liable for all acts or omissions of any of its Sub-processors.
- 13.13. The Customer may, at any time on not less than 30 Working Days' notice, revise this clause by replacing it with any applicable controller to processor standard clauses or similar terms forming part of an applicable certification scheme (which shall apply when incorporated by attachment to this Agreement).
- 13.14. The Parties agree to take account of any non-mandatory guidance issued by the Information Commissioner's Office. The Customer may on not less than 30 Working Days' notice to the Contractor amend this Agreement to ensure that it complies with any guidance issued by the Information Commissioner's Officer.
- 13.15. When handling Customer data (whether or not Personal Data), the Contractor shall ensure the security of the data is maintained in line with the security requirements of the Customer as notified to the Contractor from time to time.
- 13.16. This clause 13 shall apply during the Term and indefinitely after its expiry.
- 13.17. [Where the Parties include two or more Joint Controllers as identified in Schedule 1, in accordance with GDPR Article 26 those Parties shall enter into a Joint Controller Agreement based on the terms outlined in Schedule [X] in replacement of Clauses 13.1 to 13.14 for the Personal Data in respect of which they are Joint Controllers.]

## 14. Liability

- 14.1 The Contractor shall not be responsible for any injury, loss, damage, cost or expense suffered by the Customer if and to the extent that it is caused by the negligence or wilful misconduct of the Customer or by breach by the Customer of its obligations under the Agreement.
- 14.2 Subject always to clauses 14.3 and 14.4:
- 14.2.1 the aggregate liability of the Contractor in respect of all defaults, claims, losses or damages howsoever caused, whether arising from breach of the Agreement, the supply or failure to supply of the Services, misrepresentation (whether tortious or statutory), tort (including negligence), breach of statutory duty or otherwise shall in no event exceed a sum equal to 125% of the Charges paid or payable to the Contractor; and
- 14.2.2 except in the case of claims arising under clauses 9.4 and 18.3, in no event shall the Contractor be liable to the Customer for any:
- a) loss of profits;
  - b) loss of business;
  - c) loss of revenue;
  - d) loss of or damage to goodwill;
  - e) loss of savings (whether anticipated or otherwise); and/or
  - f) any indirect, special or consequential loss or damage.
- 14.3 Nothing in the Agreement shall be construed to limit or exclude either Party's liability for:
- 14.3.1 death or personal injury caused by its negligence or that of its Staff;
- 14.3.2 fraud or fraudulent misrepresentation by it or that of its Staff; or
- 14.3.3 any other matter which, by law, may not be excluded or limited.
- 14.4 The Contractor's liability under the indemnity in clause 9.4 and 18.3 shall be unlimited.

## 15. Force Majeure

- 15.1 Neither Party shall have any liability under or be deemed to be in breach of the Agreement for any delays or failures in performance of the Agreement which result from circumstances beyond the reasonable control of the Party affected. Each Party shall promptly notify the other Party in writing when such circumstances cause a delay or failure in performance and when they cease to do so. If such circumstances continue for a continuous period of more than two months, either Party may terminate the Agreement by written notice to the other Party.

## 16. Termination

- 16.1 The Customer may terminate the Agreement at any time by notice in writing to the Contractor to take effect on any date falling at least 1 month (or, if the Agreement is less than 3 months in duration, at least 10 Working Days) later than the date of service of the relevant notice.
- 16.2 Without prejudice to any other right or remedy it might have, the Customer may terminate the Agreement by written notice to the Contractor with immediate effect if the Contractor:
- 16.2.1 (without prejudice to clause 16.2.5), is in material breach of any obligation under the Agreement which is not capable of remedy;
  - 16.2.2 repeatedly breaches any of the terms and conditions of the Agreement in such a manner as to reasonably justify the opinion that its conduct is inconsistent with it having the intention or ability to give effect to the terms and conditions of the Agreement;
  - 16.2.3 is in material breach of any obligation which is capable of remedy, and that breach is not remedied within 30 days of the Contractor receiving notice specifying the breach and requiring it to be remedied;
  - 16.2.4 undergoes a change of control within the meaning of section 416 of the Income and Corporation Taxes Act 1988;
  - 16.2.5 breaches any of the provisions of clauses 7.2, 11, 12, 13 and 17;
  - 16.2.6 becomes insolvent, or if an order is made or a resolution is passed for the winding up of the Contractor (other than voluntarily for the purpose of solvent amalgamation or reconstruction), or if an administrator or administrative receiver is appointed in respect of the whole or any part of the Contractor's assets or business, or if the Contractor makes any composition with its creditors or takes or suffers any similar or analogous action (to any of the actions detailed in this clause 16.2.6) in consequence of debt in any jurisdiction; or

- 16.2.7 fails to comply with legal obligations in the fields of environmental, social or labour law.
- 16.3 The Contractor shall notify the Customer as soon as practicable of any change of control as referred to in clause 16.2.4 or any potential such change of control.
- 16.4 The Contractor may terminate the Agreement by written notice to the Customer if the Customer has not paid any undisputed amounts within 90 days of them falling due.
- 16.5 Termination or expiry of the Agreement shall be without prejudice to the rights of either Party accrued prior to termination or expiry and shall not affect the continuing rights of the Parties under this clause and clauses 2, 3.2, 6.1, 6.2, 6.6, 6.7, 7, 9, 10.2, 11, 12, 13, 14, 16.6, 17.4, 18.3, 19 and 20.7 or any other provision of the Agreement that either expressly or by implication has effect after termination.
- 16.6 Upon termination or expiry of the Agreement, the Contractor shall:
  - 16.6.1 give all reasonable assistance to the Customer and any incoming Contractor of the Services; and
  - 16.6.2 return all requested documents, information and data to the Customer as soon as reasonably practicable.

## 17. Compliance

- 17.1 The Contractor shall promptly notify the Customer of any health and safety hazards which may arise in connection with the performance of its obligations under the Agreement. The Customer shall promptly notify the Contractor of any health and safety hazards which may exist or arise at the Customer's premises and which may affect the Contractor in the performance of its obligations under the Agreement.
- 17.2 The Contractor shall:
  - 17.2.1 comply with all the Customer's health and safety measures while on the Customer's premises; and
  - 17.2.2 notify the Customer immediately in the event of any incident occurring in the performance of its obligations under the Agreement on the Customer's premises where that incident causes any personal injury or damage to property which could give rise to personal injury.
- 17.3 The Contractor shall:

- 17.3.1 perform its obligations under the Agreement in accordance with all applicable equality Law and the Customer's equality and diversity policy as provided to the Contractor from time to time; and
- 17.3.2 take all reasonable steps to secure the observance of clause 17.3.1 by all Staff.
- 17.4 The Contractor shall supply the Services in accordance with the Customer's environmental policy as provided to the Contractor from time to time.
- 17.5 The Contractor shall comply with, and shall ensure that its Staff shall comply with, the provisions of:
  - 17.5.1 the Official Secrets Acts 1911 to 1989; and
  - 17.5.2 section 182 of the Finance Act 1989.

## 18. Prevention of Fraud and Corruption

- 18.1 The Contractor shall not offer, give, or agree to give anything, to any person an inducement or reward for doing, refraining from doing, or for having done or refrained from doing, any act in relation to the obtaining or execution of the Agreement or for showing or refraining from showing favour or disfavour to any person in relation to the Agreement.
- 18.2 The Contractor shall take all reasonable steps, in accordance with good industry practice, to prevent fraud by the Staff and the Contractor (including its shareholders, members and directors) in connection with the Agreement and shall notify the Customer immediately if it has reason to suspect that any fraud has occurred or is occurring or is likely to occur.
- 18.3 If the Contractor or the Staff engages in conduct prohibited by clause 18.1 or commits fraud in relation to the Agreement or any other contract with the Crown (including the Customer) the Customer may:
  - 18.3.1 terminate the Agreement and recover from the Contractor the amount of any loss suffered by the Customer resulting from the termination, including the cost reasonably incurred by the Customer of making other arrangements for the supply of the Services and any additional expenditure incurred by the Customer throughout the remainder of the Agreement; or
  - 18.3.2 recover in full from the Contractor any other loss sustained by the Customer in consequence of any breach of this clause.



## 19. Dispute Resolution

- 19.1 The Parties shall attempt in good faith to negotiate a settlement to any dispute between them arising out of or in connection with the Agreement and such efforts shall involve the escalation of the dispute to an appropriately senior representative of each Party.
- 19.2 If the dispute cannot be resolved by the Parties within one month of being escalated as referred to in clause 19.1, the dispute may by agreement between the Parties be referred to a neutral adviser or mediator (the “Mediator”) chosen by agreement between the Parties. All negotiations connected with the dispute shall be conducted in confidence and without prejudice to the rights of the Parties in any further proceedings.
- 19.3 If the Parties fail to appoint a Mediator within one month, or fail to enter into a written agreement resolving the dispute within one month of the Mediator being appointed, either Party may exercise any remedy it has under applicable law.

## 20. General

- 20.1 Each of the Parties represents and warrants to the other that it has full capacity and authority, and all necessary consents, licences and permissions to enter into and perform its obligations under the Agreement, and that the Agreement is executed by its duly authorised representative.
- 20.2 A person who is not a party to the Agreement shall have no right to enforce any of its provisions which, expressly or by implication, confer a benefit on him, without the prior written agreement of the Parties.
- 20.3 The Agreement cannot be varied except in writing signed by a duly authorised representative of both the Parties.
- 20.4 The Agreement contains the whole agreement between the Parties and supersedes and replaces any prior written or oral agreements, representations or understandings between them. The Parties confirm that they have not entered into the Agreement on the basis of any representation that is not expressly incorporated into the Agreement. Nothing in this clause shall exclude liability for fraud or fraudulent misrepresentation.
- 20.5 Any waiver or relaxation either partly, or wholly of any of the terms and conditions of the Agreement shall be valid only if it is communicated to the other Party in writing and expressly stated to be a waiver. A waiver of any right or remedy arising from a breach of contract shall not constitute a waiver of any right or remedy arising from any other breach of the Agreement.

- 20.6 The Agreement shall not constitute or imply any partnership, joint venture, agency, fiduciary relationship or other relationship between the Parties other than the contractual relationship expressly provided for in the Agreement. Neither Party shall have, nor represent that it has, any authority to make any commitments on the other Party's behalf.
- 20.7 Except as otherwise expressly provided by the Agreement, all remedies available to either Party for breach of the Agreement (whether under the Agreement, statute or common law) are cumulative and may be exercised concurrently or separately, and the exercise of one remedy shall not be deemed an election of such remedy to the exclusion of other remedies.
- 20.8 If any provision of the Agreement is prohibited by law or judged by a court to be unlawful, void or unenforceable, the provision shall, to the extent required, be severed from the Agreement and rendered ineffective as far as possible without modifying the remaining provisions of the Agreement, and shall not in any way affect any other circumstances of or the validity or enforcement of the Agreement.

## 21. Notices

- 21.1 Any notice to be given under the Agreement shall be in writing and may be served by personal delivery, first class recorded or, subject to clause 21.3, e-mail to the address of the relevant Party set out in the Award Letter, or such other address as that Party may from time to time notify to the other Party in accordance with this clause:
- 21.2 Notices served as above shall be deemed served on the Working Day of delivery provided delivery is before 5.00pm on a Working Day. Otherwise delivery shall be deemed to occur on the next Working Day. An email shall be deemed delivered when sent unless an error message is received.
- 21.3 Notices under clauses 15 (Force Majeure) and 16 (Termination) may be served by email only if the original notice is then sent to the recipient by personal delivery or recorded delivery in the manner set out in clause 21.1.

## 22. Governing Law and Jurisdiction

- 22.1 The validity, construction and performance of the Agreement, and all contractual and non contractual matters arising out of it, shall be governed by English law and shall be subject to the exclusive jurisdiction of the English courts to which the Parties submit.

# SCHEDULE 1 - PROCESSING, PERSONAL DATA AND DATA SUBJECTS

- 1. This Schedule shall be completed by the Customer, who may take account of the view of the Contractor, however the final decision as to the content of this Schedule shall be with the Customer at its absolute discretion.
- 2. The contact details of the Customer Data Protection Officer are:

[Redacted]  
[Redacted]  
[Redacted]  
[Redacted]  
[Redacted]  
[Redacted]  
[Redacted]

[Redacted]	[Redacted]
[Redacted]	[Redacted]
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## Specification of Services

The Authority is the UK Government Department responsible for the environment, food and farming and rural affairs. The Authority's priorities are to secure a healthy natural environment; a sustainable, low-carbon economy; a thriving farming sector and a sustainable, healthy and secure food supply. Further information on the Authority can be found at: [Defra](#).

### Specification of Requirements

This section sets out the Authorities requirements.

#### Aim:

The aim of this project is to analyse and develop estimates of the number of packaging producers in the UK, under different policy proposals and definitions used under the packaging Extended Producer Responsibility (EPR) scheme. The research should produce an analysis on:

- Population Estimate: more accurate estimate of the total number of packaging producers in the UK split by producer type, business revenue, packaging tonnage placed on market and employee size bands.
- Definition of Producer: estimates of the number of packaging producers at different points in the supply chain and under different compliance approaches, i.e. when shifting from a shared point of compliance across the supply chain, to a single point of compliance approach (e.g. packaging fillers only).
- Micro, Small and Medium Business Assessment: estimates of the number of medium, small and micro producers<sup>1</sup> that might be affected under different scenarios, as defined below.

The research will be used, along with other considerations such as consultation responses, to inform the following:

- The preferred point of compliance for packaging Extended Producer Responsibility (EPR);
- The profile of producer fees and/or deposits that will be taken from producers;
- Other logistical aspects of the EPR scheme roll-out.

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<sup>1</sup> The usual definition of small and medium sized enterprises (SMEs) is any business with fewer than 250 employees. Micro business have 0-9 employees.

**Scope:**

The project will review the current approach to the packaging producer population estimates, propose possible methodological solutions to strengthening the estimates, such as conducting primary data research, (e.g. data collation through surveys) and produce a data-driven analysis to deliver new and more detailed estimates of packaging producers against key characteristics, (i.e. revenue of business, how much packaging they handle/place on the market, employee size, type of producer).

**Background:**

The current packaging producer responsibility scheme has been in place for 20 years. Whilst it has enabled the UK to meet its EU packaging recycling targets and kept the cost to business of compliance low, it provides little incentive for producers to design for greater re-use or recyclability. At the same time, demand for collected materials is not being stimulated sufficiently, local authorities receive limited financial support for collections, and many people continue to be confused over what packaging can and cannot be recycled.

There are concerns around the transparency of the current packaging Producer Responsibility Note system, such as that the export of packaging waste is incentivised over retaining the material for reprocessing in the UK.

Stakeholders across the society are calling for change and government has stated its intent that producers should take greater responsibility for the materials and products they put onto the market. EPR is a well-established principle adopted by many countries around the world, across a broad range of products and materials. It places responsibility on producers for the cost of managing their products, once they reach end of their life and gives producers an incentive to design their products to make it easier for them to be re-used or dismantled and recycled at the end of their life.

The current packaging waste regulations stipulate that the responsibility for meeting packaging waste recycling obligations, is shared across the packaging chain ('shared responsibility'). The obligation is split according to the activity performed as follows: manufacturer of raw material (6%), convertor (9%), pack filler (37%), and seller (48%). These percentages were agreed between government and industry, before being set in the regulations. These percentages are applied to the producer's packaging waste obligation. This means it is possible for four separate producers to be obligated for one unit of packaging. However, many businesses handle packaging at more than one point in the packaging chain e.g. a pack filler may also be a seller. In this scenario, they take a rolled-up obligation of 85% (37% pack filler + 48% seller). Importers are also obligated and take a different ("rolled up") obligation depending on the activity that the packaging is imported for. As of September 2018, 9,992 businesses within 6,839 company registrations were registered and complying under the regulations.

The current packaging producer responsibility system has a de-minimis threshold. This threshold states that a 'producer' is only obligated, if they had (in the previous financial year) a turnover of more than £2 million and handled more than 50 tonnes of packaging.

Shared responsibility has engaged businesses at all stages of the packaging chain. It has promoted awareness of the issues around packaging waste and recycling and has required all obligated businesses to contribute financially. However, it could be argued that shared responsibility reduces the incentive for any individual producer to act to reduce packaging or increase recyclability, by diluting the impact of payment for good or bad behaviours across the supply chain. It also puts an obligation on some who have less ability to make or influence change. The requirement of full net cost recovery, also raises considerations as to where in the supply chain these costs are best levied.

Removing or lowering the de-minimis to bring every, (or nearly every) producer in to scope could improve our understanding of the packaging that is placed on the market, as the current complying producers do not account for 100% of all its packaging. It could spread the costs of compliance over more producers and help to engage more small and micro businesses in issues related to packaging. However, there would be a proportionate increase in compliance monitoring and enforcement costs.

As is explained in the consultation stage document<sup>2</sup> and the associated Impact Assessment<sup>3</sup>, there currently is a lack of available data and evidence to use in assessing the impacts of both changing to a single point of compliance and removing or lowering the de-minimis threshold. The proposals in the EPR packaging reform consultation document, are based on analysis conducted for the Impact Assessment as well as feedback obtained through stakeholder engagement and research into EPR systems in other countries.

This research should develop more accurate estimates of the likely number of businesses that would be obligated through a change in definition. Please refer to the consultation document for the two options (each with possible variations), for changing the definition of obligated businesses (producers) under a reformed packaging producer responsibility system.

## **Objectives:**

1. Review Defra's current methodology<sup>4</sup> and propose improvements:
  - 1.1. Produce a statistical review of the methodology used by Defra in the consultation stage impact assessment;
  - 1.2. Scope ways of improving the current method and work required, in order to achieve the next steps.
2. Development of improved Defra's methodology and data gathering:
  - 2.1. Conduct primary data research (e.g. data gathering through sample surveys), in line with the method approved by Defra;
  - 2.2. Undertake secondary data research, using the gathered data and the methodology developed by the contractor.

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<sup>2</sup> [https://consult.defra.gov.uk/environmental-quality/consultation-on-reforming-the-uk-packaging-produce/supporting\\_documents/packagingepiconsultdoc.pdf](https://consult.defra.gov.uk/environmental-quality/consultation-on-reforming-the-uk-packaging-produce/supporting_documents/packagingepiconsultdoc.pdf)

<sup>3</sup> [https://consult.defra.gov.uk/environmental-quality/consultation-on-reforming-the-uk-packaging-produce/supporting\\_documents/packagingepiconsultimpactassessment.pdf](https://consult.defra.gov.uk/environmental-quality/consultation-on-reforming-the-uk-packaging-produce/supporting_documents/packagingepiconsultimpactassessment.pdf)

<sup>4</sup> Please refer to the consultation stage impact assessment 'Reforming the packaging producer responsibility system in the United Kingdom', Annex E. Defra team will share the underpinning calculations with the successful bidder.

3. Produce analysis that will be able to:
  - 3.1. Report on the number of producers as defined in the current regulations, (obligated and non-obligated);
  - 3.2. Categorise producers by their type, (manufacturer, converter, packer/filler, seller etc.);
  - 3.3. Estimate packaging tonnages used, business revenue and employee size per producer;
  - 3.4. Produce tonnage distribution across the business sizes, to supplement future small and micro business assessments.

## **Outcome:**

The research will deliver a short report and analysis that can be used by Defra users to insert different scenarios into the wider packaging EPR modelling. The scenarios would be driven by four key characteristics: packaging tonnages handled/placed on market, business turnover, employee size and packaging producer types. The analysis' outputs should indicate the uncertainty ranges associated with different scenarios, which should be statistically derived where possible. For instance, the analysis should allow Defra to answer the following example questions under different scenarios:

### **De-minimis**

1. What is the producer population and packaging tonnage associated with lowering the tonnage threshold to e.g. 25/10 tonnes and the turnover threshold to e.g. £1/£0.5 million?
2. What is the producer population and packaging tonnage associated with removing completely the de-minimis thresholds?

### **Single point of compliance**

1. What is the likely population if the responsibility is on the brand-owner (packer/filler)?
2. What is the likely population under the seller approach?

### **Combined**

1. What would be the producers' population and packaging tonnage covered under the single point of compliance scenarios and lowered de-minimis threshold?
2. What would be the producers' population and packaging tonnage covered under the single point of compliance scenarios and removed de-minimis threshold?

## **Methods:**

Where possible, this research should use novel data and statistical modelling approaches. Defra would expect the successful supplier to collect the necessary data to answer the questions outlined in the 'objectives' section above. Rich and deep insights from packaging producer' focus groups and interviewing is likely to be valuable. Defra would also welcome econometric analysis of economic data and statistics on the relevant sectors, in order to present findings representative of the UK-wide picture.



All analysis is expected to meet the principles laid out in the [AQUA book](#) and be subject to rigorous quality assurance. In particular:

- Defra should be consulted on and informed of risks and uncertainties surrounding the analysis;
- Uncertainty should be quantified where possible;
- Where relevant, spreadsheet best practice should be employed. E.g.;
  - Separation of inputs, calculations and outputs;
  - Separation of calculations into composite steps to avoid overcomplicated cell formulae;
  - Clear labelling including a colour coding scheme, (Defra can recommend a scheme if needed);
  - Error traps and graphs of values from intermediate calculations to check results.
- Assumptions and data sources should be made clear;
- Version control system should be used and documented for reports and analysis files;
- Quality assurance activity should be documented.

### **Audience:**

The report will be used by a mixture of analytical and policy Defra professionals. Defra requires the separating of most of the technical details relating to the methodology into a technical annex, with the main report addressing the questions in the 'objectives' section above.

### **Deliverables and Timetable**

<i>Inception Meeting</i>	Inception meeting with Defra Project Team and supplier.	w/c 29 <sup>th</sup> July 2019
<i>Progress updates</i>	Fortnightly teleconference/phone call to update the Defra Project Officer on progress.  E-mail update on progress to be provided to the Defra Project Officer 24 hours before each fortnightly teleconference.	Fortnightly or as issues arise
Deliverable 1 <i>Methodology review and proposed next steps</i>	A methodology review should be produced at this point. It should summarise the strengths and weaknesses of the current methodology and propose ways forward in terms of primary data gathering and scenario analysis.	w/c 12 <sup>th</sup> August 2019

<p>Deliverable 2</p> <p><i>A progress update on new methodology and primary data research</i></p>	<p>An interim presentation on the progress made should be produced on the data gathered and developed scenario analysis' approaches.</p>	<p>w/c 23<sup>rd</sup> September 2019</p>
<p>Deliverable 3</p> <p><i>Draft Final Report</i></p>	<p>Draft final report to include all outputs: the methodology review; outputs of primary data research; tonnages, revenue and number of businesses under agreed Scenarios.</p> <p>Accompanying this report, there should be a presentation of the findings to Defra staff in London.</p> <p>To be provided by e-mail to the Defra Project Officer.</p>	<p>w/c 14<sup>th</sup> October 2019</p>
<p>Deliverable 4</p> <p><i>Final Report</i></p>	<p>Final report, incorporating comments from Defra on the draft report. Should be accompanied by all relevant data sets / analysis in an agreed format.</p> <p>To be provided by e-mail to the Defra Project Officer.</p>	<p>w/c 28<sup>th</sup> October 2019</p>

**Financial Arrangement:**

The Supplier will be paid by two separate invoices; one following satisfactory completion of deliverable 1 and the other on satisfactory completion of deliverable 4 as set out above.

# Eunomia Research & Consulting Ltd

## E01 – GDPR

Eunomia Research & Consulting Ltd confirmed that they have in place, or that you will have in place by contract award, the human and technical resources to perform the contract to ensure compliance with the General Data Protection Regulation and to ensure the protection of the rights of data subjects.

## E02 - Understanding of the specification of requirements

### Eunomia Research & Consulting and the EPR policy landscape

The Producer Responsibility Obligations (Packaging Waste) have governed UK management of packaging waste since 2007. Eunomia Research & Consulting possesses extensive knowledge of this policy landscape, having advised on waste policy for nearly 20 years and undertaken substantial research into the interactions between EU waste Directives and the UK's PRN markets. Furthermore we are currently delivering work for Defra regarding future EPR structures using deposit fees and/or placed-on-the-market fees; work closely connected with this proposal. The importance of enhancing the current UK producer responsibility system is underscored by the EU's 2018 revised Waste Framework Directive, with associated minimum requirements for EPR schemes under Article 8a. Eunomia is also currently undertaking work regarding guidance associated with this revised Directive (see E05).

This section sets out our understanding of the present project's requirements, introduces our suggested methodological approach, and assesses each of Defra's 'key characteristics' for inclusion in our analysis.

### Current operation of EPR in the UK

EPR is based on the 'polluter pays' principle, requiring those responsible for the production of packing to facilitate its appropriate end-of-life treatment. The UK implements this principle within a market-based system. Packaging recyclers produce PRNs or ePRNs (Packaging Recovery Notes or Export Packaging Recovery Notes) for each tonne of material they process or export, and companies in the packaging supply chain are legally obligated to purchase specified quantities of these certificates as evidence of recycling. This system was designed to provide an additional stream of finance to waste management companies, incentivizing improvements in recycling collections and processing capacities.

Despite good intentions, this existing EPR system has come under considerable scrutiny following identification of a number of shortcomings. These include, and are not limited to, failing to incentivise companies to use recyclable packaging, poor transparency regarding how the incomes from PRN and ePRN incomes are spent, encouraging the export of recyclable materials as opposed to domestic processing, and failing to cover any substantial proportion of the cost of recycling packaging materials. Proposals for future EPR rules involve coverage of 'full net costs' of recovery, to ensure fees paid by packaging producers cover the entire range of treatment costs.

These issues have been widely documented, including in a formal review by the National Audit Office, resulting in the Government proposing fundamental reforms to the present EPR system. It is undertaking a detailed consultation process and has begun modelling impacts associated with suggested policy reforms. Two important components of this review concern the present **de-minimis rules** and the **system of 'shared responsibility'** for compliance obligations throughout the packaging supply chain. These components form the focus of this study.

## Planned reforms to points of compliance and interactions with the de-minimis

Both the de-minimis rules and the system of 'shared responsibility' present their own challenges to a fit-for-purpose future EPR regime, but their interaction is also of critical importance to the effectiveness of forthcoming policy amendments. The Government (including devolved administrations) set out important questions regarding these interactions in the February 2019 consultation, and highlighted that the paucity of data regarding the number and nature of companies below the de-minimis threshold inhibits informed decision making regarding how small companies should be included in future policy.

It is possible that removing the de-minimis (which places obligations only on businesses which handle over 50 tonnes of packaging waste and have an annual turnover over £2 million) will assist the Government in meeting new recycling targets by expanding the number of businesses obligated to address their waste. However, this change could come with large administrative costs. For example, if a single-point of compliance structure is implemented, and a supply-chain category selected for compliance that includes the majority of small/medium sized enterprises that handle packaging, there could be a substantial number of businesses which are newly required to participate in PRN/ePRN markets and be monitored by the regulator, resulting in administrative costs for both the businesses and the regulator. Ultimately the Government aims to achieve full-net-cost of recovery in the most cost-effective manner. How small companies are integrated into this aim is of crucial importance, yet the evidence base is currently insufficient to make decisions.

**By undertaking this present study, Eunomia will seek to deliver sufficient quantitative evidence relating to the number of companies, their employees, packaging volumes, producer type and turnover to evaluate a range of policy scenarios and arrive at informed conclusions regarding both de-minimis and single point of compliance rules.**

## Eunomia's approach to Defra's requirements

In the RFQ, Defra has indicated that a potential methodology for achieving the desired aims involves primary research with market participants, in the form of interviews and surveys. The project team has put considerable thought into the operation of such a method, and also taken the opportunity to review alternative strategies to weigh up their relative resource requirements and merits. We believe that our alternative suggestion, which utilizes advanced econometric techniques, **will deliver a more robust evidence base, and be more cost-effective** than prioritising primary data collection. Outputs from our analysis will subsequently be reviewed using primary stakeholder consultation, contributing to the rich evidence base which Defra is seeking.

Our evaluation of a methodological approach overtly dependent on primary data collection raised two principle concerns, which we believe would undermine the merits of the evidence Defra is seeking to gather:

**Achieving a sample size which would deliver statistically significant results would be extremely challenging.** In our extensive experience in conducting industry stakeholder surveys we find average response rates of around 10%. Even to achieve a sample of 100 companies would require requesting input from 1000, and this sample would still be too small to achieve a reliable representation of different company sizes, supply-chain categories and employee numbers.

**The necessary resources to conduct a large-scale survey exercise would be a significant cost for Defra** (particularly within the suggested timelines). Managing the data collection and analysis would require large quantities of person-time, whilst our proposed methodology maximises the use of existing evidence sources, and strategically applies stakeholder consultations to test the outputs of our analysis.

It was on the basis of these two challenges that we have developed the alternative methodology set out in E03.

## Key criteria for assessment and Eunomia's views

Government wishes to review various scenarios for alternative de-minimus rules and points of compliance. Hence it has requested that the five categories concerning the present sub-de-minimus population are evaluated. These are as follows:

1) **Number of companies.** In its impact assessment, Defra has already attempted to estimate the number of businesses that may be obligated to participate in EPR compliance if the de-minimus is removed (and this methodology will be reviewed as part of our work). Understanding this category is important for evaluating the administrative costs of a future EPR policy that could apply to many more companies – costs will be borne both by the regulator, and newly obligated companies required to report waste volumes and participate in PRN/ePRN markets.

**Number of employees.** From the consultation document, we understand that employee numbers may be used as an EPR participation threshold in future policy implementation, and for this reason will be a useful assessment category. This also aligns with current business-size definitions, which use employee numbers to distinguish between small, medium and micro businesses (SMEs have fewer than 250 employees, while micro businesses have fewer than 9 employees).

**Business revenue.** As per employee numbers, breaking down our analysis by business revenue (likely to specifically be turnover due to available data) will allow the evaluation of different EPS de-minimis threshold scenarios.

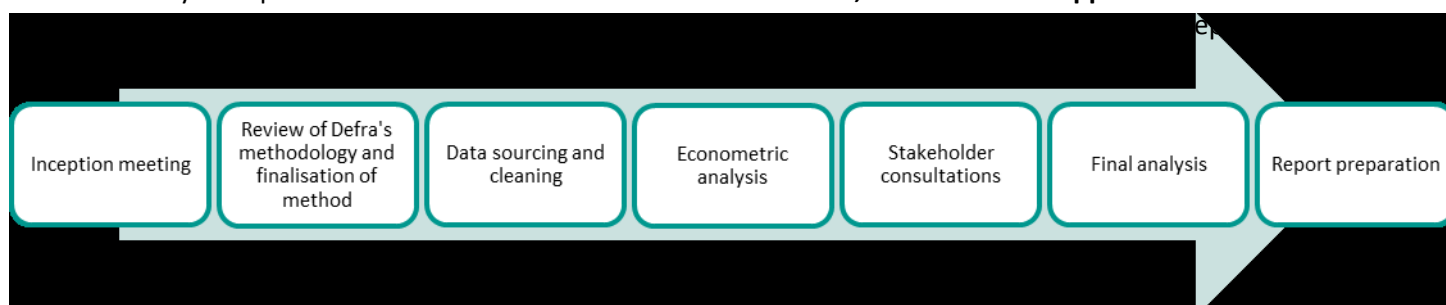
**Tonnage of material handled.** It is important for Defra to understand both the total tonnes of material handled (informing understanding of whether current shortfalls in reported recycling result from the de-minimus or free-riders), and how these tonnes are distributed across companies of different supply-chain categories, employee numbers and turnover bands. This analysis will allow Defra to specifically target future EPR obligations on those companies with the greatest packaging impacts, whilst avoiding excessive administrative costs.

**Producer type:** We must categorise companies identified in our research with the appropriate supply chain label (manufacturer, packer/filler etc). This component of the research will be most relevant to considerations around shifting to a single point of compliance system. We would like to understand from Defra how they wish for the new categories of obligation (Brand Owner etc) mentioned in the consultation to be included in this analysis.

In the following method section we set out in detail how our process will enable each of these categories to be accounted for in our research and analysis.

## E03 – Methodology

The project team have reviewed the RFQ in detail and designed a bespoke methodology to deliver Defra's desired outcomes. As outlined in E02, we are proposing an amended approach to that suggested by Defra. We will undertake the suggested primary research tasks, but use the stakeholder consultations to evaluate the findings of our principal research method, which will utilize econometric modelling and detailed statistical analysis of possible scenarios. **For the reasons set out in E02, we believe this approach will**



## Inception meeting

In accordance with PRINCE2, Eunomia starts its projects with a controlled project initiation process to ensure clarity and a common understanding of the work that is to be undertaken. This begins with a meeting between Eunomia and the client's representatives to discuss in more detail the requirements of the project and our methodology.

We note that the RFQ specifies that the project inception meeting is likely to be held on week commencing 29 July. The proposed costs have assumed that the Project Director, Project Manager and Technical Lead attend this meeting. We recommend setting aside up to 2 hours for the inception meeting and propose an agenda that includes:

- Introduction to the team;
- Background, purpose, objectives of the project;
- Feedback on proposal;
- Overall project approach and methodology;
- Discussion of particular assessment categories: number of companies, employee numbers, producer types, tonnes of material handled, business revenues;
- Project management – regular communication arrangements, roles and responsibilities, project plan and timetable, risks; and
- Agreed actions.

Eunomia will be responsible for producing succinct and accurate notes from the inception meeting confirming agreement of the points identified above. This will be circulated shortly after the initiation meeting to Defra and will act as terms of reference for the project going forward.

## Review Defra's methodology and finalise method

We have conducted an initial review of the methodology that Defra has applied to estimating the number of companies below the de-minimis which may be subject to EPR obligations, should the de-minimis be removed. This methodology achieved its estimations of company numbers below the de-minimis threshold by assuming they would be present in similar proportions to the percentage of companies appearing in both National Packaging Waste Database (NPWD) and Office for National Statistics (ONS) data above the de-minimis threshold. We will statistically review this method in two ways:

**Reviewing the use of averaged NPWD:ONS percentage presence:** To understand the extent to which the averaged percentages (of NPWD:ONS presence in each SIC code) used by Defra in the Impact Assessment can be considered representative of the true presence of companies in both NPWD and ONS data, we will calculate the **standard error of means**. This will inform us how accurately (statistically) the sample (i.e. each percentage used in Defra's calculations) represents the total presence of companies in the NPWD and ONS databases, by taking into account the size of the sample used in Defra's calculations (i.e. how many different SIC codes were reviewed). We will also be able to test the validity of using the uniform NPWD:ONS percentage presence for all SIC codes by undertaking the **equality of sample proportions** hypothesis testing.

**Reviewing trends in the number of companies handling packaging at different turnover levels:** Defra's analysis applied only one test to assess whether the volume of companies handling packaging varied by turnover band. To assess the reliability of assuming a particular trend between company turnover and presence in the NPWD, we will calculate the presence at several turnover intervals, and undertake regression analysis to determine the strength of any trends. The presence/absence and strength of any trends will enable us to comment on the reasonableness of assuming that companies below the £2 million turnover threshold will follow a similar pattern to those above the £2 million threshold. It will also enable us to understand whether this variable needs to be included in our subsequent econometric analysis.

These two evaluations will enable us to comment on the reliability of the baseline numbers used in Defra's existing impact assessments regarding the inclusion of de-minimis companies. Using these learnings and the outcomes of the inception meeting, we will then make any necessary adjustments to the following methodology to ensure we are producing the required analysis for Defra in the most robust manner. As per requested deliverables, we will deliver our review of the methodology and proposed next steps at this stage.

### Data sourcing and cleaning

This step will involve building our dataset of known characteristics of currently obligated companies. We will require reliable data for each of the key categories for subsequent analysis: **producer type, business revenues, packaging tonnages and employee size bands**. We have identified the following data sources to fulfil these requirements:

- 2) **NPWD:** We anticipate the NPWD providing a considerable proportion of this data – specifically producer types, turnover and packaging tonnages. Based on our previous experience working with NPWD data we understand that it is possible for this data to be made available, subject to suitable confidentiality agreements.
- 3) **ONS:** We have enquired with the Environment Agency and employee numbers are not required to be reported by obligated producers to the NPWD. Therefore we propose applying ONS data on average employee numbers per SIC code to the existing NPWD database. We have checked the availability of this data and have found suitable sources to work with.

**Other data:** We will seek any additional useful data sources using online research/literature searches. This will enable us to a) understand if any research has already been undertaken in the area of small businesses and their packaging usage, and b) may provide some additional evidence against which to test the results of our analysis.

We will collate and clean data from each of these sources to ensure it is fit for subsequent econometric analysis.

### Econometric analysis

To estimate the number of producers below the de-minimis threshold, both in terms of tonnage of packaging handled and annual turnover, we propose to undertake an econometric approach. For this we will first develop econometric models for the number of producers with tonnages of packaging handled and annual turnovers above the threshold values based on the data from NPWD, and other sources such as the ONS, BEIS, etc. Then these models will be used to generate the predicted values of the number of producers at different levels of packaging handled below the packaging handled threshold value (e.g. 40 tonnes, 25 tonnes, etc.), as well as various turnover levels below the turnover threshold value (e.g. GBP 1.5 million, GBP 1 million, etc.), including complete removal of one or both threshold values.

Given that there are threshold values based on two different attributes, packaging handled and turnover, we would need to develop two separate regression models for number of producers, one corresponding to different levels of packaging handled (e.g. 50-75 tonnes, 75-100 tonnes, etc.), and the second one corresponding to different levels of turnover (e.g. GBP 2-5 million, GBP 5-10 million, etc.). However, tonnages of packaging handled and annual turnover are likely to be interdependent, which would imply that the two regressions models are likely to be dependent on each other. It is therefore likely that we will need to model the two regression equations jointly in a simultaneous system of equations model.

Some of the likely regressors (independent variables) for the above regression model are:

- Number of producers of different activities/types (e.g. raw material manufacturer, converter, pack-filler, and seller);
- Number of producers from different industrial sectors based on SIC codes;
- Size of business (e.g. SME or non-SME);
- Employee size bands; etc.



The above two dependent variables can be constructed using the data from the NPWD. The NPWD could also be used to construct most of the above independent variables. However, as discussed above, the NPWD does not hold any information on number of employees for individual businesses. An alternative way of constructing average number of employees for different turnover and packaging handled intervals, could be to combine ONS data on average number of employees per organizations by 2, 3 and 5-digit SIC codes with the data from the NPWD based on reported SIC codes for each producer.

It should also be noted that, in the NPWD, a producer can be classified as more than one type (a pack-filler can also be a seller). So in the regression model, we would need to consider inclusion of the number of producers based on secondary activities along with number of producers based on their primary activity.

The above regression model can also be estimated using the panel data approach as the data from NPWD provides packaging handled data for several years (2009 onwards). Cross section regression models will not be able to capture dynamic effects in the system (e.g. packaging handled, number of producers, turnover, producer type, etc. usually change over time). Using the panel data approach might improve the estimated results, as the panel data approach would capture not only the variations across individual producers, but the variations across time.

After estimation, the above regression model can be used to predict number of producers for different packaging handled and turnover intervals below the de-minimis threshold (e.g. 0-10 tonnes, 10-25 tonnes, etc. or GBP 1-1.5 million, GBP 1.5-2 million, etc.). It will also be possible to construct prediction intervals based on statistical significance for the predicted values, which will indicate the associated level of uncertainty for each predicted value.

**It is important to note that** without undertaking the econometric analysis with the actual data, it is not possible to ascertain at this stage whether the above parametric regression model will be able to generate robust estimates for number of producers below the de-minimis threshold. This is because parametric regression modelling requires certain assumptions about statistical distribution of the underlying data, whereas the actual data might not follow any particular statistical distribution. In that case we will undertake other relevant non-parametric econometric analysis such as the cluster analysis.

Cluster analysis could be useful for clustering producers with similar attributes (tonnages of packaging handled, turnover, producer type/activity, industrial sector, business size, etc.). These clusters can then be applied to the total number of producers under different SIC codes to determine the proportion of obligated producers for each SIC code for different packaging handled and turnover intervals above the de-minimis threshold levels. Finally, applying these proportions to different packaging handled and turnover intervals below the de-minimis threshold levels will generate estimates of the number of obligated producers under the de-minimis threshold for each SIC code. The cluster analysis could also be useful for determining the intervals for the dependent variables in the regression model proposed above.

All analysis will respect the principles laid out in the AQUA book: Eunomia deploys its own quality assurance system for models. This, alongside our model template, will enable us to meet the requirements set out in the ITT.

After undertaking the econometric analysis and estimating the predicted number of producers under the de-minimis threshold values for packaging handled and turnover, we will use the primary research involving stakeholder interviews to ground-truth and refine the estimates for the econometric analysis. This is discussed in the next step.

As per the RfQ, we would present a progress update to Defra staff in September, when we anticipate that the econometric analysis would be substantially completed and the stakeholder interviews, described below, are under way.

## Stakeholder interviews

We will undertake a series of semi-structured stakeholder interviews to assess the results of our econometric analysis and provide Defra with some richer insights into the views of businesses currently below the de-minimis threshold. We will target two groups through these consultations.



The first group will include individual businesses that currently sit below the de-minimis threshold. We will design our sample to gain a spread across the employee, turnover, tonnage and producer type brackets used in our analysis. The extent of representation would of course depend on the willingness of businesses to participate in the consultation, but we would aim to make participation as simple as possible, using phone facilities.

As per our original comments regarding a primary-research focused methodology, this approach will still struggle to provide truly 'representative' results of the sample population, and is intended to address any queries we have from the model outputs. To gain a higher-level perspective on our findings, we will also seek the views of representative industry bodies. Given that this research is as much about larger-scale trends as the status of individual companies, understanding from industry experts whether they believe our characterization of their sector to be accurate, would be a useful barometer of our econometric conclusions. We have costed our proposal on the basis of undertaking between 10-15 interviews across both the individual businesses and industry bodies.

### Final analysis

In this penultimate methodology step we will corroborate the conclusions from both the econometric analysis and stakeholder consultations. It may be necessary to adjust some of our assumptions from the econometric analysis based on stakeholder comments, but we would not anticipate these alterations to be substantial.

We will conduct analysis that aligns with various de-minimis and single point of compliance scenarios, and will work closely with Defra to establish the most useful way of presenting these results. We would anticipate a range of tables demonstrating the number of companies that would be required to participate in EPR compliance under different specifications of employee numbers, producer types, and turnover bands. Each scenario would also demonstrate the estimated quantities of waste that would be covered in each scenario.

### Reports

We would present our findings through both a draft report and via a presentation to Defra staff in London. We would expect a single round of consolidated comments from Defra in the form of tracked changes, in addition to a review call. Following these comments we will make any required adjustments and deliver the final report.

## E04 - Project planning, management, and delivery

### Project plan

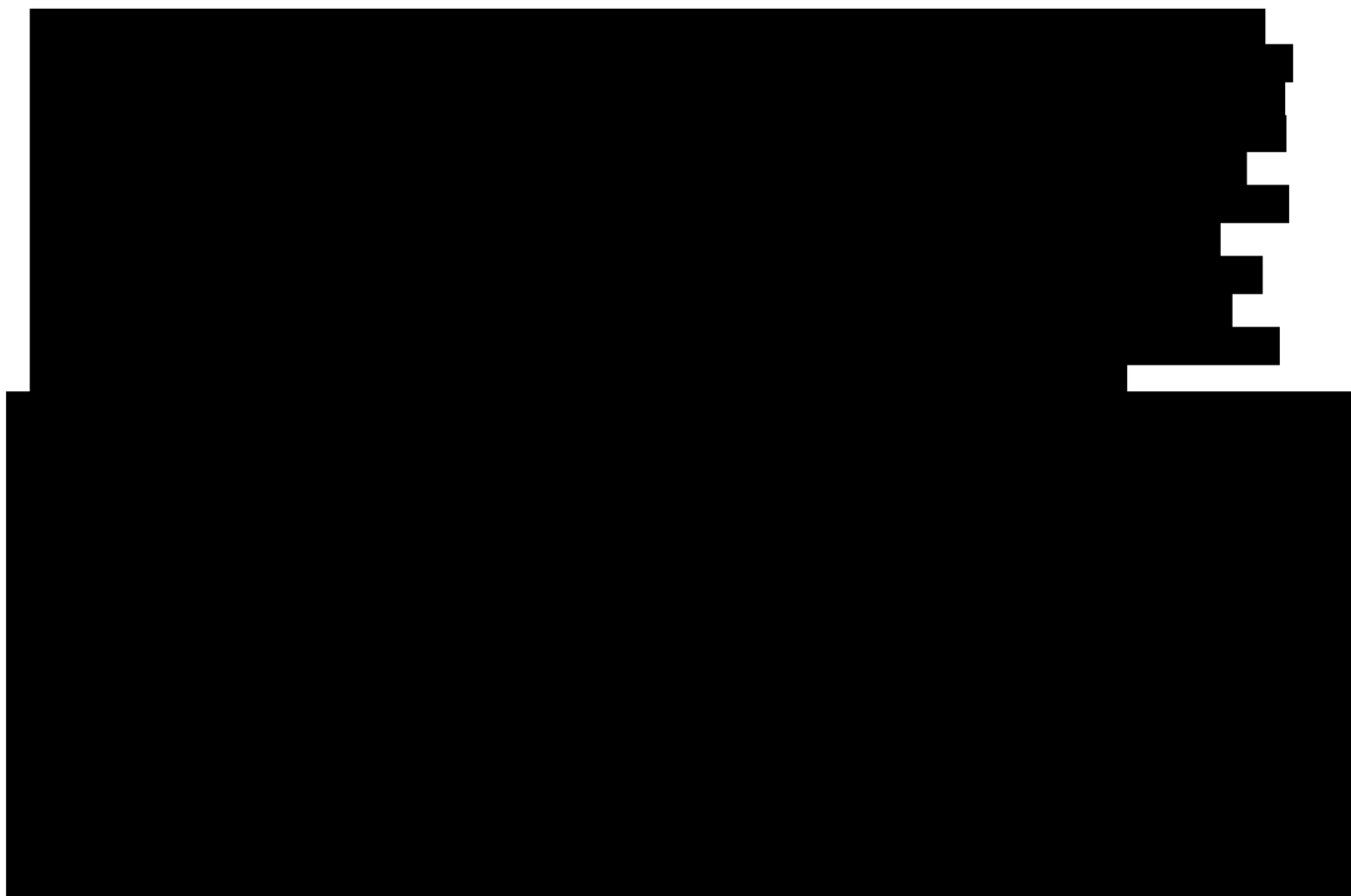
The ultimate objective of this project is to deliver to Defra a report and data analysis by 28th October 2019 which will inform policy making and consultations in relation to reforming the UK packaging EPR regulations. The RFQ specifies several interim deliverables including a review of the current Defra methodology in August and progress updates on the data analysis and new methodology in September. The RFQ also specifies fortnightly progress phone calls, which is a reasonable frequency, given the timeline. The project plan is set out in Figure 1 below, based on the methodology outlined in document E03.

**Figure 1 - Project Plan and Gantt Chart**

Start Date:	29/07	05/08	12/08	19/08	26/08	02/09	09/09	16/09	23/09	30/09	07/10	14/10	21/10	28/10
<b>Project Management</b>														
Inception meeting														
Fortnightly progress updates														
Internal project management														
<b>Methodology Review</b>														
Review of Defra's methodology														
Develop new methodology														
Methodology Review Report														
<b>Secondary data collection</b>														
Data collection incl NPWD, ONS etc														
Data cleaning & formatting														
<b>Econometric modelling</b>														
Development of econometric model														
Conduct analysis														
<b>Ground truthing via primary research</b>														
Schedule interviews														
Conduct interviews														
Qualitative assessment of interview data														
Progress update to Defra														
<b>Scenario analysis</b>														
Analysing deminimis scenarios														
Analysing single point of compliance														
<b>Reporting</b>														
Draft Final Report														
Presentation of draft report														
Final Report														

The Commercial and staff time workbooks provide a breakdown of costs, staff working on the project and the number of days each member of staff is scheduled to work on each element of the project.

### Project team organogram



## Quality assurance

Eunomia's quality assurance practices are governed by an Integrated Management System (IMS). The IMS conforms to PRINCE2® and industry benchmarks, and has maintained ISO9001 certification since 2010. It is implemented by all of our consulting staff who are trained in both PRINCE2® as well as Eunomia's specific project management practices.

Eunomia's project teams carry out the following key actions to ensure quality expectations are met and exceeded:

- Understand the client's quality expectations for the key deliverables of the different elements of the service and ensure the project's acceptance criteria are sufficiently defined;
- Seek lessons from similar projects relating to quality management;
- Plan how quality review and testing will be carried out;
- Monitor any ongoing risks and issues associated with product quality, logging information in a Quality Register where needed;
- Allocate responsibility and project manage the resolution of all quality issues.

## Risk assessment

Before inception we identify risks drawing upon knowledge of the project's characteristics, the judgment and experience of the senior members of the team, and from lessons learned from other projects. All risks will be discussed with you to ensure that none are missed, their severity and likelihood are measured, and your tolerance to their impact is fully understood. The Project Manager uses a Risk Register to record and monitor risks in most medium to large projects. The register tracks the status of risk from identification to resolution (i.e. transfer, mitigation, avoidance, acceptance, or prevention). The Project Manager is usually responsible for the day-to-day management of project risks but may allocate them to specialists in the team.

For this project we note that the proposed timeline does not provide much scope for delay. For the reasons set out in E02, we propose to focus mainly on econometric modelling via secondary data collection (using the National Packaging Waste Database (NPWD)), followed by some targeted interviews with key stakeholders for ground-truthing the findings. Whilst this approach helps to mitigate some of the risks in relation to over-reliance on primary data collection, it does mean that there will be a linear dependency between secondary data collection, conducting the econometric analysis and then conducting primary data collection to verify the initial findings. We have previous experience of working with the NPWD on a project for Defra where it took substantial time to obtain full access to the data and are therefore keenly aware of the potential risk here.

We have identified the below initial risks for this project:

Issue	Potential impact	Mitigating Actions
Potential delay for Defra to approve methodology	Delay to the overall project timelines	This will be raised at the inception meeting as a potential risk to timelines.
Potential delays to access the NPWD	Delay to the overall project timelines	This has been raised as a clarifying question to Defra and will be highlighted again at the inception meeting.
Potential double-counting of packaging producers who are classified as more than one type (e.g. pack-filler and seller)	Distortion of dataset and results	This will be addressed through the model design, identifying producers based on both primary and secondary activity.
Delayed interview schedules	Delay to the overall project timelines	We have already partly mitigated against issues with primary data collection by proposing to focus on secondary data collection. The research team will reach out to potential interviewees well in advance to reduce the risk of

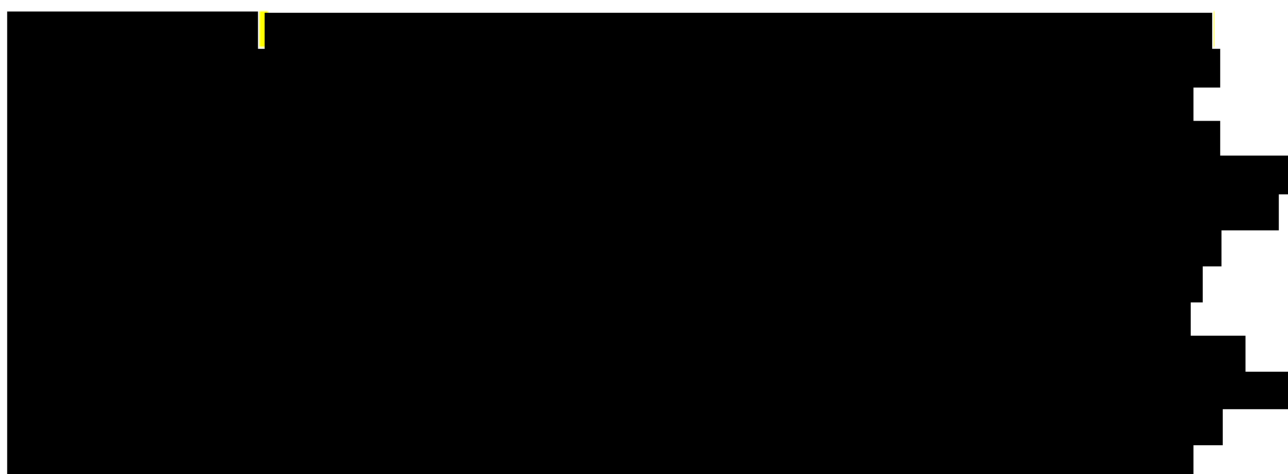
		delays.
<b>A low number of participants for interviews</b>	Delay to the project timelines or reduced reliability of data outputs	We have already partly mitigated against issues with primary data collection by proposing to focus on secondary data collection. Recognising that some potential participants are likely to be on summer holidays, the research team will reach out to potential interviewees well in advance.
<b>Unplanned loss of key personnel. (e.g. due to illness)</b>	Delay to the overall project timelines	Unplanned absences are mitigated through reserve staff brought in as necessary from our 90+ strong workforce.

## E05 – Expertise and experience

### 1. Project team

Eunomia is especially well-placed to deliver this work for three reasons. Firstly, our extensive knowledge of existing UK producer responsibility policy. Secondly, excellent technical knowledge of the econometric modelling required to deliver our methodology. And thirdly, our well-structured approach to using qualitative stakeholder consultations to corroborate quantitative evidence and deliver robust conclusions. Each of our selected key case studies (see 'E05\_Eunomia\_Project Example') has been chosen to highlight these capabilities. The team we present has worked extensively in the packaging and waste sector, undertaking very similar studies concerning the implications of policy interventions, in some cases specifically regarding packaging bans. Our team, their roles and qualifications are as follows:

Team Member	Role	Expertise
[REDACTED]	Project Director and Quality Assurance lead	Senior technical and policy specialist
[REDACTED]	Project Manager	Project and team management
[REDACTED]	Technical Lead	Policy and econometric analysis
[REDACTED]	Researcher	Research management
[REDACTED]	Research support	Quant/qual research and analysis
[REDACTED]	Research support	Quant/qual research and analysis



\_\_\_\_\_

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]





[Redacted text block]

[Redacted text block]

[Redacted text block]

## 2. Project experience

As leading global experts in circular economy and waste policy Eunomia are well-placed to conduct this work, having a wide range of experience in supporting the EU, national governments and NGOs on EPR scheme development. We are also highly experienced in undertaking sophisticated data-driven projects, whether evaluating existing policy or informing future planning. This project unites these two streams of our expertise and we are confident in our ability to successfully achieve Defra's required outputs. The following projects provide specific examples of our track record in these areas, with our capabilities highlighted in line with the opposite key. The reader will find our two key case studies, which demonstrate our knowledge of the UK's PRN market and capabilities in econometric analysis, in the E05 'project example' document.

Area of expertise	Icon
Data collection and cleansing	
Econometric modelling	
Stakeholder consultation	
EPR/waste policy advice	
Methodology evaluation	

[Redacted text block]   

[Redacted text block] to help achieve consistent practice across the European Union, and maximise the effectiveness of schemes from their inception. Our work has involved extensive stakeholder consultations across member states to ensure the guidance builds upon existing practices and is viewed as constructive advice. Using this consultation data as a baseline, we are working with the [Redacted text block]

[Redacted text block]

[Redacted text block] 



Using scenario modelling approaches, we will report the impacts of different deposit sizes and fee rates for packaging producers, including the market prices for their products. Similarly to this present project proposal, our work includes building datasets from multiple sources and constructing complex models, clearly stating assumptions and their impact on the model outputs.



to assess the effectiveness of key regulatory and economic policies on improved waste management of municipal waste across the Nordic countries of Sweden, Norway, Finland, Denmark, Greenland, Faroe Islands and Åland Islands. The project also involved econometric estimation of policy impacts on municipal waste generation and recycling rates using panel data across the countries – a similar approach to that which we will apply in the current Defra research.



Eunomia to undertake a critical analysis of a study that used econometric techniques to identify the impact on carpet sales caused by an As a part of the project, we critically reviewed the impact evaluation techniques used in the study by Bates White, and suggested ways to improve the estimation of impacts using alternative econometric techniques. This process shares several similarities with the methodological evaluation proposed in this Defra study.



Eunomia was commissioned to undertake an economic assessment of potential changes to the rate of for adjusting the rate and application of the waste disposal levy during its review in 2017. The project involved development of a landfill tax model to assess the economic and regulatory impacts resulting from a number of policy scenarios. In a similar way to the present Defra study, this project involved helping plan for effective policy implementation and mitigating any anticipated risks in advance.



This project sought to redevelop the existing environmental data centre on natural resources that is managed by The project included an assessment of the available data and content on the existing website, analysis of data and metadata relating to the resource efficiency indicators 'scoreboard', the development of structure and content for the website, and creating management plans for organisation of data production and assimilation into the Requiring a structured approach to managing large volumes of data, this project provides just one example of our capacity to deliver on heavily numerical projects such as the present Defra study.



Eunomia to identify the range of issues that e-commerce creates for EPR schemes and the possible solutions that may exist to address these problems. One of the key issues is to exacerbate the problem of free-riding of producers, given that consumers are able to buy more easily from sellers in other countries. The sellers often have no physical, legal entity in the country where the consumer resides, and may thus not be registered with domestic EPR schemes. The study gathered information on the extent of



the issue, through reviewing available literature, and in-depth stakeholder engagement, and identified current good practice in responding to the challenges.

## Prices

1. The Authority will pay the Supplier no more than the fixed sum of
2. Invoices will be submitted upon satisfactory completion of the milestones stated in the Supplier's Commercial Workbook.
3. The Supplier shall provide the Authority an invoice of the eligible costs properly incurred by the Contractor in carrying out the project.
4. Subject to any variation of the project, the amount in Paragraph 1 shall remain throughout the duration of the agreement.
5. Within 30 days of receiving an invoice satisfactory to the Authority, the Authority shall pay to the Supplier, the amount of the eligible costs which the Authority reasonably considers to have been properly incurred by the Supplier in carrying out the project during the relevant period.