



Department  
for Environment  
Food & Rural Affairs

# Conditions of Contract

## Research & Development

### Monitoring and Evaluation of Solent Nutrient Trading Pilot Project

**ecm\_61979**

**Project 33038**

**July 2021**

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# SECTION 1 - FORM OF CONTRACT

## PARTIES:

- (1) THE SECRETARY OF STATE FOR ENVIRONMENT, FOOD AND RURAL AFFAIRS of Nobel House, 17 Smith Square, London, SW1P 3JR (the “Authority”);

AND

- (2) ICF Consulting Services Limited registered in England and Wales under company number 4161656 whose registered office is Riverscape, 10 Queen Street Place London. EC4R 1BE. (the “Contractor”) (each a “Party” and together the “Parties”)

## WHEREAS

- a) Following a competitive tender process, the Authority wishes to appoint the Contractor to provide the certain services and the Contractor agrees to provide those services in accordance with these terms and conditions.
- b) The Authority will enter into the Contract on the basis that it requires the Services for the Initial Contract Period. However, in entering into the Contract, both Parties acknowledge that circumstances may prevent the Authority from fulfilling the funding requirements of the Contract for the Initial Contract Period. In these circumstances, the Parties undertake to discuss the future scope of the Contract before the end of the relevant Project Year.

NOW IT IS HEREBY AGREED as follows:

### 1. TERMS OF CONTRACT

#### 1.1 The “Contract” comprises the following:

Section 1: Form of Contract

Section 2: Terms and Conditions

Schedule 1: Specification

Schedule 2: Prices

Schedule 3: Change Control

Schedule 4: Commercially Sensitive Information

Schedule 5: Processing, Personal Data and Data

Subjects Schedule 6: Non-Disclosure Agreement

Schedule 7: Contractor and Third-Party Software

Schedule 8: Security Requirements, Policy and

Plan Schedule 9: Co-Funder Provision (**Not**

**Applicable**)

- 1.2 Execution of the Contract is carried out in accordance with EU Directive 99/93 (Community framework for electronic signatures) and the Electronic Communications Act 2000. The Contract is formed on the date on which both Parties communicate acceptance of its terms on the Authority's electronic contract management system ("Bravo").
- 1.3 The Contract starts on **02<sup>nd</sup> August 2021** (the "Commencement Date") and ends on **30<sup>th</sup> September 2022** (the "End Date") unless it is terminated early or extended in accordance with the Contract.
- 1.4 The Authority may extend the term of the Contract until **31<sup>st</sup> March 2023** ("Extension"). The terms of the Contract will apply throughout the period of any Extension.

# SECTION 2 - TERMS AND CONDITIONS

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B4 Risk and Ownership

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B9 Goods Delivery

B10 Service Delivery

B11 Key Personnel

B12 Contractor's Staff

B13 Inspection of Premises

B14 Licence to Occupy Premises

B15 Property



B16 Biological Materials  
B17 Offers of Employment  
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C2 Payment and VAT  
C3 Recovery of Sums Due  
C4 Price During Extension

D1 Prevention of Fraud and Bribery  
D2 Discrimination  
D3 Rights of Third Parties  
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F1 Failure to meet requirements

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F5 Transfer and Sub-Contracting

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G3 Force Majeure

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H4 Other Termination Grounds

H5 Consequences of Expiry or Termination

H6 Disruption

H7 Recovery upon Termination

- H8 Retendering and Handover
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  - H11 Knowledge Retention
- 
- I1 Governing Law and Jurisdiction
  - I2 Dispute Resolution

## **A GENERAL PROVISIONS**

### **A1 Definitions and Interpretation**

Unless the context otherwise requires the following terms shall have the meanings given to them below:

“Affected Party” means the Party seeking to claim relief in respect of a Force Majeure Event.

“Affiliate” means in relation to a body corporate, any other entity which directly or indirectly Controls is Controlled by, or is under direct or indirect common Control with, that body corporate from time to time.

“Approval” and “Approved” means the prior written consent of the Authority.

“Authorised Representative” means the Authority representative named in the CCN as authorised to approve agreed Variations.

“Authority Data” means

- (a) the data, text, drawings, diagrams, images or sounds (together with any database made up of any of these) which are embodied in any electronic, magnetic, optical or tangible media, and which are: (i) supplied to the Contractor by or on behalf of the Authority; or (ii) which the Contractor is required to generate, process, store or transmit pursuant to the Contract; or
- (b) any Personal Data for which the Authority is the Controller.

“Authority Premises” means any premises owned, occupied or controlled by the Authority or any other Crown Body which are made available for use by the Contractor or its Sub-Contractors for provision of the Services.

“Authority Software” means software which is owned by or licensed to the Authority (other than under or pursuant to the Contract) and which is or will be used by the Contractor for the purposes of providing the Services.

“Authority System” means the Authority’s computing environment (consisting of hardware, software and/or telecommunications networks or equipment) used by the Authority or the Contractor in connection with the Contract which is owned by or licensed to the Authority by a third party and which interfaces with the Contractor System or which is necessary for the Authority to receive the Services.

“Biological Materials” means any material (including, without limitation, plants, animals, microbes or viruses) of biological origin which contains genetic information capable of reproduction and/or material derived from the same that is collected or produced through the Contract.

“BPSS” means the HMG Baseline Personnel Security Standard for Government employees.

“Bravo” has the meaning given in paragraph 1.2 of the Form of Contract.

“CCN” means a change control notice in the form set out in Schedule 3.

“Commencement Date” means the date set out in paragraph 1.3 of the Form of Contract.

“Commercially Sensitive Information” means the information listed in Schedule 4 comprising the information of a commercially sensitive nature relating to:

- (a) the Price;
- (b) details of the Contractor’s Intellectual Property Rights; and
- (c) the Contractor’s business and investment plans which the Contractor has indicated to the Authority that, if disclosed by the Authority, would cause the Contractor significant commercial disadvantage or material financial loss.

“Confidential Information” means any information which has been designated as confidential by either Party in writing or that ought to be considered as confidential (however it is conveyed or on whatever media it is stored) including information the disclosure of which would, or would be likely to, prejudice the commercial interests of any person or trade secrets or Intellectual Property Rights of either Party and all Personal Data. Confidential Information shall not include information which:

- (a) was public knowledge at the time of disclosure otherwise than by breach of clause E4;
- (b) was in the possession of the receiving Party, without restriction as to its disclosure, before receiving it from the disclosing Party;

- (c) is received from a third party (who lawfully acquired it) without restriction as to its disclosure; or
- (d) is independently developed without access to the Confidential Information.

“Contract” has the meaning given in paragraph 1.1 of the Form of Contract.

“Contract Period” means the period from the Commencement Date to:

- (a) the End Date; or
- (b) following an Extension the end date of the Extension

or such earlier date of termination or partial termination of the Contract in accordance with the Law or the Contract.

“Contracting Authority” means any contracting authority (other than the Authority) as defined in regulation 3 of the Regulations.

“Contractor Software” means software which is proprietary to the Contractor, including software which is or will be used by the Contractor for the purposes of providing the Services and which is set out in Schedule 7.

“Contractor System” means the information and communications technology system used by the Contractor in performing the Services including the Software, the Contractor Equipment and related cabling (but excluding the Authority System).

“Control” means that a person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of the other person (whether through the ownership of voting shares, by contract or otherwise) and “Controls” and “Controlled” shall be interpreted accordingly.

“Conventions” means any and all of: i) the Convention on Biological Diversity and the International Treaty on Plant Genetic Resources for Food and Agriculture, including any Protocols and other additions or amendments from time to time; ii) any guidelines adopted by the parties to the same (including, without limitation, the Bonn Guidelines on Access to Genetic Resources and Fair and Equitable Sharing of the Benefits Arising out of their Utilization); and iii) any national legal or regulatory requirements made in pursuance of the provisions of the same in any territory.

“Controller” has the meaning given in the GDPR.

“Copyright” means as it is defined in s.1 of Part 1 Chapter 1 of the Copyright, Designs and Patents Act 1988.

“Crown” means the government of the United Kingdom (including the Northern Ireland Executive Committee and Northern Ireland Departments, the Scottish Executive and the

National Assembly for Wales), including, but not limited to, government ministers, government departments, government offices and government agencies and “Crown Body” is an emanation of the foregoing.

“Data Loss Event” means any event that results, or may result, in unauthorised access to Personal Data held by the Contractor under this Contract, and/or actual or potential loss and/or destruction of Personal Data in breach of this Contract, 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.

“Database Rights” means as rights in databases are defined in s.3A of Part 1 Chapter 1 of the Copyright, Designs and Patents Act 1988.

“Default” means any breach of the obligations of the relevant Party (including abandonment of the Contract in breach of its terms, repudiatory breach or breach of a fundamental term) or any other default, act, omission, negligence or statement of the relevant Party or the Staff in connection with the subject-matter of the Contract and in respect of which such Party is liable to the other.

“DOTAS” means the Disclosure of Tax Avoidance Schemes rules which require a promotor of tax schemes to tell HMRC of any specified notifiable arrangements or proposals and to provide prescribed information on those arrangements or proposals within set time limits as contained in Part 7 of the Finance Act 2004 and in secondary legislation made under vires contained in Part 7 of the Finance Act 2004 and as extended to NICs by the National Insurance (Application of Part 7 of the Finance Act 2004) regulations 2012, SI 2012/1868 made under section 132A of the Social Security Administration Act 1992.

“DPA 2018” means the Data Protection Act 2018.

“EIR” means the Environmental Information Regulations 2004 (SI 2004/3391) and any guidance and/or codes of practice issued by the Information Commissioner or relevant government department in relation to such regulations.

“End Date” means the date set out in paragraph 1.3 of the Form of Contract.

“Equipment” means the Contractor’s equipment, consumables, plant, materials and such other items supplied and used by the Contractor in the delivery of the Services.

“Extension” has the meaning given in paragraph 1.4 of the Form of Contract.

“FOIA” means the Freedom of Information Act 2000 and any subordinate legislation made under that Act from time to time together with any guidance and/or codes of practice issued by the Information Commissioner or relevant government department in relation to such legislation.

“Force Majeure Event” means any event outside the reasonable control of either Party affecting its performance of its obligations under the Contract arising from acts, events, omissions, happenings or non-happenings beyond its reasonable control and which are not attributable to any wilful act, neglect or failure to take reasonable preventative action by that Party, including acts of God, riots, war or armed conflict, acts of terrorism, acts of government, local government or regulatory bodies, for flood, storm or earthquake, or disaster but excluding any industrial dispute relating to the Contractor or the Staff or any other failure in the Contractor’s supply chain.

“Form of Contract” means Section 1 of the Contract.

“GDPR” means the General Data Protection Regulation (Regulation (EU) 2016/679).

“General Anti-Abuse Rule” means:

- (a) the legislation in Part 5 of the Finance Act 2013; and
- (b) any future legislation introduced into parliament to counteract tax advantages arising from abusive arrangements to avoid NICs;

“Good Industry Practice” means standards, practices, methods and procedures conforming to the Law and the degree of skill and care, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced person or body engaged in a similar type of undertaking under the same or similar circumstances.

“Goods” means any goods supplied by the Contractor (or by a Sub-Contractor) under the Contract as specified in Schedule 1 including any modified or alternative goods.

“Halifax Abuse Principle” means the principle explained in the CJEU Case C-255/02 Halifax and others.

“HMRC” means HM Revenue & Customs.

“ICT Environment” means the Authority System and the Contractor System.

“Income” means any revenues received by the Contractor (including, without limitation, the sale or disposal of products or services, royalties, payments for licences or options and stage payments) irrespective of whether such payment is in money or other consideration, arising from the use or exploitation of the Results or any part of the Results.

“Information” has the meaning given under section 84 of the FOIA.

“Initial Contract Period” means the period from the Commencement Date to the End Date.

“Intellectual Property Rights” means patents, utility models, inventions, trademarks, service marks, logos, design rights (whether registrable or otherwise), applications for any of the foregoing, copyright, database rights, domain names, plant variety rights, Know-How, trade or business names, moral rights and other similar rights or obligations whether registrable or not in any country (including but not limited to the United Kingdom) and the right to sue for passing off.

“ITEPA” means the Income Tax (Earnings and Pensions) Act 2003.

[“Joint Controllers” means where two or more Controllers jointly determine the purposes and means of processing.]

“Key Biological Materials” means Biological Materials held by or on behalf of the Contractor that are agreed by the Contractor, the Authority and (if relevant) the appropriate independent scientific advisory body (in each case acting reasonably) to be of national or international importance.

“Key Personnel” mean those persons named in the Specification as key personnel.

“Know-How” means all information not in the public domain held in any form (including without limitation that comprised in or derived from drawings, data formulae, patterns, specifications, notes, samples, chemical compounds, biological materials, computer software, component lists, instructions, manuals, brochures, catalogues and process descriptions and scientific approaches and methods).

“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).



“Malicious Software” means any software program or code intended to destroy, interfere with, corrupt, or cause undesired effects on program files, data or other information, executable code or application software macros, whether or not its operation is immediate or delayed, and whether the malicious software is introduced wilfully, negligently or without knowledge of its existence.

“Material Breach” means a breach (including an anticipatory breach) that is serious in the widest sense of having a serious effect on the benefit which the Authority would otherwise derive from:

- (a) a substantial portion of the Contract; or
- (b) any of the obligations set out in clauses A6, B16, D1, E1, E2, E3, E4, E7, E8 or E11.

“Month” means calendar month.

“NICs” means National Insurance Contributions.

“Occasion of Tax Non-Compliance” means:

- (a) any tax return of the Contractor submitted to a Relevant Tax Authority on or after 1 October 2012 which is found on or after 1 April 2013 to be incorrect as a result of:
  - i. a Relevant Tax Authority successfully challenging the Contractor under the General Anti-Abuse Rule or the Halifax Abuse principle or under any tax rules or legislation that have an effect equivalent or similar to the General Anti-Abuse Rule or the Halifax Abuse Principle;
  - ii. the failure of an avoidance scheme which the Contractor was involved in, and which was, or should have been, notified to the Relevant Tax Authority under the DOTAS or any equivalent or similar regime; and/or
- (b) any tax return of the Contractor submitted to a Relevant Tax Authority on or after 1 October 2012 gives rise on or after 1 April 2013 to a criminal conviction in any jurisdiction for tax related offences which is not spent at the Commencement Date or to a civil penalty for fraud or evasion.

“Personal Data” has the meaning given in the GDPR.

“Personal Data Breach” has the meaning given in the GDPR.

“Premises” means the location where the Services are to be supplied as set out in the Specification.

“Price” means the price (excluding any applicable VAT) payable to the Contractor by the Authority under the Contract, as set out in Schedule 2 for the full and proper performance by the Contractor of its obligations under the Contract.

“Processor” has the meaning given in the GDPR.

“Prohibited Act” means:

- (a) to directly or indirectly offer, promise or give any person working for or engaged by the Authority a financial or other advantage to:
  - i. induce that person to perform improperly a relevant function or activity; or
  - ii. reward that person for improper performance of a relevant function or activity;
- (b) to directly or indirectly request, agree to receive or accept any financial or other advantage as an inducement or a reward for improper performance of a relevant function or activity in connection with the Contract;
- (c) an offence:
  - i. under the Bribery Act 2010 (or any legislation repealed or revoked by such Act;
  - ii. under legislation or common law concerning fraudulent acts; or
  - iii. the defrauding, attempting to defraud or conspiring to defraud the Authority;
- (d) any activity, practice or conduct which would constitute one of the offences listed under (c) above if such activity, practice or conduct has been carried out in the UK.

“Project Year” means each period of 12 months during the Contract Period beginning with the Commencement Date.

“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 including those outlined in Schedule 8.

“Property” means the property, other than real property, issued or made available to the Contractor by the Authority in connection with the Contract.

“Purchase Order” means the document in which the Authority specifies the Services which are to be supplied by the Contractor under the Contract.

“Quality Standards” means the quality standards published by BSI British Standards, the National Standards Body of the United Kingdom, the International Organisation for Standardization or other reputable or equivalent body (and their successor bodies) that a skilled and experienced operator in the same type of industry or business sector as the

Contractor would reasonably and ordinarily be expected to comply with, and as may be further detailed in Schedule 1.

“Receipt” means the physical or electronic arrival of the invoice at the address specified in clause A4.4 or at any other address given by the Authority to the Contractor for the submission of invoices from time to time.

“Regulations” means the Public Contract Regulations 2015 (SI 2015/102).

“Regulatory Body” means a government department and regulatory, statutory and other entities, committees, ombudsmen and bodies which, whether under statute, rules, regulations, codes of practice or otherwise, are entitled to regulate, investigate, or influence the matters dealt with in the Contract or any other affairs of the Authority.

“Relevant Conviction” means a conviction that is relevant to the nature of the Services or as listed by the Authority and/or relevant to the work of the Authority.

“Relevant Requirements” means all applicable Law relating to bribery, corruption and fraud, including the Bribery Act 2010 and any guidance issued by the Secretary of State for Justice pursuant to section 9 of the Bribery Act 2010.

“Relevant Tax Authority” means HMRC or, if applicable, a tax authority in the jurisdiction in which the Contractor is established.

“Replacement Contractor” means any third-party supplier appointed by the Authority to supply any goods and/or services which are substantially similar to any of the Services in substitution for any of the Services following the expiry, termination or partial termination of the Contract.

“Request for Information” means a request for information under the FOIA or the EIR.

“Results” means any guidance, specifications, reports, studies, instructions, toolkits, plans, data, drawings, databases, patents, patterns, models, designs or other material which is:

- a) prepared by or for the Contractor for use in relation to the performance of its obligations under the Contract; or
- b) the result of any work done by the Contractor, the Staff or any Sub-Contractor in relation to the provision of the Services.

“Returning Employees” means those persons agreed by the Parties to be employed by the Contractor (and/or any Sub-Contractor) wholly or mainly in the supply of the Services immediately before the end of the Contract Period.

“Security Policy Framework” means the HMG Security Policy Framework (available from the Cabinet Office’s Government Security Secretariat) as updated from time to time.

“Services” means the services set out in Schedule 1 (including any modified or alternative services) and, if the context so requires, includes Goods.

“Specification” means the description of the Services to be supplied under the Contract as set out in Schedule 1 including, where appropriate, the Key Personnel, the Premises and the Quality Standards.

“SSCBA” means the Social Security Contributions and Benefits Act 1992.

“Staff” means all persons employed by the Contractor to perform its obligations under the Contract together with the Contractor’s servants, agents, students, suppliers and Sub-Contractors used in the performance of its obligations under the Contract.

“Sub-Contract” means a contract between 2 or more suppliers, at any stage of remoteness from the Authority in a sub-contracting chain, made wholly or substantially for the purpose of performing (or contributing to the performance of) the whole or any part of the Contract and “Sub-Contractor” shall be construed accordingly.

“Sub-processor” means any third party appointed to process Personal Data on behalf of the Contractor related to this Contract.

“Tender” means the document submitted by the Contractor to the Authority in response to the Authority’s invitation to suppliers for formal offers to supply the Services.

“TFEU” means the Treaty on the Functioning of the European Union.

“Third Party IP Claim” has the meaning given to it in clause E8.7 (Intellectual Property Rights).

“Third Party Software” means software which is proprietary to any third party which is or will be used by the Contractor to provide the Services including the software and which is specified as such in Schedule 7.

“Treaties” means the Treaty on European Union and the TFEU.

“TUPE” means the Transfer of Undertakings (Protection of Employment) Regulations 2006.

“TUPE Information” means the information set out in clause B17.1.

“Valid Invoice” means an invoice containing the information set out in clause C2.5.

“Variation” means a variation to the Specification, the Price or any of the terms or conditions of the Contract.

“VAT” means value added tax charged or regulated in accordance with the provisions of the Value Added Tax Act 1994.

“Working Day” means a day (other than a Saturday or Sunday) on which banks are open for general business in the City of London.

In the Contract, unless the context implies otherwise:

- (a) the singular includes the plural and vice versa;
- (b) words importing the masculine include the feminine and the neuter;
- (c) reference to a clause is a reference to the whole of that clause unless stated otherwise;
- (d) references to a person include an individual, company, body corporate, corporation, unincorporated association, firm, partnership or other legal entity or central Government body;
- (e) the words “other”, “in particular”, “for example”, “including” and similar words shall not limit the generality of the preceding words and shall be construed as if they were immediately followed by the words “without limitation”;
- (f) headings are included for ease of reference only and shall not affect the interpretation or construction of the Contract;
- (g) a reference to any Law includes a reference to that Law as amended, extended, consolidated or re-enacted from time to time;
- (h) references to the Contract are references to the Contract as amended from time to time; and
- (i) if there are no Co-funders, references to the Co-funders shall have no meaning or effect.

## **A2 The Authority’s Obligations**

A2.1 Save as otherwise expressly provided, the obligations of the Authority under the Contract are obligations of the Authority in its capacity as a contracting counterparty and nothing in the Contract shall operate as an obligation upon, or in any other way fetter or constrain the Authority in any other capacity, and the exercise by the Authority of its duties and powers in any other capacity shall not lead to any liability (howsoever arising) on the part of the Authority to the Contractor.

## **A3 Contractor’s Status**

A3.1 The Contractor shall be an independent contractor and nothing in the Contract shall create a contract of employment, a relationship of agency or partnership or a joint venture between the Parties and accordingly neither Party shall be authorised to act

in the name of, or on behalf of, or otherwise bind the other Party save as expressly permitted by the terms of the Contract.

A3.2 The Contractor shall not (and shall ensure that any other person engaged in relation to the Contract shall not) say or do anything that might lead any other person to believe that the Contractor is acting as the agent or employee of the Authority.

#### **A4 Notices and Communications**

A4.1 Subject to clause A4.3, where the Contract states that a notice or communication between the Parties must be “written” or “in writing” it is not valid unless it is made by letter (sent by hand, first class post, recorded delivery or special delivery) or by email or by communication via Bravo.

A4.2 If it is not returned as undelivered a notice served:

- (a) in a letter is deemed to have been received 2 Working Days after the day it was sent; and
- (b) in an email is deemed to have been received 4 hours after the time it was sent provided it was sent on a Working Day

or when the other Party acknowledges receipt, whichever is the earlier.

A4.3 Notices pursuant to clauses G3 (Force Majeure), I2 (Dispute Resolution) or to terminate the Contract or any part of the Services are valid only if served in a letter by hand, recorded delivery or special delivery.

A4.4 Notices shall be sent to the addresses set out below or at such other address as the relevant Party may give notice to the other Party for the purpose of service of notices under the Contract:

- (a) For the Authority:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

(b) For the Contractor:

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

## **A5 Mistakes in Information**

A5.1 The Contractor is responsible for the accuracy of all drawings, documentation and information supplied to the Authority by the Contractor in connection with the Services and shall pay the Authority any extra costs occasioned by any discrepancies, errors or omissions therein.

## **A6 Conflicts of Interest**

A6.1 The Contractor shall take appropriate steps to ensure that neither the Contractor nor any Staff is placed in a position where, in the reasonable opinion of the Authority, there is or may be an actual conflict, or a potential conflict, between the pecuniary or personal interests of the Contractor and the duties owed to the Authority under the provisions of the Contract. The Contractor will notify the Authority without delay giving full particulars of any such conflict of interest which may arise.

A6.2 The Authority may terminate the Contract immediately by notice and/or take or require the Contractor to take such other steps it deems necessary if, in the Authority's reasonable opinion, there is or may be an actual conflict, or a potential conflict, between the pecuniary or personal interests of the Contractor and the duties owed to the Authority under the provisions of the Contract. The actions of the Authority pursuant to this clause A6 shall not prejudice or affect any right of action or remedy which shall have accrued or shall thereafter accrue to the Authority.

## **B. THE SERVICES**

### **B1 Specification**

B1.1 In consideration of the Contractor supplying the Services the Contractor shall be paid the Price.

### **B2 Samples**

B2.1 If requested by the Authority, the Contractor shall provide the Authority with samples of Goods for evaluation and Approval, at the Contractor's cost and expense.

B2.2 The Contractor shall ensure that the Goods are fully compatible with any equipment, to the extent specified in the Specification.

B2.3 The Contractor acknowledges that the Authority relies on the skill and judgment of the Contractor in the supply of the Goods and the performance of the Contractor's obligations under the Contract.

### **B3 Delivery**

B3.1 Unless otherwise stated in the Specification, where the Goods are delivered by the Contractor, the point of delivery shall be when the Goods are removed from the transporting vehicle at the Premises. If the Goods are collected by the Authority, the point of delivery shall be when the Goods are loaded on the Authority's vehicle.

B3.2 Except where otherwise provided in the Contract, delivery shall include the unloading, stacking or installation of the Goods by the Staff or the Contractor's suppliers or carriers at such place as the Authority or duly authorised person shall reasonably direct.

B3.3 Any access to the Premises and any labour and equipment that may be provided by the Authority in connection with delivery shall be provided without acceptance by the Authority of any liability whatsoever to the extent permitted by law.

B3.4 Where access to the Premises is necessary in connection with delivery or installation of the Goods, the Contractor and its Sub-Contractors shall at all times comply with the security requirements of the Authority.

B3.5 The Authority shall be under no obligation to accept or pay for any Goods supplied earlier than the date for delivery stated in the Specification.

B3.6 The Authority is under no obligation to accept or pay for any Goods delivered in excess of the quantity ordered. If the Authority elects not to accept such over-delivered Goods it shall give notice to the Contractor to remove them within 5 Working Days and to refund to the Authority any expenses incurred by it as a result of such



over-delivery (including but not limited to the costs of moving and storing the Goods), failing which the Authority may dispose of such Goods and charge the Contractor for the costs of such disposal. The risk in any over-delivered Goods shall remain with the Contractor unless they are accepted by the Authority.

B3.7 Unless expressly agreed to the contrary, the Authority shall not accept delivery by instalments. If, however, the Authority does specify or agree to delivery by instalments, delivery of any instalment later than the date specified or agreed for its delivery shall, without prejudice to any other rights or remedies of the Authority, entitle the Authority to terminate the whole of any unfulfilled part of the Contract without further liability to the Authority.

B3.8 The Authority may inspect and examine the manner in which the Contractor supplies the Services at the Premises during normal business hours on reasonable notice. The Contractor shall provide free of charge all such facilities as the Authority may reasonably require for such inspection and examination. In this clause B3, Services include planning or preliminary work in connection with the supply of the Services.

B3.9 If reasonably requested to do so by the Authority, the Contractor shall co-ordinate its activities in supplying the Services with those of the Authority and other contractors engaged by the Authority.

B3.10 Timely supply of the Services is of the essence of the Contract, including in relation to commencing the supply of the Services within the time agreed or on a specified date. If the Contractor fails materially to deliver the Services within the time promised or specified in the Specification, the Authority is released from any obligation to accept and pay for the Services and may terminate the Contract, in either case without prejudice to any other rights and remedies of the Authority.

#### **B4 Risk and Ownership**

B4.1 Subject to clauses B3.5 and B3.6, risk in the Goods shall, without prejudice to any other rights or remedies of the Authority (including the Authority's rights and remedies under clause F1 (Failure to meet Requirements)), pass to the Authority at the time of delivery.

B4.2 Ownership in the Goods shall, without prejudice to any other rights or remedies of the Authority (including the Authority's rights and remedies under clause F1), pass to the Authority at the time of delivery (or payment, if earlier).

#### **B5 Non-Delivery**

B5.1 On dispatch of any consignment of the Goods the Contractor shall send the Authority an advice note specifying the means of transport, the place and date of dispatch, the number of packages and their weight and volume.

B5.2 If the Authority has been informed in writing of the despatch of the Goods and, having been placed in transit, the Goods are not delivered to the Authority on the due date for delivery, the Authority shall, within 10 Working Days of the notified date of delivery, give notice to the Contractor that the Goods have not been delivered and may request the Contractor to deliver substitute Goods free of charge within the timescales specified by the Authority or terminate the Contract in accordance with clause B3.10.

## **B6 Labelling and Packaging**

B6.1 The Contractor shall ensure that the Goods are labelled and packaged in accordance with the Contract.

B6.2 The Contractor shall comply with the Packaging & Packaging Waste Directive (94/62/EC), implemented in the UK by the Packaging (Essential Requirements) Regulations 2003. The container in which the Goods are held shall be labelled with the Contractor's name, the net, gross and tare weights, and contain a description of its contents. All containers of hazardous Goods (and all documents relating thereto) shall bear prominent and adequate warnings.

B6.3 The Contractor is responsible for the removal and disposal of all packaging materials from the Premises within the period specified by the Authority and at no cost to the Authority.

B6.4 If no period for collection and disposal is specified by the Authority, the Contractor shall collect the packaging from the Premises no later than 10 Working Days from the date of delivery of the Goods. The Authority shall be entitled to dispose of any packaging materials which have not been collected by the Contractor within those 10 Working Days or such other period specified by the Authority for collection. The Contractor shall be responsible for the payment of any costs incurred by the Authority in connection with its collection and disposal of that packaging material.

B6.5 The Contractor shall:

- (a) use packaging capable of easy recovery for further use or recycling. Packaging materials shall be easily separable by hand into recyclable parts consisting of one material (e.g. cardboard, paper, plastic, textile);
- (b) reuse the packaging and, where reuse is not practicable, recycle the materials in the manufacture of crates, pallets, boxes, cartons, cushioning and other forms of packaging, where these fulfil other packaging specifications;
- (c) make maximum use of materials taken from renewable sources, if recycled materials are not suitable or not readily available;
- (d) if using wooden pallets or timber derived products for the packaging and supply of Goods comply with the Authority's timber procurement policy;

- (e) review packaging specifications periodically to ensure that no unnecessary limitations on the use of recycled materials exist; and
- (f) if requested to do so, provide the Authority with a description of the product packaging and evidence to satisfy the Authority that it is reusing, recycling and reviewing its use of packaging. The evidence should provide proof of compliance with BS EN 13430 on recyclability or BS EN 13429 on reusability, or equivalent.

## **B7 Training**

B7.1 If included in the Specification, the Price includes the cost of instruction of the Authority's personnel in the use and maintenance of the Goods and such instruction shall be in accordance with the requirements detailed in the Specification.

## **B8 Provision and Removal of Equipment**

B8.1 The Contractor shall provide all the Equipment and resource necessary for the supply of the Services.

B8.2 The Contractor shall not deliver any Equipment to or begin any work on the Premises without obtaining Approval.

B8.3 All Equipment brought onto the Premises is at the Contractor's own risk and the Authority has no liability for any loss of or damage to any Equipment unless the Contractor is able to demonstrate that such loss or damage was caused or contributed to by the Authority's Default. The Contractor shall provide for the haulage or carriage thereof to the Premises and the removal of Equipment when no longer required at its sole cost.

B8.4 Unless otherwise agreed, Equipment brought onto the Premises remains the property of the Contractor.

B8.5 If the cost of any Equipment is reimbursed to the Contractor such Equipment is the property of the Authority and shall on request be delivered to the Authority as directed by the Authority. The Contractor will keep a full and accurate inventory of such Equipment and will deliver that inventory to the Authority on request and on completion of the Services.

B8.6 The Contractor shall maintain all Equipment in a safe, serviceable and clean condition.

B8.7 The Contractor shall, at the Authority's written request, at its own expense and as soon as reasonably practicable:

- (a) remove immediately from the Premises Equipment which is, in the Authority's opinion, hazardous, noxious or not supplied in accordance with the Contract; and

- (b) replace such item with a suitable substitute item of Equipment.

B8.8 Within 20 Working Days of the end of the Contract Period, the Contractor shall remove the Equipment together with any other materials used by the Contractor to supply the Services and shall leave the Premises in a clean, safe and tidy condition. The Contractor shall make good any damage to those Premises and any fixtures and fitting in the Premises which is caused by the Contractor or Staff.

## **B9 Goods Delivery**

B9.1 The Contractor shall perform its obligations under the Contract:

- (a) with appropriately experienced, qualified and trained personnel with all due skill, care and diligence;
- (b) in accordance with Good Industry Practice; and
- (c) in compliance with all applicable Laws.

B9.2 The Contractor shall ensure the Goods:

- (a) conform in all respects with the Specification and, where applicable, with any sample approved by the Authority;
- (b) operate in accordance with the relevant technical specifications and correspond with the requirements of the Specification;
- (c) conform in all respects with all applicable Laws; and
- (d) are free from defects in design, materials and workmanship and are fit and sufficient for all the purposes for which such goods are ordinarily used and for any particular purpose made known to the Contractor by the Authority.

## **B10 Service Delivery**

B10.1 The Contractor shall at all times comply with the Quality Standards and, where applicable, shall maintain accreditation with the relevant Quality Standards authorisation body. To the extent that the standard of the Service has not been specified in the Contract, the Contractor shall agree the relevant standard of the Services with the Authority prior to the supply of the Services and, in any event, the Contractor shall perform its obligations under the Contract in accordance with the Law and Good Industry Practice.

B10.2 The Contractor shall ensure that all Staff supplying the Services do so with all due skill, care and diligence and shall possess such qualifications, skills and experience as are necessary for the proper supply of the Services. The Contractor shall ensure that those Staff are properly managed and supervised.

B10.3 If the Specification includes installation of equipment the Contractor shall notify the Authority in writing when it has completed installation. Following receipt of such notice, the Authority shall inspect the installation and shall, by giving notice to the Contractor:

- (a) accept the installation; or
- (b) reject the installation and inform the Contractor why, in the Authority's reasonable opinion, the installation does not satisfy the Specification.

B10.4 If the Authority rejects the installation pursuant to clause B10.3(b), the Contractor shall immediately rectify or remedy any defects and if, in the Authority's reasonable opinion, the installation does not, within 2 Working Days or such other period agreed by the Parties, satisfy the Specification, the Authority may terminate the Contract with immediate effect by notice.

B10.5 The installation shall be complete when the Contractor receives a notice issued by the Authority in accordance with clause B10.3(a). Notwithstanding acceptance of any installation in accordance with clause B10.3(a), the Contractor shall remain solely responsible for ensuring that the Services and the installation conform to the Specification. No rights of estoppel or waiver shall arise as a result of the acceptance by the Authority of the installation.

B10.6 During the Contract Period, the Contractor shall:

- (a) at all times have all licences, approvals and consents necessary to enable the Contractor and Staff to carry out the installation;
- (b) provide all tools and equipment (or procure the provision of all tools and equipment) necessary for completion of the installation; and
- (c) not, in delivering the Services, in any manner endanger the safety or convenience of the public.

## **B11 Key Personnel**

B11.1 The Contractor acknowledges that the Key Personnel are essential to the proper provision of the Services.

B11.2 The Key Personnel shall not be released from supplying the Services without the agreement of the Authority, except by reason of long-term sickness, maternity leave, paternity leave or termination of employment or other similar extenuating circumstances.

B11.3 Any replacements to the Key Personnel shall be subject to Approval. Such replacements shall be of at least equal status, experience and skills to the Key

Personnel being replaced and be suitable for the responsibilities of that person in relation to the Services.

B11.4 The Authority shall not unreasonably withhold its agreement under clauses B11.2 or

B11.3. Such agreement shall be conditional on appropriate arrangements being made by the Contractor to minimise any adverse effect on the Services which could be caused by a change in Key Personnel.

B11.5 The Authority may, by notice to the Contractor, ask it to remove any Staff whose presence is, in the Authority's reasonable opinion, undesirable. The Contractor shall comply with any such request immediately.

## **B12 Contractor's Staff**

B12.1 The Authority may, by notice to the Contractor, refuse to admit onto, or withdraw permission to remain on, the Authority's Premises:

- (a) any member of the Staff; or
- (b) any person employed or engaged by any member of the Staff

whose admission or continued presence would, in the Authority's reasonable opinion, be undesirable.

B12.2 At the Authority's written request, the Contractor shall provide a list of the names and addresses of all persons who may require admission in to the Authority's Premises, specifying the capacities in which they are concerned with the Contract and giving such other particulars as the Authority may reasonably request.

B12.3 The decision of the Authority as to whether any person is to be refused access to the Authority's Premises and as to whether the Contractor has failed to comply with clause B12.2 shall be final.

B12.4 The Contractor shall ensure that all Staff who have access to the Authority's Premises, the Authority System or the Authority Data have been cleared in accordance with the BPSS.

## **B13 Inspection of Premises**

B13.1 Save as the Authority may otherwise direct, the Contractor is deemed to have inspected the Premises before submitting its Tender and to have complete due diligence in relation to all matters connected with the performance of its obligations under the Contract.

## **B14 Licence to Occupy Premises**

- B14.1 Any land or Premises made available from time to time to the Contractor by the Authority in connection with the Contract shall be on a non-exclusive licence basis free of charge and shall be used by the Contractor solely for the purpose of performing its obligations under the Contract. The Contractor shall have the use of such land or Premises as licensee and shall vacate the same on termination of the Contract.
- B14.2 The Contractor shall limit access to the land or Premises to such Staff as is necessary for it to perform its obligations under the Contract and the Contractor shall co-operate (and ensure that its Staff co-operate) with such other persons working concurrently on such land or Premises as the Authority may reasonably request.
- B14.3 Should the Contractor require modifications to the Authority's Premises, such modifications shall be subject to Approval and shall be carried out by the Authority at the Contractor's expense. The Authority shall undertake approved modification work without undue delay.
- B14.4 The Contractor shall (and shall ensure that any Staff on the Authority's Premises shall) observe and comply with such rules, regulations and requirements (including those relating to security arrangements) as may be in force from time to time for the conduct of personnel when on the Authority's Premises as determined by the Authority.
- B14.5 The Contract does not create a tenancy of any nature whatsoever in favour of the Contractor or its Staff and no such tenancy has or shall come into being and, notwithstanding any rights granted pursuant to the Contract, the Authority retains the right at any time to use the Premises owned or occupied by it in any manner it sees fit.

## **B15 Property**

- B15.1 All Property is and shall remain the property of the Authority and the Contractor irrevocably licenses the Authority and its agents to enter any Premises of the Contractor during normal business hours on reasonable notice to recover any such Property. The Contractor shall not in any circumstances have a lien or any other interest on the Property and the Contractor shall at all times possess the Property as fiduciary agent and bailee of the Authority. The Contractor shall take all reasonable steps to ensure that the title of the Authority to the Property and the exclusion of any such lien or other interest are brought to the notice of all Sub-Contractors and other appropriate persons and shall, at the Authority's request, store the Property separately and ensure that it is clearly identifiable as belonging to the Authority.

- B15.2 The Property shall be deemed to be in good condition when received by or on behalf of the Contractor unless the Contractor notifies the Authority otherwise within 5 Working Days of receipt.
- B15.3 The Contractor shall maintain the Property in good order and condition (excluding fair wear and tear) and shall use the Property solely in connection with the Contract and for no other purpose without Approval.
- B15.4 The Contractor shall ensure the security of all the Property whilst in its possession, either on the Premises or elsewhere during the supply of the Services, in accordance with the Authority's reasonable security requirements as required from time to time.
- B15.5 The Contractor shall be liable for all loss of or damage to the Property, unless such loss or damage was caused by the Authority's negligence. The Contractor shall inform the Authority immediately of becoming aware of any defects appearing in, or losses or damage occurring to, the Property.

## **B16 Biological Materials**

- B16.1 The Contractor shall ensure that any Biological Materials collected by or on behalf of the Contractor in the course of performance of the Services are:
- (a) collected and used in accordance with the Conventions, where relevant;
  - (b) made available to the Authority (or such other person as the Authority may specify) whenever and wherever and in whatever format the Authority may reasonably require for any purpose (including, without limitation, handover on termination of the Services); and
  - (c) stored for whatever period is reasonably required by the Authority (or, in the absence of any such requirement, an appropriate period in all the circumstances taking into account the nature of the relevant Biological Materials) following termination of the Contract.
- B16.2 The Contractor recognises and acknowledges for the purposes of clause B16.1 (c) that Key Biological Materials in its possession are likely to require long term maintenance and shall put in place appropriate procedures for ensuring that relevant samples are selected for this purpose where applicable.
- B16.3 The Contractor shall identify any requirements of the Conventions (including, without limitation, benefit-sharing requirements arising from use of Biological Materials) which may apply in connection with the Services. The Contractor shall comply with any such requirements and inform the Authority of the same. This clause B16.3 shall be without prejudice to the generality of clause B10.1.



B16.4 Failure to comply with any obligation in clause B16 shall amount to a Material Breach for the purpose of clause H2 (Termination on Default). For the avoidance of doubt, where no Biological Materials are, or are to be, collected by or on behalf of the Contractor in the course of performance of the Contract all references to Biological Materials in this clause B16 or elsewhere in the Contract shall have no effect.

## **B17 Offers of Employment**

B17.1 Except in respect of any transfer of Staff under TUPE, for the Contract Period and for 12 Months thereafter the Contractor shall not employ or offer employment to any of the Authority's staff who have been associated with the Services and/or the Contract without Approval.

## **B18 Employment Provisions**

B18.1 Not later than 12 Months prior to the end of the Contract Period, the Contractor shall fully and accurately disclose to the Authority all information that the Authority may reasonably request in relation to the Staff including the following:

- (a) the total number of Staff whose employment/engagement shall terminate at the end of the Contract Period, save for any operation of Law;
- (b) the age, gender, salary or other remuneration, future pay settlements and redundancy and pensions entitlement of the Staff referred to in clause B18.1(a);
- (c) the terms and conditions of employment/engagement of the Staff referred to in clause B18.1(a), their job titles and qualifications;
- (d) details of any current disciplinary or grievance proceedings ongoing or circumstances likely to give rise to such proceedings and details of any claims current or threatened; and
- (e) details of all collective agreements with a brief summary of the current state of negotiations with any such bodies and with details of any current industrial disputes and claims for recognition by any trade union.

B18.2 At intervals determined by the Authority (which shall not be more frequent than once every 30 days) the Contractor shall give the Authority updated TUPE Information.

B18.3 Each time the Contractor supplies TUPE Information to the Authority it shall warrant its completeness and accuracy and the Authority may assign the benefit of this warranty to any Replacement Contractor.

B18.4 The Authority may use TUPE Information it receives from the Contractor for the purposes of TUPE and/or any retendering process in order to ensure an effective handover of all work in progress at the end of the Contract Period. The Contractor

shall provide the Replacement Contractor with such assistance as it shall reasonably request.

B18.5 If TUPE applies to the transfer of the Services on termination of the Contract, the Contractor shall indemnify and keep indemnified the Authority, the Crown and any Replacement Contractor against all actions, suits, claims, demands, losses, charges, damages, costs and expenses and other liabilities which the Authority or the Crown or any Replacement Contractor may suffer or incur as a result of or in connection with:

- (a) the provision of TUPE Information;
- (b) any claim or demand by any Returning Employee (whether in contract, tort, under statute, pursuant to EU Law or otherwise) in each case arising directly or indirectly from any act, fault or omission of the Contractor or any Sub-Contractor in respect of any Returning Employee on or before the end of the Contract Period;
- (c) any failure by the Contractor or any Sub-Contractor to comply with its obligations under regulations 13 or 14 of TUPE or any award of compensation under regulation 15 of TUPE save where such failure arises from the failure of the Authority or a Replacement Contractor to comply with its duties under regulation 13 of TUPE;
- (d) any claim (including any individual employee entitlement under or consequent on such a claim) by any trade union or other body or person representing any Returning Employees arising from or connected with any failure by the Contractor or any Sub-Contractor to comply with any legal obligation to such trade union, body or person; and
- (e) any claim by any person who is transferred by the Contractor to the Authority and/or a Replacement Contractor whose name is not included in the list of Returning Employees.

B18.6 If the Contractor becomes aware that TUPE Information it provided has become inaccurate or misleading, it shall notify the Authority and provide the Authority with up to date TUPE Information.

B18.7 This clause B18 applies during the Contract Period and indefinitely thereafter.

B18.8 The Contractor undertakes to the Authority that, during the 12 Months prior to the end of the Contract Period the Contractor shall not (and shall procure that any Sub-Contractor shall not) without Approval (such Approval not to be unreasonably withheld or delayed):

- (a) amend or vary (or purport to amend or vary) the terms and conditions of employment or engagement (including, for the avoidance of doubt, pay) of any Staff (other than where such amendment or variation has previously been agreed between the

Contractor and the Staff in the normal course of business and where any such amendment or variation is not in any way related to the transfer of the Services);

- (b) terminate or give notice to terminate the employment or engagement of any Staff (other than in circumstances in which the termination is for reasons of misconduct or lack of capability);
- (c) transfer away, remove, reduce or vary the involvement of any other Staff from or in the provision of the Services (other than where such transfer or removal: (i) was planned as part of the individual's career development; (ii) takes place in the normal course of business; and (iii) will not have any adverse impact upon the delivery of the Services by the Contractor, (provided that any such transfer, removal, reduction or variation is not in any way related to the transfer of the Services); or
- (d) recruit or bring in any new or additional individuals to provide the Services who were not already involved in providing the Services prior to the relevant period.

## **C PAYMENT**

### **C1 Price**

C1.1 In consideration of the Contractor's performance of its obligations under the Contract, the Authority shall pay the Price in accordance with clause C2.

### **C2 Payment and VAT**

C2.1 The Contractor shall submit invoices to the Authority on the dates set out in Schedule 2.

C2.2 The Authority shall, in addition to the Price and following Receipt of a Valid Invoice, pay the Contractor a sum equal to the VAT chargeable on the value of the Services supplied in accordance with the Contract.

C2.3 The Contractor shall add VAT to the Price at the prevailing rate as applicable and shall show the amount of VAT payable separately on all invoices as an extra charge. If the Contractor fails to show VAT on an invoice, the Authority will not, at any later date, be liable to pay the Contractor any additional VAT.

C2.4 All Contractor invoices shall be expressed in sterling or such other currency as shall be permitted by the Authority in writing.

C2.5 Valid Invoices shall include:

- (a) the Contractor's full name, address and title of the Contract;

- (b) (if Goods are included in the Specification) the name and quantity of the Goods delivered including batch numbers;
  - (c) the Purchase Order number
- and, if requested by the Authority:
- (d) timesheets for Staff engaged in providing the Services signed and dated by the Authority's representative on the Premises on the day;
  - (e) the name of the individuals to whom the timesheet relates and hourly rates for each;
  - (f) identification of which individuals are Contractor's staff and which are Sub-Contractors;
  - (g) the address of the Premises and the date on which work was undertaken;
  - (h) the time spent working on the Premises by the individuals concerned;
  - (i) details of the type of work undertaken by the individuals concerned;
  - (j) details of plant or materials operated and on standby;
  - (k) separate identification of time spent travelling and/or meal or rest breaks; and
  - (l) where appropriate, details of journeys made and distances travelled.

C2.6 The Authority shall not pay Contractor time spent on meal or rest breaks and the Contractor shall ensure that all workers take adequate meal or rest breaks.

C2.7 The Authority shall not pay for plant which is not in use during a meal or rest break.

C2.8 Meal and rest breaks will include breaks both in or outside an individual's workplace along with any time taken in travelling to or from the break location and/or any facilities for cleaning/changing/washing in preparation for or return from a meal or rest break.

C2.9 Timesheets must include a minimum of 30 minutes break for each shift of 8 hours, a minimum of 45 minutes break in a shift of between 8 and 12 hours and a minimum of one hour break will be taken within a shift in excess of 12 hours and the Contractor's rates and Contract Price must include such breaks.

C2.10 The Authority shall not pay the Contractor's overhead costs unless specifically agreed in writing by the Authority and overhead costs shall include, without limitation; facilities, utilities, insurance, tax, head office overheads, indirect staff costs and other costs not specifically and directly ascribable solely to the provision of the Services.

C2.11 If Schedule 2 expressly provides that the Authority may be charged for plant which is on standby then in circumstances where plant was waiting to be transferred between

Premises or where the Authority has instructed that the plant is retained on the Premises then a standby charge of 60% of agreed rates may be made in respect of such relevant periods if supported by timesheets.

C2.12 The Authority shall pay only for the time spent by Staff working on the Premises.

C2.13 The Authority shall not pay a stand-by rate if plant is on standby because no work was being carried out on the Premises at that time or no operator or other relevant staff were available (unless the standby is because the Contractor is awaiting licensing of the Premises on the Authority's instructions).

C2.14 The Authority shall not pay for plant or equipment which is stood down during any notice period pursuant to clauses H1, H2 and/or H3 and the Contractor shall mitigate such costs as far as is reasonably possible, for example, by reutilising Staff, plant, materials and services on other contracts.

C2.15 The Contractor may claim expenses only if they are clearly identified, supported by original receipts and Approved.

C2.16 If the Authority pays the Contractor prior to the submission of a Valid Invoice this payment shall be on account of and deductible from the next payment to be made.

C2.17 If any overpayment has been made or the payment or any part is not supported by a Valid Invoice the Authority may recover this payment against future invoices raised or directly from the Contractor. All payments made by the Authority to the Contractor shall be on an interim basis pending final resolution of an account with the Contractor in accordance with the terms of this clause C2.

C2.18 The Authority shall pay all sums due to the Contractor within 30 days of Receipt of a Valid Invoice. Valid Invoices should be submitted for payment to the following address:

[Accounts-Payable.def@sscl.gse.gov.uk](mailto:Accounts-Payable.def@sscl.gse.gov.uk) (the Authority's preferred option); or SSCL AP, Defra, PO Box 790, Newport Gwent, NP10 8FZ.

C2.19 If a payment of an undisputed amount is not made by the Authority by the due date, then the Authority shall pay the Contractor interest at the interest rate specified in the Late Payment of Commercial Debts (Interest) Act 1998.

C2.20 The Contractor shall ensure that a provision is included in all Sub-Contracts which requires payment to be made of all sums due to Sub-Contractors within 30 days from the receipt of a valid invoice.

C2.21 The Contractor shall indemnify the Authority on a continuing basis against any liability, including any interest, penalties or costs incurred, which is levied, demanded or assessed on the Authority at any time in respect of the Contractor's failure to

account for or to pay any VAT relating to payments made to the Contractor under the Contract. Any amounts due under this clause C2.21 shall be paid by the Contractor to the Authority not less than 5 Working Days before the date upon which the tax or other liability is payable by the Authority.

C2.22 The Contractor shall not suspend the Services unless the Contractor is entitled to terminate the Contract under clause H2.3 for failure to pay undisputed sums of money.

C2.23 The Authority shall not pay an invoice which is not Valid Invoice.

### **C3 Recovery of Sums Due**

C3.1 If under the Contract any sum of money is recoverable from or payable by the Contractor to the Authority (including any sum which the Contractor is liable to pay to the Authority in respect of any breach of the Contract), the Authority may unilaterally deduct that sum from any sum then due, or which at any later time may become due to the Contractor from the Authority under the Contract or under any other agreement with the Authority or the Crown.

C3.2 Any overpayment by either Party, whether of the Price or of VAT or otherwise, shall be a sum of money recoverable by the Party who made the overpayment from the Party in receipt of the overpayment.

C3.3 The Contractor shall make all payments due to the Authority without any deduction whether by way of set-off, counterclaim, discount, abatement or otherwise unless the Contractor has a valid court order requiring an amount equal to such deduction to be paid by the Authority to the Contractor.

C3.4 All payments due shall be made within a reasonable time unless otherwise specified in the Contract, in cleared funds, to such bank or building society account as the recipient Party may from time to time direct.

### **C4 Price during Extension**

C4.1 Subject to Schedule 2 and clause F7 (Variation), the Price shall apply for the Initial Contract Period and until the end date of any extension or such earlier date of termination or partial termination of the Contract in accordance with the Law or the Contract.

## **D. STATUTORY OBLIGATIONS**

### **D1 Prevention of Fraud and Bribery**

D1.1 The Contractor represents and warrants that neither it, nor to the best of its knowledge any Staff, have at any time prior to the Commencement Date:

- (a) committed a Prohibited Act or been formally notified that it is subject to an investigation or prosecution which relates to an alleged Prohibited Act; and/or
- (b) been listed by any government department or agency as being debarred, suspended, proposed for suspension or debarment, or otherwise ineligible for participation in government procurement programmes or contracts on the grounds of a Prohibited Act.

D1.2 The Contractor shall not during the Contract Period:

- (a) commit a Prohibited Act; and/or
- (b) do or suffer anything to be done which would cause the Authority or any of its employees, consultants, contractors, sub-contractors or agents to contravene any of the Relevant Requirements or otherwise incur any liability in relation to the Relevant Requirements.

D1.3 The Contractor shall, during the Contract Period:

- (a) establish, maintain and enforce, and require that its Sub-Contractors establish, maintain and enforce, policies and procedures which are adequate to ensure compliance with the Relevant Requirements and prevent the occurrence of a Prohibited Act; and
- (b) keep appropriate records of its compliance with its obligations under clause D1.3(a) and make such records available to the Authority on request.

D1.4 The Contractor shall immediately notify the Authority in writing if it becomes aware of any breach of clauses D1.1 and/or D1.2, or has reason to believe that it has or any of the Staff have:

- (a) been subject to an investigation or prosecution which relates to an alleged Prohibited Act;
- (b) been listed by any government department or agency as being debarred, suspended, proposed for suspension or debarment, or otherwise ineligible for participation in government procurement programmes or contracts on the grounds of a Prohibited Act; and/or
- (c) received a request or demand for any undue financial or other advantage of any kind in connection with the performance of the Contract or otherwise suspects that any

person directly or indirectly connected with the Contract has committed or attempted to commit a Prohibited Act.

D1.5 If the Contractor notifies the Authority pursuant to clause D1.4, the Contractor shall respond promptly to the Authority's enquiries, co-operate with any investigation, and allow the Authority to audit any books, records and/or any other relevant documentation.

D1.6 If the Contractor is in Default under clauses D1.1 and/or D1.2, the Authority may by notice:

- (a) require the Contractor to remove from performance of the Contract any Staff whose acts or omissions have caused the Default; or
- (b) immediately terminate the Contract.

D1.7 Any notice served by the Authority under clause D1.6 shall specify the nature of the Prohibited Act, the identity of the party who the Authority believes has committed the Prohibited Act and the action that the Authority has taken (including, where relevant, the date on which the Contract shall terminate).

## **D2 Discrimination**

D2.1 The Contractor shall:

- (a) perform its obligations under the Contract in accordance with:
  - i) all applicable equality Law (whether in relation to race, sex, gender reassignment, age, disability, sexual orientation, religion or belief, pregnancy maternity or otherwise);
  - ii) the Authority's equality and diversity policy as given to the Contractor from time to time;
  - iii) any other requirements and instructions which the Authority reasonably imposes in connection with any equality obligations imposed on the Authority at any time under applicable equality Law; and
- (b) take all necessary steps and inform the Authority of the steps taken to prevent unlawful discrimination designated as such by any court or tribunal, or the Equality and Human Rights Commission (or any successor organisation).

## **D3 Rights of Third Parties**

D3.1 The provisions of clause B18.5 and E8.3 confer benefits on persons named in such provisions (together "Third Party Provisions") other than the Parties (each person a "Third Party Beneficiary") and are intended to be enforceable by Third Party Beneficiaries by virtue of the Contracts (Rights of Third Parties) Act 1999 ("CRTPA").



D3.2 Subject to clause D3.1, a person who is not a Party has no right under the CRTPA to enforce any provisions of the Contract but this does not affect any right or remedy of any person which exists or is available otherwise than pursuant to the CRTPA and does not apply to the Crown.

D3.3 No Third-Party Beneficiary may enforce or take steps to enforce any Third-Party Provision without Approval.

D3.4 Any amendments to the Contract may be made by the Parties without the consent of any Third-Party Beneficiary.

#### **D4 Health and Safety**

D4.1 The Contractor shall perform its obligations under the Contract in accordance with:

- (a) all applicable Law regarding health and safety; and
- (b) the Authority's health and safety policy while at the Authority's Premises.

D4.2 Each Party shall notify the other as soon as practicable of any health and safety incidents or material health and safety hazards at the Authority's Premises of which it becomes aware and which relate to or arise in connection with the performance of the Contract. The Contractor shall instruct Staff to adopt any necessary associated safety measures in order to manage any such material health and safety hazards.

#### **D5 Environmental Requirements**

D5.1 The Contractor shall in the performance of the Contract have due regard to the Authority's environmental, sustainable and ethical procurement policies ("Environmental Policies") which require the Authority through its procurement and management of suppliers to:

- (a) conserve energy, water, wood, paper and other resources and reduce waste;
- (b) phase out the use of ozone depleting substances;
- (c) minimise the release of greenhouse gases, volatile organic compounds and other substances damaging to health and the environment;
- (d) minimise the use of products harmful to health and the environment such as hazardous substances and solvents, replacing them with more benign substances where feasible and, where such substances are necessary, to ensure that they are stored in properly labelled containers, used and disposed of in compliance with legal and regulatory requirements and any instructions from the Authority;
- (e) reduce fuel emissions wherever possible;

- (f) maximise the use of recovered materials and, if recycled materials are not suitable or not readily available, to maximise the use of materials taken from renewable sources; and
- (g) promote the design of products that are capable of reuse or remanufacture or easily separable into recyclable parts consisting of one material (e.g. steel, plastic, textile).

D5.2 The Contractor shall ensure that any equipment and materials used in the provision of the Services do not contain:

- (a) ozone depleting substances such as hydrochlorofluorocarbons (HCFCs), halons, carbon tetrachloride, 111 trichloroethane, bromochloromethane or any other damaging substances; and/or
- (b) HFCs and other gaseous and non-gaseous substances with a high global warming potential;

unless given written permission by the Authority to do so.

D5.3 The Contractor shall conserve energy and water; reduce carbon emissions and other greenhouse gases; minimise the use of substances damaging or hazardous to health and the environment and reduce waste by, for example, using resources more efficiently and reusing, recycling and composting and respecting biodiversity.

D5.4 If required by the Authority the Contractor shall provide the Authority with information about its compliance with its obligations under clause D5.3.

D5.5 The Contractor shall ensure that its Staff are aware of the Authority's Environmental Policies.

D5.6 The Contractor shall comply with the minimum environmental mandatory standards in the "Government Buying Standards" and in addition where required by the Authority, comply with any relevant "Best Practice" and "Class Leader" standards in relation to any goods on that list which are supplied to the Authority by or on behalf of the Contractor under the Contract.

D5.7 The Contractor shall:

- (a) identify any risks from climate change and variable weather such as higher temperatures, droughts, flooding, sea and river level rises, coastal and riparian erosion, water scarcity, and loss of water quality which may disrupt and/or affect the supply of the Services; and
- (b) if such risks have been identified, enhance the resilience of its organisation to enable it to adapt and deal with the effects of such extreme events, including by having the necessary awareness-raising, evaluation, preventive, preparatory, recovery

measures and support systems in place in order to minimise any disruption to the supply of the Services.

## **E PROTECTION OF INFORMATION**

### **E1 Authority Data**

- E1.1 The Contractor shall not delete or remove any proprietary notices contained within or relating to the Authority Data.
- E1.2 The Contractor shall not store, copy, disclose, or use the Authority Data except as necessary for the performance by the Contractor of its obligations under this Contract or as otherwise expressly authorised in writing by the Authority.
- E1.3 To the extent that Authority Data is held and/or processed by the Contractor, the Contractor shall supply Authority Data to the Authority as requested by the Authority in the format specified in the Specification.
- E1.4 The Contractor shall preserve the integrity of Authority Data and prevent the corruption or loss of Authority Data.
- E1.5 The Contractor shall perform secure back-ups of all Authority Data and shall ensure that up-to-date back-ups are stored securely off-site. The Contractor shall ensure that such back-ups are made available to the Authority immediately upon request.
- E1.6 The Contractor shall ensure that any system on which the Contractor holds any Authority Data, including back-up data, is a secure system that complies with the Security Policy Framework.
- E1.7 If Authority Data is corrupted, lost or sufficiently degraded as a result of the Contractor's Default so as to be unusable, the Authority may:
- (a) require the Contractor (at the Contractor's expense) to restore or procure the restoration of Authority Data and the Contractor shall do so promptly; and/or
  - (b) itself restore or procure the restoration of Authority Data, and shall be repaid by the Contractor any reasonable expenses incurred in doing so.
- E1.8 If at any time the Contractor suspects or has reason to believe that Authority Data has or may become corrupted, lost or sufficiently degraded in any way for any reason, then the Contractor shall notify the Authority immediately and inform the Authority of the remedial action the Contractor proposes to take.

## **E2 Data Protection**

- E2.1 The Parties acknowledge that for the purposes of the Data Protection Legislation, the Authority is the Controller and the Contractor is the Processor unless otherwise specified in Schedule 5. The only processing that the Contractor is authorised to do is listed in Schedule 5 by the Authority and may not be determined by the Contractor.
- E2.2 The Contractor shall notify the Authority immediately if it considers that any of the Authority's instructions infringe the Data Protection Legislation.
- E2.3 The Contractor shall provide all reasonable assistance to the Authority in the preparation of any Data Protection Impact Assessment prior to commencing any processing. Such assistance may, at the discretion of the Authority, 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.
- E2.4 The Contractor shall, in relation to any Personal Data processed in connection with its obligations under this Contract:
- (a) process that Personal Data only in accordance with Schedule 5 unless the Contractor is required to do otherwise by Law. If it is so required the Contractor shall promptly notify the Authority 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 Authority may reasonably reject (but failure to reject shall not amount to approval by the Authority 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 Contract (and in particular Schedule 5);
- (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:
  - (A) are aware of and comply with the Contractor's duties under this clause;
  - (B) are subject to appropriate confidentiality undertakings with the Contractor or any Sub-processor;
  - (C) 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 Authority or as otherwise permitted by this Contract; and
  - (D) 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 Authority has been obtained and the following conditions are fulfilled:
  - (i) the Authority 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 Authority;
  - (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 Authority in meeting its obligations); and
  - (iv) the Contractor complies with any reasonable instructions notified to it in advance by the Authority with respect to the processing of the Personal Data;
- (e) at the written direction of the Authority, delete or return Personal Data (and any copies of it) to the Authority on termination of the Contract unless the Contractor is required by Law to retain the Personal Data.

E2.5 Subject to clause E2.6 the Contractor shall notify the Authority immediately if, in relation to any Personal Data processed in connection with its obligations under this Contract, 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.

E2.6 The Contractor's obligation to notify under clause E2.5 shall include the provision of further information to the Authority in phases, as details become available.

E2.7 Taking into account the nature of the processing, the Contractor shall provide the Authority 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 Contract and any complaint, communication or request made under Clause E2.5 (and insofar as possible within the timescales reasonably required by the Authority) including by promptly providing:

- (a) the Authority with full details and copies of the complaint, communication or request;
- (b) such assistance as is reasonably requested by the Authority to enable the Authority to comply with a Data Subject Request within the relevant timescales set out in the Data Protection Legislation;
- (c) the Authority, at its request, with any Personal Data it holds in relation to a Data Subject;
- (d) assistance as requested by the Authority following any Data Loss Event;
- (e) assistance as requested by the Authority with respect to any request from the Information Commissioner's Office, or any consultation by the Authority with the Information Commissioner's Office.

E2.8 The Contractor shall maintain complete and accurate records and information to demonstrate its compliance with this clause. This requirement does not apply where the Contractor employs fewer than 250 staff, unless:

- (a) the Authority determines that the processing is not occasional;
- (b) the Authority 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 Authority determines that the processing is likely to result in a risk to the rights and freedoms of Data Subjects.

E2.9 The Contractor shall allow for audits of its Personal Data processing activity by the Authority or the Authority's designated auditor.

E2.10 Each Party shall designate its own Data Protection Officer if required by the Data Protection Legislation.

E2.11 Before allowing any Sub-processor to process any Personal Data related to this Contract, the Contractor must:

- (a) notify the Authority in writing of the intended Sub-processor and processing;
- (b) obtain the written consent of the Authority;
- (c) enter into a written agreement with the Sub-processor which give effect to the terms set out in this clause E2 such that they apply to the Sub-processor; and
- (d) provide the Authority with such information regarding the Sub-processor as the Authority may reasonably require.

E2.12 The Contractor shall remain fully liable for all acts or omissions of any of its Sub-processors.

E2.13 The Authority 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 Contract).

E2.14 The Parties agree to take account of any non-mandatory guidance issued by the Information Commissioner's Office. The Authority may on not less than 30 Working Days' notice to the Contractor amend this Contract to ensure that it complies with any guidance issued by the Information Commissioner's Officer.

E2.15 This clause E2 shall apply during the Contract Period and indefinitely after its expiry.

E2.16 Where the Parties include two or more Joint Controllers as identified in Schedule 5, 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 E2.1 to E2.14 for the Personal Data in respect of which they are Joint Controllers.]

### **E3 Official Secrets Acts and Finance Act 1989**

E3.1 The Contractor shall comply with the provisions of:

- (a) the Official Secrets Acts 1911 to 1989; and

- (b) section 182 of the Finance Act 1989.

#### **E4 Confidential Information**

- E4.1 Except to the extent set out in this clause E4 or if disclosure or publication is expressly permitted elsewhere in the Contract each Party shall treat all Confidential Information belonging to the other Party as confidential and shall not disclose any Confidential Information belonging to the other Party to any other person without the other party's consent, except to such persons and to such extent as may be necessary for the performance of the Party's obligations under the Contract.
- E4.2 The Contractor hereby gives its consent for the Authority to publish the whole Contract (but with any information which is Confidential Information belonging to the Authority redacted) including from time to time agreed changes to the Contract, to the general public.
- E4.3 If required by the Authority, the Contractor shall ensure that Staff, professional advisors and consultants sign a non-disclosure agreement prior to commencing any work in connection with the Contract in substantially the form attached in Schedule 5 and, if applicable, incorporating the requirements of clause E2.11. The Contractor shall maintain a list of the non-disclosure agreements completed in accordance with this clause E4.3.
- E4.4 If requested by the Authority, the Contractor shall give the Authority a copy of the list and, subsequently upon request by the Authority, copies of such of the listed non-disclosure agreements as required by the Authority. The Contractor shall ensure that its Staff, professional advisors and consultants are aware of the Contractor's confidentiality obligations under the Contract.
- E4.5 The Contractor may only disclose the Authority's Confidential Information to the Staff who are directly involved in the provision of the Services and who need to know the information, and shall ensure that such Staff are aware of and shall comply with these obligations as to confidentiality.
- E4.6 The Contractor shall not, and shall procure that the Staff do not, use any of the Authority's Confidential Information received otherwise than for the purposes of this Contract.
- E4.7 Clause E4.1 shall not apply to the extent that:
- (a) such disclosure is a requirement of Law placed upon the Party making the disclosure, including any requirements for disclosure under the FOIA or the EIR;
  - (b) such information was in the possession of the Party making the disclosure without obligation of confidentiality prior to its disclosure by the information owner;



- (c) such information was obtained from a third party without obligation of confidentiality;
- (d) such information was already in the public domain at the time of disclosure otherwise than by a breach of the Contract; or
- (e) it is independently developed without access to the other Party's Confidential Information.

E4.8 Nothing in clause E4.1 shall prevent the Authority disclosing any Confidential Information obtained from the Contractor:

- (a) for the purpose of the examination and certification of the Authority's accounts;
- (b) for the purpose of any examination pursuant to section 6(1) of the National Audit Act 1983 of the economy, efficiency and effectiveness with which the Authority has used its resources;
- (c) to any Crown Body or any Contracting Authority and the Contractor hereby acknowledges that all government departments or Contracting Authorities receiving such Confidential Information may further disclose the Confidential Information to other government departments or other Contracting Authorities on the basis that the information is confidential and is not to be disclosed to a third party which is not part of any government department or any Contracting Authority;
- (d) to any consultant, contractor or other person engaged by the Authority

provided that in disclosing information under clauses E4.8 (c) and (d) the Authority discloses only the information which is necessary for the purpose concerned and requests that the information is treated in confidence and that a confidentiality undertaking is given where appropriate.

E4.9 Nothing in clauses E4.1 to E4.6 shall prevent either Party from using any techniques, ideas or Know-How gained during the performance of its obligations under the Contract in the course of its normal business, to the extent that this does not result in a disclosure of the other Party's Confidential Information or an infringement of the other Party's Intellectual Property Rights.

E4.10 The Authority shall use all reasonable endeavours to ensure that any government department, Contracting Authority, employee, third party or Sub-Contractor to whom the Contractor's Confidential Information is disclosed pursuant to clause E4.6 is made aware of the Authority's obligations of confidentiality.

E4.11 If the Contractor does not comply with clauses E4.1 to E4.6 the Authority may terminate the Contract immediately on notice to the Contractor.

E4.12 In order to ensure that no unauthorised person gains access to any Confidential Information or any data obtained in the supply of the Services, the Contractor shall maintain adequate security arrangements that meet the requirements of professional standards and best practice.

E4.13 The Contractor will immediately notify the Authority of any breach of security in relation to Confidential Information and all data obtained in the supply of the Services and will keep a record of such breaches. The Contractor will use its best endeavours to recover such Confidential Information or data however it may be recorded. The Contractor will co-operate with the Authority in any investigation as a result of any breach of security in relation to Confidential Information or data.

E4.14 The Contractor shall, at its own expense, alter any security systems at any time during the Contract Period at the Authority's request if the Authority reasonably believes the Contractor has failed to comply with clause E4.12.

## **E5 Freedom of Information**

E5.1 The Contractor acknowledges that the Authority is subject to the requirements of the FOIA and the EIR.

E5.2 The Contractor shall transfer to the Authority all Requests for Information that it receives as soon as practicable and in any event within 2 Working Days of receipt:

- (a) give the Authority a copy of all Information in its possession or control in the form that the Authority requires within 5 Working Days (or such other period as the Authority may specify) of the Authority's request;
- (b) provide all necessary assistance as reasonably requested by the Authority to enable the Authority to comply with its obligations under the FOIA and EIR; and
- (c) not respond to directly to a Request for Information unless authorised to do so in writing by the Authority.

E5.3 The Authority shall determine in its absolute discretion and notwithstanding any other provision in the Contract or any other agreement whether the Commercially Sensitive Information and any other Information is exempt from disclosure in accordance with the provisions of the FOIA and/or the EIR.

## **E6 Publicity, Media and Official Enquiries**

E6.1 Without prejudice to the Authority's obligations under the FOIA, the EIR or any obligations under the Regulations, or any policy requirements as to transparency, neither Party shall make any press announcement or publicise the Contract or any part thereof in any way, except with the written consent of the other Party.

- E6.2 The Contractor shall use its best endeavours to ensure that its Staff, professional advisors and consultants comply with clause E6.1.
- E6.3 Notwithstanding clause E6.1 but subject to clause E4 (Confidential Information) and Schedule 4, the Contractor shall endeavour to make the Results generally available (including in scientific journals where reasonably appropriate) and shall acknowledge in any public statement the financial support of the Authority and the Co-funders. The Contractor shall send details of any proposed publication to the Authority at least 2 weeks prior to the proposed publication and shall notify the Authority immediately if approached by the media about the Services.
- E6.4 Subject to clause E4 (Confidential Information) and Schedule 4 the Authority may disclose, copy and otherwise distribute to the public or use in any way any information arising out of the Services or comprised in any work relating to the Services.
- E6.5 Nothing in the Contract shall permit or require the Contractor or the Co-funders to make any disclosure of information which would jeopardise any commercial exploitation of the Results.

## **E7 Security**

- E7.1 The Authority shall be responsible for maintaining the security of the Authority's Premises in accordance with its standard security requirements. The Contractor shall comply with all security requirements of the Authority while on the Authority's Premises, and shall ensure that all Staff comply with such requirements.
- E7.2 The Authority shall give the Contractor upon request copies of its written security procedures.
- E7.3 The Contractor shall, as an enduring obligation during the Contract Period, use the latest versions of anti-virus definitions available from an industry accepted anti-virus software vendor to check for and delete Malicious Software from the ICT Environment.
- E7.4 Notwithstanding clause E7.3, if Malicious Software is found, the Parties shall co-operate to reduce the effect of the Malicious Software and, particularly if Malicious Software causes loss of operational efficiency or loss or corruption of the Authority Data, assist each other to mitigate any losses and to restore the provision of Services to their desired operating efficiency.
- E7.5 Any cost arising out of the actions of the Parties taken in compliance with clause E7.4 shall be borne by the Parties as follows:
- (a) by the Contractor where the Malicious Software originates from the Contractor Software, the Third-Party Software or the Authority Data (whilst the Authority Data was under the control of the Contractor); and

- (b) by the Authority if the Malicious Software originates from the Authority Software or Authority Data (whilst the Authority Data was under the control of the Authority).

## **E8 Intellectual Property Rights**

### **E8.1 All Intellectual Property Rights in:**

- (a) the Results; or
- (b) any guidance, specifications, reports, studies, instructions, toolkits, plans, data, drawings, databases, patents, patterns, models, designs or other material which is furnished to or made available to the Contractor by or on behalf of the Authority (together with the Results, the "IP Materials")

shall vest in the Authority (save for Copyright and Database Rights which shall vest in Her Majesty the Queen) and the Contractor shall not, and shall ensure that the Staff shall not, use or disclose any IP Materials without Approval save to the extent necessary for performance by the Contractor of its obligations under the Contract.

### **E8.2 The Contractor hereby assigns:**

- (a) to the Authority, with full title guarantee, all Intellectual Property Rights (save for Copyright and Database Rights) which may subsist in the IP Materials. This assignment shall take effect on the date of the Contract or (in the case of rights arising after the date of the Contract) as a present assignment of future rights that will take effect immediately on the coming into existence of the Intellectual Property Rights produced by the Contractor;
- (b) to Her Majesty the Queen, with full title guarantee, all Copyright and Database Rights which may subsist in the IP Materials prepared in accordance with clauses E8.1 (a) and (b),

and shall execute all documents and do all acts as are necessary to execute these assignments.

### **E8.3 The Contractor shall:**

- (a) ensure that the third party owner of any Intellectual Property Rights that are or which may be used to perform the Services grants to the Authority a non-exclusive licence or, if itself a licensee of those rights, shall grant to the Authority an authorised sub-licence, to use, reproduce, modify, develop and maintain the Intellectual Property Rights in the same. Such licence or sub-licence shall be non-exclusive, perpetual, royalty-free, worldwide and irrevocable and shall include the right for the Authority to sub-license, transfer, novate or assign to other Contracting Authorities, the Crown, the Replacement Contractor or to any other third party supplying goods and/or services to the Authority ("Indemnified Persons");

- (b) not infringe any Intellectual Property Rights of any third party in supplying the Services; and
- (c) during and after the Contract Period, indemnify and keep indemnified the Authority and the Indemnified Persons from and against all actions, suits, claims, demands, losses, charges, damages, costs and expenses and other liabilities which the Authority or the Indemnified Persons may suffer or incur as a result of or in connection with any breach of this clause E8.3, except to the extent that any such claim results directly from:
  - i) items or materials based upon designs supplied by the Authority; or
  - ii) the use of data supplied by the Authority which is not required to be verified by the Contractor under any provision of the Contract.

E8.4 The Authority shall notify the Contractor in writing of any claim or demand brought against the Authority for infringement or alleged infringement of any Intellectual Property Right in materials supplied and/or licensed by the Contractor to the Authority.

E8.5 The Contractor shall at its own expense conduct all negotiations and any litigation arising in connection with any claim, demand or action by any third party for infringement or alleged infringement of any third party Intellectual Property Rights (whether by the Authority, the Contractor or an Indemnified Person) arising from the performance of the Contractor's obligations under the Contract ("Third Party IP Claim"), provided that the Contractor shall at all times:

- (a) consult the Authority on all material issues which arise during the conduct of such litigation and negotiations;
- (b) take due and proper account of the interests of the Authority; and
- (c) not settle or compromise any claim without Approval (not to be unreasonably withheld or delayed).

E8.6 The Authority shall at the request of the Contractor afford to the Contractor all reasonable assistance for the purpose of contesting any Third Party IP Claim and the Contractor shall indemnify the Authority for all costs and expenses (including, but not limited to, legal costs and disbursements) incurred in doing so. The Contractor shall not be required to indemnify the Authority under this clause E8.6 in relation to any costs and expenses to the extent that such arise directly from the matters referred to in clauses E8.3 (c) i) and ii).

E8.7 The Authority shall not, without the Contractor's consent, make any admissions which may be prejudicial to the defence or settlement of any Third-Party IP Claim.

E8.8 If any Third Party IP Claim is made or in the reasonable opinion of the Contractor is likely to be made, the Contractor shall notify the Authority and, at its own expense and subject to Approval (not to be unreasonably withheld or delayed), shall (without prejudice to the rights of the Authority under clauses E8.3 and G2.1(g) use its best endeavours to:

- (a) modify any or all of the Services without reducing the performance or functionality of the same, or substitute alternative services of equivalent performance and functionality, so as to avoid the infringement or the alleged infringement; or
- (b) procure a licence to use the Intellectual Property Rights and supply the Services which are the subject of the alleged infringement, on terms which are acceptable to the Authority

and if the Contractor is unable to comply with clauses E8.8(a) or (b) within 20 Working Days of receipt by the Authority of the Contractor's notification the Authority may terminate the Contract immediately by notice to the Contractor.

E8.9 The Contractor grants to the Authority and, if requested by the Authority, any Replacement Contractor, a royalty-free, irrevocable, worldwide, non-exclusive licence (with a right to sub-license) to use any Intellectual Property Rights that the Contractor owned or developed prior to the Commencement Date and which the Authority (or the Replacement Contractor) reasonably requires in order for the Authority to exercise its rights under, and receive the benefit of, the Contract (including, without limitation, the Services).

## **E9 Commercial Exploitation**

E9.1 The Contractor shall:

- (a) ensure that its staff, students and sub-contractors are and will be engaged in relation to the Contract and the Services on terms which do not entitle any of them to any rights in the Results; and
- (b) ensure that it is and remains entitled to transfer free from any encumbrances any title and/or rights necessary to affect the vesting of Intellectual Property Rights required by the Contract.

E9.2 Subject to clauses E9.3 and E9.4 the Contractor will use reasonable endeavours to exploit the Results commercially for its benefit and the benefit of the Authority and the Co-funders.

E9.3 The Contractor shall identify and inform the Authority of any Results which it considers suitable for commercial exploitation. If the Contractor has identified an opportunity for the commercial exploitation of the Results then it shall either apply to the Authority for a licence (with a right to sub-license as required) as may be

necessary, or provide such assistance as is required by the Authority to facilitate a licence being granted by the Authority to a third party.

E9.4 The Contractor shall identify and inform the Authority of any Results which may be suitable for registration as a patent, copyright, registered design, trade mark or other legal protection and shall use its reasonable endeavours to apply for such protection throughout or in any part of the world in the name of the Authority, and shall maintain such protection in such part of the world as it considers suitable at its own expense.

E9.5 Subject to clause E9.6 the Income from the commercial exploitation of the Results shall, after deduction of allowable costs as described below, be apportioned between the Parties as follows:

- (a) the Authority and Co-Funders: 10%, to be divided in the proportion of the actual payments made to the Contractor under the Contract by the Authority and Co-Funders respectively; and
- (b) the Contractor: 90%.

E9.6 The Income referred to in clause E9.5 shall be payable for the longer of:

- (a) the term of any patent arising from or incorporating any of the Results; and
- (b) the period in which any Know-How arising from the Results and used in any products or services exploited by the Contractor remains secret and substantial.

E9.7 The allowable costs for the purposes of clause E9.5 shall be limited to:

- (a) the registration fees for the registering of any rights in relation to such Results;
- (b) any legal costs reasonably incurred in relation to legal proceedings in relation to such Results in any appropriate forum and before any appropriate tribunal in any country and any costs ordered by any such tribunal to be paid by the Parties or any of them;
- (c) any other reasonable cost or expenditure which may be agreed from time to time by the Authority and the Contractor; and
- (d) subject to Approval, any reasonable marketing, packaging and/or distribution costs, and any relevant experimental development costs including costs of field trials and/or demonstration projects incurred at the Contractor's expense.

E9.8 The Contractor shall have sole responsibility for making any payments due to Staff under any rewards or incentive schemes, whether contractual, ex gratia, or statutory, in relation to the Results, and any such payments shall not be a cost or expenditure liable to be subtracted from any Income pursuant to clause E9.5. Any payments in respect of a share of Income to be made to the Authority and/or the Co-funders by the Contractor shall be made promptly, in such format as the Authority may direct and

accompanied by sufficient information to enable the Authority to identify: i) the contract to which such payments relate; and ii) the means (including a full breakdown of allowable costs) by which such payments have been calculated.

E9.9 If the Contractor does not intend to protect or exploit any Results then the Authority shall be entitled to obtain protection at its own cost and (if clause E8.1 has been amended or varied so that ownership of the Results vests in the Contractor) to have assigned to it at no charge all rights in the relevant Results. The Contractor will not be entitled to any share of the Income generated as the result of the protection or exploitation of the relevant Results obtained by the Authority.

E9.10 For the avoidance of doubt, clauses E9.5 to E9.9 do not apply to and do not affect any Intellectual Property Rights in existence before the commencement of the Services.

## **E10 Audit**

E10.1 The Contractor shall keep and maintain until 6 years after the end of the Contract Period, or as long a period as may be agreed between the Parties, full and accurate records of the Contract including the Services supplied under it, all expenditure reimbursed by the Authority, and all payments made by the Authority. The Contractor shall on request afford the Authority or the Authority's representatives such access to those records and processes as may be requested by the Authority in connection with the Contract.

E10.2 The Contractor agrees to make available to the Authority, free of charge, whenever requested, copies of audit reports obtained by the Contractor in relation to the Services.

E10.3 The Contractor shall permit duly authorised representatives of the Authority and/or the National Audit Office to examine the Contractor's records and documents relating to the Contract and to provide such copies and oral or written explanations as may reasonably be required.

E10.4 The Contractor (and its agents) shall permit the Comptroller and Auditor General (and his appointed representatives) access free of charge during normal business hours on reasonable notice to all such documents (including computerised documents and data) and other information as the Comptroller and Auditor General may reasonably require for the purposes of his financial audit of the Authority and for carrying out examinations into the economy, efficiency and effectiveness with which the Authority has used its resources. The Contractor shall provide such explanations as are reasonably required for these purposes.



## **E11 Tax Compliance**

E11.1 If, during the Contract Period, an Occasion of Tax Non-Compliance occurs, the Contractor shall:

- (a) notify the Authority in writing of such fact within 5 Working Days of its occurrence; and
- (b) promptly give the Authority:
  - i) details of the steps it is taking to address the Occasion of Tax Non-Compliance and to prevent the same from recurring, together with any mitigating factors it considers relevant; and
  - ii) such other information in relation to the Occasion of Tax Non-Compliance as the Authority may reasonably require.

E11.2 If the Contractor or any Staff are liable to be taxed in the UK or to pay NICs in respect of consideration received under the Contract, the Contractor shall:

- (a) at all times comply with ITEPA and all other statutes and regulations relating to income tax, and SSCBA and all other statutes and regulations relating to NICs, in respect of that consideration; and
- (b) indemnify the Authority against any income tax, NICs and social security contributions and any other liability, deduction, contribution, assessment or claim arising from or made in connection with the provision of the Services by the Contractor or any Staff.

## **F. CONTROL OF THE CONTRACT**

### **F1 Failure to meet Requirements**

F1.1 If the Authority informs the Contractor in writing that the Authority reasonably believes that any part of the Services do not meet the requirements of the Contract or differs in any way from those requirements, and this is not as a result of a default by the Authority, the Contractor shall at its own expense re-schedule and carry out the Services in accordance with the requirements of the Contract within such reasonable time as may be specified by the Authority.

F1.2 The Authority may by notice to the Contractor reject any of the Goods which fail to conform to the approved sample or fail to meet the Specification. Such notice shall be given within a reasonable time after delivery to the Authority of such Goods. If the Authority rejects any of the Goods pursuant to this clause the Authority may (without prejudice to its other rights and remedies) either:

- (a) have such Goods promptly, free of charge and in any event within 5 Working Days, either repaired by the Contractor or replaced by the Contractor with Goods which

conform in all respects with the approved sample or with the Specification and due delivery shall not be deemed to have taken place until such repair or replacement has occurred; or

- (b) treat the Contract as discharged by the Contractor's breach and obtain a refund (if payment for the Goods has already been made) from the Contractor in respect of the Goods concerned together with payment of any additional expenditure reasonably incurred by the Authority in obtaining other goods in replacement.

F1.3 The Authority will be deemed to have accepted the Goods if it expressly states the same in writing or fails to reject the Goods in accordance with clause F1.2.

F1.4 The issue by the Authority of a receipt note for delivery of the Goods shall not constitute any acknowledgement of the condition, quantity or nature of those Goods, or the Authority's acceptance of them.

F1.5 The Contractor hereby guarantees the Goods against faulty materials or workmanship for such period as may be specified in the Specification or, if no period is specified, for a period of 18 months from the date of delivery. If the Authority shall within such period or within 25 Working Days thereafter give notice to the Contractor of any defect in any of the Goods as may have arisen during such period under proper and normal use, the Contractor shall (without prejudice to any other rights and remedies which the Authority may have) promptly remedy such defects (whether by repair or replacement as the Authority shall elect) free of charge.

F1.6 Any Goods rejected or returned by the Authority as described in clause F1.2 shall be returned to the Contractor at the Contractor's risk and expense.

## **F2 Monitoring of Contract Performance**

F2.1 The Contractor shall immediately inform the Authority if any of the Services are not being or are unable to be performed, the reasons for non-performance, any corrective action and the date by which that action will be completed.

F2.2 At or around 6 Months from the Commencement Date and each anniversary of the Commencement Date thereafter (each being a "Review Date"), the Authority shall carry out a review of the performance of the Contractor ("Checkpoint Review"). Without prejudice to the generality of the foregoing, the Authority may in respect of the period under review consider such items as (but not limited to): the Contractor's delivery of the Services; the Contractor's contribution to innovation in the Authority; whether the Services provide the Authority with best value for money; consideration of any changes which may need to be made to the Services; a review of future requirements in relation to the Services and progress against key milestones.

- F2.3 The Contractor shall provide at its own cost any assistance reasonably required by the Authority to perform such Checkpoint Review including the provision of data and information.
- F2.4 The Authority may produce a report (a "Checkpoint Review Report") of the results of each Checkpoint Review stating any areas of exceptional performance and areas for improvement in the provision of the Services and where there is any shortfall in any aspect of performance reviewed as against the Authority's expectations and the Contractor's obligations under this Contract.
- F2.5 The Authority shall give the Contractor a copy of the Checkpoint Review Report (if applicable). The Authority shall consider any Contractor comments and may produce a revised Checkpoint Review Report.
- F2.6 The Contractor shall, within 10 Working Days of receipt of the Checkpoint Review Report (revised as appropriate) provide the Authority with a plan to address resolution of any shortcomings and implementation of improvements identified by the Checkpoint Review Report.
- F2.7 Actions required to resolve shortcomings and implement improvements (either as a consequence of the Contractor's failure to meet its obligations under this Contract identified by the Checkpoint Review Report, or those which result from the Contractor's failure to meet the Authority's expectations notified to the Contractor or of which the Contractor ought reasonably to have been aware) shall be implemented at no extra charge to the Authority.

### **F3 Reporting**

- F3.1 Unless otherwise authorised in writing by the Authority, the Contractor shall submit an annual report (the "Annual Report") for each Project Year to the Authority in accordance with this clause F3.
- F3.2 The Contractor shall provide one hard copy of the Annual Report and one copy on either computer readable disk or e-mail in the format specified by or agreed with the Authority, no later than 4 weeks after the end of each Project Year, or, for work lasting one year or less, no later than 4 weeks after completion of the Services.
- F3.3 The Annual Report shall:
- (a) list the scientific objectives set out in the Specification, indicating where amendments have been agreed;
  - (b) indicate in non-scientific terms the scientific progress achieved since the Commencement Date or since the last Annual Report; how this relates to the policy objectives as set out in the relevant current statement of policy rationale and

programme objectives relating to research and development issued by the Authority in accordance with the Specification, plus any findings of particular interest;

- (c) indicate whether the scientific objectives in the Specification are appropriate for the remainder of the Contract Period, giving reasons for any changes, together with financial, Staff and time implications;
- (d) list the milestones for the relevant Project Year as set out in the Specification, indicating which milestones have been met and whether the remaining milestones appear realistic (subject to clause F4);
- (e) list any outputs, for example, published papers or presentations and identify any opportunities for exploiting any Intellectual Property Rights or technology transfer arising out of the Services and any action taken to protect and exploit such Intellectual Property Rights; and
- (f) comment briefly on any new scientific opportunities which may arise from the Services.

F3.4 Unless Approved, the Contractor shall submit by the completion date of the Services a final report (the “Final Report”) consisting of 2 hard copies and one electronic copy on either computer readable disk or by e-mail in a format specified by the Authority. The Final Report shall include the following:

- (a) the Services’ code and title as set out in the Specification; the name of the Contractor; the total costs; and the Commencement Date and date of completion of the Services;
- (b) an executive summary of not more than 2 sides of A4 written in a style understandable to the intelligent non-scientist. This should include the main objectives of the Services; the methods and findings of the research; and any other significant events and options for new work; and
- (c) a scientific report.

F3.5 The scientific report referred to in clause F3.4(c) above shall contain:

- (a) the scientific objectives as set out in the Specification;
- (b) the extent to which the objectives set out in the Specification have been met;
- (c) details of methods used and the Results obtained, including statistical analysis where appropriate;
- (d) a discussion of the Results and their reliability;
- (e) the main implications of the findings;

- (f) possible future work; and
- (g) any action resulting from the research, for example, protection of Intellectual Property Rights and knowledge transfer.

F3.6 Notwithstanding clause E6 (Publicity, Media and Official Enquiries), the Authority may publish the Final Report on a website. When submitting the Final Report to the Authority the Contractor shall indicate any information contained in the Final Report which it considers to be commercially sensitive or which might otherwise merit non-publication and the Authority shall not disclose such information without first having consulted the Contractor (without prejudice to the Authority's discretion as to whether to publish following such consultation).

F3.7 The Authority reserves the right to reject any Annual Report or Final Report submitted by the Contractor which is not, in the reasonable opinion of the Authority, satisfactory, either in form or content, having regard to the provisions of this Schedule. If an Annual Report or Final Report is rejected by the Authority, the Contractor shall remedy any deficiencies identified by the Authority and submit a revised version at no additional cost to the Authority or the Co-funders.

F3.8 The Contractor shall supply any additional reports, including financial reports, in respect of the Services, at such time or times, and in such form, as the Authority may reasonably require. Without prejudice to the generality of the foregoing, the Contractor shall provide to the Authority such information as the Authority may reasonably require regarding commercial exploitation of the Results, including details of any licences granted to third parties in respect of any Intellectual Property Rights in the same. The Contractor shall further keep at its normal place of business detailed accurate and up to date records and accounts showing details of its commercial exploitation of the Results including the sale of products or services which incorporate the Results, Income received, allowable costs deducted and the amount of licensing revenues received by it in respect of the Results in a format sufficient to ascertain that revenue sharing pursuant to the Contract has been properly accounted for and apportioned in accordance with the Contract.

F3.9 The Contractor shall, subject to reasonable notice, attend all meetings specified in the Contract or otherwise arranged by the Authority for the purpose of discussion of the Services.

#### **F4 Remedies for inadequate performance**

F4.1 If the Authority reasonably believes the Contractor has committed a Material Breach it may, without prejudice to its rights under clause H2 (Termination on Default), do any of the following:

- (a) without terminating the Contract, itself supply or procure the supply of all or part of the Services until such time as the Contractor has demonstrated to the Authority's reasonable satisfaction that the Contractor will be able to supply the Services in accordance with the Specification;
- (b) without terminating the whole of the Contract, terminate the Contract in respect of part of the Services only (whereupon a corresponding reduction in the Price shall be made) and thereafter itself supply or procure a third party to supply such part of the Services;
- (c) withhold or reduce payments to the Contractor in such amount as the Authority reasonably deems appropriate in each particular case; and/or
- (d) terminate the Contract in accordance with clause H2.

F4.2 Without prejudice to its right under clause C3 (Recovery of Sums Due), the Authority may charge the Contractor for any costs reasonably incurred and any reasonable administration costs in respect of the supply of any part of the Services by the Authority or a third party to the extent that such costs exceed the payment which would otherwise have been payable to the Contractor for such part of the Services.

F4.3 If the Authority reasonably believes the Contractor has failed to supply all or any part of the Services in accordance with the Contract, professional or industry practice which could reasonably be expected of a competent and suitably qualified person, or any legislative or regulatory requirement, the Authority may give the Contractor notice specifying the way in which its performance falls short of the requirements of the Contract or is otherwise unsatisfactory.

F4.4 If the Contractor has been notified of a failure in accordance with clause F4.3 the Authority may:

- (a) direct the Contractor to identify and remedy the failure within such time as may be specified by the Authority and to apply all such additional resources as are necessary to remedy that failure at no additional charge to the Authority within the specified timescale; and/or
- (b) withhold or reduce payments to the Contractor in such amount as the Authority deems appropriate in each particular case until such failure has been remedied to the satisfaction of the Authority.

F4.5 If the Contractor has been notified of a failure in accordance with clause F4.3, it shall:

- (a) use all reasonable endeavours to immediately minimise the impact of such failure to the Authority and to prevent such failure from recurring; and

- (b) immediately give the Authority such information as the Authority may request regarding what measures are being taken to comply with the obligations in this clause F4.5 and the progress of those measures until resolved to the satisfaction of the Authority.

F4.6 If, having been notified of any failure, the Contractor fails to remedy it in accordance with clause F4.5 within the time specified by the Authority, the Authority may treat the continuing failure as a Material Breach and may terminate the Contract immediately on notice to the Contractor.

## **F5 Transfer and Sub-Contracting**

F5.1 Except where clauses F5.5 and F5.6 both apply, the Contractor shall not transfer, charge, assign, sub-contract or in any other way dispose of the Contract or any part of it without Approval. All such documents shall be evidenced in writing and shown to the Authority on request. Sub-contracting any part of the Contract shall not relieve the Contractor of any of its obligations or duties under the Contract.

F5.2 The Contractor is responsible for the acts and/or omissions of its Sub-Contractors as though they are its own. If it is appropriate, the Contractor shall provide each Sub-Contractor with a copy of the Contract and obtain written confirmation from them that they will provide the Services fully in accordance with the Contract.

F5.3 The Contractor shall ensure that its Sub-Contractors and suppliers retain all records relating to the Services for at least 6 years from the date of their creation and make them available to the Authority on request in accordance with the provisions of clause E10 (Audit). If any Sub-Contractor or supplier does not allow the Authority access to the records then the Authority shall have no obligation to pay any claim or invoice made by the Contractor on the basis of such documents or work carried out by the Sub-Contractor or supplier.

F5.4 If the Authority has consented to the award of a Sub-Contract the Contractor shall ensure that:

- (a) the Sub-Contract contains a right for the Contractor to terminate the Sub-Contract if the relevant Sub-Contractor does not comply in the performance of its contract with legal obligations in environmental, social or labour law;
- (b) the Sub-Contractor includes a provision having the same effect as set out in clause F5.4 (a) in any Sub-Contract which it awards; and
- (c) copies of each Sub-Contract shall, at the request of the Authority, be sent by the Contractor to the Authority immediately.

F5.5 If the Authority believes there are:

- (a) compulsory grounds for excluding a Sub-Contractor pursuant to regulation 57 of the Regulations, the Contractor shall replace or not appoint the Sub-Contractor; or
- (b) non-compulsory grounds for excluding a Sub-Contractor pursuant to regulation 57 of the Regulations, the Authority may require the Contractor to replace or not appoint the Sub-Contractor and the Contractor shall comply with such requirement.

F5.6 Notwithstanding clause F5.1, the Contractor may assign to a third party (the "Assignee") the right to receive payment of the Price or any part thereof due to the Contractor (including any interest which the Authority incurs under clause C2 (Payment and VAT)). Any assignment under this clause F5.6 shall be subject to:

- (a) reduction of any sums in respect of which the Authority exercises its right of recovery under clause C3 (Recovery of Sums Due);
- (b) all related rights of the Authority under the Contract in relation to the recovery of sums due but unpaid; and
- (c) the Authority receiving notification under both clauses F5.7 and F5.8.

F5.7 If the Contractor assigns the right to receive the Price under clause F5.6, the Contractor or the Assignee shall notify the Authority in writing of the assignment and the date upon which the assignment becomes effective.

F5.8 The Contractor shall ensure that the Assignee notifies the Authority of the Assignee's contact information and bank account details to which the Authority shall make payment.

F5.9 The provisions of clause C2 shall continue to apply in all other respects after the assignment and shall not be amended without Approval.

F5.10 Subject to clause F5.11, the Authority may assign, novate or otherwise dispose of its rights and obligations under the Contract or any part thereof to:

- (a) any Contracting Authority;
- (b) any other body established or authorised by the Crown or under statute in order substantially to perform any of the functions that had previously been performed by the Authority; or
- (c) any private sector body which substantially performs the functions of the Authority

provided that any such assignment, novation or other disposal shall not increase the burden of the Contractor's obligations under the Contract.



F5.11 Any change in the legal status of the Authority such that it ceases to be a Contracting Authority shall not, subject to clause F5.12, affect the validity of the Contract and the Contract shall bind and inure to the benefit of any successor body to the Authority.

F5.12 If the rights and obligations under the Contract are assigned, novated or otherwise disposed of pursuant to clause F5.10 to a body which is not a Contracting Authority or if there is a change in the legal status of the Authority such that it ceases to be a Contracting Authority (in the remainder of this clause F5 both such bodies being referred to as the "Transferee"):

- (a) the rights of termination of the Authority in clauses H1 and H2 shall be available to the Contractor in respect of the Transferee; and
- (b) the Transferee shall only be able to assign, novate or otherwise dispose of its rights and obligations under the Contract or any part thereof with the prior consent in writing of the Contractor.

F5.13 The Authority may disclose to any Transferee any Confidential Information of the Contractor which relates to the performance of the Contractor's obligations under the Contract. In such circumstances the Authority shall authorise the Transferee to use such Confidential Information only for purposes relating to the performance of the Contractor's obligations under the Contract and for no other purpose and shall take all reasonable steps to ensure that the Transferee gives a confidentiality undertaking in relation to such Confidential Information.

F5.14 Each Party shall at its own cost and expense carry out, or use all reasonable endeavours to ensure the carrying out of, whatever further actions (including the execution of further documents) the other Party reasonably requires from time to time for the purpose of giving that other Party the full benefit of the provisions of the Contract.

## **F6 Waiver**

F6.1 The failure of either Party to insist upon strict performance of any provision of the Contract, or the failure of either Party to exercise, or any delay in exercising, any right or remedy shall not constitute a waiver of that right or remedy and shall not cause a diminution of the obligations established by the Contract.

F6.2 No waiver shall be effective unless it is expressly stated to be a waiver and communicated to the other Party in writing in accordance with clause A4.2 (Notices).

F6.3 A waiver of any right or remedy arising from a breach of the Contract shall not constitute a waiver of any right or remedy arising from any other or subsequent breach of the Contract.

## **F7 Variation**

F7.1 If, after the Commencement Date, the Authority's requirements change, the Authority may request a Variation subject to the terms of this clause 7.

F7.2 The Authority may request a Variation by notifying the Contractor in writing of the Variation and giving the Contractor sufficient information to assess the extent of the Variation and consider whether any change to the Price is required in order to implement the Variation within a reasonable time limit specified by the Authority. If the Contractor accepts the Variation it shall confirm it in writing.

F7.3 If the Contractor is unable to accept the Variation or where the Parties are unable to agree a change to the Price, the Authority may:

- (a) allow the Contractor to fulfil its obligations under the Contract without the Variation to the Specification; or
- (b) terminate the Contract immediately except where the Contractor has already delivered all or part of the Services or where the Contractor can show evidence of substantial work being carried out to fulfil the requirements of the Specification; and in such case the Parties shall attempt to agree upon a resolution to the matter. If a resolution cannot be reached, the matter shall be dealt with under the Dispute Resolution procedure detailed in clause I2 (Dispute Resolution).

F7.4 No Variation will take effect unless and until recorded in a validly executed CCN. Execution of a CCN shall be made via electronic signature as described in clause 1.2 of Section 1 of the Contract.

F7.5 A CCN takes effect on the date both Parties communicate acceptance of the CCN via Bravo and, on the date it communicates its acceptance of the CCN in this way, the Contractor is deemed to warrant and represent that the CCN has been executed by a duly authorised representative of the Contractor in addition to the warranties and representations set out in clause G2.

F7.6 The provisions of clauses F7.4 and F7.5 may be varied in an emergency if it is not practicable to obtain the Authorised Representative's approval within the time necessary to make the Variation in order to address the emergency. In an emergency, Variations may be approved by a different representative of the Authority. However, the Authorised Representative shall have the right to review such a Variation and require a CCN to be entered into on a retrospective basis which may itself vary the emergency Variation.

## **F8 Severability**

F8.1 If any provision of the Contract which is not of a fundamental nature is held invalid, illegal or unenforceable for any reason by any court of competent jurisdiction, such provision shall be severed and the remainder of the provisions of the Contract shall

continue in full force and effect as if the Contract had been executed with the invalid, illegal or unenforceable provision eliminated.

## **F9 Remedies Cumulative**

F9.1 Except as expressly provided in the Contract all remedies available to either Party for breach of the Contract are cumulative and may be exercised concurrently or separately, and the exercise of any one remedy shall not be deemed an election of such remedy to the exclusion of other remedies.

## **F10 Entire Agreement**

F10.1 The Contract constitutes the entire agreement between the Parties in respect of the matters dealt with therein. The Contract supersedes all prior negotiations between the Parties and all representations and undertakings made by one Party to the other, whether written or oral, except that this clause shall not exclude liability in respect of any fraudulent misrepresentation.

## **F11 Counterparts**

F11.1 The Contract may be executed in counterparts, each of which when executed and delivered shall constitute an original but all counterparts together shall constitute one and the same instrument.

# **G LIABILITIES**

## **G1 Liability, Indemnity and Insurance**

G1.1 Neither Party limits its liability for:

- (a) death or personal injury caused by its negligence;
- (b) fraud or fraudulent misrepresentation;
- (c) any breach of any obligations implied by section 12 of the Sale of Goods Act 1979 or section 2 of the Supply of Goods and Services Act 1982;
- (d) any breach of clauses D1, E1, E2 or E4 or any breach of Schedule 8; or
- (e) any liability to the extent it cannot be limited or excluded by Law.

G1.2 Subject to clauses G1.3 and G1.4, the Contractor shall indemnify the Authority and keep the Authority indemnified fully against all claims, proceedings, demands, charges, actions, damages, costs, breach of statutory duty, expenses and any other liabilities which may arise out of the supply, or the late or purported supply, of the Services or the performance or non-performance by the Contractor of its obligations

under the Contract or the presence of the Contractor or any Staff on the Premises, including in respect of any death or personal injury, loss of or damage to property, financial loss arising from any advice given or omitted to be given by the Contractor, or any other loss which is caused directly by any act or omission of the Contractor.

G1.3 Subject to clause G1.1 the Contractor's aggregate liability in respect of the Contract shall not exceed **£5,000,000**.

G1.4 The Contractor shall not be responsible for any injury, loss, damage, cost or expense if and to the extent that it is caused by the negligence or wilful misconduct of the Authority or by breach by the Authority of its obligations under the Contract.

G1.5 The Authority may recover from the Contractor the following losses incurred by the Authority to the extent they arise as a result of a Default by the Contractor:

- (a) any additional operational and/or administrative costs and expenses incurred by the Authority, including costs relating to time spent by or on behalf of the Authority in dealing with the consequences of the Default;
- (b) any wasted expenditure or charges;
- (c) the additional costs of procuring a Replacement Contractor for the remainder of the Contract Period and or replacement deliverables which shall include any incremental costs associated with the Replacement Contractor and/or replacement deliverables above those which would have been payable under the Contract;
- (d) any compensation or interest paid to a third party by the Authority; and
- (e) any fine or penalty incurred by the Authority pursuant to Law and any costs incurred by the Authority in defending any proceedings which result in such fine or penalty.

G1.6 Subject to clauses G1.1 and G1.5, neither Party shall be liable to the other for any:

- (a) loss of profits, turnover, business opportunities or damage to goodwill (in each case whether direct or indirect); or
- (b) indirect, special or consequential loss.

G1.7 Unless otherwise specified by the Authority, the Contractor shall, with effect from the Commencement Date for such period as necessary to enable the Contractor to comply with its obligations herein, take out and maintain with a reputable insurance company a policy or policies of insurance providing an adequate level of cover in respect of all risks which may be incurred by the Contractor, arising out of the Contractor's performance of its obligations under the Contract, including death or personal injury, loss of or damage to property or any other loss. Such policies shall include cover in respect of any financial loss arising from any advice given or omitted

to be given by the Contractor. Such insurance shall be maintained for the duration of the Contract Period and for a minimum of 6 years following the end of the Contract.

G1.8 The Contractor shall hold employer's liability insurance in respect of Staff and such insurance shall be in accordance with any legal requirement from time to time in force.

G1.9 The Contractor shall give the Authority, on request, copies of all insurance policies referred to in this clause or a broker's verification of insurance to demonstrate that the appropriate cover is in place, together with receipts or other evidence of payment of the latest premiums due under those policies.

G1.10 If the Contractor does not give effect to and maintain the insurances required by the provisions of the Contract, the Authority may make alternative arrangements to protect its interests and may recover the costs of such arrangements from the Contractor.

G1.11 The provisions of any insurance or the amount of cover shall not relieve the Contractor of any liabilities under the Contract.

G1.12 The Contractor shall not take any action or fail to take any reasonable action, or (to the extent that it is reasonably within its power) permit anything to occur in relation to the Contractor, which would entitle any insurer to refuse to pay any claim under any insurance policy in which the Contractor is an insured, a co-insured or additional insured person.

## **G2 Warranties and Representations**

G2.1 The Contractor warrants and represents on the Commencement Date and for the Contract Period that:

- (a) it has full capacity and authority and all necessary consents to enter into and perform the Contract and that the Contract is executed by a duly authorised representative of the Contractor;
- (b) in entering the Contract it has not committed any fraud;
- (c) as at the Commencement Date, all information contained in the Tender or other offer made by the Contractor to the Authority remains true, accurate and not misleading, save as may have been specifically disclosed in writing to the Authority prior to execution of the Contract and in addition, that it will advise the Authority of any fact, matter or circumstance of which it may become aware which would render such information to be false or misleading;
- (d) no claim is being asserted and no litigation, arbitration or administrative proceeding is presently in progress or, to the best of its knowledge and belief, pending or

threatened against it or any of its assets which will or might have an adverse effect on its ability to perform its obligations under the Contract;

- (e) it is not subject to any contractual obligation, compliance with which is likely to have a material adverse effect on its ability to perform its obligations under the Contract;
- (f) no proceedings or other steps have been taken and not discharged (nor, to the best of its knowledge, are threatened) for the winding up of the Contractor or for its dissolution or for the appointment of a receiver, administrative receiver, liquidator, manager, administrator or similar officer in relation to any of the Contractor's assets or revenue;
- (g) it owns, or has obtained or is able to obtain valid licences for, all Intellectual Property Rights that are necessary for the performance of its obligations under the Contract;
- (h) any person engaged by the Contractor shall be engaged on terms which do not entitle them to any Intellectual Property Right in any IP Materials;
- (i) in the 3 years (or period of existence where the Contractor has not been in existence for 3 years) prior to the date of the Contract:
- (i) it has conducted all financial accounting and reporting activities in compliance in all material respects with the generally accepted accounting principles that apply to it in any country where it files accounts;
- (ii) it has been in full compliance with all applicable securities and tax laws and regulations in the jurisdiction in which it is established; and
- (iii) it has not done or omitted to do anything which could have a material adverse effect on its assets, financial condition or position as an ongoing business concern or its ability to fulfil its obligations under the Contract;
- (j) it has and will continue to hold all necessary (if any) regulatory approvals from the Regulatory Bodies necessary to perform its obligations under the Contract; and
- (k) it has notified the Authority in writing of any Occasions of Tax Non-Compliance and any litigation in which it is involved that is in connection with any Occasion of Tax Non-Compliance.

### **G3 Force Majeure**

G3.1 Subject to the remaining provisions of this clause G3, a Party may claim relief under this clause G3 from liability for failure to meet its obligations under the Contract for as long as and only to the extent that the performance of those obligations is directly affected by a Force Majeure Event. Any failure or delay by the Contractor in performing its obligations under the Contract which results from a failure or delay by

an agent, Sub-Contractor or supplier shall be regarded as due to a Force Majeure Event only if that agent, Sub-Contractor or supplier is itself impeded by a Force Majeure Event from complying with an obligation to the Contractor.

G3.2 The Affected Party shall as soon as reasonably practicable issue a Force Majeure Notice, which shall include details of the Force Majeure Event, its effect on the obligations of the Affected Party and any action the Affected Party proposes to take to mitigate its effect.

G3.3 If the Contractor is the Affected Party, it shall not be entitled to claim relief under this clause G3 to the extent that consequences of the relevant Force Majeure Event:

- (a) are capable of being mitigated by any of the Services, but the Contractor has failed to do so; and/or
- (b) should have been foreseen and prevented or avoided by a prudent provider of services similar to the Services, operating to the standards required by the Contract.

G3.4 Subject to clause G3.5, as soon as practicable after the Affected Party issues the Force Majeure Notice, and at regular intervals thereafter, the Parties shall consult in good faith and use reasonable endeavours to agree any steps to be taken and an appropriate timetable in which those steps should be taken, to enable continued provision of the Services affected by the Force Majeure Event.

G3.5 The Parties shall at all times following the occurrence of a Force Majeure Event and during its subsistence use their respective reasonable endeavours to prevent and mitigate the effects of the Force Majeure Event. Where the Contractor is the Affected Party, it shall take all steps in accordance with Good Industry Practice to overcome or minimise the consequences of the Force Majeure Event.

G3.6 Where, as a result of a Force Majeure Event:

- (a) an Affected Party fails to perform its obligations in accordance with the Contract, then during the continuance of the Force Majeure Event:
  - i) the other Party shall not be entitled to exercise its rights to terminate the Contract in whole or in part as a result of such failure pursuant to clause H2.1 or H2.3; and
  - ii) neither Party shall be liable for any Default arising as a result of such failure;
- (b) the Contractor fails to perform its obligations in accordance with the Contract it shall be entitled to receive payment of the Price (or a proportional payment of it) only to the extent that the Services (or part of the Services) continue to be performed in accordance with the terms of the Contract during the occurrence of the Force Majeure Event.

G3.7 The Affected Party shall notify the other Party as soon as practicable after the Force Majeure Event ceases or no longer causes the Affected Party to be unable to comply with its obligations under the Contract.

G3.8 Relief from liability for the Affected Party under this clause G3 shall end as soon as the Force Majeure Event no longer causes the Affected Party to be unable to comply with its obligations under the Contract and shall not be dependent on the serving of notice under clause G3.7.

## **H DEFAULT, DISRUPTION AND TERMINATION**

### **H1 Termination on Insolvency and Change of Control**

H1.1 The Authority may terminate the Contract with immediate effect by notice and without compensation to the Contractor where the Contractor is a company and in respect of the Contractor:

- (a) a proposal is made for a voluntary arrangement within Part I of the Insolvency Act 1986 or of any other composition scheme or arrangement with, or assignment for the benefit of, its creditors;
- (b) a shareholders' meeting is convened for the purpose of considering a resolution that it be wound up or a resolution for its winding-up is passed (other than as part of, and exclusively for the purpose of, a bona fide reconstruction or amalgamation);
- (c) a petition is presented for its winding up (which is not dismissed within 14 days of its service) or an application is made for the appointment of a provisional liquidator or a creditors' meeting is convened pursuant to section 98 of the Insolvency Act 1986;
- (d) a receiver, administrative receiver or similar officer is appointed over the whole or any part of its business or assets;
- (e) an application order is made either for the appointment of an administrator or for an administration order, an administrator is appointed, or notice of intention to appoint an administrator is given;
- (f) it is or becomes insolvent within the meaning of section 123 of the Insolvency Act 1986;
- (g) being a "small company" within the meaning of section 247(3) of the Companies Act 1985, a moratorium comes into force pursuant to Schedule A1 of the Insolvency Act 1986; or
- (h) any event similar to those listed in H1.1(a)-(g) occurs under the law of any other jurisdiction.



H1.2 The Authority may terminate the Contract with immediate effect by notice and without compensation to the Contractor where the Contractor is an individual and:

- (a) an application for an interim order is made pursuant to sections 252-253 of the Insolvency Act 1986 or a proposal is made for any composition scheme or arrangement with, or assignment for the benefit of, the Contractor's creditors;
- (b) a petition is presented and not dismissed within 14 days or order made for the Contractor's bankruptcy;
- (c) a receiver, or similar officer is appointed over the whole or any part of the Contractor's assets or a person becomes entitled to appoint a receiver, or similar officer over the whole or any part of his assets;
- (d) the Contractor is unable to pay his debts or has no reasonable prospect of doing so, in either case within the meaning of section 268 of the Insolvency Act 1986;
- (e) a creditor or encumbrancer attaches or takes possession of, or a distress, execution, sequestration or other such process is levied or enforced on or sued against, the whole or any part of the Contractor's assets and such attachment or process is not discharged within 14 days;
- (f) he dies or is adjudged incapable of managing his affairs within the meaning of Part VII of the Mental Capacity Act 2005;
- (g) he suspends or ceases, or threatens to suspend or cease, to carry on all or a substantial part of his business; or
- (h) any event similar to those listed in clauses H1.2(a) to (g) occurs under the law of any other jurisdiction.

H1.3 The Contractor shall notify the Authority immediately in writing of any proposal or negotiations which will or may result in a merger, take-over, change of control, change of name or status including where the Contractor undergoes a change of control within the meaning of section 1124 of the Corporation Taxes Act 2010 ("Change of Control"). The Authority may terminate the Contract with immediate effect by notice and without compensation to the Contractor within 6 Months of:

- (a) being notified that a Change of Control has occurred; or
- (b) where no notification has been made, the date that the Authority becomes aware of the Change of Control,

but shall not be permitted to terminate where Approval was granted prior to the Change of Control.

H1.4 The Authority may terminate the Contract with immediate effect by notice and without compensation to the Contractor where the Contractor is a partnership and:

- (a) a proposal is made for a voluntary arrangement within Article 4 of the Insolvent Partnerships Order 1994 or a proposal is made for any other composition, scheme or arrangement with, or assignment for the benefit of, its creditors; or
- (b) it is for any reason dissolved; or
- (c) a petition is presented for its winding up or for the making of any administration order, or an application is made for the appointment of a provisional liquidator; or
- (d) a receiver, or similar officer is appointed over the whole or any part of its assets; or
- (e) the partnership is deemed unable to pay its debts within the meaning of section 222 or 223 of the Insolvency Act 1986 as applied and modified by the Insolvent Partnerships Order 1994; or
- (f) any of the following occurs in relation to any of its partners:
  - (i) an application for an interim order is made pursuant to sections 252-253 of the Insolvency Act 1986 or a proposal is made for any composition scheme or arrangement with, or assignment for the benefit of, his creditors;
  - (ii) a petition is presented for his bankruptcy; or
  - (iii) a receiver, or similar officer is appointed over the whole or any part of his assets;
- (g) any event similar to those listed in clauses H1.4(a) to (f) occurs under the law of any other jurisdiction.

H1.5 The Authority may terminate the Contract with immediate effect by notice and without compensation to the Contractor where the Contractor is a limited liability partnership and:

- (a) a proposal is made for a voluntary arrangement within Part I of the Insolvency Act 1986 or a proposal is made for any other composition, scheme or arrangement with, or assignment for the benefit of, its creditors;
- (b) it is for any reason dissolved;
- (c) an application is made either for the appointment of an administrator or for an administration order, an administrator is appointed, or notice of intention to appoint an administrator is given within Part II of the Insolvency Act 1986;

- (d) any step is taken with a view to it being determined that it be wound up (other than as part of, and exclusively for the purpose of, a bona fide reconstruction or amalgamation) within Part IV of the Insolvency Act 1986;
- (e) a petition is presented for its winding up (which is not dismissed within 14 days of its service) or an application is made for the appointment of a provisional liquidator within Part IV of the Insolvency Act 1986;
- (f) a receiver, or similar officer is appointed over the whole or any part of its assets; or
- (g) it is or becomes unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986;
- (h) a moratorium comes into force pursuant to Schedule A1 of the Insolvency Act 1986; or
- (i) any event similar to those listed in clauses H1.5 (a) to (h) occurs under the law of any other jurisdiction.

H1.6 References to the Insolvency Act 1986 in clause H1.5(a) shall be construed as being references to that Act as applied under the Limited Liability Partnerships Act 2000 subordinate legislation.

## **H2 Termination on Default**

H2.1 The Authority may terminate the Contract with immediate effect by notice if the Contractor commits a Default and:

- (a) the Contractor has not remedied the Default to the satisfaction of the Authority within 25 Working Days or such other period as may be specified by the Authority, after issue of a notice specifying the Default and requesting it to be remedied;
- (b) the Default is not, in the opinion of the Authority, capable of remedy; or
- (c) the Default is a Material Breach.

H2.2 If, through any Default of the Contractor, data transmitted or processed in connection with the Contract is either lost or sufficiently degraded as to be unusable, the Contractor shall be liable for the cost of reconstitution of that data and shall reimburse the Authority in respect of any charge levied for its transmission and any other costs charged in connection with such Default.

H2.3 If the Authority fails to pay the Contractor undisputed sums of money when due, the Contractor shall give notice to the Authority of its failure to pay. If the Authority fails to pay such undisputed sums within 90 Working Days of the date of such notice, the Contractor may terminate the Contract in writing with immediate effect, save that such right of termination shall not apply where the failure to pay is due to the Authority

exercising its rights under clause C3.1 (Recovery of Sums Due) or to a Force Majeure Event.

### **H3 Termination on Notice**

H3.1 The Authority may terminate the Contract at any time by giving **30 days'** notice to the Contractor.

### **H4 Other Termination Grounds**

H4.1 The Authority may terminate the Contract on written notice to the Contractor if:

- (a) the Contract has been subject to a substantial modification which requires a new procurement procedure pursuant to regulation 72(9) of the Regulations;
- (b) the Contractor was, at the time the Contract was awarded, in one of the situations specified in regulation 57(1) of the Regulations, including as a result of the application of regulation 57 (2), and should therefore have been excluded from the procurement procedure which resulted in its award of the Contract;
- (c) the Contract should not have been awarded to the Contractor in view of a serious infringement of the obligations under the Treaties and the Regulations that has been declared by the Court of Justice of the European Union in a procedure under Article 258 of the TFEU; or
- (d) the Contractor has not, in performing the Services, complied with its legal obligations in respect of environmental, social or labour law.

### **H5 Consequences of Expiry or Termination**

H5.1 If the Authority terminates the Contract under clauses H2 or H4 and makes other arrangements for the supply of the Services the Authority may recover from the Contractor the cost reasonably incurred of making those other arrangements and any additional expenditure incurred by the Authority throughout the remainder of the Contract Period.

H5.2 If Contract is terminated under clauses H2 or H4 the Authority shall make no further payments to the Contractor (for Services supplied by the Contractor prior to termination and in accordance with the Contract but where the payment has yet to be made by the Authority), until the Authority has established the final cost of making the other arrangements envisaged under this clause.

H5.3 If the Authority terminates the Contract under clause H3 the Authority shall make no further payments to the Contractor except for Services supplied by the Contractor prior to termination and in accordance with the Contract but where the payment has yet to be made by the Authority.

H5.4 Save as otherwise expressly provided in the Contract:

- (a) termination or expiry of the Contract shall be without prejudice to any rights, remedies or obligations accrued under the Contract prior to termination or expiration and nothing in the Contract shall prejudice the right of either Party to recover any amount outstanding at such termination or expiry; and
- (b) termination of the Contract shall not affect the continuing rights, remedies or obligations of the Authority or the Contractor under clauses C2 (Payment and VAT), C3 (Recovery of Sums Due), D1 (Prevention of Fraud and Bribery), E2 (Data Protection), E3 (Official Secrets Acts 1911 to 1989, Section 182 of the Finance Act 1989), E4 (Confidential Information), E5 (Freedom of Information), E8 (Intellectual Property Rights), E10 (Audit), F10 (Remedies Cumulative), G1 (Liability, Indemnity and Insurance), H5 (Consequences of Expiry or Termination), H7 (Recovery upon Termination) and I1 (Governing Law and Jurisdiction).

## **H6 Disruption**

- H6.1 The Contractor shall take reasonable care to ensure that in the performance of its obligations under the Contract it does not disrupt the operations of the Authority, its employees or any other contractor employed by the Authority.
- H6.2 The Contractor shall immediately inform the Authority of any actual or potential industrial action, whether such action be by its own employees or others, which affects or might affect its ability at any time to perform its obligations under the Contract.
- H6.3 If there is industrial action by the Staff, the Contractor shall seek Approval to its proposals to continue to perform its obligations under the Contract.
- H6.4 If the Contractor's proposals referred to in clause H6.3 are considered insufficient or unacceptable by the Authority acting reasonably, then the Contract may be terminated with immediate effect by the Authority by notice.
- H6.5 If the Contractor is unable to deliver the Services owing to disruption of the Authority's normal business, the Contractor may request a reasonable allowance of time, and, in addition, the Authority will reimburse any additional expense reasonably incurred by the Contractor as a direct result of such disruption.

## **H7 Recovery upon Termination**

- H7.1 On termination of the Contract for any reason, the Contractor shall at its cost:
- (a) immediately return to the Authority all Confidential Information, Personal Data and IP Materials in its possession or in the possession or under the control of any permitted

suppliers or Sub-Contractors, which was obtained or produced in the course of providing the Goods and Services;

- (b) immediately deliver to the Authority all Property (including materials, documents, information and access keys) provided to the Contractor in good working order;
- (c) immediately vacate any Authority Premises occupied by the Contractor;
- (d) assist and co-operate with the Authority to ensure an orderly transition of the provision of the Services to the Replacement Contractor and/or the completion of any work in progress; and
- (e) promptly provide all information concerning the provision of the Services which may reasonably be requested by the Authority for the purposes of adequately understanding the manner in which the Services have been provided and/or for the purpose of allowing the Authority and/or the Replacement Contractor to conduct due diligence.

H7.2 If the Contractor does not comply with clauses H7.1(a) and (b), the Authority may recover possession thereof and the Contractor grants a licence to the Authority or its appointed agents to enter (for the purposes of such recovery) any premises of the Contractor or its permitted suppliers or Sub-Contractors where any such items may be held.

## **H8 Retendering and Handover**

H8.1 Within 21 days of being requested by the Authority, the Contractor shall provide, and thereafter keep updated, in a fully indexed and catalogued format, all the information necessary to enable the Authority to issue tender documents for the future provision of the Services.

H8.2 The Authority shall take all necessary precautions to ensure that the information referred to in clause H8.1 is given only to potential providers who have qualified to tender for the future provision of the Services.

H8.3 The Authority shall require that all potential providers treat the information in confidence; that they do not communicate it except to such persons within their organisation and to such extent as may be necessary for the purpose of preparing a response to an invitation to tender issued by the Authority; and that they shall not use it for any other purpose.

H8.4 The Contractor indemnifies the Authority against any claim made against the Authority at any time by any person in respect of any liability incurred by the Authority arising from any deficiency or inaccuracy in information which the Contractor is required to provide under clause H8.1.

H8.5 The Contractor shall allow access to the Premises in the presence of the Authorised Representative, to any person representing any potential provider whom the Authority has selected to tender for the future provision of the Services.

H8.6 If access is required to the Contractor's Premises for the purposes of clause H8.5, the Authority shall give the Contractor 7 days' notice of a proposed visit together with a list showing the names of all persons who will be visiting. Their attendance shall be subject to compliance with the Contractor's security procedures, subject to such compliance not being in conflict with the objectives of the visit.

H8.7 The Contractor shall co-operate fully with the Authority during any handover at the end of the Contract. This co-operation shall include allowing full access to, and providing copies of, all documents, reports, summaries and any other information necessary in order to achieve an effective transition without disruption to routine operational requirements.

H8.8 Within 10 Working Days of being requested by the Authority, the Contractor shall transfer to the Authority, or any person designated by the Authority, free of charge, all computerised filing, recording, documentation, planning and drawing held on software and utilised in the provision of the Services. The transfer shall be made in a fully indexed and catalogued disk format, to operate on a proprietary software package identical to that used by the Authority.

## **H9 Exit Management**

H9.1 Upon termination the Contractor shall render reasonable assistance to the Authority to the extent necessary to effect an orderly assumption by a Replacement Contractor in accordance with the procedure set out in clause H10.

## **H10 Exit Procedures**

H10.1 Where the Authority requires a continuation of all or any of the Services on expiry or termination of this Contract, either by performing them itself or by engaging a third party to perform them, the Contractor shall co-operate fully with the Authority and any such third party and shall take all reasonable steps to ensure the timely and effective transfer of the Services without disruption to routine operational requirements.

H10.2 The following commercial approach shall apply to the transfer of the Services if the Contractor:

- (a) does not have to use resources in addition to those normally used to deliver the Services prior to termination or expiry, there shall be no change to the Price; or
- (b) reasonably incurs additional costs, the Parties shall agree a Variation to the Price based on the Contractor's rates either set out in Schedule 2 or forming the basis for the Price.

H10.3 When requested to do so by the Authority, the Contractor shall deliver to the Authority details of all licences for software used in the provision of the Services including the software licence agreements.

H10.4 Within one Month of receiving the software licence information described above, the Authority shall notify the Contractor of the licences it wishes to be transferred, and the Contractor shall provide for the approval of the Authority a plan for licence transfer.

## **H11 Knowledge Retention**

H11.1 The Contractor shall co-operate fully with the Authority in order to enable an efficient and detailed knowledge transfer from the Contractor to the Authority on the completion or earlier termination of the Contract and in addition, to minimise any disruption to routine operational requirements. To facilitate this transfer, the Contractor shall provide the Authority free of charge with full access to its Staff, and in addition, copies of all documents, reports, summaries and any other information requested by the Authority. The Contractor shall comply with the Authority's request for information no later than 15 Working Days from the date that that request was made.

# **I DISPUTES AND LAW**

## **I1 Governing Law and Jurisdiction**

I1.1 Subject to the provisions of clause I2 the Contract, including any matters arising out of or in connection with it, shall be governed by and interpreted in accordance with English Law and shall be subject to the jurisdiction of the Courts of England and Wales. The submission to such jurisdiction shall not limit the right of the Authority to take proceedings against the Contractor in any other court of competent jurisdiction, and the taking of proceedings in any other court of competent jurisdiction shall not preclude the taking of proceedings in any other jurisdiction whether concurrently or not.

## **I2 Dispute Resolution**

I2.1 The Parties shall attempt in good faith to negotiate a settlement to any dispute between them arising out of or in connection with the Contract within 20 Working Days of either Party notifying the other of the dispute and such efforts shall involve the escalation of the dispute to the finance director of the Contractor and the commercial director of the Authority.

I2.2 Nothing in this dispute resolution procedure shall prevent the Parties from seeking from any court of competent jurisdiction an interim order restraining the other Party from doing any act or compelling the other Party to do any act.



- 12.3 If the dispute cannot be resolved by the Parties pursuant to clause 12.1 either Party may refer it to mediation pursuant to the procedure set out in clause 12.5.
- 12.4 The obligations of the Parties under the Contract shall not cease, or be suspended or delayed by the reference of a dispute to mediation (or arbitration) and the Contractor and the Staff shall comply fully with the requirements of the Contract at all times.
- 12.5 The procedure for mediation and consequential provisions relating to mediation are as follows:
- (a) a neutral adviser or mediator (the “Mediator”) shall be chosen by agreement between the Parties or, if they are unable to agree upon a Mediator within 10 Working Days after a request by one Party to the other or if the Mediator agreed upon is unable or unwilling to act, either Party shall within 10 Working Days from the date of the proposal to appoint a Mediator or within 10 Working Days of notice to either Party that he is unable or unwilling to act, apply to the Centre for Effective Dispute Resolution to appoint a Mediator;
  - (b) the Parties shall within 10 Working Days of the appointment of the Mediator meet with him in order to agree a programme for the exchange of all relevant information and the structure to be adopted for negotiations. If appropriate, the Parties may at any stage seek assistance from the Centre for Effective Dispute Resolution to provide guidance on a suitable procedure;
  - (c) unless otherwise agreed, all negotiations connected with the dispute and any settlement agreement relating to it shall be conducted in confidence and without prejudice to the rights of the Parties in any future proceedings;
  - (d) if the Parties reach agreement on the resolution of the dispute, the agreement shall be recorded in writing and shall be binding on the Parties once it is signed by their duly authorised representatives;
  - (e) failing agreement, either of the Parties may invite the Mediator to provide a non-binding but informative written opinion. Such an opinion shall be provided on a without prejudice basis and shall not be used in evidence in any proceedings relating to the Contract without the prior written consent of both Parties; and
  - (f) if the Parties fail to reach agreement within 60 Working Days of the Mediator being appointed, or such longer period as may be agreed by the Parties, then any dispute or difference between them may be referred to the Courts unless the dispute is referred to arbitration pursuant to the procedures set out in clause 12.6.
- 12.6 Subject to clause 12.2, the Parties shall not institute court proceedings until the procedures set out in clauses 12.1 and 12.3 have been completed save that:

- (a) The Authority may at any time before court proceedings are commenced, serve a notice on the Contractor requiring the dispute to be referred to and resolved by arbitration in accordance with clause 12.7;
- (b) if the Contractor intends to commence court proceedings, it shall serve notice on the Authority of its intentions and the Authority shall have 21 days following receipt of such notice to serve a reply on the Contractor requiring the dispute to be referred to and resolved by arbitration in accordance with clause 12.7; and
- (c) the Contractor may request by notice to the Authority that any dispute be referred and resolved by arbitration in accordance with clause 12.7, to which the Authority may consent as it sees fit.

12.7 If any arbitration proceedings are commenced pursuant to clause 12.6,

- (a) the arbitration shall be governed by the provisions of the Arbitration Act 1996 and the Authority shall give a notice of arbitration to the Contractor (the "Arbitration Notice") stating:
  - (i) that the dispute is referred to arbitration; and
  - (ii) providing details of the issues to be resolved;
- (b) the London Court of International Arbitration ("LCIA") procedural rules in force at the date that the dispute was referred to arbitration in accordance with 12.7(b) shall be applied and are deemed to be incorporated by reference to the Contract and the decision of the arbitrator shall be binding on the Parties in the absence of any material failure to comply with such rules;
- (c) the tribunal shall consist of a sole arbitrator to be agreed by the Parties;
- (d) if the Parties fail to agree the appointment of the arbitrator within 10 days of the Arbitration Notice being issued by the Authority under clause 12.7(a) or if the person appointed is unable or unwilling to act, the arbitrator shall be appointed by the LCIA;
- (e) the arbitration proceedings shall take place in London and in the English language; and
- (f) the arbitration proceedings shall be governed by, and interpreted in accordance with, English Law.

# SCHEDULE 1 - SPECIFICATION

## Definitions

Words define in the General Conditions of the Contract shall have the same meaning in this Specification and unless the context otherwise requires the following words shall have the meanings given to them below:

Term	Definition
CEF	Complexity Evaluation Framework
CLA	Countryside Land Association
CMO	Context Mechanism Outcome
CO	Cabinet Office
BEIS	
DfE	Department for Education
DCMS	
DHSC	
DWP	Department for Works and Pension
DWPP	Diffuse Water Pollution Plan
EA	Environment Agency
EKN	Ecosystems Knowledge Network
ELM	Environmental Land Management
LPA	Local Planning Authority
MHCLG	Ministry for Housing Communities and Local Government
NE	Natural England
NFU	National Farmers Union
LPAs	Local Planning Authorities
SOF	Shared Outcomes Fund

## 1. Background

- 1.1. Defra, working with agencies and MHCLG, is delivering an innovative nutrient trading pilot in the Solent area over two years (2020-2022).
- 1.2. The Solent is home to a range of nationally and internationally important habitats and bird species for which it has been designated. However, many of these sites are in unfavourable condition due to excess nutrients (particularly nitrate) in the water from a range of sources, including agriculture and wastewater. NE has advised local planning authorities that demonstrating 'nutrient neutrality' (i.e. zero net impact on nitrogen pollution of the protected sites for 80+ years) is a way of allowing development to proceed, while ensuring it does not further damage the condition of the protected site features. This can be achieved through various means, including by securing proportionate nitrogen reduction elsewhere in the catchment by taking land out of intensive agricultural use and creating habitat for wildlife. NE has published a '[nutrient neutral' method and calculator](#)<sup>1</sup> and actively advises local authorities and developers.
- 1.3. There is an estimated backlog of at least 5,500 houses (at least partly due to nitrate pollution) across the Solent catchment awaiting planning permission; a lack of offsite mitigation has meant some developments have struggled to demonstrate 'nutrient neutrality'.
- 1.4. The Authority is piloting a nutrient trading process to enable developers and local planning authorities in need of nitrogen pollution mitigation solutions to connect via an online platform with farmers and land managers able to provide such solutions. For example, farmers who are willing to take some of their land out of intensive agricultural production and commit it to woodland or wetland for at least 80 years. The pilot, funded through Government's Shared Outcomes Fund, will test the feasibility and cost effectiveness of this approach, using a reverse auction process, and explore how multiple benefits for people and nature can be maximised. This approach will bring together relevant local actors - house builders and developers, local authorities, landowners (including farmers and wildlife organisations) - and statutory bodies (NE and EA).
- 1.5. If successful, the pilot will unlock housing delivery whilst delivering wider environmental benefits; the Authority would then look to roll out the approach to other parts of England.
- 1.6. The pilot project commenced in late 2020 and runs through to September 2022 (see project plan in Annex A). It consists of four key work packages:
  - I. Stakeholder engagement (including a recently completed rapid user research phase, see summary of results in Appendix D) – to understand user needs and inform the design of the trading process

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<sup>1</sup> [www.push.gov.uk/2020/06/11/natural-england-published-nutrient-calculator-and-updated-guidance-on-achieving-nutrient-neutral-housing-development/](http://www.push.gov.uk/2020/06/11/natural-england-published-nutrient-calculator-and-updated-guidance-on-achieving-nutrient-neutral-housing-development/)

- II. Water quality modelling and opportunity mapping – to better understand pollution sources and pathways and opportunities to deliver wider benefits (e.g. natural flood risk management). Phase one of this ongoing work will be completed before successful contractor is in place.
- III. Development and implementation of online nutrient trading platform and associated trading process/rules and governance – drawing on evidence from the two work packages above (ongoing/ contractor currently being procured).
- IV. Monitoring and evaluation - the contract we are procuring here.

## 2. Project aim

- 2.1. The Authority is seeking a small arm's length evaluation team to monitor and assess the effectiveness of all parts of the Solent nutrient trading pilot project (work package four identified above). Monitoring and evaluation have a central role in the pilot. The Authority recognises it as essential in addressing the current lack of evidence on designing and delivering a nutrient trading process and platform to address the long-term mitigation needs of developers in contexts like the Solent catchment.
- 2.2. Monitoring and evaluation will inform design, delivery and adaptive management of this new innovative project, demonstrate accountability to HMT through project reporting, as well as providing learning for development of an updated Solent Diffuse Water Pollution Plan and related Defra policy development in related areas such as green finance and payments to land managers for environmental benefits.

## 3. Monitoring and Evaluation Requirements

- 3.1. The requirements for this M&E project consist of **two key elements**:
  - a) A smaller, early element - a **rapid, 'light touch' evaluation of existing nitrogen mitigation solutions** to inform design of the pilot.
  - b) The main element - a **process and impact evaluation of the Solent nutrient neutral trading pilot**.

Further details of both elements are provided below.

### 3.2. **Element A: A rapid, 'light touch' evaluation of existing nitrogen mitigation solutions**

The successful contractor will need to:

- 3.3. **Undertake a rapid, 'light touch' evaluation to capture learning and environmental outcomes of nature based solutions already being implemented in the Solent area** e.g. recently launched mitigation schemes by Havant Council and the Hampshire and Isle of Wight Wildlife Trust and any other additional schemes brought forward by individual land owners (details can be provided to the selected contractor).

- 3.4. **The evaluation of nature based nutrient mitigation solutions already being implemented** (including as a minimum projects delivered by Havant Council at Warblington Farm, Hampshire and Isle of Wight Wildlife Trust on the Isle of Wight<sup>2</sup> in the Solent area and Entrade in Somerset<sup>3</sup>) should consider both process and impact and focus on **addressing practical questions** around what actions have been implemented, how (e.g. using what legal arrangements), at what cost and with what impacts. Impacts and costs should be compared to data in the existing literature and tested with experts (e.g. from Natural England and Environment Agency). Key data sources will be interviews and published information. **Lessons for the pilot project** should be drawn out and communicated.
- 3.5. To enable this learning from existing mitigation projects to inform the design and deliver of the Solent Nutrient trading project **this evaluation activity should be prioritised as a key early task.**
- 3.6. **Element B. Process and impact evaluation of the Solent nutrient neutral trading pilot**
- The successful contractor will need to:
- 3.7. Undertake a **process and impact evaluation of the Solent nutrient neutral trading pilot** (including the supporting modelling and mapping work and stakeholder engagement), alongside assessing **affordability/value for money**.
- 3.8. **The process evaluation strand for the trading pilot will seek to:**
- work closely with other contractors to understand and evidence what works and inform process design and overall delivery. For example, how the trading platform/process/rules are supported by modelling/mapping and stakeholder engagement activities.
  - highlight positive and negative outcomes and risks as the scheme proceeds for the Authority to manage and mitigate within the timescales of the project (where practicable) or record for inclusion in further work beyond the pilot
  - explore how effectively the project works for national and local partners
- 3.9. **The impact evaluation strand for the trading pilot will focus on:**
- primarily the environmental impacts using the metrics on Table 1 and evaluation questions (paragraph 4.4). For example, a focus on wider benefits beyond nitrogen mitigation, (carbon sequestration, public access to nature), facilitation of housing development, value for money (VFM) of mitigation solutions delivered, with possible further consideration of indicative impacts to health and wellbeing
  - identifying and measuring the extent to which the project realises, and/or is projected to realise, impacts and shared outcomes including VFM.

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<sup>2</sup> For further details on these projects see: <https://havantcivicsociety.uk/2020/09/11/nitrate-mitigation/> and <https://www.havant.gov.uk/nutrient-neutrality-what-developers-need-know> and <https://www.hiwwt.org.uk/Nutrient-Reduction-Expression-Interest-Form>

<sup>3</sup> <https://www.entrade.co.uk/news/somerset-levels-catchment-market---update>

- c. learning lessons to increase the efficiency and effectiveness of future nutrient trading schemes

Further details of the requirements for this element on set out in subsection 4 below.

#### **4. Detailed Requirements for the process and impact evaluation of the Solent nutrient trading pilot:**

- 4.1. The evaluation process and impact evaluation of the Solent nutrient trading pilot needs to assess progress and produce learning in relation to the project **investment objectives** and the activities and outputs identified in the **logic model** (see Annex B).
- 4.2. At the outset, the contractor will develop the initial theory of change (building on the logic model) to map out the logic of how the project is intended to meet its overall aims and demonstrate the policy mechanism and assumptions. This will provide a robust basis for co-developing a clear and comprehensive evaluation framework with delivery teams, ensuring the evaluation is embedded into service delivery.
- 4.3. The governance structure set up by the authority will support the contractor in conducting monitoring and evaluation activities, recognising that this is a key part of the project.
- 4.4. **Key questions that the evaluation of the pilot project should seek to address will include:**
  - i. Did the project achieve the investment objectives?
  - ii. Can a nutrient trading/reverse auction process be effective for securing affordable<sup>4</sup>, long term nature-based Nitrogen mitigation measures to unlock housing delivery?
  - iii. What are the anticipated environmental impacts of the pilot project, based on projections?
  - iv. Are there any emerging, unanticipated impacts (environmental, social, economic) from this approach?
  - v. What worked well, in what circumstances, and why? What worked less well and why?
  - vi. What key lessons can be learned for future implementation of a trading process in the Solent?
  - vii. What key lessons can be learned for addressing similar challenges in other parts of England?
  - viii. Examine the market to determine whether, how and to what degree small developers are being disadvantaged.

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<sup>4</sup> Compared to other nutrient mitigation options.

- 4.5. A final list of evaluation questions for both the trading pilot evaluation and the evaluation of existing nutrient mitigation projects will be agreed with the selected contractor.
- 4.6. **Table 1 below shows a tentative draft list of potential metrics for impact and process** evaluation along with indicative information sources (the contractor will need to collect data from a range of sources); the final list of metrics will be developed with the chosen M&E contractor. The indicators will be refined with the successful contractor, ensuring that the final list reflects the rationale for the project and our SMART<sup>5</sup> objectives (see Annex C), enabling a comprehensive post evaluation of the project.
- 4.7. The timeframe for the project (which runs to September 2022) will be a key constraint and consideration in developing the detail of the M&E approach as many of the project impacts/benefits will only be realised longer term, if the pilot project is successful.

**Table 1: Draft list of potential metrics for impact and process evaluation**

Indicator	Potential data sources
<b>Impact indicators for nutrient trading pilot:</b>	
Number and size of mitigation sites secured	Data captured through trading platform/ secured from platform operator
Proportion of required nitrogen credits delivered by above mitigation sites	Data captured through trading platform and LPA needs assessment
Reduction in nitrogen pollution anticipated	Using NE's nutrient neutrality method and/or pollution modelling outputs
Cost/value for money (VFM) of nitrogen mitigation delivered	Using cost data from trading platform and EA modelling of nitrogen pollution reduction and comparing to data on costs of alternative mitigation options (e.g. upgrades to wastewater treatment works) to enable assessment of VFM
Amount of housing unlocked as a result of sites secured	Using NE's nutrient neutrality method; consider scope to convert into value for economic impact
Construction jobs safeguarded/created as a result of development being unlocked	Interviews with developers of sites enabled
Wider environmental benefits anticipated to result from sites secured (e.g. biodiversity gains, carbon sequestration)	Expert analysis of sites secured, drawing on the opportunity mapping/modelling, and quantification of benefits/projected benefits where feasible
Value of scheme in helping developers demonstrate the environmental benefits of their	Interviews with developers and LPAs

<sup>5</sup> Specific, Measurable, Achievable, Relevant and Time constrained.



proposals and local authorities demonstrate the environmental benefits of growth	
Pilot provides useful lesson learning for development of ELM, the wider market-based solutions work and for how housing and development can be built in a way that protects and where possible enhances the environment	Engagement with Defra ELM strategy and Green Finance teams; MHCLG and developers
<b>Impact indicator for pollution modelling:</b>	
Modelling informs guidance and advice provided by NE to platform users to target mitigation	Interviews with NE
Modelling provides useful evidence to inform updated Diffuse Water Pollution Plan (DWPP) for Solent, including targets/thresholds for nitrogen pollution reduction to meet restoration objectives for the protected sites	Engagement with NE and EA staff involved in developing the revised DWPP
Modelling helps to inform more refined approach to calculating nutrient neutrality that is more sensitive to spatial location	Interviews with NE
<b>Impact indicator for opportunity mapping:</b>	
Opportunity mapping provides useful tool for: spatial prioritisation of mitigation projects to maximise wider environmental benefits beyond nutrient mitigation; and informing ELM schemes in the region.	Engagement with LPAs and ELM strategy team
<b>Process indicators for the trading process and platform:</b>	
Number of developers and landowners engaged through the platform	Data captured through platform
Feedback on platform and process/rules from land managers and developers on what works and doesn't work effectively	Surveys and interviews, including online survey via platform
Feedback from LPAs on benefits and disbenefits of platform and process/rules, including legal agreements	Surveys and interviews
<b>Process indicators for engagement activities including rapid user research phase:</b>	
Number of different types of stakeholders engaged (e.g. landowners, developers, LPAs)	Surveys and interviews, including online survey via platform
Engagement activities provide useful data/insights to inform platform and process design	Interviews with platform/process design team and EA, NE, FC
Feedback on engagement process	Surveys and interviews with stakeholders

#### **4.8. Evaluation approach**

- 4.9. The approach to development of the evaluation framework should be informed by the [Magenta Book](#)<sup>6</sup> 2020 including the key principles around the requirement for scoping and designing an evaluation.
- 4.10. The evaluation framework should take into account the latest thinking and guidance on complexity-appropriate methods and designs as set out in the Magenta Book 2020 supplementary guidance on handling complexity in Policy Evaluation and the Defra Complexity Evaluation Framework (CEF).
- 4.11. To meet the evaluation aims, including the need to answer both process and impact evaluation questions, the successful contractor must take a mixed methods approach<sup>7</sup>. For example, during the development of the trading platform the contractor could use a survey to gather quantitative data combined with open-ended questions to collect qualitative data. This would help assess and understand the problems users have and how the platform could be used to help them.
- 4.12. Data collection is anticipated to include:
- a. Review of existing evidence (on nitrogen pollution pathways, dynamics, thresholds etc) and evidence developed as part of this project (e.g. water quality modelling and opportunity mapping)
  - b. Engagement with key stakeholders (developers, Local Planning Authorities (LPAs), land owners/managers)
  - c. Review of type, scope and cost of legal agreements for each party and the likely costs and achievability of ongoing monitoring and enforcement of sites covered by these agreements by LPAs
  - d. Analysis of data collected through the trading platform (this will be designed to capture key information on users and their use of the platform including numerical data on numbers of users and numbers/size/type/location of bids)
  - e. Through interviews and access to collected data, evaluate and capture learning and environmental outcomes of nature based solutions already being

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<sup>6</sup>[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/879435/Magenta\\_Book\\_supplementary\\_guide\\_Realist\\_Evaluation.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/879435/Magenta_Book_supplementary_guide_Realist_Evaluation.pdf)

<sup>7</sup> See HMT Magenta book for an overview of evaluation techniques.

implemented (e.g. mitigation schemes already launched by Havant Council and the local Wildlife Trust) and compare to data in the existing literature/expert advice (noting constraints imposed by two-year timescale of project).

- 4.13. The Authority would like to assess impacts of both the trading pilot and existing solutions within the timescales and constraints of the project (noting that mitigation projects will not be delivered until spring/summer 2022). Within the scope of the theory-based approach for evaluation there may be opportunity to use some quasi-experimental methods to assess key environmental outcomes. The Authority is interested to hear suggestions from tenderers on options and feasibility for use of quasi-experimental methods (including collection of pre- and post- data), taking into account the project time constraints.

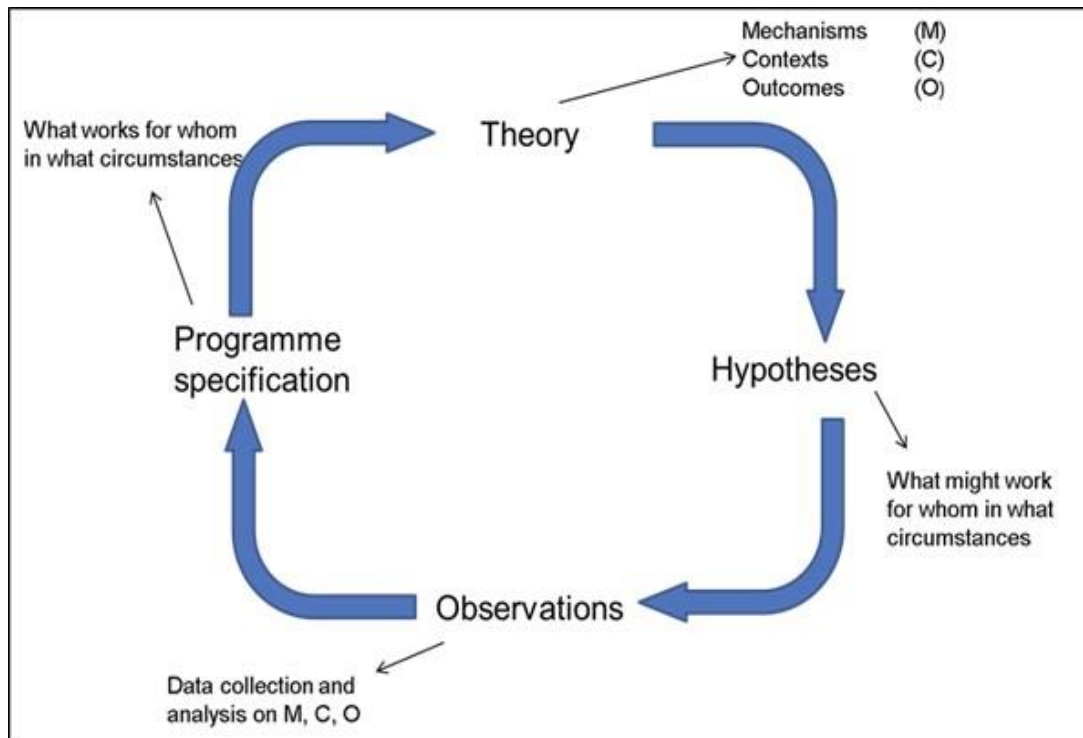


Figure 1: Realist evaluation cycle (HM Treasury, 2020)

- 4.14. The Authority proposes to use a **realist approach** to undertake the process and impact evaluation (including assessing affordability/value for money) to understand what works, for whom, and in what circumstance. The evaluation will be framed around the use of “context + mechanism = outcome” (CMO) configurations (Figure 1). In this case, the mechanism is the combination of trading platform pilot and emerging market-based mitigation schemes, and an individual’s response to them. The outcome being proof of concept of the trading platform.
- 4.15. Evaluation will need to be well integrated into project delivery, through sharing evaluation findings within the cross-government steering group for the project (at minimum through reporting emerging findings on a six monthly basis), ensuring that findings (including from sequenced engagement activities) are embedded into the approach as it is developed, informing delivery in an iterative manner.
- 4.16. Findings from the ongoing evaluation will also be shared with complementary policy initiatives, such as the development of the national roll out of Environmental Land Management scheme (ELM) and wider work by Defra on market-based solutions led by Green Finance team.
- 4.17. The evaluation approach will be developed alongside and as part of delivery, in order to iteratively inform the work and expand the evidence base. It is anticipated that the evaluation would adopt a theory-based approach, such as a realist approach, focussing on understanding what activities and circumstances lead to the outcomes and impacts achieved, to support the transferability of the findings to other locations.
- 4.18. Tenderers are encouraged to propose theory-based approaches such as realist evaluation, in order to provide the learning desired. However, tenderers are welcome to propose alternative approaches, as long as they can evidence that they will effectively meet the needs of the project.

## **5. Programme of work**

- 5.1. Specific deliverables will be required from the successful Tenderer during the course of this project.
- 5.2. The Authority envisages that the tasks will be delivered as separate activities, but with the potential for elements of the different tasks to be undertaken in parallel.
- 5.3. [REDACTED]
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## 6. Reporting Requirements

- 6.1. The successful contractor will work closely with the project governance structure within Defra to form part of and iteratively inform project delivery and management as part of deliverable 1. This will include regular meetings with the Authority to share information, update on progress and review/sign off deliverables. More formally, evaluation findings and progress updates (including deliverables 2 and 3) will be reported at monthly intervals and shared with the Authority. For example, the evaluation can monitor, and evidence risks as well as unexpected consequences (both positive and negative) arising from the trading pilot and alternative mitigation solutions outside the pilot.
- 6.2. The final report (deliverables 4 and 5) must make clear recommendations on if and how the approach could be taken forward in the Solent and comment upon transferability to other contexts. This will include recommendations or lessons learned in terms of how M&E of longer term impacts and benefits realisation beyond the pilot project timescales could be taken forward, including by developers and local authorities to demonstrate the environmental benefits delivered by development.

# Contractor's Submission

## E03 - Organisational Experience, Capability and Resources

### 1. An Introduction to Our Organisational Experience, Capability and Resources

- 1.1. The ICF-led team brings the knowledge and expertise required for this evaluation. Our partnership comprises ICF, ADAS and Turley. By working with us, Defra will have access to leading experts in complex evaluation, learning and programme support who also have an understanding development and the planning system and of the design and implementation of agri-environment schemes, and E.L.M. in particular. Our team members work with farmers, foresters and other land managers, as well as planners and developers; the project will benefit from their detailed understanding of the context and challenges. We are committed to working with Defra in a spirit of co-production to optimise the learning from the pilot and to maximise its impact on the future approach to nutrient neutrality.
- 1.2. ICF is a multi-discipline global consultancy with deep expertise in public policy, including environmental issues. ICF is a leading provider of evaluation and research services to the UK Government. ICF support policymakers across Whitehall (e.g. Defra, BEIS, MHCLG, CO, DfE, DWP, DHSC, DCMS) in the design and delivery of evaluations, policy-relevant research, strategy development, programme management and communication. We have worked on recent evaluations for the Defra family spanning biodiversity strategies (both the previous 2010-2020 strategy and the new planned strategy for nature in England), agri-environment schemes (including the Environmental Land Management scheme), the rural development programme, funding programmes (e.g. LIFE), Nature Improvement Areas, fisheries, marine planning, coastal access, and more. ICF recently delivered training for Defra on quasi-experimental evaluation methods.
- 1.3. **ICF's capabilities include:** evaluation design and delivery (including realist evaluation); qualitative and quantitative research (e.g. online surveys, telephone interviews, workshops, literature reviews and data analytics); logic modelling; programme management; learning support; capacity-building; policy development; economic analysis and communication. ICF is leading practitioners of 'mutual learning' methodologies that accelerate institutional learning on complex policy issues. Our environmental policy team has recently been enlarged, bringing in specialists in agricultural and land management economics and behaviour previously employed by our partner on this assignment, ADAS.
- 1.4. ADAS is the UK's largest independent provider of agricultural and environmental consultancy, rural development services and policy advice, and has now existed for 75 years. The Modelling and Informatics team within ADAS has extensive experience with environmental modelling, environmental and activity datasets and spatial data management and combining these into functional and widely used models. The team

has worked on numerous projects for Defra, Environment Agency and Natural England and is responsible for the development of many tools used for agricultural policy analysis and/or by the agricultural industry including MANNER, PLANET, Farmscoper, NEAP-N and PSYCHIC and they also lead the agricultural sector of the UK GHG Inventory.

- 1.5. Turley is an independent national planning and development consultancy which, since being founded in 1983, has established a strong reputation for providing honest and sound commercial advice, skilled presentation, advocacy and negotiation. Turley operates from fourteen offices across the UK and Ireland. Based in Turley's Southampton office, a team of planning specialists provide expert advice to developers and house builders on addressing the nutrient neutrality issue. This includes undertaking nutrient budget assessments, providing advice on appropriate mitigation options and liaison with local planning authorities and Natural England on behalf of their clients.

## **2. Project Examples**

- 2.1. **ICF Project: Evaluation of Environmental Land Management Tests and Trials (2019-ongoing):** Defra launched the programme of Tests and Trials (T&T) to engage farmers, land managers and wider stakeholders in co-designing and testing components of the E.L.M. scheme. ICF (with support from ADAS) was retained by Defra to support the monitoring and evaluation of the T&T programme and help Defra to understand how potential elements of the new system work in real-world situations, with different user groups and across different sectors and geographies. ICF captured lessons from more than 70 T&Ts across six priority themes identified by Defra: Land Management Plans; Role of advice and guidance; Payments; Spatial prioritisation; Collaboration; Innovative Delivery Mechanisms. Activities included the provision of an independent assessment of progress and evaluated the capability of T&Ts to deliver mechanisms that can support the delivery of social, economic and environmental outcomes; analysis of the influence of different procedural and contextual factors on the functioning and performance of T&Ts; and synthesis of evidence across the T&Ts to inform future M&E the National Pilot and the wider roll out of E.L.M.
- 2.2. **ICF Project: Environmental Land Management Scheme Payment Methodologies (2019-2020):** Defra appointed a team led by ICF (with ADAS support) to develop and analyse options for the payment methods that will sit at the heart of the ELM scheme. This study identified alternative payment methodology options, appraised them against an agreed set of criteria and provided advice to Defra on the potential to use them in the future ELM scheme. It compared payment for activities based on cost plus income forgone with payment by results, reverse auctions and payments based on natural capital valuations. It was informed by evidence from a desk-based review of literature, consultations with national stakeholders, quantitative modelling and five regional case studies.
- 2.3. **ICF Project: Evaluation of the Electrification of Heat (EoH) Demonstration Project (2020-ongoing).** ICF was commissioned by BEIS to evaluate the department's

Electrification of Heat Demonstration project. This project aimed to confirm the feasibility of a large-scale roll-out of heat pumps in Great Britain. The evaluation will run for the duration of the 2-year project, and involves surveys and interviews with participating households, installers, delivery contractors, and a selection of households that received a suitability survey but did not receive a heat pump. A realist-inspired theory-based evaluation approach is being used to investigate the impacts of participation on households' perceptions of heat pumps. The results will support BEIS to develop policy to increase take-up of heat pumps.

- 2.4. **ADAS project:** Solent land use change scenario evaluation using the Land Use Choices Tool (Environment Agency): Using the Land Use Choices Tool (LUCT) this project demonstrated the potential for targeted land use change to deliver positive environmental outcomes within the Solent catchments with a particular focus on water quality and nitrate loss reduction. A set of scenarios were run to provide estimates of land-take requirements, habitat conversion options and associated costs to address specific problems. Comparisons with outputs of other models and assessments were made to provide confidence in the spatial targeting predictions made by the LUCT and identify areas for further development.
- 2.5. **ADAS project:** Co-operation and Supply Chain Development Scheme (CSCDS) sub Measure 16.5 Sustainable Management Scheme: Building Resilience in Catchments (BRICs) (Welsh Government). The intention of the BRICs project was to design a payments for ecosystem services (PES) mechanism which enabled a nutrient trading / offsetting scheme within a highly designated area in Southwest Wales. RSK ADAS in collaboration with a market leader in ES trading platform design and implementation (EnTrade) and third sector PES knowledge transfer experts, Ecosystems Knowledge Network (EKN), were commissioned by BRICS to develop a Business Development Plan for the nutrient trading scheme. RSK was responsible for elaborating the drivers for nutrient trading in the catchment and describing a proposed structure for a PES-based scheme. They also set out how the scheme will be implemented including inception, monitoring, review, roles/responsibilities, transaction models, and financial case.

### **3. E04 Understanding Project Objectives**

- 3.1. The Solent nutrient neutral trading pilot represents an important step in the reconciliation of economic development and environmental protection. Over many years these policy priorities have been promoted as important goals without addressing the inherent conflict between them. By excluding the social and environmental cost of externalities associated with economic development, the true cost of development is understated, and the environment degraded. An established response is to tax those who create negative externalities (i.e. the "polluter pays"), but while this addresses the issue of the real cost of development and thereby limits the extent of externalities, it does not necessarily tackle the environmental damage.
- 3.2. In contrast, an environmental offset compensates for unavoidable environmental



impacts, by securing and managing land (elsewhere) in perpetuity, to replace the environmental assets that were lost. The offset principle is widely established for carbon and has recently been introduced for biodiversity (through Biodiversity Net Gain) to compensate for losses associated with development. While there are some examples of offsets being used for pollution associated with development e.g. the EEP-Ecobank in Pembrokeshire, the Solent nutrient neutral trading pilot aims to establish a proof of concept for this approach more formally.

- 3.3. As outlined in Natural England's advice note on Nutrient Neutrality (Version 5 – June 2020), the water environment within the Solent region is internationally important for its wildlife and is protected under both water and conservation regulations, but high levels of nitrogen and phosphorus (from agricultural sources and housing wastewater) are impacting marine ecology. In turn, the effect of NE's advice has been to constrain housebuilding in the area to prevent additional nutrient loads reaching the Solent, although the impact of the nutrient load on designated sites is uncertain. The proposed response to address this uncertainty is for new development which involves 'overnight stays' to achieve nutrient neutrality, which aims to ensure that development does not add to existing nutrient burdens and provides certainty that regulatory requirements are not compromised. The methodology for assessing mitigation of nitrogen losses from land management and from development is based on current best available scientific knowledge.
- 3.4. Nutrient neutral trading will rely on securing credits for nitrogen reduction elsewhere in the catchment by taking land out of intensive agricultural use and creating habitat for wildlife in perpetuity (i.e. for at least 80 years). The process requires sellers (farmers and landowners) and buyers (developers and local authorities) to have a common understanding of the process and their opportunities to trade as well as ongoing commitments. It also requires a third party to facilitate the transaction and an online platform with farmers and developers able to provide such solutions. Oversight is provided by statutory bodies (NE and EA). The pilot will test the feasibility and cost effectiveness of this approach, using a reverse auction process, and explore how multiple benefits for people and nature can be maximised.
- 3.5. The pilot project commenced in late 2020 and runs to September 2022. It has included stakeholder engagement to understand user needs and inform the design of the trading process, water quality modelling and opportunity mapping to understand pollution sources and pathways and opportunities for nutrient offsets that also deliver wider benefits (e.g. natural flood risk management), and development and implementation of an online nutrient trading platform.
- 3.6. This evaluation is required to provide an independent assessment of all aspects of the pilot, including work completed to date and the performance of the reverse auction when it is in place (Spring 2022). The need for evaluation reflects the fact that this pilot is exploring a relatively untested policy mechanism (pollution offsets) through a novel

approach (reverse auction), using evidence which is itself uncertain (modelling/opportunity mapping of mitigation). Learning is important not just to test the viability of the approach in the Solent catchment but to develop and refine the trading model for potential use in other catchments. As such, the evaluation team will focus on the following aspects:

- a) Evaluation design. The evaluation will start with development of the draft logic model (how actions will lead to outcomes) as a framework for monitoring and evaluation. This will use learning from existing mitigation projects and initial stakeholder consultation but will be adaptive, developing as the second year of the pilot progresses. Given the experimental nature of the pilot and the complexities involved, a realist evaluation approach will be used to understand who is impacted, how and in what context. Indicators will be agreed as a basis for monitoring and measuring (process and impact) performance of the pilot.
- b) Stakeholder engagement. It is critical that we understand how all stakeholders in the process have experienced the pilot; it needs to work effectively for sellers (access to the platform, choice of relevant land management activities, transparent process, timely payment) and buyers (availability of credits at the right location and at affordable prices, equitable access to credits, transparent process, secure payment). This will be addressed through a programme of consultation (focus groups, interviews and surveys) conducted both pre and post the reverse auction in 2022. This will include seeking input from stakeholders who have been engaged by but have not fully participated in the pilot (assuming they are accessible).
- c) Modelling and opportunity mapping. The price of credits and their availability rely on robust data on the mitigation value of land management actions and this in turn relies on where the land is and the baseline nutrient load, based on the type of agriculture previously practised. We will interrogate the nutrient model and opportunity mapping with a view to assessing its robustness and fitness for purpose. The basis for measuring wider impacts e.g. on biodiversity, flood risk and climate mitigation/adaptation will also be reviewed.
- d) The trading platform. Participation in the trading scheme relies on the willingness of farmers/landowners and developers/LPAs to participate. This is a novel process and asks for a long-term commitment. It will be important to test awareness and knowledge of participants as well as the design effects of the auction and learning over time. We have good insight into payment for ecosystem service models and reverse auction designs through prior work for Defra (e.g. in support of the Environmental Land Management scheme) and others.
- e) Project governance. This will consider the role of the statutory bodies and the extent to which individuals or groups can influence or are influenced by the process. We will assess process efficiency in terms of response times and capture the public and private costs of trading, to inform a value for money assessment.

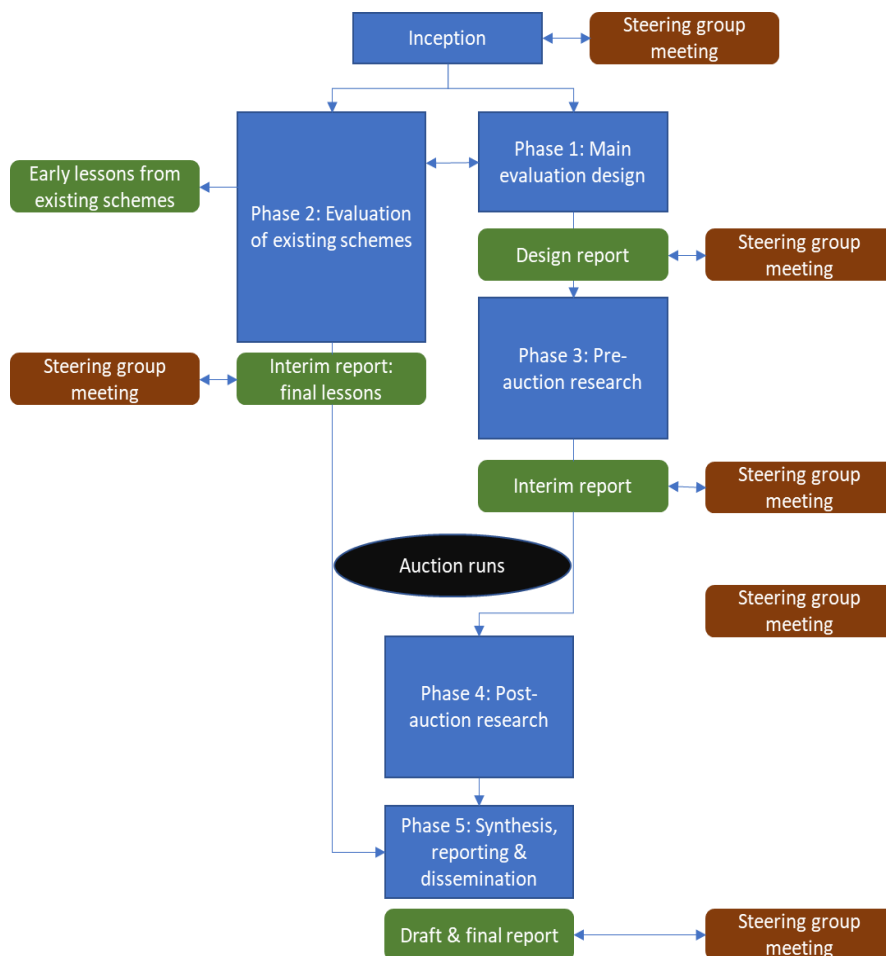
- f) Project outcomes. The metrics for the pilot relate to both facilitation of appropriate housing development and associated socioeconomic effects, and the environmental and social impacts of land management change. This will include an assessment of who benefits (e.g. small builders) and capture unintended side effects (e.g. on land uses and prices, types and financial viability of development).
- g) Value for money assessment. It will be important to demonstrate accountability to HMT through project reporting and inform development of an updated Solent Diffuse Water Pollution Plan and related Defra policy development.

#### **4. E05 Approach and Methodology**

- 4.1. **Introduction to ICF's Approach:** This evaluation aims to monitor and assess the effectiveness of all parts of the Solent nutrient trading pilot project with a view to informing the design, delivery and adaptive management of the project and its potential for wider roll-out, demonstrate accountability to HMT through project reporting, and provide learning that can be used to update the Solent Diffuse Water Pollution Plan and related Defra policy (e.g. green finance).
- 4.2. The Solent nutrient trading pilot has several characteristics that make evaluation particularly challenging. For example, outcomes in terms of nutrient neutrality will be subject to multiple external influences, and the impacts of offsetting will occur over the longer term and are not expected to be observable at the point of this evaluation. The system in which the nutrient trading pilot will operate is also complex, comprising an interplay between multiple stakeholders with differing objectives and perspectives, the natural environment, application of a novel reverse auction trading platform, and a developing governance and policy arena.
- 4.3. Understanding what aspects of the trading pilot works well and less well, and for whom, will require an evaluation approach that is cognisant of this complexity and the need for ongoing learning. The approach must also take into account the distinct context of each stakeholder, and how this will influence their ability to take advantage of the opportunities the trading pilot provides. A realist approach to evaluation of the pilot will capture this understanding. For the pilot to be replicable, it will be important to focus not only on the outcomes of the reverse auction, but also to capture the stakeholder understanding of the auction, platform design and function and the support provided to participants. The ICF led team brings in-house knowledge of reverse auction design and set up that will be invaluable to this evaluation, coupled with expertise in nutrient modelling through ADAS and access to developers and understanding of the development market through project advisors Turley.
- 4.4. ICF propose a mixed method approach that will be underpinned by a focus on different stakeholder perspectives. A formative evaluation of other relevant nutrient trading schemes (e.g. the Havant Council approach at Warblington Farm, Hampshire and Isle of Wight Wildlife Trust on the Isle of Wight in the Solent area, the En-Trade model in Somerset) will be undertaken, aiming to rapidly provide key learning that may support the development of the Solent nutrient trading pilot. Evaluation of the nutrient trading

pilot will be framed by a realist approach to evaluation, a theory-based approach, which, once the programme theory has been clarified, requires the articulation of specific, hypothesised, causal mechanisms for how and why an intervention contributes to outcomes and impacts. Careful use of realist evaluation techniques will help us understand not just what works, but what works for whom, how, to what extent and in what circumstances. Data collection is driven by these hypotheses alongside the evaluation questions. We will work closely with Defra and stakeholders to co-produce the refined theory of change (ToC) and hypotheses building on the draft logic chain and evaluation questions identified in the ITT.

- 4.5. The research will focus on three forms of evaluation, as specified in the Magenta Book:
- i. **Process evaluation** – examining the process and context of delivery of the trading pilot, what can be learned, and how delivery (of the pilot and future similar trading schemes) could be improved;
  - ii. **Impact evaluation** – examining the performance of the pilot in the supply and uptake of nitrogen credits and possible secondary effects, the effect on the agricultural land and development market, and potential unintended consequences; and
  - ii. **Value for money evaluation** – examining whether the benefits delivered by the pilot justify the resources used.
- 4.6. The analysis will draw on evidence from existing projects already underway (e.g. Havant Council and the Hampshire and Isle of Wight Wildlife Trust) as well as evaluation of the pilot scheme. We will focus on developing the ToC already prepared for the pilot, rearticulating understandings of causality through a realist lens. Early evidence gathered through development of the trading platform, interviews and surveys and from modelling and opportunity mapping will be used to support this analysis. It will adopt all three of the main approaches to examining causality: (i) the extent to which the evidence is in line with the ToC; (ii) whether other plausible explanations for the observed changes can be ruled out; and (iii) applying options for a counterfactual, such as comparing changes in pre and post data (e.g. from the surveys) for developers and farmers who did and did not participate in the auction.
- 4.7. **Overview of Approach:** Following inception, Phase 1 will establish the evaluation design for the nutrient trading pilot. A co-production approach will be adopted, providing opportunities for client and wider stakeholder input, collaborative working and review, to ensure it is tailored to Defra's specific needs for this pilot evaluation.



- 4.8. **Phase 2:** Light touch evaluation of existing nutrient trading schemes. This phase will comprise two stages with two reporting points. This recognises the importance indicated in the tender of extracting lessons as quickly as possible to inform scheme design. Early lessons will be drawn out following initial research on the existing schemes, focussed on priority learning questions of most interest to Defra. This will be followed by testing of the evidence collated for each scheme and subsequent follow-up research to address clarifications and gaps (raised by the Steering Group or through the testing). The method and share of resources proposed recognise the request that it should be 'rapid' and 'light touch'.
- 4.9. **Phase 3 - Pre-auction Research:** This phase will start with an audit trail of decisions taken in the course of establishment of the pilot and in particular year 1 of set-up, drawing on the process map established in Phase 1. Surveys and interviews with stakeholders will be used to assess the outcomes, relevance and usefulness of the stakeholder engagement to date. A critical review of the nutrient modelling and opportunity mapping will be undertaken to assess its robustness and fitness for purpose.
- 4.10. **Phase 4 - Post-auction Research:** Phase 4 will collect data following the auction(s), including from the trading platform, through surveys, in-depth interviews and focus groups. This will be accompanied by critical assessment of the nutrient modelling and opportunity mapping to understand any limitations of the application of a nitrate neutrality approach and potential side effects.

- 4.11. **Phase 5: Data Synthesis, Reporting and Dissemination.** This final phase will process and analyse the collected evidence to enable each of the evaluation questions to be addressed. It will also comprise **reporting and dissemination**, feeding back findings and lessons to Defra at appropriate stages in written and oral form and to wider stakeholders as agreed with Defra.
- 4.12. **Phase 1: Inception and Evaluation Design**
- 4.12.1. **Task 1.1 - Inception Meeting:** An inception meeting will be used to clarify the expectations of Defra and requirements of the brief, refine and agree the study methodology, identify key datasets and contact points, and agree the research programme, timetable and arrangements for project management and reporting. ICF will discuss the key stakeholder groups and their roles and needs as part of an initial stakeholder mapping and engagement plan. These will be set out in a Project Initiation Document. The inception meeting will also focus on the priority 'early lessons' from existing schemes to enable this element of the research to start rapidly (see Phase 2)
- 4.12.2. **Task 1.2 - Document Review and Outline Evaluation Design:** ICF will undertake a rapid desk review of the available documentary material to enable us to understand more clearly the objectives of the trading scheme, its governance, delivery programme, any monitoring and reporting arrangements and the modelling, opportunity mapping and stakeholder engagement work packages. This will inform preliminary framing of elements in the evaluation framework, including a process map (of the pilot project) and ToC, and initial elaboration of the evaluation questions.
- 4.12.3. **Task 1.3 - Targeted Stakeholder Interviews:** ICF will undertake scoping interviews with key stakeholders responsible for the design and delivery of the project (e.g. Defra, MHCLG, Natural England, and the Environment Agency, and key contractors). As well as firming-up our understanding of the pilot project model, these consultations provide an opportunity to identify the assumptions and theories (whether explicit or implied) underpinning the project. To avoid over-reliance on individuals 'immersed' in the pilot project, we also propose to speak to a small number of other organisations with insights into the development and nutrient offset markets (e.g. LPAs, National Farmers Union (NFU) and Countryside Land Association (CLA)). Eight telephone interviews are budgeted for. Interview targets will be agreed with Defra.
- 4.12.4. **Task 1.4 - ToC Workshop:** The preliminary design will be tested, developed and refined through discussion with the steering group (or other mix of stakeholders, to be agreed with Defra) at an interactive, online workshop, supported by tools such as MURAL (online whiteboard). The focus will be on each of the steps in the ToC and the key assumptions. The ToC will provide the basis for many of the Context Mechanism Outcome (CMO) hypotheses, which will be refined through in the workshop and tested during the evaluation. [REDACTED]

- 4.12.5. **Task 1.5 - Evaluation Framework (Deliverable 1):** This report will draw on the research to-date and present the evaluation framework, including process maps, ToC, Context Mechanism Outcome (CMO) hypotheses, evaluation questions (covering process, impact and value for money) and data strategy. Based on this we will revisit and, if necessary, amend the approach to data collection and analysis presented in this proposal. Our approach to data collection (including online surveys, interviews, workshops/focus groups and data reviews), analysis and reporting will be clearly set out in the evaluation plan, along with the timeline and risk mitigation. The evaluation plan will be discussed at a Steering Group meeting and subsequently finalised.
- 4.13. **Phase 2: Rapid, Light Touch Evaluation of Existing Nutrient Mitigation Solutions:** The rapid evaluation of existing solutions will provide evidence/lessons to support the pilot design as well as evidence to inform the pilot evaluation (e.g. reference points for pilot outcomes). It will focus on practical issues (as requested in the tender, not repeated here). The comprehensiveness and scope of the findings of this evaluation of other schemes will be influenced by the availability of data and other information on these schemes (e.g. the extent to which information not already in the public domain is forthcoming from scheme 'owners') and willingness of the scheme 'owners' to participate and give full responses to interview questions. We will work with the Steering Group and our planning and development advisor to establish the optimum approach to best elicit the targeted information.
- 4.13.1. **Task 2.1: Evaluation Design:** An initial task is required to scope the priorities for the rapid evaluation and confirm (a) the schemes to be reviewed (e.g. the Warblington Farm scheme, Havant Borough Council; the Isle of Wight scheme, Hampshire and Isle of Wight Wildlife Trust; EnTrade Somerset scheme; developer-specific schemes) and (ii) the evaluation questions needed to best support the pilot's learning needs. The design will identify any questions which are to be prioritised in the initial learning output (task 2.2).
- 4.13.2. **Task 2.2: Initial Review:** This will comprise a rapid review of documentation on the schemes (where available) along with an interview programme (up to 6 telephone interviews are budgeted for) targeting scheme 'owners'. Actions within existing schemes include both land use change and 'within field' mitigation measures such as cover crops. The impacts of the actions within these schemes have been based on both modelled (e.g. ADAS Farmscoper model; EA Nitrate Leaching Tool) and measured data as well as information from published research. Available information on the impacts and costs of the actions for these existing schemes in the Solent area and others from elsewhere in the UK will be compared with published information summarising typical nutrient losses or impacts of mitigation measures (e.g. Newell-Price et al., 2011; EU Cost Action 869), with a particular focus on nitrogen.

- 14.13.2.1. For example, where other scheme data on the effectiveness of a given nutrient offset measure is provided, that information will be benchmarked against available information for similar measures (where readily available), and the methodology used to establish the effectiveness subjected to expert opinion (e.g. of NE, EA and/or ADAS) in order to qualitatively establish confidence in the data. The task will provide the evidence for **Deliverable 2** – a summary of early findings from rapid evaluation of nature-based nutrient mitigation solutions already being implemented. It is anticipated that the research will provide emerging early lessons which will be revisited following completion of the research tasks and may support the pilot evaluation design (Task 1.5). Feedback from the steering group on the early lessons (and gaps and implications) will feed into the next two tasks – steering the further research to be conducted.
- 4.13.3. **Task 2.3: Testing of Initial Review Findings:** The purpose of the testing task is to establish the validity and/or confidence in the data and lessons drawn together in Task 2.2. We will discuss the nature of testing that can be done through NE, EA, etc during the evaluation design. It is anticipated that testing will constitute (i) expert written responses to key questions regarding the available information, and (ii) short interviews to clarify expert opinion. The testing stage will also raise technical questions which need to be followed-up through the next task.
- 4.13.4. **Task 2.4: Follow-up Review:** A second round of data review and telephone interviews (up to 6) will address any residual from Task 2.2, and additional questions/clarifications raised by the Steering Group and expert review.
- 4.13.5. **Task 2.6: Synthesis and Reporting (Deliverable 3):** The final package of evidence will be synthesised and a short evaluation and lessons learnt report prepared. This constitutes part of Deliverable 3 as defined in the tender. We propose providing this earlier than suggested in the tender (see E07 response for project timeline), as a shorter time period is more suited to the nature of the research that we have proposed.
- 4.14. **Phase 3: Pre-auction Research:** In support of the main process and impact evaluation, Phase 3 will focus on key components of the nutrient trading pilot activities completed to date: stakeholder engagement, water quality modelling and opportunity mapping.
- 4.14.1. **Task 3.1: Evaluation of Stakeholder Engagement:** This task will assess the relevance and usefulness of the stakeholder engagement to date and generate evidence useful to inform the design of the pilot trading. Research will be conducted with two stakeholder groups (all interviews will be by telephone):
- ❖ Pilot scheme designers/facilitators (e.g. Defra, EA, NE, FC) to identify whether the stakeholder engagement has given them the information they need to develop the pilot design (up to 6 interviews);



- ❖ Pilot scheme users (e.g. landowners, developers, LPAs; online survey and up to 20 interviews) to assess, for example, their motivations to participate, awareness of the pilot, sufficiency of understanding and information needed to participate in the scheme, concerns and views on expected outcomes.

4.14.1.1. A short **online survey** will target (potential) pilot scheme users. It will primarily include closed questions and will generate quantitative data. Some questions will be repeated in the post-auction research to provide before-and-after evidence. Tailored surveys are expected to be needed for subgroups i.e. scheme buyers vs sellers. To gather more detailed feedback, **in-depth interviews** will be undertaken with both stakeholder groups – in the pilot scheme users' group this may be a mix of organisations that 'represent' these stakeholders as well as individual stakeholders themselves). Interviews will be digitally recorded to support the accuracy of note taking. Interview notes will be coded and thematically assessed to identify key issues and topics. Emerging lessons will be identified and communicated to Defra. This assessment will form the second half of **Deliverable 3**.

4.14.2. **Task 3.2: Evaluation of Water Quality Modelling and Opportunity Mapping.** To ensure the contribution of the modelling and opportunity mapping is appropriate and representative of the Solent catchment, this task will critically review the approach and assumptions used in the pilot, with a view to identifying lessons and refinements to improve robustness and future implementation of a nutrient trading process in the Solent. To achieve this, a review of evidence on N pollution pathways, dynamics, thresholds etc. will be undertaken and evidence developed as part of this project (e.g. water quality modelling and opportunity mapping). The extent of this review will depend on the evidence available. Challenges/limitations associated with the model will be identified (e.g. the extent to which land management information has been incorporated into the model; which pollutants are captured by the model; consensus on mitigation coefficients; interactions between mitigation activities; likely secondary effects on other ecosystem services). Interviews (<6) will be undertaken with, primarily, NE and EA to assess the extent to which the modelling informs guidance and advice provided to platform users to target mitigation. The interviews will also explore the extent to which the modelling has helped provide a more refined approach to calculating nutrient neutrality that is sensitive to spatial location. Interviews will also be used to identify the extent to which the modelling provides useful evidence that can be used to inform updated Diffuse Water Pollution Plan for Solent, including the development of thresholds/targets for nitrogen pollution mitigation to meet restoration objectives for the protected sites.

4.15. **Phase 4 - Post-auction Research:** This phase will gather and analyse evidence relating to the nutrient trading platform/process following the auction(s).

4.15.1. **Task 4.1 - Data Collected through the Trading Platform:** This will allow an assessment of users and their interaction with the platform; the

number/size/type/location of bids; the number and size of mitigation sites secured; the proportion of required nitrogen credits delivered by mitigation sites; and the auction prices and distribution.

4.15.2. **Task 4.2 - Online Surveys with Developers and Providers of Offsetting Sites:**

The surveys will be primarily closed questions, some of which will repeat those used in the pre-auction surveys, to gather feedback on the platform and the auction process/rules, platform user journeys, and what worked well/less well. It will also gather data to support assessment of: the amount of housing unlocked as a result of sites secured, construction jobs safeguarded/created, the value of the scheme in terms of helping developers demonstrate the environmental benefits of their proposals and local authorities demonstrate the environmental benefits of growth. Where possible, we will also gather data from developers and landowners who did not participate in the auction(s), despite participation (or at least, enrolled interest) in the stakeholder engagement.

4.15.3. **Task 4.3 - In-depth Interviews and Focus Groups with Pilot Scheme Stakeholders**

(pilot scheme users e.g. developers, LPAs, landowners/managers, and pilot scheme designers/facilitators/policy e.g. Defra, NE and EA; up to telephone 25 interviews and 3 two-hour online focus groups). These will gather detailed data focusing on scheme design; what worked well/less well; challenges, success and emerging lessons. The benefits and disbenefits of platform and process/rules, including legal agreements will also be explored.

4.15.4. **Task 4.4 - Environmental Benefit Assessment:**

Following the first run of the auction an expert analysis of the offsetting sites will be undertaken, drawing on the opportunity mapping/modelling, to quantify the benefits/projected benefits where feasible including the reduction in nitrogen pollution anticipated as well as potential carbon sequestration and biodiversity gains. The impact of the opportunity mapping and the extent to which it provides a useful tool for spatial prioritisation of mitigation projects to maximise wider environmental benefits beyond nutrient mitigation and its ability to inform ELM schemes in the region will be assessed.

4.15.5. **Task 4.5 - Provisional Value for Money (VFM) Assessment:**

A provisional VFM assessment will quantify the resources used in delivering the pilot and compare this cost to those of alternative mitigation options, drawing on the evidence gathered in Phase 2. Where possible, the value of benefits delivered by the programme will also be quantified and compared to costs. Where benefits cannot be valued, the analysis will examine them in qualitative terms. Evidence of the contribution of process to VFM will also be assessed.

- 4.16. **Phase 5 - Synthesis, Reporting and Dissemination:**
- 4.16.1. **Task 5.1 - Collation and Analysis of Evidence:** This task will bring the evidence together and undertake statistical tests, thematic analysis etc. (as relevant) to provide a comprehensive body of evidence that can be used to answer the evaluation questions.
- 4.16.2. **Task 5.2 - Synthesis of Evidence:** While components of evidence may be coherent in their own right, it is necessary to bring these together to see if they present an overall story that is consistent and provides evidence at the various stages of the logic chain, from outputs and impacts. We will also consider how the evidence supports the hypotheses and causal chains and explain anomalies in terms of supporting and confounding factors. This task will also draw on the other existing trading schemes and we will update the ToC in light of data analysis and synthesis.
- 4.16.3. **Task 5.3 - Verification and Validation of Findings through Stakeholder Workshop:** The outputs of the data analysis and evidence synthesis will be shared with stakeholders through an online workshop to gather feedback on the outputs and learning and ensure completeness.
- 4.16.4. **Task 5.4 - Wider Lesson Learning:** An online workshop with Defra ELM strategy and Green Finance teams; MHCLG and developers will be used to consider learning that can support the development of ELM, wider market-based solutions and how housing and development can be built in a way that protects the environment and where possible enhances it.
- 4.16.5. **Task 5.5 - Final Reporting (Deliverable 4):** The findings of the study will be presented in a report complete with executive summary and technical annexes. It will draw overall conclusions and make recommendations on if and how the approach could be taken forward in the Solent; comment upon transferability to other contexts; how to take forward M&E of longer-term impacts and benefits realisation beyond the pilot; and how developers and LA can demonstrate the environmental benefits delivered by development. A draft final report will be prepared and presented to the Steering Group. The final report will be amended in response to steering group feedback. Two PowerPoint slide packs will accompany the report for use in dissemination.

**Dissemination of Findings:** Evaluation of the Solent Nutrient Trading Pilot Project will be of widespread interest to Defra and other policymakers, to planners, developers and landowners in other catchments and to researchers with an interest in sustainable development and environmental protection. Dissemination of the evaluation findings will take place through: Task 5.4 wider lesson learning workshop; Task 5.5 final reporting and meeting with the Steering Group; by Defra drawing on

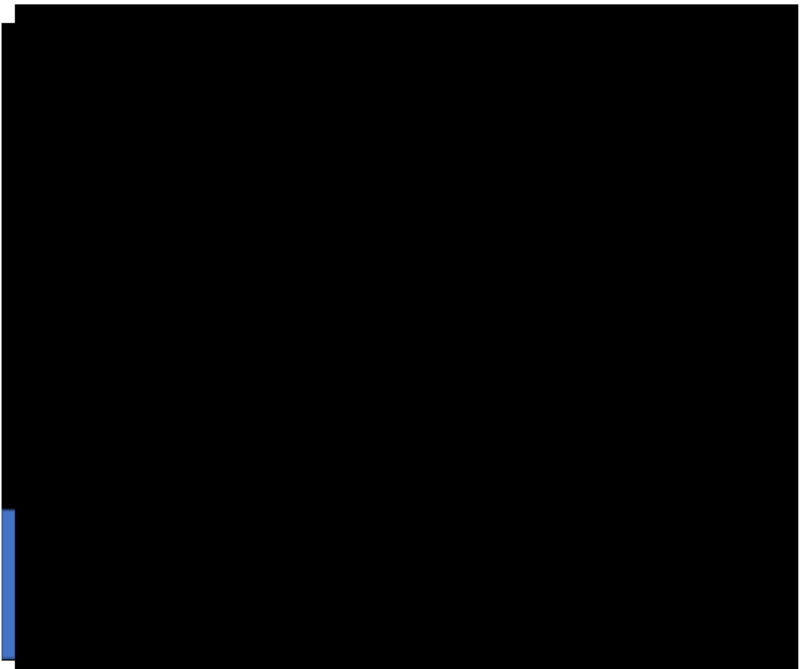
the PowerPoint slide packs provided. Additional ICF-led or supported dissemination, such as the provision of webinars or policy briefs, can be discussed and agreed subject to additional resources.

## 5. E06 Proposed Project Team

5.1. The project will be led by ICF, supported by ADAS and Turley as subcontractors. The team brings together the necessary blend of expertise in evaluation, social research methods, environmental economics, nutrient modelling and assessment, offset trading and reverse auctions, and planning and development. Our technical capabilities are underpinned by robust project management and resourcing that can respond agilely to changing circumstances. We also have access to tools and technologies that support efficient collaborative working, state of the art approaches to support both online and in-person data collection and comprehensive and insightful data analysis. ICF evaluations are compliant with HMT Magenta and Green Book guidelines.

5.2. The team structure is illustrated in an organogram (Figure 6.1). It comprises a management team, project advisors, an evaluation team, scientific and technical experts and research support. A short profile of key personnel is provided here; CVs are in an annex to this proposal.

5.3. **Project Management:** The project leadership team comprises a Project Director and Project Manager (see E07).



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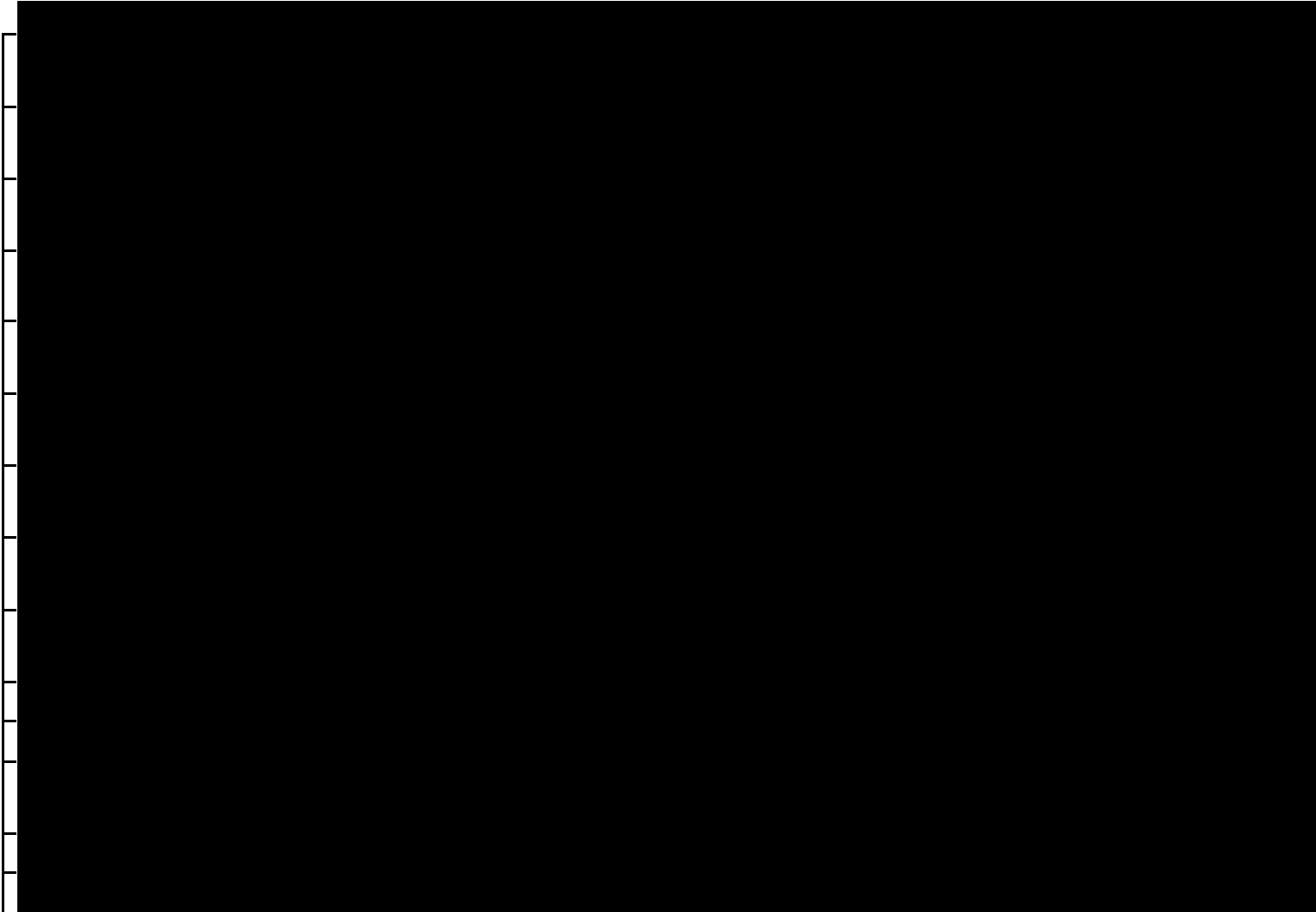
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5.9. **Managing Subcontractors:** Our approach recognises our partner organisations' strengths and we have long-standing professional relationships with many of the experts in our team, including ADAS. This ensures that there is trust and mutual respect between the team and an understanding of 'what works'. Underpinning this, ICF has an ISO 9001:2015 accredited project management and quality assurance system which provides a proven and structured approach to managing team performance, including that of our subcontractors. ICF will provide our subcontractors with contracts that relay the Defra's terms and conditions. Subcontractors will also receive task briefing notes and have regulator communication with the Project Manager to manage and monitor performance. All outputs will be quality reviewed in line with our standard project processes.

5.10. **Capacity and Continuity:** ICF confirm the named team is available to provide the planned inputs based on current known commitments. ICF's research and evaluation team has 100 evaluators and researchers, plus a large network of specialist associates

– one of the largest in the industry. We use online resource planning software, Deltek People Planner, to secure staff time needed to meet project requirements. In addition, our project accountability structures are designed to support continuity of service in the event of planned and unplanned absences. In the event of a key team member being unavailable, e.g. due to prolonged illness, ICF would identify and nominate to Defra a suitable substitute from among our own staff or roster of senior associates. ADAS's capacity similarly provides operational resilience and supports continuity of service.

## 6. E07

[REDACTED]

6.1.1 [REDACTED]

6.1.2. [REDACTED]

6.2. **Communication:** ICF approach this project committed to establishing a close, cooperative working relationship with Defra based on the model we have successfully applied in prior strategic projects for Defra. This recognises that critical to the project's success is the need to establish a shared understanding of the pilot programme and the evaluation learning objectives. The project will need not just appropriate project management liaison, but also a close understanding and regular communication to provide points of learning that can be taken forward during the evaluation timeframe i.e. to inform the pilot design, as well as over the longer term.

6.2.1. ICF will schedule monthly management meetings (with more frequent and ad-hoc management calls as and when required) and will issue progress notes in advance of these. The progress notes will be presented in a standardised format with 'traffic light' signalling of task status, progress over the previous period and planned activities for the



next period, project risks and programme updates. Any actions or agreements arising from these meetings will be recorded and provided to Defra within two days. Formal deliverables will provide Defra with outputs that support the project objectives. These are paired with Steering Group meetings, as scheduled in the project plan. The suggested schedule of Steering Group meetings is also aligned with key decision points in the evaluation. All meetings will be conducted remotely. ICF is fully equipped with electronic meeting tools that have been demonstrated to be compatible with Government systems. These include collaborative workshop tools (such as Mural, an online whiteboard that can be used to encourage collaborative thinking) which ICF have successfully used with Defra and other clients to support online theory of change workshops. Other support that may be sought from the Steering Group includes for stakeholder engagement, where Steering Group members may aid the identification of, and expediate meetings or feedback from, key experts within the Defra family, project contractors and/or other stakeholders.

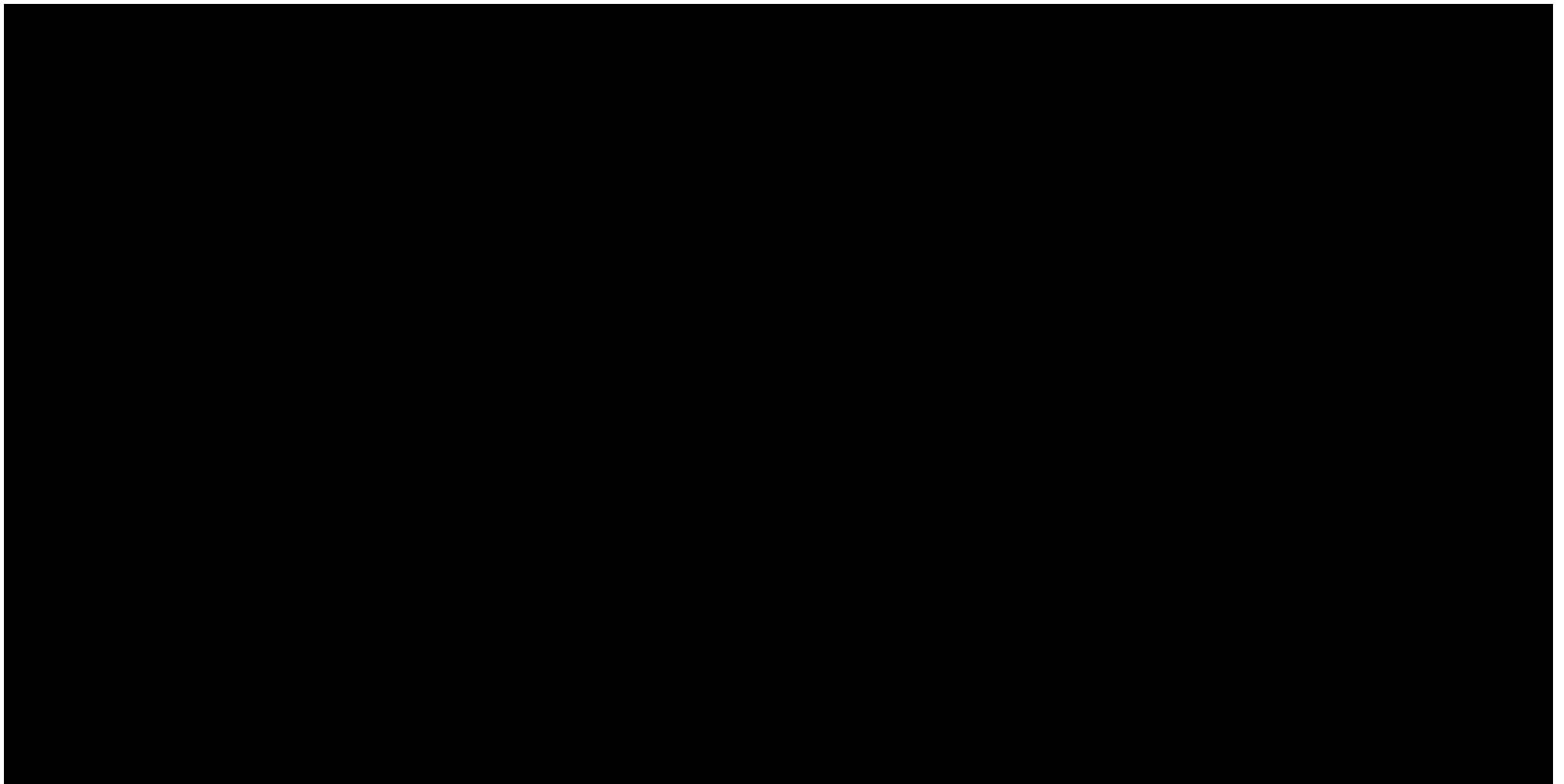
- 6.3. **Project Programme:** ICF's project plan, which will be revisited at inception and finalised in detail in the evaluation design report (Deliverable 1), is designed to ensure future deliverables are issued on the defined schedule, to the expected quality standards. The Gantt chart (see below) shows the proposed sequencing of study phases and tasks and their relationship to the deliverables and steering group meetings. A significant programme uncertainty is the timing of the auction(s), for which dates are not yet set (expected in the Spring) – Phase 4 of the study will conduct research after stakeholders have participated in the auction(s). The latter part of the programme will need to be adjusted once the auction date(s) are set, which may impact on the final reporting dates and contract end date. Deliverable 1 is proposed for later than indicated in the tender – delivering an effective evaluation design within a few weeks of the contract (concurrently with the rapid evaluation of other schemes) is not feasible. The later date for Deliverable 1 does not impact on the ability to meet the overall project timetable.
- 6.4. **Quality Assurance and Risk Management:** This contract will be managed under ICF's quality management system (QMS) which has been certified as compliant with ISO9001:2015. A bespoke contract quality plan will be prepared during the inception phase. This includes procedures for review and sign off of deliverables. ICF provides subcontractors with contracts that relay Defra's terms and conditions. The quality standards outlined in our QMS will be cascaded to the sub-contractors. To mitigate risks and ensure compliance, sub-contracts will stipulate certain key requirements regarding process- and content-related quality indicators, as well as research ethics, data protection/data handling policy, and IT requirements. Subcontractors will also receive task briefing notes and have regulator communication with the project manager. Other measures used to assure the quality of deliverables include, discussion of the outline content plan with Defra in advance of drafting process, dissemination of content instructions to authors, iteration in the document preparation based on review within the team.

6.4.1. Active risk management will be fully integrated into the design and delivery of the project. We propose the deployment of tools and approaches used successfully on past Defra projects to this assignment. Caroline Hattam, as Project Manager, will apply a risk management approach based on the following principles: (i) Each identified risk is assessed in terms of its probability of occurrence and its resulting impact; (ii) The risks are prioritised, with high priority / impact risks to be managed first; (iii) Core project team members will assist the Project Manager in identifying mitigation solutions to minimise risks. The project management team will hold a regular review of risk status. They will check for risk such as: resourcing/staff availability; challenges in accessing required data/information; delays in decisions on the critical path (internal/ joint with Defra/Defra only); and technical challenges (e.g. access to data or stakeholders). The following table provides a simplified register of a sample of priority risks:

Risk	Likelihood/ significance	Mitigation
Difficulty in accessing data and consultees for other offset schemes, resulting in delays to emerging lessons (particularly the 'early lessons' requested for end of August) and limitations in the scope of evidence and lessons.	High / Mod	Designing the evaluation and engagement with other existing schemes will be a priority task at the outset. Targeted lessons need to be clearly identified and prioritised and approaches to elicit responses carefully constructed. We will draw on Defra's and the project team's understanding of these schemes to ensure (i) they are not asked for publicly available information, (ii) each approach is sensitive to the scheme context to maximise positive engagement.
Too many potential CMO hypotheses to test within the available budget, resulting in data collection being spread too thinly to generate robust evidence.	High / Mod	The pilot project evaluation design will draw on the outputs of existing stakeholder engagement work, ICF's expertise and the ToC workshop to determine priorities. The evaluation framework will be clear about the scope that can be covered within the research budget so that transparent decisions can be made in partnership with the steering group prior to roll out of the evaluation research.
Pilot project stakeholder engagement fatigue has a negative impact on stakeholder willingness to participate in evaluation primary research resulting in smaller, and greater bias in, samples.	Mod / High	A stakeholder engagement plan will be developed with input from Defra. Online surveys will be kept short (maximum 10 minutes to complete) and use primarily closed questions. For focus groups, participation incentives have not been planned but may be beneficial particularly for farmers – shifting of resources to accommodate this can be discussed with Defra.

Risk	Likelihood/ significance	Mitigation
The timeframe to conduct the post-auction research is short and is currently uncertain, given that the number and date of auctions has not been set. Delays in auction implementation may impact the ability to deliver the research on time.	Mod / Mod	ICF will adopt an adaptive management approach. The programme and detailed design for the post-auction research will be revisited mid-way through the study to ensure that it is deliverable in the available timeframe (i.e. once auction dates are set). It can be adjusted, if necessary, to ensure any changes in Defra's priorities and learning needs that may emerge during the auction run(s) are reflected in a refreshed post-auction evaluation research design.
Nature and scope of information available to project team from nutrient modelling / opportunity mapping (currently unknown) insufficient for meaningful expert analysis.	Mod / Mod	The products (or expected products) of the modelling and mapping work will be reviewed at project inception and the analytical approach discussed and agreed with Defra in the evaluation design, ensuring that it is able to meet priority needs and delivers value for money.

## Evaluation programme Gannt chart



## **SECTION 4: PROJECT GOVERNANCE AND CONTRACT MANAGEMENT**

- 1.1. A Delivery Group and Project Board have been established for the Solent Shared Outcomes Fund (SOF) project by the Authority to direct the project and provide technical quality review. This monitoring and evaluation project will be overseen by the Defra Project Manager, working closely with a dedicated M&E project steering group (including Defra analysts), and reporting into the cross-government Delivery Group. Clear reporting lines must be established by the successful contractor to report on performance at regular intervals to the Authority.
- 1.2. The Authority will act as the main point of contact for matters relating to the delivery of this contract. Appropriate escalation routes to senior managers to be included in the project bid to mitigate risk of delivery issues. Meetings have been incorporated into the Programme of work to discuss progress and to ensure timely support and data provision as required. The project steering group will monitor progress and provide advice, support and guidance on project scope, methodology, policy focus and research outputs. Tenderers should cost (half days) for up to 10 meetings, including travel time (where necessary), preparation and producing outputs from the meetings. This will include an inception meeting and further meetings to coincide with key project outputs (e.g. as detailed in the deliverables). The meetings will usually be held over MS Teams (due to COVID-19), or in Defra offices in central London.
- 1.3. The quality of the service provided will be regularly monitored by the Authority against the elements outlined in Section 5 and Section 6 below.
- 1.4. The Supplier shall meet the agreed deadlines for delivery of the project deliverables and will notify the Authority without delay if there is a risk that they may be unable to meet this deadline. Tenderers should provide an assessment of risks and countermeasures in a risk management plan as part of their submission.
- 1.5. Close contract management will be undertaken which will include regular reporting. Progress meetings will be held at pre-agreed intervals to ensure adherence to the project plan, and costs and risks will be carefully monitored.
- 1.6. **Efficiencies and Continuous Improvement in Service Lifetime**
- 1.7. During the Contract, the Contractor shall look to develop, maintain, and improve efficiency, quality and where possible provide a reduction in charges to enhance the overall delivery of the Contract.
- 1.8. The Contractor shall have an ongoing obligation throughout the Contract to identify new and potential improvements to the Services which shall include, but are not limited to:
  - New or potential improvement which enhances the quality, responsiveness, procedures, methods and/or customer support services; and
  - Changes in business processes and ways of working that would enable the Services to be delivered at lower costs and /or at greater benefits to the Authority.

## **SECTION 5: PERFORMANCE MANAGEMENT FRAMEWORK**

### **1. Overview of the PMF**

- 1.1. As part of the Authority's continuous drive to improve the performance of all Contractors, this PMF will be used to monitor, measure and control all aspects of the Supplier's performance of contract responsibilities.
- 1.2. The PMF purpose is to set out the obligations on the successful Contractor, to outline how the successful Contractor's performance will be monitored, evaluated and rectified for performance.
- 1.3. The Authority may define any reasonable performance management indicators for the Contractor under the following categories:
  - Contract Management
  - Delivery and Support
  - Quality of Service
- 1.4. The above categories are consistent with all Contract awards allowing the Authority to monitor Contractor' performance at both individual level and at the enterprise level with the individual Contractor.

### **2. Management of the PMF**

- 2.1. Key Performance Indicators (KPI's) shall be monitored on a regular basis and shall form part of the contract performance review. Performance of KPI's will be reported by the Contractor to the Authority on monthly basis. The Contractor shall detail performance against KPI's in Monthly Reports and at quarterly Contract Meetings with the Authority; who will review this and make comments if any.
- 2.2. The Contractor shall maintain their own management reports, including a Risk and Issues Log and present these as requested by the Authority at any meeting requested by the Authority.
- 2.3. Any performance issues highlighted in these reports will be addressed by the Contractor, who shall be required to provide an improvement plan ("Remediation Plan") to address all issues highlighted within a week of the Authority request.
- 2.4. Key Performance Indicators (KPIs) are essential in order to align Contractor's performance with the requirements of the Authority and to do so in a fair and practical way. KPIs must be realistic and achievable; they also have to be met otherwise indicating that the service is failing to deliver. The successful Contractor will ensure that failure and non-performance is quickly rectified.
- 2.5. The Authority reserves the right to amend the existing KPI's detailed in Section 5 or add any new KPI's. Any changes to the KPI's shall be confirmed by way of a Contract Change Note.

## SECTION 6: KEY PERFORMANCE INDICATORS (KPI's)

KPI	What is required to make this measurable	KPI Measurement	KPI Rating		
<b>KPI 1 – Project Deadlines</b>	Deliverables will be presented by the Contractor(s) to the Authority at the agreed date and quality as outlined in the deliverables.	Quality deliverables are presented to the Authority on the day and or time (if appropriate) that has been agreed by both parties. The Authority's project officer deems the deliverable to be of sufficient quality.	Deliverables sent to the Authority greater than 5 (five) working days after the agreed deadline.	Deliverables sent to the Authority greater than 1 (one) working day after the agreed deadline, or less than one day but later than the agreed time if a restricted timescale.	Meets expectations - All deliverables sent to the Authority on time
<b>KPI 2 – Invoices</b>	Invoices to be received within three (3) working days of the end of each month.	Invoices quote the correct PO, Contract number, the Authority Contact, and qualitative description of the work being done.	Invoices received by the Authority which contains inaccuracies and/or greater than 10 (ten) working days after the agreed deadline.	Invoices received by the Authority greater than 5 (five) working days after the end of the month, and/or contains some inaccuracies.	Meets expectations - All invoices received by the Authority on time and accurately reflect agreed work
	Invoices and associated deliverables should be clearly linked.	Invoices must be clearly itemised: specific milestones and deliverables should be explicitly listed.			

	Note partial payment for milestones is not permissible: only completed milestones and deliverables are chargeable.	Associated reports should be clearly and explicitly linked to invoices to help financial tracking.			
<b>KPI 3 – Quality of Deliverable: Error Free</b>	Deliverables are accurate and free of errors.	Deliverables reviewed by the Authority for accuracy.	A significant error is identified that results in published documents or National Statistics being amended by Defra. Or an error is identified that results in Government incurring financial damages or significant reputational harm.	An error is identified that does not result in published documents or National Statistics being amended	Meets expectations – No errors within deliverables
<b>KPI 4 – Check point risk Assessment</b>	High quality, detailed and up to date project risk assessments in place.	Initial submission 1 month from commencement and kept up to date throughout the project. Evidence should be provided that risks are proactively managed.	Risk Assessment is not kept up to date and known risks are not communicated on the Risk Assessment	Risk Assessment is kept up to date but communication on the Risk Assessment is incomplete	Risk assessment is kept up to date and remains appropriate for use



<b>KPI 5 – Monthly activity check-in with Authority</b>	Contractor will give Authority monthly updates on project progression, any foreseen blockages or issues	Contractor will contact Authority at least monthly (email/phone/videocall) with relevant updates	Contractor goes more than 3 months without contacting Authority with relevant updates, OR without stating known future potential issues	Contractor goes more than 2 months without contacting Authority	Contractor contacts Authority at least monthly, stating project activities and any future potential issues
<b>KPI 6 – Quality of Deliverable: Report QA</b>	A credible QA development plan is in place with time bound deliverables to implement Defra Quality Assurance Guidelines for Reports. QA logs are implemented and accurately maintained for all Reports.	A credible and time bound plan to implement Defra QA Guidelines for Models is in place and adhered to. The guidelines are implemented within the lifetime of the Contract. QA logs are accurately maintained and annually updated.		Lack of a model QA development plan, a significant inaccuracy in the QA log or a failure to maintain the model to the required standard	Meets expectations

## SCHEDULE 2 – PRICING

1. The Authority shall pay to the Contractor no more than the fixed sum identified in Table 1: GBP £199,999.25 as the Price excl VAT.
2. Subject to any variation of the project, the amount in paragraph 1 shall remain firm throughout the duration of the agreement.
3. In the event that the Contract is varied, the amounts in Table 1 may be adjusted as agreed in writing, between the Authority and the Contractor.
4. All payments quoted are exclusive of VAT.
5. The payment will be in stages as follows:
  - 5.1. Upon completion, to the satisfaction of the Authority, of the Services and deliverables described in the Specification for each of the periods set out in Table 1 below, the Contractor shall submit an invoice to the Authority for the amounts set out in Table 1.
  - 5.2. Any and all such invoices shall comply with the requirements in section C of the Contract and the Contractor shall provide all further reasonable information and/or evidence of completion as the Authority shall reasonably require to demonstrate the satisfactory completion of the agreed milestones
  - 5.3. Within 30 days of receiving an invoice satisfactory to the Authority, the Authority shall pay to the Contractor the amount of the eligible costs which the Authority reasonably consider to have been properly incurred by the Contractor in the carrying out of the project during the relevant period.
  - 5.4. The Contractor shall be responsible for the payment of any Sub-Contractors.

**Table 1: Milestone**

	Description of milestone	Target date (dd/mm/yyyy)	Cost (£) Excluding VAT
1	1-3A: evaluation design and light touch evaluation		
2	3B: pre-auction research		
3	4 and 5: final report		
<b>Total</b>			<b>£199,999</b>

[REDACTED]

[REDACTED]

[REDACTED]

# SCHEDULE 3 - CHANGE CONTROL

## Contract Change Note ("CCN")

CCN Number	
Contract Reference Number & Title	
Variation Title	

WHEREAS the Contractor and the Authority entered into a Contract for the supply of [project name] dated [dd/mm/yyyy] (the "Original Contract") and now wish to amend the Original Contract

IT IS AGREED as follows

1. The Original Contract shall be amended as set out in this Change Control Notice:

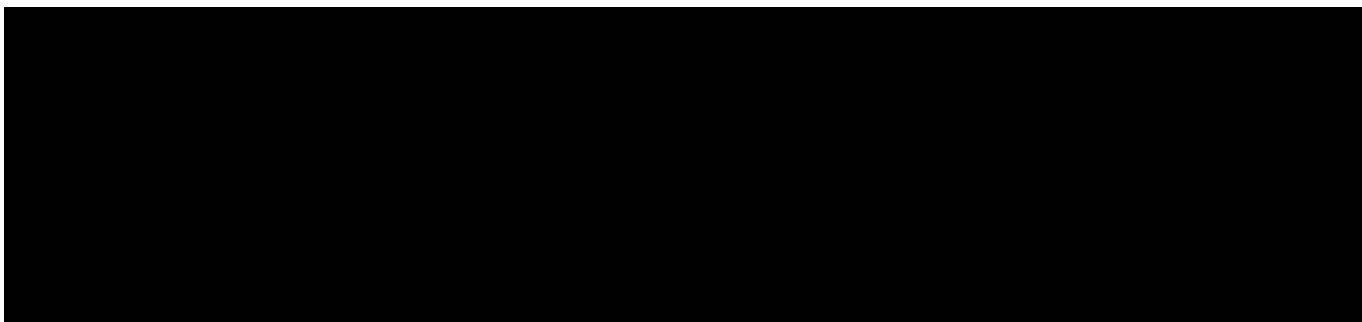
Change Requestor / Originator			
Summary of Change			
Reason for Change			
Revised Contract Price	Original Value	Contract	£
	Previous Changes	Contract	£
	Contract Note [x]	Change	£
	New Contract Value		£
Revised Payment Schedule			
Revised Specification (See Annexe [x] for Details)			
Revised Contract Period			
Change in Contract Manager(s)			
Other Changes			

2. Save as amended all other terms of the Original Contract shall remain effective.
3. This CCN takes effect from the date on which both Parties communicate acceptance of its terms via Bravo.

## SCHEDULE 4 - COMMERCIALLY SENSITIVE INFORMATION

At the start of the project, the contractor was not aware of any commercially sensitive information that they have now or that might arise during the course of carrying out the project. When contacting any commercial company in the course of the project it will be made clear to them that the information they provide will be submitted to Defra and they should identify any information that they wish to keep confidential.

- 1.1 Without prejudice to the Authority's general obligation of confidentiality, the Parties acknowledge that the Authority may have to disclose Information in or relating to the Contract following a Request for Information pursuant to clause E5 (Freedom of Information).
- 12 In this Schedule the Parties have sought to identify the Contractor's Confidential Information that is genuinely commercially sensitive and the disclosure of which would be contrary to the public interest.
- 13 Where possible the Parties have sought to identify when any relevant Information will cease to fall into the category of Information to which this Schedule applies.
- 14 Without prejudice to the Authority's obligation to disclose Information in accordance with the FOIA and the EIR, the Authority will, acting reasonably but in its sole discretion, seek to apply the commercial interests exemption set out in s.43 of the FOIA to the Information listed below.



## SCHEDULE 5 - PROCESSING, PERSONAL DATA AND DATA SUBJECTS

1. This Schedule shall be completed by the Authority, 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 Authority at its absolute discretion.
2. The contact details of the Authority Data Protection Officer are:
2. The contact details of the Contractor Data Protection Officer are: Geraldine Henbest
3. The Contractor shall comply with any further written instructions with respect to processing by the Authority.
4. Any such further instructions shall be incorporated into this Schedule.

Data Processing descriptor	Narrative
<b>Identity of the Controller and Processor</b>	The Parties acknowledge that for the purposes of the Data Protection Legislation, the Authority is the Controller and the Contractor is the Processor in accordance with Clause E2.1.
<b>Subject matter of the processing</b>	<p>The processing is required to enable the contractors to:</p> <ul style="list-style-type: none"><li>• assess impacts and costs of both the trading pilot and existing solutions within the timescales and constraints of the project (noting that mitigation sites will not be delivered until spring/summer 2022).</li><li>•</li></ul>

	<ul style="list-style-type: none"> <li>Estimate future levels of PTE contaminants in fertilisers, soils and the wider environment in response to different options for their control.</li> </ul>
<b>Duration of the processing</b>	02/08/2021 - 30/09/2022
<b>Nature and purposes of the processing</b>	<p>Data collection will include for example:</p> <ul style="list-style-type: none"> <li>Analysis of data collected through the trading platform (this will be designed to capture key information on users and their use of the platform including numerical data on numbers of users and numbers/size/type/location of bids).</li> <li>Personal information through interviews and access to collected data.</li> </ul>
<b>Type of Personal Data</b>	For example, names, addresses, phone numbers, e-mail addresses of contacts.
<b>Categories of Data Subject</b>	Interviews with staff on the project team, landowners, farmers, developers, local planning authorities, water companies, and published information.
<b>Plan for return and destruction of the data once the processing is complete UNLESS requirement under union or member state law to preserve that type of data</b>	As described within the contract clause E2.4(e) of this contract change note: "at the written direction of the Authority, delete or return Personal Data (and any copies of it) to the Authority on termination of the Contract unless the Contractor is required by Law to retain the Personal Data"

# SCHEDULE 6 - NON-DISCLOSURE AGREEMENT

THIS NON-DISCLOSURE AGREEMENT is made the [insert day] day of [insert date] (the "Commencement Date"

BETWEEN:

[Insert full name of contractor] of [insert full address but if registered company please insert the following - (registered in England and Wales under number [insert company number]) whose registered office is situated at [ ] (the "Contractor");

and

[Insert name and address of the Staff member, professional advisor or consultant of the Contractor] (the "Disclosee").

(each a "Party" and together the "Parties").

WHEREAS:

- (a) The Contractor has contracted with the Secretary of State for Environment, Food and Rural Affairs (the "Authority") to provide goods and/or services to the Authority in an agreement dated [insert date] (the "Contract").
- (b) The Contract places an obligation of confidentiality on the Contractor. The Disclosee is an [insert employee, professional advisor or consultant] of the Contractor engaged in the provision of certain goods and/or services to the Authority in support of or in connection with the goods and/or services to be provided by the Contractor under the Contract.
- (c) The Disclosee may therefore, have communicated to it, certain Confidential Information belonging to the Authority which is proprietary and must be held in confidence. Accordingly, the Contract requires the Contractor to ensure that the Disclosee enters into a non-disclosure agreement with the Contractor on the terms set out herein.
- (d) Any Confidential Information disclosed by the Authority or the Contractor to the Disclosee, whether contained in original or copy documents, will at all times remain the property of the Authority together with all notes, memoranda and drawings that have been made as a result of access to such Confidential Information.

NOW IT IS AGREED as follows:



## Definition and Interpretation

1. In this Agreement:
  - a) “Confidential Information” means: any information which has been designated as confidential by the Authority in writing or that ought to be considered as confidential (however it is conveyed or on whatever media it is stored) whether commercial, financial, technical or otherwise including (without limitation) information belonging to or in respect of the Authority which relates to research, development, trade secrets, formulae, processes, designs, specifications, the Authority data, internal management, information technology and infrastructure and requirements, price lists and lists of, and information about, customers and employees, all materials and information belonging to third parties in respect of which the Disclosee owes obligations of confidence; information the disclosure of which would, or would be likely to, prejudice the commercial interests of any person, intellectual property rights or know-how of the Authority and all personal data within the meaning of the General Data Protection Regulation (Regulation (EU) 2016/679); whether or not that information is marked or designated as confidential or proprietary; whether arising prior to, on or after the Commencement Date;
  - b) “Law” means any applicable Act of Parliament, subordinate legislation within the meaning of Section 21(1) of the Interpretation Act 1978, exercise of the royal prerogative, enforceable community right within the meaning of Section 2 of the European Communities Act 1972, regulatory policy, guidance or industry code, judgment of a relevant court of law, or directives or requirements of any regulatory body of which the Contractor is bound to comply.
2. In construing this Agreement the general words introduced or followed by the word include(s) or including or in particular shall not be given a restrictive meaning because they are followed or preceded (as the case may be) by particular examples intended to fall within the meaning of the general words.
3. Unless the context requires otherwise, the singular shall include the plural and vice versa, and the masculine shall include the feminine and vice versa.
4. Reference to any legislative and statutory requirement or similar instrument shall be deemed to include reference to any subsequent amendment to them.
5. References to any person shall, as the context may require, be construed as a reference to any individual, firm, company, corporation, government department, agency, or any association or partnership (whether or not having a separate legal personality).

## CONFIDENTIALITY

6. The Disclosee undertakes to: keep confidential all Confidential Information and safeguard it accordingly; and that any Confidential Information supplied will not be used by it for any purpose other than in connection with the Contractor's delivery of the goods and/or services under the Contract without the prior written permission of the Authority.
7. The Disclosee will take all necessary precautions to ensure that the Confidential Information is held in confidence and will provide proper and secure storage for all information and any papers, drawings or other materials which relate to or are compiled from such information.
8. The Disclosee shall, with respect to any Confidential Information it receives directly from or on behalf of the Authority or from the Contractor, comply, with all instructions and/or guidelines produced and supplied by or on behalf of the Authority from time to time for the handling and storage of Confidential Information, generally or for specific items.
9. The Disclosee will not disclose any Confidential Information or any part thereof to any third party.
10. Where the Disclosee is an employee, breach of the obligations set out herein in this Agreement shall be a cause of disciplinary proceedings, and the Contractor shall institute and enforce such disciplinary proceedings as against the Disclosee in relation to such breach.
11. Where the Disclosee is a professional advisor or consultant, breach of the obligation set out herein shall entitle the Contractor to terminate the contract of engagement with the Disclosee immediately, and the Contractor shall enforce such right of termination as against the Disclosee in relation to such breach.
12. All Confidential Information in tangible form received hereunder together with all copies thereof shall be destroyed or returned immediately to the Contractor or where so required by the Authority and notified to the Disclosee, to the Authority, upon request or upon completion of the task for the purposes of which such Confidential Information was released.
13. The Confidential Information will not be used by the Disclosee for any purpose or in any way other than under this Agreement.
14. The following circumstances shall not constitute a breach of the obligations of confidentiality contained in this Agreement:

- 14.1 Disclosure of Confidential Information by the Disclosee when required to do so by Law or pursuant to the rules or any order having the force of Law of any court, of competent jurisdiction;
- 14.2 Disclosure of Confidential Information by the Disclosee where and to the extent that the Confidential Information has, except as a result of breach of confidentiality, become publicly available or generally known to the public at the time of such disclosure;
- 14.3 Disclosure of Confidential Information by the Disclosee where and to the extent that the Confidential Information is already lawfully in the possession of a recipient or lawfully known to it prior to such disclosure;
- 14.4 Possession of Confidential Information by the Disclosee where it has been acquired from a third party who is not in breach of any obligation of confidence in providing that Confidential Information;

provided that, in no event shall information relating to the affairs of any identifiable person be disclosed or released from the obligations herein without the prior written consent of the Authority.

- 15. The Disclosee shall: notify the Contractor and the Authority promptly of the date and circumstances of the loss or unauthorised disclosure, if any, of the Confidential Information or any part of the Confidential Information and in addition, the action being taken to rectify that loss or unauthorised disclosure.
- 16. The obligations contained in this Agreement shall continue until notified in writing by the Authority or the Confidential Information becomes public knowledge (other than by breach of the terms of this Agreement).
- 17. No licence of any intellectual property rights (including but not limited to patent rights, copyrights, trademarks and rights in proprietary information and/or know-how and whether registrable or unregistrable) is granted hereby, beyond that necessary to enable use of the Confidential Information for the purpose for which the Confidential Information was released.
- 18. Nothing in this Agreement shall be construed as compelling any of the Parties to disclose any Confidential Information or to enter into any further contractual relationship with any other party.
- 19. No representation or warranties are given regarding the accuracy, completeness or freedom from defects of the Confidential Information or with respect to infringement of any rights including intellectual property rights of others.

20. Without affecting any other rights or remedies that the other Parties may have, the Disclosee acknowledges and agrees that damages alone would not be an adequate remedy for any breach of any of the provisions of this Agreement.

## GENERAL

21. No failure or delay by any Party to this Agreement in exercising any of its rights hereunder shall operate as a waiver of such rights, nor shall any single or partial exercise preclude any further exercise of such rights. Any waiver by a Party of any breach or non-compliance with any term of this Agreement shall not constitute a waiver of any subsequent breach of non-compliance with the same or any other term of this Agreement.
22. No Party may assign this Agreement or any of its rights and obligations hereunder without the prior written consent of the Authority.
23. Any notice under this Agreement shall be in writing and shall be delivered by post, fax or e-mail to the address of the Party in question set out at the beginning of this Agreement or such other address (or e-mail address or fax number) as the Parties may notify one another from time to time.
24. No term of this Agreement shall be enforceable, by virtue of the Contracts (Rights of Third Parties) Act 1999, by any person who is not a party to this Agreement other than the Authority. The Parties shall only with the prior written consent of the Authority be entitled to vary any of the provisions of this Agreement without notifying or seeking the consent of any third party and the rights conferred by section 2 of the Contracts (Rights of Third Parties) Act 1999 are excluded.
25. This Agreement shall be governed by and shall be interpreted in accordance with the laws of England.
26. The courts of England have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Agreement and accordingly that any proceedings, suit or action arising out of or in connection therewith shall be brought in such courts.

This Agreement has been entered into on the date first written above.

SIGNED by the authorised signatory for and on behalf of the Contractor:

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SIGNED by the Disclosee:

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# SCHEDULE 7 - CONTRACTOR AND THIRD-PARTY SOFTWARE

## CONTRACTOR SOFTWARE

For the purposes of this Schedule 7, “**Contractor Software**” means software which is proprietary to the Contractor, including software which is or will be used by the Contractor for the purposes of providing the Goods and/or Services.

Contractor Software comprises:

Software	Supplier (if Affiliate of the Contractor)	Purpose	No. of Licences	Restrictions	No. of copies	Other	To be deposited in escrow?

## THIRD PARTY SOFTWARE

For the purposes of this Schedule 7, “**Third Party Software**” means software which is proprietary to any third party which is or will be used by the Contractor for the purposes of providing the Goods and/or Services including the software specified in this Schedule 7.

Third Party Software comprises:

Third Party Software	Supplier	Purpose	No. of Licences	Restrictions	No. of copies	Other	To be deposited in escrow?

# SCHEDULE 8 - SECURITY REQUIREMENTS, POLICY AND PLAN

## INTERPRETATION AND DEFINITION

For the purposes of this Schedule 8, unless the context otherwise requires the following provisions shall have the meanings given to them below:

“Breach of Security” means the occurrence of unauthorised access to or use of the Premises, the Premises, the Services, the Contractor System, or any ICT or data (including Authority Data) used by the Authority or the Contractor in connection with the Contract.

“Contractor Equipment” means the hardware, computer and telecoms devices and equipment supplied by the Contractor or its Sub-Contractor (but not hired, leased or loaned from the Authority) for the provision of the Services;

“Contractor Software” means software, which is proprietary to the Contractor, including software which is or will be used by the Contractor for the purposes of providing the Goods and/or Services and which is specified as such in Schedule 7.

“ICT” means Information Communications Technology and includes a diverse set of technological tools and resources used to communicate, and to create, disseminate, store and manage information, including computers, the Internet, broadcasting technologies (radio and television), and telephony.

“Protectively Marked” shall have the meaning as set out in the Security Policy Framework.

“Security Plan” means the Contractor’s security plan prepared pursuant to paragraph 3 an outline of which is set out in an Appendix to this Schedule 8.

“Software” means Specially Written Software, Contractor Software and Third-Party Software.

“Specially Written Software” means any software created by the Contractor (or by a third party on behalf of the Contractor) specifically for the purposes of this Contract.

“Third Party Software” means software which is proprietary to any third party which is or will be used by the Contractor for the purposes of providing the Goods and/or Services including the software and which is specified as such in Schedule 7.

## **1. INTRODUCTION**

This Schedule 8 covers:

- 1.1 principles of security for the Contractor System, derived from the Security Policy Framework, including without limitation principles of physical and information security;
- 1.2 wider aspects of security relating to the Services;
- 1.3 the creation of the Security Plan;
- 1.4 audit and testing of the Security Plan; and
- 1.5 breaches of security.

## **2. PRINCIPLES OF SECURITY**

- 2.1 The Contractor acknowledges that the Authority places great emphasis on confidentiality, integrity and availability of information and consequently on the security of the Premises and the security for the Contractor System. The Contractor also acknowledges the confidentiality of Authority Data.
- 2.2 The Contractor shall be responsible for the security of the Contractor System and shall at all times provide a level of security which:
  - 2.2.1 is in accordance with Good Industry Practice and Law;
  - 2.2.2 complies with Security Policy Framework; and
  - 2.2.3 meets any specific security threats to the Contractor System.
- 2.3 Without limiting paragraph 2.2, the Contractor shall at all times ensure that the level of security employed in the provision of the Services is appropriate to maintain the following at acceptable risk levels (to be defined by the Authority):
  - 2.3.1 loss of integrity of Authority Data;
  - 2.3.2 loss of confidentiality of Authority Data;
  - 2.3.3 unauthorised access to, use of, or interference with Authority Data by any person or organisation;
  - 2.3.4 unauthorised access to network elements, buildings, the Premises, and tools used by the Contractor in the provision of the Services;

- 2.3.5 use of the Contractor System or Services by any third party in order to gain unauthorised access to any computer resource or Authority Data; and
- 2.3.6 loss of availability of Authority Data due to any failure or compromise of the Services.

### **3. SECURITY PLAN**

- 3.1 The Contractor shall develop, implement and maintain a Security Plan to apply during the Contract Period (and after the end of the term as applicable) which will be approved by the Authority, tested, periodically updated and audited in accordance with this Schedule 8.
- 3.2 A draft Security Plan provided by the Contractor as part of its bid is set out herein.
- 3.3 Prior to the Commencement Date the Contractor will deliver to the Authority for approval the final Security Plan which will be based on the draft Security Plan set out herein.
- 3.4 If the Security Plan is approved by the Authority it will be adopted immediately. If the Security Plan is not approved by the Authority the Contractor shall amend it within 10 Working Days of a notice of non-approval from the Authority and re-submit to the Authority for approval. The Parties will use all reasonable endeavours to ensure that the approval process takes as little time as possible and in any event no longer than 15 Working Days (or such other period as the Parties may agree in writing) from the date of its first submission to the Authority. If the Authority does not approve the Security Plan following its resubmission, the matter will be resolved in accordance with clause 12 (Dispute Resolution). No approval to be given by the Authority pursuant to this paragraph 3.4 may be unreasonably withheld or delayed. However any failure to approve the Security Plan on the grounds that it does not comply with the requirements set out in paragraphs 3.1 to 3.4 shall be deemed to be reasonable.
- 3.5 The Security Plan will set out the security measures to be implemented and maintained by the Contractor in relation to all aspects of the Services and all processes associated with the delivery of the Services and shall at all times comply with and specify security measures and procedures which are sufficient to ensure that the Services comply with:
  - 3.5.1 the provisions of this Schedule 8;
  - 3.5.2 the provisions of Schedule 1 relating to security;
  - 3.5.3 the Information Assurance Standards;
  - 3.5.4 the data protection compliance guidance produced by the Authority;



- 3.5.5 the minimum set of security measures and standards required where the system will be handling Protectively Marked or sensitive information, as determined by the Security Policy Framework;
- 3.5.6 any other extant national information security requirements and guidance, as provided by the Authority's IT security officers; and
- 3.5.7 appropriate ICT standards for technical countermeasures which are included in the Contractor System.
- 3.6 The references to Quality Standards, guidance and policies set out in this Schedule shall be deemed to be references to such items as developed and updated and to any successor to or replacement for such Quality Standards, guidance and policies, from time to time.
- 3.7 If there is any inconsistency in the provisions of the above standards, guidance and policies, the Contractor should notify the Authorised Representative of such inconsistency immediately upon becoming aware of the same, and the Authorised Representative shall, as soon as practicable, advise the Contractor which provision the Contractor shall be required to comply with.
- 3.8 The Security Plan will be structured in accordance with ISO/IEC27002 and ISO/IEC27001 or other equivalent policy or procedure, cross-referencing if necessary, to other schedules of the Contract which cover specific areas included within that standard.
- 3.9 The Security Plan shall not reference any other documents which are not either in the possession of the Authority or otherwise specified in this Schedule 8.

#### **4. AMENDMENT AND REVISION**

- 4.1 The Security Plan will be fully reviewed and updated by the Contractor annually or from time to time to reflect:
  - 4.1.1 emerging changes in Good Industry Practice;
  - 4.1.2 any change or proposed change to the Contractor System, the Services and/or associated processes;
  - 4.1.3 any new perceived or changed threats to the Contractor System;
  - 4.1.4 changes to security policies introduced Government-wide or by the Authority; and/or
  - 4.1.5 a reasonable request by the Authority.

- 42 The Contractor will provide the Authority with the results of such reviews as soon as reasonably practicable after their completion and amend the Security Plan at no additional cost to the Authority.
- 43 Any change or amendment which the Contractor proposes to make to the Security Plan (as a result of an Authority request or change to Schedule 1 or otherwise) shall be subject to a CCN and shall not be implemented until Approved.

## **5. AUDIT AND TESTING**

- 5.1 The Contractor shall conduct tests of the processes and countermeasures contained in the Security Plan ("Security Tests") on an annual basis or as otherwise agreed by the Parties. The date, timing, content and conduct of such Security Tests shall be agreed in advance with the Authority.
- 52 The Authority shall be entitled to send a representative to witness the conduct of the Security Tests. The Contractor shall provide the Authority with the results of such tests (in an Approved form) as soon as practicable after completion of each Security Test.
- 53 Without prejudice to any other right of audit or access granted to the Authority pursuant to the Contract, the Authority shall be entitled at any time and without giving notice to the Contractor to carry out such tests (including penetration tests) as it may deem necessary in relation to the Security Plan and the Contractor's compliance with and implementation of the Security Plan. The Authority may notify the Contractor of the results of such tests after completion of each such test. Security Tests shall be designed and implemented so as to minimise the impact on the delivery of the Services.
- 54 Where any Security Test carried out pursuant to paragraphs 5.2 or 5.3 reveals any actual or potential security failure or weaknesses, the Contractor shall promptly notify the Authority of any changes to the Security Plan (and the implementation thereof) which the Contractor proposes to make in order to correct such failure or weakness. Subject to Approval in accordance with paragraph 4.3, the Contractor shall implement such changes to the Security Plan in accordance with the timetable agreed with the Authority or, otherwise, as soon as reasonably possible. For the avoidance of doubt, where the change to the Security Plan to address a non-compliance with the Security Policy Framework or security requirements, the change to the Security Plan shall be at no additional cost to the Authority. For the purposes of this paragraph, a weakness means a vulnerability in security and a potential security failure means a possible breach of the Security Plan or security requirements.

## **6. BREACH OF SECURITY**

- 6.1 Either Party shall notify the other immediately upon becoming aware of any Breach of Security including, but not limited to an actual, potential or attempted breach, or threat to, the Security Plan.
- 6.2 Upon becoming aware of any of the circumstances referred to in paragraph 6.1, the Contractor shall immediately take all reasonable steps necessary to:
  - 6.2.1 remedy such breach or protect the Contractor System against any such potential or attempted breach or threat; and
  - 6.2.2 prevent an equivalent breach in the future.
- 6.3 Such steps shall include any action or changes reasonably required by the Authority. If such action is taken in response to a breach that is determined by the Authority acting reasonably not to be covered by the obligations of the Contractor under the Contract, then the Contractor shall be entitled to refer the matter to the CCN procedure set out in Schedule 3.
- 6.4 The Contractor shall as soon as reasonably practicable provide to the Authority full details (using such reporting mechanism as may be specified by the Authority from time to time) of such actual, potential or attempted breach and of the steps taken in respect thereof.

**APPENDIX 1- OUTLINE SECURITY PLAN**  
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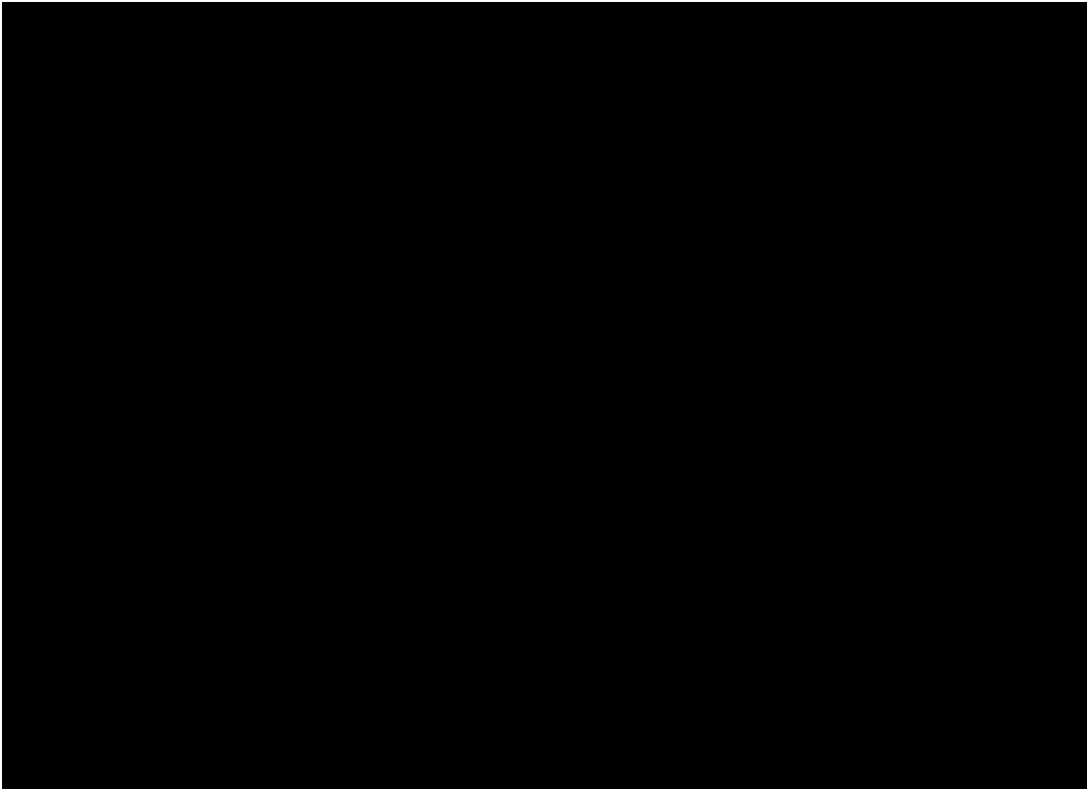
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## **APPENDIX 2 - SECURITY POLICY: SECURITY POLICY FRAMEWORK**

A copy of the Security Policy Framework may be found at:

<https://www.gov.uk/government/publications/security-policy-framework>

# **SCHEDULE 9- CO-FUNDING (Not Applicable)**

## **1. PURPOSE OF THIS SCHEDULE**

- 1.1 This Schedule 9 sets out additional terms to apply to the Contract where Co-funders are party to the Contract.

## **2. INTERPRETATION**

- 2.1 Any reference to Co-funders shall be read in the singular where only one Co-funder is a party to the Contract.
- 2.2 Any reference to “either Party” in the Contract shall be interpreted to mean “any Party” and references to “neither Party” shall be interpreted to mean “no Party”; corresponding references to “the other Party” shall be read as “the other Parties” accordingly.

## **3. CONTRACT PROVISIONS APPLYING TO THE CO-FUNDERS**

- 3.1 If the Co-funders fail to make any payment in accordance with Schedule 2 the Authority may issue a notice to the Contractor in accordance with clause A4.2 (Notices) identifying the default of the Co-funders and, without prejudice to any other rights or remedies, terminating the Contract with immediate effect.
- 3.2 Each Co-funder agrees to comply with the obligations expressed to apply to the Authority in clause C with respect to that part of the Price which is payable by the relevant Co-funder as set out in Schedule 2. Any reference to “the Authority” in clause C shall be interpreted as if it read “the Authority or the Co-funders, as the case may be”.
- 3.3 Clause E8.5 (Intellectual Property Rights) is deleted and replaced with the following:

“E8.5 The Contractor shall not infringe any Intellectual Property Rights of any third party in supplying the Services and the Contractor shall, during and after the Contract Period, indemnify and keep indemnified the Authority and the Crown and the Co-funders from and against all actions, suits, claims, demands, losses, charges, damages, costs and expenses and other liabilities which the Authority, the Crown or the Co-funders (as the case may be) may suffer or incur as a result of or in connection with any breach of this clause E8.5, except to the extent that any such claim results directly from:

  - (a) items or materials based upon designs supplied by the Authority; or
  - (b) the use of data supplied by the Authority which is not required to be verified by the Contractor under any provision of the Contract.”

- 3.4 The Contractor shall, in addition to informing the Authority of the matters referred to in clause F2.1 (Monitoring of Contract Performance), immediately inform the Co-funders of the same matter(s). The Authority shall pay due regard to any representations made by the Co-funders in exercising its rights under clauses F2.2 to F2.7 and the reference to “no extra charge to the Authority” in clause F2.7 shall be interpreted to mean “no extra charge to the Authority or the Co-funders”.
- 3.5 The indemnity from the Contractor to the Authority set out in clause G1.2 (Liabilities) is also given to the Co-funders, so that each reference to “the Authority” in that clause should be read as “the Authority and the Co-funders”. Accordingly, each reference to “the Authority” in clause G1.3 shall be read as “the Authority and the Co-funders”.
- 3.6 The Contractor shall not (and shall ensure that any other person engaged in relation to the Contract shall not) say or do anything that might lead any other person to believe that the Contractor is acting as the agent or employee of the Co-funders.