

DPS FRAMEWORK SCHEDULE 4: LETTER OF APPOINTMENT AND CONTRACT TERMS

Part 1: Letter of Appointment



Department for
Business, Energy
& Industrial Strategy

Dear Sirs

Letter of Appointment

This letter of Appointment dated Thursday 27th August 2020, is issued in accordance with the provisions of the DPS Agreement (RM6018) between CCS and the Supplier.

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

Order Number:	CR20048
From:	The Department for Business, Energy and Industrial Strategy 1 Victoria Street, London, SW1H 0ET ("Customer")
To:	Market and Opinion Research International Ltd t/a Ipsos MORI, 3 Thomas More Square, Thomas More Street, London, E1W 1YW ("Supplier")
Effective Date:	Friday 28 th August 2020
Expiry Date:	Friday, 29 th January 2021
Services required:	Set out in Section 2, Part B (Specification) of the DPS Agreement and refined by: the Customer's Project Specification attached at Annex A and the Supplier's Proposal attached at Annex B

Key Individuals:	<p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>
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Contract Charges (including any applicable discount(s), but excluding VAT):	£86,490.00 (excluding VAT)
Insurance Requirements	Additional professional indemnity insurance adequate to cover all risks in the performance of the Contract with a minimum limit of indemnity of £1 million for each individual claim.
Liability Requirements	Suppliers limitation of Liability (Clause 18.2 of the Contract Terms);
Customer billing address for invoicing:	UKSBS C/O BEIS Queensway House, West Precinct, BILLINGHAM, TS23 2NF

GDPR	As per Contract Terms Schedule 7 Processing, Personal Data and Data Subjects
Special Conditions	As per Contract Terms Schedule 2

FORMATION OF CONTRACT

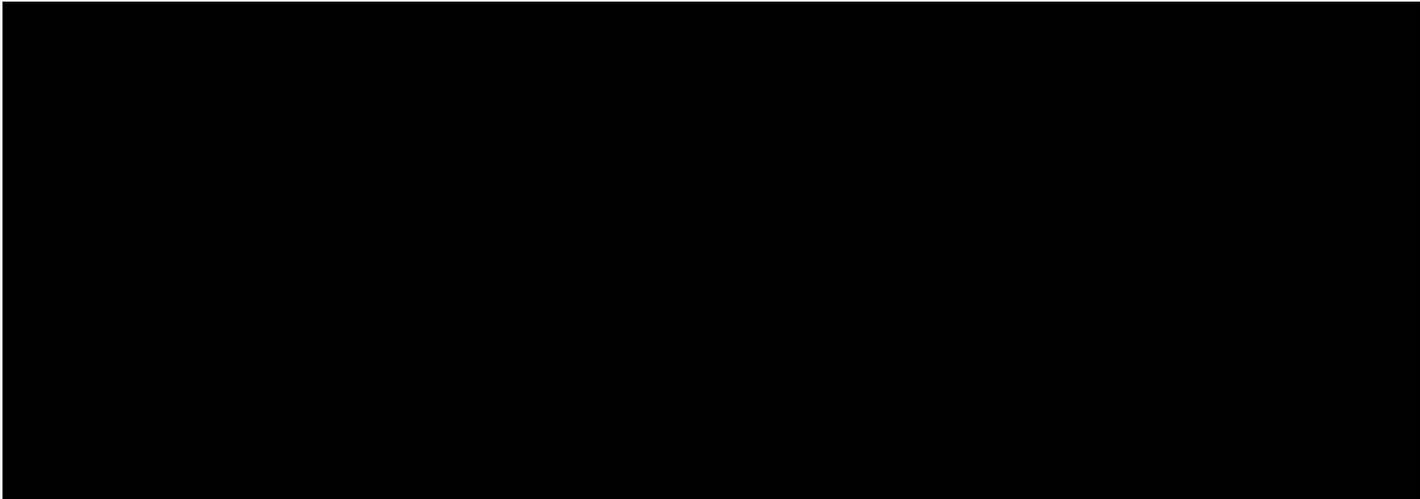
BY SIGNING AND RETURNING THIS LETTER OF APPOINTMENT (which may be done by electronic means) the Supplier agrees to enter a Contract with the Customer to provide the Services in accordance with the terms of this letter and the Contract Terms.

The Parties hereby acknowledge and agree that they have read this letter and the Contract Terms.

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

For and on behalf of the Supplier:

For and on behalf of the Customer:



ANNEX A

Customer Project Specification

To be determined by the Customer at Call for Competition stage

Background

The new Boiler Plus standards were introduced in England in April 2018. Boiler Plus aims to improve the energy efficiency of homes by increasing the efficacy of their heating systems, without necessarily triggering high-cost technology changes for consumers and while providing them with greater choice and control of their heating systems to optimise comfort. As a result of the regulations, carbon emissions from heat will be reduced in domestic buildings, contributing towards legally binding carbon budgets.

The regulations require all gas boilers installed into existing dwellings in England to have an Energy related Products efficiency rating of 92%. Furthermore, when installing a new or replacement combination (combi) gas boiler into an existing home, an energy saving technology must be included from a list of four approved measures, to improve the whole system performance. The measures include:

1. Flue gas heat recovery system – captures waste heat from the boiler and use this to preheat cold water entering the system.
2. Weather compensator – outside temperature sensor that communicates with the boiler to alter temperature of radiators based on the outside temperature.
3. Load compensator – a device that measures the gap between the internal temperature and the temperature set by the user and modulates the boiler so that it only uses the amount of fuel necessary to close the gap.
4. Smart controls - systems that are installed alongside boilers to give you exceptional control over your heating e.g. smart thermostats.

The Boiler plus policy documents can be found in the Appendix of the document titled:

Annex 1 - Boiler Plus Consultation Response

Annex 2 - Impact Assessment

Annex 3 - Further Guidance & FAQs

Size of the Scheme

The Impact Assessment estimated that there will be 910,000 yearly combi boiler installations which would come under this aspect of the new standards, leading to reductions in carbon emissions and household bills associated with heating.

Impact of Research

The findings will be used to determine levels of compliance with the regulations and gain an understanding of how Boiler Plus is operating in practice. This research will also contribute to consideration of the feasibility of extending the requirement for additional measures to all types of gas boilers (eg. system boilers), and of widening the scope (through mandating processes such as hydraulic balancing and low flow temperatures), to achieve greater carbon savings. Furthermore, this research will explore the impact of Boiler Plus on manufacturers, installers and consumers to understand what aspects worked well and what challenges they faced. This research will highlight lessons learnt that can be implemented in future heating policy and inform our thinking on any potential extension to Boiler Plus.

Aims & Objectives of the Project

The primary purpose of the research is to understand the effects of the Boiler Plus standards, two years after implementation, to inform wider policy thinking. Where possible, market intelligence will be gathered on the sales for combi boilers and the technologies included in Boiler Plus. This will be assessed alongside qualitative information gathered from installers, manufacturers and consumers to estimate levels of compliance and to understand experiences of the regulations on those affected.

The research is specifically looking to:

1. Determine levels of compliance with Boiler Plus standards
2. Understand the impact of these regulations on manufacturers, installers and consumers
3. Collect views of manufacturers on potential extension of requirement for installation of approved energy saving technologies alongside installation of boilers to all boiler types
4. Assess views of manufacturers and installers on extension of approved energy saving technologies to include hydraulic balancing and maximum flow temperatures

When Boiler Plus standards came into force, we made a commitment to review certain aspects of policy delivery, including the risk of non-compliance by the industry. Bidders should aim to obtain market data from suppliers to help evidence compliance, for example by demonstrating the extent to which combi-boiler sales correlate with the sale of Boiler Plus products (four approved energy efficiency measures), the extent to which Boiler Plus technologies have been integrated into combi boilers to produce 'out of the box' compliance, the Energy related Products efficiency rating of combi boilers, and other data which may evidence compliance. However, this data may be difficult to obtain and interpret accurately, and on its own does not fulfil the aims of the research. For example, smart controls can be purchased outside Boiler Plus and without a new boiler. Therefore, total sales numbers may be higher for this technology masking non-compliance when compared with the number of boilers sold under Boiler Plus. We therefore propose qualitative research with manufacturers, installers, and consumers to obtain a deeper understanding of how Boiler Plus is operating i.e. if additional measures are being sold with combi boilers, what has influenced installer recommendations and consumers' choices and how this should be dealt with in future policy to get the outcome we desire.

In addition, the research intends to explore the impact of Boiler Plus on manufacturers, installers and consumers to understand what aspects were viewed positively and what challenges they faced [in complying with the requirements], if any. This will feed into our learning and inform our thinking on any potential extension to Boiler Plus.

The research will also require interviews with installers and manufacturers to help the practical feasibility of mandating methods such as hydraulic balancing¹ and mandating low flow temperature systems, which have the potential to achieve greater carbon savings. As part of this, the project will use qualitative research to understand barriers for installers in implementing hydraulic balancing and maximum flow temperatures of 55°, and the impact of mandating either process may have on the market. This is important as there is potential to drive carbon savings further in boilers whilst fossil fuel heating systems are still on the market and these measures are compatible with a transition to other low carbon technologies.

Future Research

This research does not seek to assess the full quantitative impact on bills or carbon emissions, which we will address through a full Post Implementation Review before April 2023, at which point we will have a larger dataset to draw from across multiple heating seasons across five years.

Research Questions

The following questions set out the key learning we wish to obtain through this research.

RQ1. What impact has Boiler Plus had on manufacturers?

- How, if at all, have production/sales volumes for relevant technologies changed since Boiler Plus legislation came into force?
- Have there been any unintentional consequences? What should be considered for future policies?
- Have boiler manufacturers modified their combi boilers to deliver 'out of the box' compliance
- What are the barriers to extending Boiler Plus to all types of gas boiler?
- Have boiler manufacturers modified their system boilers or regular boilers to make them compatible with the energy saving devices included in Boiler Plus?

RQ2. What impact has Boiler Plus had on installers?

- What adjustments have installers made in response to the introduction of the new standards? (e.g. training)
- What have been the costs and benefits of the boiler plus regulations to installers?
- How have conversations changed with consumers?
- Have there been any unintentional consequences? What should be considered for similar future policies?

RQ3. What has been the experience of consumers?

- How is the installer presenting the boiler plus regulations (i.e giving the consumer a choice, making them aware of the requirements)
- What was the rationale for the choice of additional boiler technology they made?

RQ4. What are the benefits and risks of using hydraulic balancing to drive further efficiencies?

- What are the benefits of balancing systems? (energy efficiency increases, carbon savings and even heat distribution)
- What are the barriers to balancing more systems (i.e. cost to consumer, skilled installers, time taken)?

- How can real world efficiency improvements to heating systems (such as balancing) be made visible and attractive to homeowners?

RQ5. What are the benefits and risks of mandating maximum flow temperatures of 55°C to drive efficiency improvements?

- To what extent are heating systems, in particular boiler heating systems, being designed and installed to operate at low flow temperatures?
- What are the benefits to mandating flow temperatures? (i.e. energy efficiency increases and carbon savings)
- What are the technical challenges to mandating flow temperatures? (e.g. product capability)
- What are the non-technical challenges to mandating flow temperatures? (e.g. installation practices, training, customer acceptance)
- How can real world efficiency improvements to heating systems (such as low flow temperatures) be made visible and attractive to homeowners?

RQ6. What are consumer, installer and manufacturers' views on possible future policy options?

- What policy options could help to further drive boiler efficiency?

(Further specific sub-questions for this research question will need to be developed with BEIS once the project has commenced).

Any trends identified in the sales data will be explored using installer and consumer interviews (e.g. is the technology with the highest volume of sales driven by manufacturers, installers, or consumer choice). This will inform our wider work on installer skills (i.e. addressing the skills needed for installers to facilitate meeting net-zero targets) with insights on how installers behave and communicate with their customers regarding heating options.

Furthermore, the research seeks to highlight how installers and manufacturers are responding to and complying with the standards and how the type of advice given to householders may influence the equipment that might be installed.

Consumer insights will be gathered to support the responses given by installers and manufacturers on how boiler plus is operating. Focus groups will determine what factors influenced changing their heating system and discussions will cover wider issues regarding changing a boiler. This will feed into work on the off-gas grid solution to heat decarbonisation and future boiler regulations. Findings will also influence policy thinking on how to minimise the number of distress heating system purchases, encouraging uptake of a low carbon replacement.

Outputs

Outputs from the research are expected to be synthesised into a review of the efficacy of Boiler Plus with recommendations for possible future changes. The review will:

- Signal areas of the policy and its implementation that may require amendment, if they are falling short of expectations.
- Justify supporting or rejecting the case to improve and extend the Boiler Plus

regulations.

- Inform future heat policy of potential issues and unintended consequences.

Groups

Installers

Most installer interviews should be conducted with micro-businesses, who represent 70% of all boiler installers, while a small number of interviews should be conducted with larger installers such as British Gas. The sample should meet quotas based on location and age to ensure it is representative of installers across England.

Installers are easily identified through a variety of sources and must be listed on the Gas Safe Register (a legal requirement for anyone installing a gas appliance).

Consumers

Bidders will be asked to propose the best way of sourcing and engaging consumers, but ideas for initial consideration can be found under the Methodology section.

The sample should be screened to ensure interviews are only conducted with people who:

- a. Have had a new gas combination boiler installed in England up to nine months ago
- b. Interacted with the installer directly (i.e. do not simply reside in the dwelling where the installation took place).

Manufacturers

Manufacturers will be based across the UK and overseas therefore will be contacted by telephone. We would expect the contractor to have expertise interviewing manufacturing professionals and to have appropriate contacts in the organisations that dominate the market. The contractor will be given parameters within which to discuss potential future policy options.

The contract will be split into phases with the optional bolt on web-based survey as a final phase. The launch of phase three will be determined by the results of phase two. BEIS reserves the right to terminate the contract at the end of phase two. Bidders are asked to cost phase three (web-based survey) separately in the price schedule, so that costs are displayed clearly for both scenarios.

BEIS will only pay for the work completed. This includes if research methods are adapted based on supplier recommendation.

BEIS reserve the right to withhold 10% of the project cost until all deliverables are received and cleared by the budget holder.

Suggested Methodology

Method

The project will consist of a market research report and qualitative research with manufacturers, installers and consumers.

- A market research report to test compliance
- At least 10 qualitative interviews with manufacturers (telephone/video call)
- At least 25 qualitative interviews with installers (telephone/video call)
- At least 12 interviews and 1 focus group with consumers (telephone/video call)
- Optional web-based survey with up to 1000 consumers

We envisage three key stages, with scope for the contractor to recommend improvements for quality or efficiency:

1. Reviewing Market Sales Data

The contractor will gather market sales data from the boiler manufacturing industry to understand the sales volumes of combi boilers and each of the boiler plus technologies. This will help to understand levels of compliance with the policy and which of the boiler plus technologies have seen the highest growth since the policy was introduced. However, this analysis will need to be carefully caveated as there are several limiting factors to data accuracy and correct interpretation including:

- Poor data quality
- Difficulty separating boilers sold for installation in existing dwellings (subject to Boiler Plus) or for installation in new builds
- Difficulty in isolating boiler plus technologies sold outside of boiler plus requirements (e.g. Smart Controls)
- Data Coverage. It will not be possible to gain data from the entire market therefore issues of bias could be introduced

2. Qualitative Research

- Ten telephone/video call interviews with manufacturers to understand if they have changed their products or other behaviours in response to the Boiler Plus policy, for example by introducing out of the box compliant products or offering installer training.
- Twenty-five telephone/video call interviews with installers to understand how they have responded to the Boiler Plus policy, both in terms of their offer to consumers and their own skills. Assess the extent of the skills gap and other barriers to hydraulic balancing.
- Twelve telephone/video call interviews and one virtual focus group with consumers to understand how Boiler Plus is being understood and received by the general public and the level to which they were involved in the decisions on their heating systems. The focus group may include a deliberative workshop element to explore the level to which they believe they should be involved in the decisions on their

heating systems vs. just having the decisions made by the installer based on the customer's needs.

3. Web-based Survey

- It is anticipated that consumers will not be able to recall a large amount of information regarding their boiler installation. If the qualitative interviews and focus groups prove this to be incorrect, then it would be of value to extend the size of the consumer sample. An optional web-based survey will be sent out to up to 1000 households regarding their boiler plus installation dependent on the level of knowledge consumers show in stage 2. If results indicate low levels of recall the contract will be terminated at the end of stage 2.

Bidders are invited to propose alternative forms of engagement if they believe more effective options exist.

Sample

Bidders should further develop and share their strategy for developing and recruiting an appropriate sample for this research. This should include considerations of ethical and reliability issues.

Consumers

Bidders will be asked to propose the best way of sourcing and engaging consumers, but the following is proposed for initial consideration:

- a. Gas Safe, manufacturers and installers are able to identify consumers who have had boiler installations recently. Consumers that have had installations within three months will be targeted preferentially, up to a maximum of nine months ago. Gas Safe and the leading trade body for the manufacturers have advised that they would be happy to contact consumers directly and invite them to participate in the study. Those who opt in voluntarily will have their contact details passed to the contractor to arrange an interview.

Interview Questionnaire

An outline of the questionnaire design process, and delivery should be provided. Further information on how bidders plan to use the questionnaire design process to ensure that research questions are answered should also be in the bid.

Focus Groups

Bidders should also include a strategy for appropriately identifying and contacting participants for focus groups, as well as how these focus groups will be conducted to best answer the research questions. Bidders may propose other appropriate methods based on social distancing measures

Deliverables

Deliverables

- An interim market research report covering sales figures of Boiler Plus products of a publishable standard
- A questionnaire for qualitative interviews with manufacturers
- A questionnaire for qualitative interviews with installers
- A questionnaire for interviews with consumers
- A discussion guide for one focus group with consumers
- Optional web-based survey questionnaire
- Final report
- Presentation of results to BEIS

Timings

For this research to be completed in December 2020 the contractor should be prepared to start several workstreams at once. The ideal timeline for this work is as follows:

Start contract	August
Scoping work	August
Market data gathering outputs	August
Sourcing sample for phase 2	August-October
Creating questionnaires and discussion guide	August-October
Interim Market data report	October
Qualitative interviews	August-November
Focus groups	August-November
Optional web-based survey	November
Final report	January

Updates:

Weekly phone calls with BEIS project manager to update on progress of the project.

Presentation:

Near the close of the project the contractors should give a presentation to the wider policy team in BEIS. This should be timed to allow for any comments received to be taken account in finalising the report.

Reports:

After the market research we require an interim report outlining the findings in plain English and of a publishable standard. At the end of the project (after the final presentation) a finalised, fully quality assured report will be provided. From experience we expect that 2-3 drafts will be needed to reach the finalised report and these drafts should be delivered well in advance with sufficient time built in for review and comments. Each draft must be proof-read and delivered at a professional and publishable standard. Clear, precise and succinct language is essential. We expect this to be costed and accounted for in the timeline.

Peer Review:

BEIS may wish to appoint an external peer reviewer for the project. If we do this then we will endeavour (though cannot guarantee) to align timings of this of this with the first set of comments from BEIS on the first draft of the report.

Publication:

The final report for this research / evaluation project must be formatted according to BEIS publication guidelines, therefore within the Research paper series template and adhering to BEIS accessibility requirements for all publications on GOV.UK. The publication template will be provided by the project manager. Please ensure you note the following in terms of accessibility:

Checklist for Word accessibility

Word documents supplied to BEIS will be assessed for accessibility upon receipt. Documents which do not meet one or more of the following checkpoints will be returned to you for re-working at your own cost:

1. document reads logically when reflowed or rendered by text-to-speech software
2. language is set to English (in File > Properties > Advanced)
3. structural elements of document are properly tagged (headings, titles, lists etc.)
4. all images/figures have either alternative text or an appropriate caption
5. tables are correctly tagged to represent the table structure
6. text is left aligned, not justified
7. document avoids excessive use of capitalised, underlined or italicised text
8. hyperlinks are spelt out (e.g. in a footnote or endnote)

Please see Annex A for BEIS Social Research Report Writing Guidelines.

Working Arrangements / Emerging Findings

It is important that BEIS are kept informed of emerging findings and project progress. The successful contractor will be expected to identify one named point of contact through whom all enquiries can be filtered. A BEIS project manager will be assigned to the project and will be the central point of contact.

Weekly progress updates will be required throughout the project. These can be delivered via e-mail to the BEIS steering group or project manager, and/or phone calls. A monthly progress report will also be required via email followed by a phone call. Any changes to contractor team identified in the bid must be approved by BEIS with a plan for mitigating this to reduce impact on project.

All research tools and sampling methodologies will need to be agreed by BEIS. BEIS will own the intellectual property rights of any and all intermediate products, including the final deliverables, and in particular including presentation slide packs, reports and data.