

S1 - PRECEDENT CONTRACT FOR THE PURCHASE OF SERVICES

SECTION A

This Contract is dated 7th January 2021.

Parties

- (1) The Department for Business, Energy and Industrial Strategy (BEIS), 1 Victoria Street, London SW1H 0ET (The Contracting Authority).
- (2) Economic Insight Ltd, a company incorporated and registered in United Kingdom with company number 07608279 and registered VAT number 119546403 whose registered office is at 6th Floor, 125 Old Broad Street, London EC2N 1AR (the Supplier).

Background

The Contracting Authority wishes the Supplier to supply, and the Supplier wishes to supply, the Services (as defined below) in accordance with the terms of the Contract (as defined below).

A1 Interpretation

A1-1 **Definitions.** In the Contract (as defined below), the following definitions apply:

Agent: Where UK Shared Business Services is not the named Contracting Authority is Parties (1), UK SBS has been nominated as agent on behalf of the Contracting Authority and therefore all communications both written and verbal will be received as issued by the Contracting Authority.

Associated Bodies and Authorised Entities: Associated Bodies and Authorised Entities include but are not limited to The Science and Technology Facilities Council, The Medical Research Council, The Engineering and Physical Sciences Research Council, The Economic and Social Research Council, The Natural Environment Research Council, The Arts and Humanities Research Council, The Biotechnology and Biological Sciences Research Council, UK SBS Ltd, Central Government Departments and their Agencies, Non Departmental Public Bodies, NHS bodies, Local Authority's, Voluntary Sector Charities, and/or other private organisations acting as managing agents or procuring on behalf of these UK bodies. Further details of these organisations can be found at:

<http://www.ukpbs.co.uk/services/procure/contracts/Pages/default.aspx>

Business Day: a day (other than a Saturday, Sunday or public holiday) when banks in London are open for business.

Charges: the charges payable by the Contracting Authority for the supply of the Services in accordance with clause B4.

Commencement: the date and any specified time that the Contract starts

Conditions: the terms and conditions set out in this document as amended from time to time in accordance with clause C7-11.

Confidential Information: any confidential information, knowhow and data (in any form or medium) which relates to UK SBS, the Contracting Authority or the Supplier, including information relating to the businesses of UK SBS, the Contracting Authority or the Supplier and information relating to their staff, finances, policies and procedures. This includes information identified as confidential in the Order or the Special Conditions (if any).

Contract: the contract between the Contracting Authority and the Supplier for the supply of the Services, in accordance with these Conditions, any Special Conditions

and the Order only.

Contracting Authority: The Department for Business, Energy and Industrial Strategy (BEIS), as specified at Section A (1) and any replacement or successor organisation.

Delivery Date (Services): the date or dates specified in the Order when the Services shall commence as set out in the Order and until the end date specified in the Order

Deliverables: all Documents, products and materials developed by the Supplier or its agents, contractors and employees as part of or in relation to the Services in any form, including computer programs, data, reports and specifications (including drafts).

Document: includes, in addition to any document in writing, any drawing, map, plan, diagram, design, picture or other image, tape, disk or other device or record embodying information in any form.

EIR: The Environmental Information Regulations 2004 together with any guidance and/or codes of practice issues by the Information Commissioner or relevant government department in relation to such regulations.

FOIA: The Freedom of Information Act 2000 and any subordinate legislation made under the 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.

GDPR: The General Data Protection Regulations as amended from time to time.

Information: has the meaning given under section 84 of FOIA.

Intellectual Property Rights: all patents, rights to inventions, utility models, copyright and related rights, trademarks, service marks, trade, business and domain names, rights in trade dress or get-up, rights in goodwill or to sue for passing off, unfair competition rights, rights in designs, rights in computer software, database right, topography rights, rights in confidential information (including know-how and trade secrets) and any other intellectual property rights, in each case whether registered or unregistered and including all applications for and renewals or extensions of such rights, and all similar or equivalent rights or forms of protection in any part of the world.

Order: the Contracting Authority's order for the Services, as set out in the Contracting Authority's completed purchase order form (including any Specification) which is in the format of the pro forma order form attached at Schedule 2. For the avoidance of doubt, if the Contracting Authority's purchase order form is not in the format of the pro forma order form at Schedule 2, it will not constitute an Order.

Public Body: any part of the government of the United Kingdom including but not limited to the Northern Ireland Assembly and Executive Committee, the Scottish Executive and the National Assembly for Wales, local authorities, government ministers and government departments and government agencies.

Request for Information: a request for Information or an apparent request under FOIA or EIR.

Scheme Effective Date: the date on which the United Kingdom Research and Innovation become a legal entity.

Services: The Services, including without limitation any Deliverables, Deliverables and Supplies required to complete the Services, to be provided by the Supplier under the Contract as set out in the Order.

Special Conditions: the special conditions (if any) set out in Schedule 1.

Specification: any specification for the Services or Supplies, including any related plans and drawings that is supplied to the Supplier by the Contracting Authority, or produced by the Supplier and agreed in writing by the Contracting Authority.

Supplier or Suppliers: the parties to the contract as named in Section A (2).

Supplies: any such thing that the Supplier is required to Deliver, that does not require or include Services or Deliverables

Supplier's Associate: any individual or entity associated with the Supplier including, without limitation, the Supplier's subsidiary, affiliated or holding companies and any employees, agents or contractors of the Supplier and / or its subsidiary, affiliated or holding companies or any entity that provides Services for or on behalf of the Supplier.

TUPE: The Transfer of Undertakings (Protection of Employment) Regulations 2006 as amended or replaced from time to time.

UKRI: UK Research Council and Innovation, established as a body corporate in accordance with the Higher Education and Research Act 2017.

UK SBS: UK Shared Business Services Limited (a limited company registered in England and Wales with company number 06330639). Where UK SBS is not named as the Contracting Authority within section A (1), UK SBS will be acting as an agent on behalf of the Contracting Authority.

Working Day: any Business Day excluding 27, 28, 29, 30 and 31 December in any year.

A1-2 Construction. In the Contract, unless the context requires otherwise, the following rules apply:

A1-2-1 A person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).

A1-2-2 A reference to a party includes its personal representatives, successors or permitted assigns.

A1-2-3 A reference to a statute or statutory provision is a reference to such statute or provision as amended or re-enacted. A reference to a statute or statutory provision includes any subordinate legislation made under that statute or statutory provision, as amended or re-enacted.

A1-2-4 Any phrase introduced by the terms including, include, in particular or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

A1-2-5 The headings in these Conditions are for ease of reference only and do not affect the interpretation or construction of the Contract.

A1-2-6 A reference to writing or written includes faxes and e-mails.

A2 Basis of contract

A2-1 Where UK SBS is not the Contracting Authority, UK SBS is the agent of the Contracting Authority for the purpose of procurement and is authorised to negotiate and enter into contracts for the supply of Services on behalf of the Contracting Authority. UK SBS will not itself be a party to, nor have any liability under, the Contract unless it is expressly specified as Contracting Authority in the Order.

A2-2 The terms of this Contract, any Special Conditions and the Order apply to the Contract to the exclusion of all other terms and conditions, including any other terms that the Supplier seeks to impose or incorporate (whether in any quotation, confirmation of order, in correspondence or in any other context), or which are implied by trade, custom, practice or course of dealing.

- A2-3 If there is any conflict or inconsistency between the terms of this Contract, the Special Conditions (if any) and the Order (including any Specification), the terms of the Contract will prevail over the Special Conditions and the Special Conditions will prevail over the Order (including any Specification), in each case to the extent necessary to resolve that conflict or inconsistency.
- A2-4 The Order constitutes an offer by the Contracting Authority to purchase the Services in accordance with this Contract (and any Special Conditions). This offer shall remain valid for acceptance by the Supplier, in accordance with clause A2-5, for 28 days from the date of the Order. Notwithstanding that after 28 days the offer will have expired, the Contracting Authority may, at its discretion, nevertheless treat the offer as still valid and may elect to accept acceptance by the Supplier, in accordance with clause A2-5, as valid acceptance of the offer.
- A2-5 Subject to clause A2-4, the Order shall be deemed to be accepted on the date on which authorised representatives of both parties have signed a copy of this Contract, at which point the Contract shall come into existence. The Contract shall remain in force until all the parties' obligations have been performed in accordance with the Contract, at which point it shall expire, or until the Contract has been terminated in accordance with clause A3.

A3 Termination

- A3-1 The Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority may terminate the Contract in whole or in part at any time before the Services are provided with immediate effect by giving the Supplier written notice, whereupon the Supplier shall discontinue all work on the Contract. The Contracting Authority shall pay the Supplier fair and reasonable compensation for work-in-progress at the time of termination, but such compensation shall not include loss of anticipated profits or any consequential loss. The Supplier shall have a duty to mitigate its costs and shall on request provide proof of expenditure for any compensation claimed.
- A3-2 The Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority may terminate the Contract with immediate effect by giving written notice to the Supplier if:
- A3-2-1 the circumstances set out in clauses B2-1-1, C3 or C4-1 apply;
 - A3-2-2 the Supplier breaches any term of the Contract and (if such breach is remediable) fails to remedy that breach within 30 days of being notified in writing of the breach; or
 - A3-2-3 the Supplier suspends, or threatens to suspend, payment of its debts or is unable to pay its debts as they fall due or admits inability to pay its debts or (being a company) is deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986, or (being an individual) is deemed either unable to pay its debts or as having no reasonable prospect of so doing, in either case, within the meaning of section 268 of the Insolvency Act 1986, or (being a partnership) has any partner to whom any of the foregoing apply; or
 - A3-2-4 the Supplier commences negotiations with all or any class of its creditors with a view to rescheduling any of its debts, or makes a proposal for or enters into any compromise or arrangement with its creditors; or
 - A3-2-5 (being a company) a petition is filed, a notice is given, a resolution is passed, or an order is made, for or in connection with the winding up of the Supplier; or
 - A3-2-6 (being an individual) the Supplier is the subject of a bankruptcy petition or order; or

- A3-2-7 a creditor or encumbrancer of the Supplier 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 its assets and such attachment or process is not discharged within 14 days; or
- A3-2-8 (being a company) an application is made to court, or an order is made, for the appointment of an administrator or if a notice of intention to appoint an administrator is given or if an administrator is appointed over the Supplier; or
- A3-2-9 (being a company) a floating charge holder over the Supplier's assets has become entitled to appoint or has appointed an administrative receiver; or
- A3-2-10 a person becomes entitled to appoint a receiver over the Supplier's assets or a receiver is appointed over the Supplier's assets; or
- A3-2-11 any event occurs, or proceeding is taken, with respect to the Supplier in any jurisdiction to which it is subject that has an effect equivalent or similar to any of the events mentioned in clause A3-2-3 to clause A3-2-10 inclusive; or
- A3-2-12 there is a change of control of the Supplier (within the meaning of section 1124 of the Corporation Tax Act 2010); or
- A3-2-13 the Supplier suspends, or threatens to suspend, or ceases or threatens to cease to carry on, all or substantially the whole of its business; or
- A3-2-14 the Supplier's financial position deteriorates to such an extent that in the Contracting Authority's opinion the Supplier's capability to adequately fulfil its obligations under the Contract has been placed in jeopardy; or
- A3-3 Termination of the Contract, however arising, shall not affect any of the parties' rights and remedies that have accrued as at termination. Clauses which expressly or by implication survive termination or expiry of the Contract shall continue in full force and effect.
- A3-4 Without prejudice to clause A3-3, clauses B1, B2, B5, B6, B7, B8, B9, C1, C2, C3, C4, C6 and C7 shall survive the termination or expiry of the Contract and shall continue in full force and effect.
- A3-5 Upon termination or expiry of the Contract, the Supplier shall immediately:
 - A3-5-1 cease all work on the Contract;
 - A3-5-2 Deliver to the Contracting Authority all Deliverables and all work-in-progress whether or not then complete. If the Supplier fails to do so, then the Contracting Authority may enter the Supplier's premises and take possession of them. Until they have been returned or delivered, the Supplier shall be solely responsible for their safe keeping and will not use them for any purpose not connected with this Contract;
 - A3-5-3 cease use of and return (or, at the Contracting Authority's or UK SBS's acting as an agent on behalf of the Contracting Authority's election, destroy) all of the Contracting Authority's Materials in the Supplier's possession or control; and
 - A3-5-4 Cease all use of, and delete all copies of, UK SBS's or the Contracting Authority's or UK SBS's confidential information.
- A3-6 The Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority shall at any time have the right for convenience to terminate the Contract or reduce the quantity of Services to be provided by the Supplier in each case by giving to the Supplier reasonable written notice. During the period of notice the Contracting Authority may direct the Supplier to perform all or any of the work under the Contract. Where the Contracting Authority has invoked either of these rights, the Supplier may claim reasonable costs necessarily and properly incurred by him as a

result of the termination or reduction, excluding loss of profit, provided that the claim shall not exceed the total cost of the Contract. The Supplier shall have a duty to mitigate its costs and shall on request provide proof of expenditure for any compensation claimed

SECTION B

B1 Supply of Services

- B1-1 The Supplier shall from the date set out in the Contract and until the end date specified in the Contract provide the Services to the Contracting Authority in accordance with the terms of the Contract.
- B1-2 The Supplier shall meet any performance dates for the Services (including the delivery of Deliverables) specified in the Order (including any Special Conditions and any applicable Specification) or notified to the Supplier by the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority.
- B1-3 In providing the Services, the Supplier shall:
- B1-3-1 co-operate with the Contracting Authority in all matters relating to the Services, and comply with all instructions of the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority;
 - B1-3-2 perform the Services with reasonable skill and care and in accordance with all generally recognised commercial standards and practices for services of the nature of the Services;
 - B1-3-3 use personnel who are suitably skilled and experienced to perform tasks assigned to them, and in sufficient number to ensure that the Supplier's obligations are fulfilled in accordance with this Contract;
 - B1-3-4 ensure that the Services and Deliverables will conform with all descriptions and specifications set out in the Contract (including any Special Conditions and any applicable Specification), and that the Deliverables shall be fit for any purpose expressly or impliedly made known to the Supplier by the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority;
 - B1-3-5 provide all equipment, tools and vehicles and such other items as are required to provide the Services;
 - B1-3-6 use the best quality Supplies, materials, standards and techniques, and ensure that the Deliverables, and all Supplies and materials supplied and used in the Services or transferred to the Contracting Authority, will be free from defects in workmanship, installation and design;
 - B1-3-7 obtain and at all times maintain all necessary licences and consents, and comply with all applicable laws and regulations;
 - B1-3-8 observe all health and safety rules and regulations and any other security requirements that apply at any of the Contracting Authority's premises; and
 - B1-3-9 Not do or omit to do anything which may cause the Contracting Authority to lose any licence, authority, consent or permission on which it relies for the purposes of conducting its business, and the Supplier acknowledges that the Contracting Authority may rely or act on the Services.
- B1-4 The Contracting Authority's rights under the Contract are without prejudice to and in addition to the statutory terms implied in favour of the Contracting Authority under the Supply of Goods and Services Act 1982 and any other applicable legislation.
- B1-5 Without prejudice to the Contracting Authority's statutory rights, the Contracting Authority will not be deemed to have accepted any Deliverables until the Contracting

Authority has had at least 14 Working Days after delivery to inspect them and the Contracting Authority also has the right to reject any Deliverables as though they had not been accepted for 14 Working Days after any latent defect in the Deliverables has become apparent.

- B1-6 If, in connection with the supply of the Services, the Contracting Authority permits any employees or representatives of the Supplier to have access to any of the Contracting Authority's premises, the Supplier will ensure that, whilst on the Contracting Authority's premises, the Supplier's employees and representatives comply with:

B1-6-1 all applicable health and safety, security, environmental and other legislation which may be in force from time to time; and

B1-6-2 any Contracting Authority policy, regulation, code of practice or instruction relating to health and safety, security, the environment or access to and use of any Contracting Authority's laboratory, facility or equipment which is brought to their attention or given to them whilst they are on Contracting Authority's premises by any employee or representative of the Contracting Authority's.

- B1-7 The Supplier warrants that the provision of Services shall not give rise to a transfer of any employees of the Supplier or any third party to the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority pursuant to TUPE.

B2 Contracting Authority Remedies

- B2-1 If the Supplier fails to perform the Services by the applicable dates, the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority shall, without limiting its other rights or remedies, have one or more of the following rights:

B2-1-1 to terminate the Contract with immediate effect by giving written notice to the Supplier;

B2-1-2 to refuse to accept any subsequent performance of the Services (including delivery of Deliverables) which the Supplier attempts to make;

B2-1-3 to recover from the Supplier any costs incurred by the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority in obtaining substitute Services from a third party;

B2-1-4 where the Contracting Authority has paid in advance for Services that have not been provided by the Supplier, to have such sums refunded by the Supplier; or

B2-1-5 To claim damages for any additional costs, loss or expenses incurred by the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority which are in any way attributable to the Supplier's failure to meet such dates.

- B2-2 These Conditions shall extend to any substituted or remedial Services provided by the Supplier.

- B2-3 The Contracting Authority's rights under this Contract are in addition to its rights and remedies implied by statute and common law.

B3 Contracting Authority Obligations

- B3-1 The Contracting Authority shall:

B3-1-1 provide the Supplier with reasonable access at reasonable times to the Contracting Authority's premises for the purpose of providing the Services; and

B3-1-2 Provide such information to the Supplier as the Supplier may reasonably request and the Contracting Authority considers reasonably necessary for the

purpose of providing the Services.

B4 Charges and Payment

- B4-1 The Charges for the Services shall be set out in the Order and shall be the full and exclusive remuneration of the Supplier in respect of the performance of the Services. Unless otherwise agreed in writing by the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority, the Charges shall include every cost and expense of the Supplier directly or indirectly incurred in connection with the performance of the Services.
- B4-2 Where the Order states that the Services are to be provided on a time and materials basis, the Charges for those Services will be calculated as follows:
- B4-2-1 the charges payable for the Services will be calculated in accordance with the Supplier's standard daily fee rates (as at the date of the Order), subject to any discount specified in the Order;
- B4-2-2 the Supplier's standard daily fee rates for each individual person will be calculated on the basis of an eight-hour day worked between such hours and on such days as are agreed by the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority and the Supplier;
- B4-2-3 the Supplier will not be entitled to charge pro-rata for part days without the prior written consent of the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority;
- B4-2-4 the Supplier will ensure that every individual whom it engages to perform the Services completes time sheets recording time spent on the Services and the Supplier will use such time sheets to calculate the charges covered by each invoice and will provide copies of such time sheets to the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority upon request; and
- B4-2-5 the Supplier will invoice the Contracting Authority monthly in arrears for its charges for time, as well as any previously agreed expenses and materials for the month concerned calculated as provided in this clause B4-2 and clause B4-3
- B4-3 The Contracting Authority will reimburse the Supplier at cost for all reasonable travel, subsistence and other expenses incurred by individuals engaged by the Supplier in providing the Services to the Contracting Authority provided that the Contracting Authority's prior written approval is obtained before incurring any such expenses, that all invoices for such expenses are accompanied by valid receipts and provided that the Supplier complies at all times with Contracting Authority's expenses policy from time to time in force.
- B4-4 The Supplier shall invoice the Contracting Authority on completion of the Services. Each invoice shall include such supporting information required by the Contracting Authority to verify the accuracy of the invoice, including but not limited to the relevant purchase order number.
- B4-5 In consideration of the supply of the Services by the Supplier, the Contracting Authority shall pay the invoiced amounts within 30 days of the date of a correctly rendered invoice. Payment shall be made to the bank account nominated in writing by the Supplier unless the Contracting Authority agrees in writing to another payment method.
- B4-6 All amounts payable by the Contracting Authority under the Contract are exclusive of amounts in respect of value added tax chargeable for the time being (VAT). Where any taxable supply for VAT purposes is made under the Contract by the Supplier to the Contracting Authority, the Contracting Authority shall, on receipt of a valid VAT

invoice from the Supplier, pay to the Supplier such additional amounts in respect of VAT as are chargeable on the supply of the Services at the same time as payment is due for the supply of the Services.

- B4-7 The Supplier shall maintain complete and accurate records of the time spent and materials used by the Supplier in providing the Services and shall allow the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority to inspect such records at all reasonable times on request.
- B4-8 The Supplier shall not be entitled to assert any credit, set-off or counterclaim against the Contracting Authority in order to justify withholding payment of any such amount in whole or in part. The Contracting Authority may, without limiting any other rights or remedies it may have, set off any amount owed to it by the Supplier against any amounts payable by it to the Supplier under the Contract.
- B4-9 The Supplier acknowledges and agrees that it will pay correctly rendered invoices from any of its suppliers or other sub-contractors within 30 days of receipt of the invoice.

B4-10 Payment to Other Parties

The Supplier shall ensure, pursuant to obligations imposed on the Contracting Authority under Regulation 113(2)(c) of the Public Contracts Regulations 2015 (as amended), that any subcontract awarded by the Supplier contains suitable provisions to impose, as between the parties to the subcontractor, requirements that:

- B4-10-1 any payment due from the Supplier to the subcontractor under the subcontract is to be made no later than the end of a period of 30 days from the date on which the relevant invoice is regarded as valid and undisputed;
- B4-10-2 any invoices for payment submitted by the subcontractor or are considered and verified by the Supplier in a timely fashion and that undue delay in doing so is not to be sufficient justification for failing to regard an invoice as valid and undisputed;
and
- B4-10-3 any subcontractor will include, in any subcontract which it in turn awards, suitable provisions to impose, as between the parties to that subcontract, requirements to the same effect as those imposed in paragraphs B4-10-1, B4-10-2 and B4-10-3 of this Clause B4-10, subject to suitable amendment to reflect the identities of the relevant parties.

For the avoidance of doubt, in any situations that the Contracting Authority is making payments to the Supplier without being presented with an invoice, the absence of an invoice does not waive any obligation regarding payments made by the Supplier to its subcontractors or supply chain.

B5 Contracting Authority Property

- B5-1 The Supplier acknowledges that all information (including confidential information), equipment and tools, drawings, specifications, data, software and any other materials supplied by the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority to the Supplier (**Contracting Authority's Materials**) and all rights in the Contracting Authority's Materials are and shall remain at all times the exclusive property of the Contracting Authority and UK SBS (as appropriate). The Supplier shall keep the Contracting Authority's Materials in safe custody at its own risk, maintain them in good condition until returned to the Contracting Authority or UK SBS, and not dispose or use the same other than for the sole purpose of performing the Supplier's obligations under the Contract and in accordance with written instructions or authorisation from the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority.

B6 Intellectual Property Rights

- B6-1 In respect of any Supplies that are transferred to the Contracting Authority under this Contract, including without limitation the Deliverables or any part of them, the Supplier warrants that it has full clear and unencumbered title to all such items, and that at the date of delivery of such items to the Contracting Authority, it will have full and unrestricted rights to transfer all such items to the Contracting Authority.
- B6-2 Save as otherwise provided in the Special Conditions, the Supplier assigns to the Contracting Authority, with full title guarantee and free from all third party rights, all Intellectual Property Rights in the products of the Services, including for the avoidance of doubt the Deliverables. Where those products or Deliverables incorporate any Intellectual Property Rights owned by or licensed to the Supplier which are not assigned under this clause, the Supplier grants to the Contracting Authority a worldwide, irrevocable, royalty-free, transferable licence, with the right to grant sub-licences, under those Intellectual Property Rights to maintain, repair, adapt, copy and use those products and Deliverables for any purpose.
- B6-3 The Supplier shall obtain waivers of all moral rights in the products, including for the avoidance of doubt the Deliverables, of the Services to which any individual is now or may be at any future time entitled under Chapter IV of Part I of the Copyright Designs and Patents Act 1988 or any similar provisions of law in any jurisdiction.
- B6-4 The Supplier shall, promptly at the request of the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority, do (or procure to be done) all such further acts and things and the execution of all such other documents as the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority may from time to time require for the purpose of securing for the Contracting Authority the full benefit of the Contract, including all right, title and interest in and to the Intellectual Property Rights assigned to the Contracting Authority in accordance with clause B6-2.

B7 Indemnity

- B7-1 The Supplier shall indemnify, and shall keep indemnified the Contracting Authority and UK SBS acting as an agent on behalf of the Contracting Authority, in full against all costs, expenses, damages and losses (whether direct or indirect), including any interest, fines, legal and other professional fees and expenses awarded against or incurred or paid by the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority as a result of or in connection with:
- B7-1-1 any claim made against the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority by a third party arising out of, or in connection with, the supply of the Services, to the extent that such claim arises out of the breach, negligent performance or failure or delay in performance of the Contract by the Supplier, its employees, agents or subcontractors; and
 - B7-1-2 any claim brought against the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority for actual or alleged infringement of a third party's Intellectual Property Rights arising out of, or in connection with, the receipt, use or supply of the Services; and
 - B7-1-3 Any claim whether in tort, contract, statutory or otherwise, demands, actions, proceedings and any awards arising from a breach by the Supplier of clause B1-7 of these Conditions.
- B7-2 This clause B7 shall survive termination or expiry of the Contract.

B8 Insurance

- B8-1 During the term of the Contract and for a period of 3 years thereafter, the Supplier

shall maintain in force the following insurance policies with reputable insurance companies:

B8-1-1 professional Indemnity insurance for not less than £2 million per claim;

B8-1-2 public liability insurance for not less than £5 million per claim (unlimited claims); and

B8-1-3 employer liability insurance for not less than £5 million per claim (unlimited claims); and

B8-1-4 The Supplier shall ensure that the Contracting Authority's interest is noted on each insurance policy, or that a generic interest clause has been included.

B8-2 On request from the Contracting Authority's or UK SBS acting as an agent on behalf of the Contracting Authority, the Supplier shall provide the Contracting Authority or UK SBS with copies of the insurance policy certificates and details of the cover provided.

B8-3 The Supplier shall ensure that any subcontractors also maintain adequate insurance having regard to the obligations under the Contract which they are contracted to fulfil.

B8-4 The Supplier shall:

B8-4-1 do nothing to invalidate any insurance policy or to prejudice the Contracting Authority's entitlement under it; and

B8-4-2 notify the Contracting Authority if any policy is (or will be) cancelled or its terms are (or will be) subject to any material change.

B8-5 If the Supplier fails or is unable to maintain insurance in accordance with clause B8-1, the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority may, so far as it is able, purchase such alternative insurance cover as it deems to be reasonably necessary and shall be entitled to recover all reasonable costs and expenses it incurs in doing so from the Supplier.

B9 Liability

B9-1 In this clause B9, a reference to the Contracting Authority or UK SBS's liability for something is a reference to any liability whatsoever which the Contracting Authority or UK SBS might have for it, its consequences, and any direct, indirect or consequential loss, damage, costs or expenses resulting from it or its consequences, whether the liability arises under the Contract, in tort or otherwise, and even if it results from the Contracting Authority's or UK SBS's negligence or from negligence for which the Contracting Authority's or UK SBS would otherwise be liable.

B9-2 The Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority is not in breach of the Contract, and neither the Contracting Authority nor UK SBS has any liability for anything, to the extent that the apparent breach or liability is attributable to the Supplier's breach of the Contract.

B9-3 Subject to clause B9-6, neither the Contracting Authority nor UK SBS acting as agent on behalf of the Contracting Authority shall have any liability for:

B9-3-1 any indirect or consequential loss or damage;

B9-3-2 any loss of business, rent, profit or anticipated savings;

B9-3-3 any damage to goodwill or reputation;

B9-3-4 loss, theft, damage or destruction to any equipment, tools, machinery, vehicles or other equipment brought onto the Contracting Authority's premises by or on behalf of the Supplier; or

- B9-3-5 Any loss, damage, costs or expenses suffered or incurred by any third party.
- B9-4 Subject to clause B9-6, the Contracting Authority and UK SBS's total liability shall be limited to the Charges.
- B9-5 Subject to clause B9-6, the Supplier's total liability in connection with the Contract shall be limited to £1,000,000.
- B9-6 Nothing in the Contract restricts either the Contracting Authority, UK SBS or the Supplier's liability for:
- B9-6-1 death or personal injury resulting from its negligence; or
- B9-6-2 its fraud (including fraudulent misrepresentation); or
- B9-6-3 Breach of any obligations as to title implied by Section 12 of the Sale of Goods Act 1979 or Section 2 of the Supply of Goods and Services Act 1982.
- B9-6-4 Nothing in this contract restricts Supplier liability in regard to breaches of Intellectual Property or GDPR.

SECTION C

C1 Confidential Information

- C1-1 A party who receives Confidential Information shall keep in strict confidence (both during the term of the Contract and after its expiry or termination) all Confidential Information which is disclosed to it. That party shall only disclose such Confidential Information to those of its employees, agents or subcontractors who need to know the same for the purpose of discharging that party's obligations under the Contract, and shall ensure that such employees, agents or subcontractors shall keep all such information confidential in accordance with this clause C1. Neither party shall, without the prior written consent of the other party, disclose to any third party any Confidential Information, unless the information:
- C1-1-1 was public knowledge or already known to that party at the time of disclosure; or
- C1-1-2 subsequently becomes public knowledge other than by breach of the Contract; or
- C1-1-3 subsequently comes lawfully into the possession of that party from a third party; or
- C1-1-4 Is agreed by the parties not to be confidential or to be disclosable.
- C1-2 To the extent necessary to implement the provisions of the Contract (but not further or otherwise), either party may disclose the Confidential Information to any relevant governmental or other authority or regulatory body, provided that before any such disclosure that party shall make those persons aware of its obligations of confidentiality under the Contract and shall use reasonable endeavours to obtain a binding undertaking as to confidentiality from all such persons.
- C1-3 All documents and other records (in whatever form) containing Confidential Information supplied to or acquired by a party from the other party shall be returned promptly to the other party (or, at the election of the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority, destroyed) on expiry or termination of the Contract, and no copies shall be kept.

C2 Transparency

- C2-1 The Supplier acknowledges that the United Kingdom Government's transparency agenda requires that contracts, such as the Contract, and any sourcing document, such as the invitation to sourcing, are published on a designated, publicly searchable website.

- C2-2 The Supplier acknowledges that, except for any information which is exempt from disclosure in accordance with the provisions of FOIA, the content of the Contract is not Confidential Information. The Contracting Authority and or UK SBS acting as an agent on behalf of the Contracting Authority shall be responsible for determining in their absolute discretion whether any of the content of the Contract is exempt from disclosure in accordance with the provisions of FOIA.
- C2-3 Notwithstanding any other term of the Contract, the Supplier hereby consents to the Contracting Authority and or UK SBS acting as an agent on behalf of the Contracting Authority publishing the Contract in its entirety, (but with any information which is exempt from disclosure in accordance with the provisions of FOIA redacted) including from time to time agreed changes to the Contract, to the general public.

If any of the situations in **Error! Reference source not found.**, **Error! Reference source not found.**, **Error! Reference source not found.** apply the Supplier consents to the Contract or sourcing documents being redacted by the Contracting Authority to the extent necessary to remove or obscure the relevant material and being published on the designated website subject to those redactions

In this entire clause the expression "sourcing documents" means the advertisement issued by UK SBS seeking expressions of interest, any pre-qualification questionnaire stage and the invitation to tender.

C3 Force Majeure

- C3-1 If any event or circumstance that is beyond the reasonable control of the Supplier, and which by its nature could not have been foreseen by the Supplier or, if it could have been foreseen, was unavoidable, (provided that the Supplier shall use all reasonable endeavours to cure any such events or circumstances and resume performance under the Contract) prevent the Supplier from carrying out its obligations under the Contract for a continuous period of more than 10 Business Days, the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority may terminate this Contract immediately by giving written notice to the Supplier

C4 Corruption

- C4-1 The Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority shall be entitled to terminate the Contract immediately and to recover from the Supplier the amount of any loss resulting from such termination if the Supplier or a Supplier's Associate:
- C4-1-1 offers or agrees to give any person working for or engaged by the Contracting Authority, UK SBS or any Public Body any favour, gift or other consideration, which could act as an inducement or a reward for any act or failure to act connected to the Contract, or any other agreement between the Supplier and Contracting Authority, or UK SBS or any Public Body, including its award to the Supplier or a Supplier's Associate and any of the rights and obligations contained within it;
 - C4-1-2 has entered into the Contract if it has knowledge that, in connection with it, any money has been, or will be, paid to any person working for or engaged by the Contracting Authority, or UK SBS or any Public Body by or for the Supplier, or that an agreement has been reached to that effect, unless details of any such arrangement have been disclosed in writing to the Contracting Authority, or UK SBS before the Contract is entered into;
 - C4-1-3 breaches the provisions of the Prevention of Corruption Acts 1889 to 1916, or the Bribery Act 2010; or

C4-1-4 Gives any fee or reward the receipt of which is an offence under Section 117(2) of the Local Government Act 1972.

C4-2 For the purposes of clause C4-1, "loss" shall include, but shall not be limited to:

C4-2-1 The Contracting Authority's or UK SBS's costs in finding a replacement supplier;

C4-2-2 direct, indirect and consequential losses; and

C4-2-3 Any loss suffered by the Contracting Authority or UK SBS as a result of a delay in its receipt of the Services.

C5 Data Protection

C5-1 The Supplier shall comply at all times with all data protection legislation applicable in the UK.

C6 Freedom of Information

C6-1 The Supplier acknowledges that the Contracting Authority and or UK SBS may be subject to the requirements of FOIA and EIR and shall assist and co-operate with the Contracting Authority and or UK SBS to enable them to comply with its obligations under FOIA and EIR.

C6-2 The Supplier shall and shall procure that its employees, agents, sub-contractors and any other representatives shall provide all necessary assistance as reasonably requested by the Contracting Authority or UK SBS to enable the Contracting Authority or UK SBS to respond to a Request for Information within the time for compliance set out in section 10 of FOIA or regulation 5 of EIR.

C6-3 The Contracting Authority and or UK SBS acting as an agent on behalf of the Contracting Authority shall be responsible for determining (in its absolute discretion) whether any Information:

C6-3-1 is exempt from disclosure in accordance with the provisions of FOIA or EIR;

C6-3-2 is to be disclosed in response to a Request for Information,

And in no event shall the Supplier respond directly to a Request for Information unless expressly authorised to do so in writing by the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority.

C6-4 The Supplier acknowledges that the Contracting Authority and or UK SBS may be obliged under the FOIA or EIR to disclose Information, in some cases even where that Information is commercially sensitive:

C6-4-1 without consulting with the Supplier, or

C6-4-2 Following consultation with the Supplier and having taken its views into account.

C6-5 Where clause C6-4-2 applies the Contracting Authority and or UK SBS shall, in accordance with any recommendations issued under any code of practice issued under section 45 of FOIA, take reasonable steps, where appropriate, to give the Supplier advanced notice, or failing that, to draw the disclosure to the Supplier's attention as soon as practicable after any such disclosure.

C6-6 Where the Supplier organisation is subject to the requirements of the FOIA and EIR, C6-7 will supersede C6-2 – C6-5. Where the Supplier organisation is not subject to the requirements of the FOIA and EIR, C6-7 will not apply.

C6-7 The Contracting Authority and UK SBS acknowledge that the Supplier may be subject to the requirements of the FOIA and EIR and shall assist and co-operate with the Supplier to enable them to comply with its obligations under the FOIA and

EIR.

C7 General

C7-1 Entire Agreement

C7-1-1 The Contract constitutes the entire agreement between the Contracting Authority and the Supplier in relation to the supply of the Services and the Contract supersedes any earlier agreements, arrangements and understandings relating to that subject matter.

C7-2 Liability

C7-2-1 Where the Contracting Authority is more than one person, the liability of each such person for their respective obligations and liabilities under the Contract shall be several and shall extend only to any loss or damage arising out of each such person's own breaches.

C7-2-2 Where the Contracting Authority is more than one person and more than one of such persons is liable for the same obligation or liability, liability for the total sum recoverable will be attributed to the relevant persons in proportion to the price payable by each of them under the Contract.

C7-3 Assignment and Subcontracting

C7-3-1 The Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority may at any time assign, transfer, charge, subcontract or deal in any other manner with any or all of its rights or obligations under the Contract.

C7-3-2 The Supplier may not assign, transfer, charge, subcontract or deal in any other manner with any or all of its rights or obligations under the Contract without prior written consent from the Contracting Authority's or UK SBS acting as an agent on behalf of the Contracting Authority.

C7-3-3 For above threshold procurements, The Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority may (without cost to or liability of the Contracting Authority or UK SBS) require the Supplier to replace any subcontractor where in the reasonable opinion of the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority any mandatory or discretionary grounds for exclusion referred to in Regulation 57 of the Public Contracts Regulations 2015 apply to the subcontractors.

C7-4 Further Assurance

C7-4-1 The Supplier will promptly at the request of the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority do (or procure to be done) all such further acts and things, including the execution of all such other documents, as either the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority may from time to time require for the purpose of securing for the Contracting Authority the full benefit of the Contract, including ensuring that all title in the Supplies is transferred absolutely to the Contracting Authority.

C7-5 Publicity

C7-5-1 The Supplier shall not make any press announcements or publicise this Contract in any way without prior written consent from the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority.

C7-5-2 The Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority shall be entitled to publicise this Contract in accordance

with any legal obligation upon Contracting Authority or UK SBS, including any examination of this Contract by the National Audit Office pursuant to the National Audit Act 1983 or otherwise.

C7-5-3 The Supplier shall not do anything or cause anything to be done, which may damage the reputation of the Contracting Authority or UK SBS or bring the Contracting Authority or UK SBS into disrepute.

C7-6 Notices

C7-6-1 Any notice or other communication given to a party under or in connection with the Contract shall be in writing, addressed to:

C7-6-1-a in the case of the Contracting Authority: **The Department for Business, Energy and Industrial Strategy; Address: 1 Victoria Street, London SW1H 0ET;** (and a copy of such notice or communication shall be sent to: **Research Category Team, UK Shared Business Services, Polaris House, North Star Avenue, Swindon, Wiltshire SN2 1FF;** Email: **research@uksbs.co.uk** and the Chief Procurement Officer, Polaris House, North Star Avenue, Swindon, Wiltshire SN2 1FF;

C7-6-1-b in the case of the Supplier: the address, fax number and email address set out in the Order, or any other address, fax number or email address which that party may have specified to the other party in writing in accordance with this clause C7-6, and shall be delivered personally, or sent by pre-paid first-class post, recorded delivery, commercial courier, fax or e-mail.

C7-6-2 A notice or other communication shall be deemed to have been received: if delivered personally, when left at the address referred to in clause C7-6-1; if sent by pre-paid first-class post or recorded delivery, at 9.00 am on the second Working Day after posting; if delivered by commercial courier, on the date and at the time that the courier's delivery receipt is signed; or, if sent by fax or e-mail between the hours of 9.00am and 5.00pm on a Working Day, upon successful transmission (provided that the sender holds written confirmation automatically produced by the sender's fax machine of error free and complete transmission of that fax to the other party's fax number), or if sent by fax or e-mail outside the hours of 9.00am and 5.00pm on a Working Day, at 9.00am on the next Working Day following successful transmission (provided that the sender holds written confirmation automatically produced by the sender's fax machine of error free and complete transmission of that fax to the other party's fax number).

C7-6-3 This clause C7-6-3 shall only apply where UK SBS is not the Contracting Authority. In such cases, UK SBS may give or receive any notice under the Contract on behalf of the Contracting Authority and any notice given or received by UK SBS will be deemed to have been given or received by the Contracting Authority.

C7-6-4 Except for clause C7-6-5, The provisions of this clause C7-6 shall not apply to the service of any proceedings or other documents in any legal action.

C7-6-5 Not Used

C7-7 Severance

- C7-7-1 If any court or competent authority finds that any provision of the Contract (or part of any provision) is invalid, illegal or unenforceable, that provision or part-provision shall, to the extent required, be deemed to be deleted, and the validity and enforceability of the other provisions of the Contract shall not be affected.
- C7-7-2 If any invalid, unenforceable or illegal provision of the Contract would be valid, enforceable and legal if some part of it were deleted, the provision shall apply with the minimum modification necessary to make it legal, valid and enforceable.
- C7-8 **Waiver.** A waiver of any right or remedy under the Contract is only effective if given in writing and shall not be deemed a waiver of any subsequent breach or default. No failure or delay by a party to exercise any right or remedy provided under the Contract or by law shall constitute a waiver of that or any other right or remedy, nor shall it preclude or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall preclude or restrict the further exercise of that or any other right or remedy.
- C7-9 **No Partnership, Employment or Agency.** Nothing in the Contract creates any partnership or joint venture, nor any relationship of employment, between the Supplier and either the Contracting Authority or UK SBS. Nothing in the Contract creates any agency between the Supplier and either the Contracting Authority or UK SBS.
- C7-10 **Third Party Rights.** A person who is not a party to this Contract shall not have any rights under or in connection with it, except that UK SBS and any member of the UK SBS, Associated Bodies or Authorised Entities that derives benefit under this Contract may directly enforce or rely on any terms of this Contract.
- C7-11 **Variation.** Any variation to the Contract, including any changes to the Services, these Conditions, the Special Conditions or the Order, including the introduction of any additional terms and conditions, shall only be binding when agreed in writing by the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority and the Supplier.
- C7-12 **Governing Law and Jurisdiction.**
- C7-12-1 Subject to clause C7-12-2, the Contract, and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims), shall be governed by, and construed in accordance with, English law, and the parties irrevocably submit to the exclusive jurisdiction of the courts of England and Wales.
- C7-12-2 The Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority shall be free to enforce its intellectual property rights in any jurisdiction.
- C7-13 **Modern Slavery Act 2015**
- C7-13-1 The Supplier shall not use, or allow its Subcontractors to use, forced, bonded or involuntary prison labour;
- C7-13-2 shall not require any Contract or staff or Subcontractor staff to lodge deposits or identify papers with the Employer or deny Supplier staff freedom to leave their employer after reasonable notice;
- C7-13-3 warrants and represents that it has not been convicted of any slavery or human trafficking offences anywhere around the world.
- C7-13-4 warrants that to the best of its knowledge it is not currently under investigation, inquiry or enforcement proceedings in relation to any allegation of slavery or human trafficking offenses anywhere around the world.

C7-13-5 shall make reasonable enquiries to ensure that its officers, employees and Subcontractors have not been convicted of slavery or human trafficking offences anywhere around the world.

C7-13-6 shall have and maintain throughout the term of each Contract its own policies and procedures to ensure its compliance with the Modern Slavery Act 2015 and shall include in its contracts with its Subcontractors anti-slavery and human trafficking provisions;

C7-13-7 shall implement due diligence procedures to ensure that there is no slavery or human trafficking in any part of its supply chain performing obligations under a Contract;

C7-13-8 shall not use, or allow its employees or Subcontractors to use, physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation of its employees or Subcontractors;

C7-13-9 shall not use, or allow its Subcontractors to use, child or slave labour;

C7-13-10 shall report the discovery or suspicion of any slavery or trafficking by it or its Subcontractors to the Contracting Authority without delay during the performance of this Contract to utilise the following help and advice service, so as to ensure that it suitably discharges its statutory obligations.

The "Modern Slavery Helpline" refers to the point of contact for reporting suspicion, seeking help or advice and information on the subject of modern slavery available online at <https://www.modernslaveryhelpline.org/report> or by telephone on 08000 121 700

C7-13-11 During the Term or any extension of the Contract, the Contracting Authority is committed to ensuring that its supply chain complies with the above Act.

C7-13-12 The Supplier shall provide a slavery and trafficking report covering the following but not limited to areas as relevant and proportionate to the Contract evidencing the actions taken, relevant to the Supplier and their supply chain associated with the Contract.

C7-13-12-a Impact assessments undertaken

C7-13-12-b Steps taken to address risk/actual instances of modern slavery and how actions have been prioritised

C7-13-12-c Evidence of stakeholder engagement

C7-13-12-d Evidence of ongoing awareness training

C7-13-12-e Business-level grievance mechanisms in place to address modern slavery

C7-13-12-f Actions taken to embed respect for human rights and zero tolerance of modern slavery throughout the organisation

C7-13-13 The Contracting Authority or UK SBS when acting as an agent on behalf of the Contracting Authority reserves the sole right to audit any and all slavery and trafficking reports submitted by the Supplier to an extent as deemed necessary and the Supplier shall unreservedly assist the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority in doing so.

Note: The Contracting Authority also reserves the right to amend or increase the frequency of reporting, as it deems necessary to secure assurance in order to comply with the Modern

Slavery Act.

The Contracting Authority requires such interim assurances to ensure that the Supplier is compliant and is monitoring its supply chain, so as to meet the requirements of the Modern Slavery Act.

The Supplier shall complete and return the slavery and trafficking report to the contact named in the Contract on the anniversary of the Commencement of the Contract.

The Supplier agrees that any financial burden associated with the completion and submission of this report and associated assistance at any time, shall be at the suppliers cost to do so and will not be reimbursable.

C7-14 Changes in Costs Resulting from Changes to Government Legislation, Levies or Statutory Payments

The Contracting Authority will reimburse during any term or extension (or, where such costs, awards or damages arise following termination/expiry) of this Agreement, any increases in the Supplier's cost of providing the Services by reason of any modification or alteration to the Government legislation duties or levies or other statutory payments (including but not limited to National Insurance and/or VAT and/or introduction of or amendment to working time minimum wages). Subject always to open book access to the Supplier's records and always after a period of due diligence carried out by the Contracting Authority, relevant and proportionate to the value concerned.

C7-15 Taxation Obligations of the Supplier

C7-15-1 The relationship between the Contracting Authority, UK SBS and the Supplier will be that of "independent contractor" which means that the Supplier is not an employee, worker, agent or partner of the Contracting Authority or UK SBS and the Supplier will not give the impression that they are.

(1.) The Supplier in respect of consideration shall at all times comply with the income tax Earnings and Pensions Act 2003 (ITEPA) and all other statutes and regulations relating to income tax in respect of that consideration.

(2.) Where Supplier is liable to National Insurance Contributions (NICs) in respect of consideration received under this contract, it shall at all times comply with the Social Security Contributions and Benefits Act 1992 (SSCBA) and all other statutes and regulations relating to NICs in respect of that consideration.

(3.) The Contracting Authority may, at any time during the term, completion extension or post termination of this contract, request (Supplier) to provide information which demonstrates how Supplier complies with its obligations under tax and National Insurance Clauses (1) and (2) above or why those clauses do not apply to it.

C7-15-2 As this is not an employment Contract the Supplier will be fully responsible for all their own tax including any national insurance contributions arising from carrying out the Services.

C7-15-3 A request under Clause (3) above may specify the information which Supplier shall provide and the period within which that information must be provided.

C7-15-4 In the case of a request mentioned in Clause (3) above, the provision of inadequate information or a failure to provide the information within the requested period, during any term or extension, may result in the Contracting Authority terminating the contract.

C7-15-5 Any obligation by Supplier to comply with Clause (1) and (2) shall survive

any extension, completion or termination and Supplier obligations to Indemnify the Contracting Authority shall survive without limitation and until such time as any of these obligations are complied with.

C7-15-6 The Contracting Authority may supply any information, including which it receives under clause (3) to the commissioners of Her Majesty's Revenue and Customs for the purpose of the collection and management of revenue for which they are responsible.

C7-15-7 If the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority has to pay any such tax under clauses (1) and (2) then the Supplier will pay back to the Contracting Authority or UK SBS in full, any money that the Contracting Authority or UK SBS has to pay, and they will also pay back the Contracting Authority or UK SBS for any fine or other punishment imposed on the Contracting Authority or UK SBS because the tax or national insurance was not paid by the Supplier.

C7-16 Cyber Essentials Questionnaire

The Supplier agrees that during any term or extension it shall complete and return the attached questionnaire as advised below, within 14 days from notice and shall send this information as directed by the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority. The Contracting Authority and UK SBS acting as an agent on behalf of the Contracting Authority is required to provide such assurances to comply with Government advice and guidance.

Note: The Contracting Authority also reserves the right to amend or increase the frequency of the questionnaire submission due dates, as it deems necessary.

The Contracting Authority requires such interim assurances to ensure that the Supplier is still compliant with the security needs of this Contract.

The Supplier shall complete and return the questionnaire to the contact named in the Contract on the anniversary of the Commencement of the Contract.

The Supplier agrees that any financial burden associated with the completion and submission of this questionnaire and associated assistance at any time, shall be at the suppliers cost to do so and will not be reimbursable.



Copy of Statement
of Assurance Questionnaire

Schedule 1 Special Conditions

In-house modelling and analysis on the below topics is progressing at pace, and so dependent on progress, there is a possibility that objective 2 will not be required, in which case the maximum value of the project would be limited to the maximum cost of Objective 1.

Schedule 2 Pro forma purchase order form

Purchase Order #0

(Contracting Authority Logo)

Order	
Order Date	
Revision	0
Revision Date	
Payment Terms	As per terms and conditions

Supplier:

Tel:

Fax:

PLEASE QUOTE THE PURCHASE ORDER NUMBER ON ALL CORRESPONDENCE.
INVOICES NOT QUOTING THE PO NUMBER WILL BE RETURNED UNPAID

For all purchase order queries, please contact
P2PAdmin@uksbs.co.uk
For all Invoicing queries, please contact finance@uksbs.co.uk

Ship to: Contracting authority ship to address

Invoice to: Contracting Authority Invoice Address

Line	Part Number/Description	Delivery Date	Quantity	UOM	Unit Price (GBP)	Tax	Net Amount (GBP)
1							

Total

Grand Total

Whenever a UK SBS Contract number is cited within the narrative description of the Purchase Order that Purchase Order is subject to the Terms and Conditions relating to that Contract, otherwise, the Purchase Order is subject to the Terms and Conditions incorporated herein by this reference. For a copy of the Terms and Conditions please see <http://www.uksbs.co.uk/services/procure/Documents/SSCPOterms.pdf>

Commercial In Confidence



VAT Registration Number GB 618 367 325

(Contracting Authority) , Polaris House, North Star Avenue
Swindon, United Kingdom SN2 1EU

Page 1 of 1

Schedule 3 The Service**D1 SCOPE OF SERVICES TO BE PROVIDED**

D1-1 To carry out CR20138 – Oil and Gas Licencing Review as outlined in Annex A – Specification and Annex B – Bid Response.

D2 COMMENCEMENT AND DURATION

D2-1 This Contract shall commence on Thursday, 7th January 2021 and subject to any provisions for earlier termination contained in the Standard Terms shall end no later than Friday, 12th February 2021.

D3 MANAGEMENT AND COMMUNICATIONS

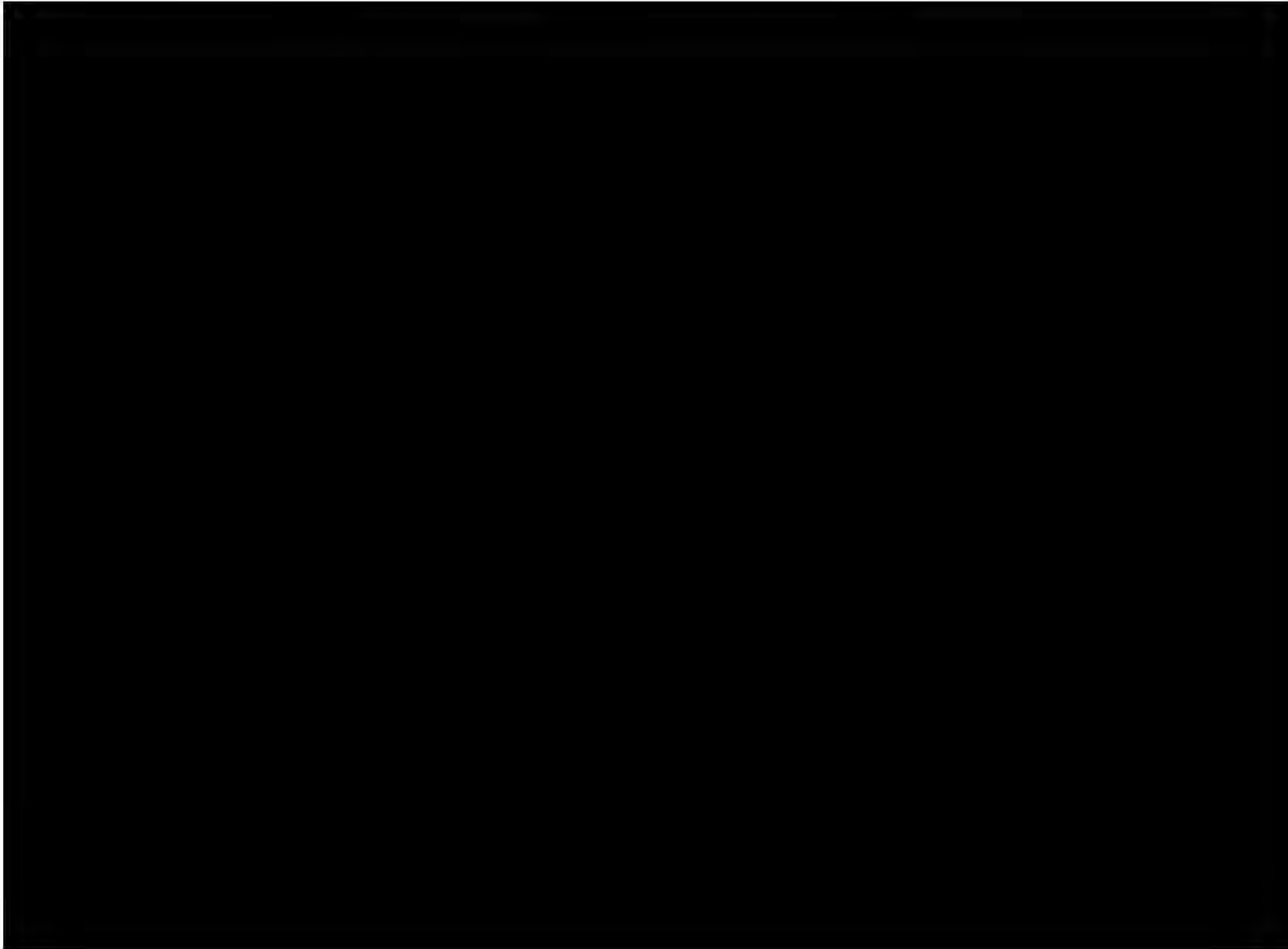
D3-1 The Customer appoints: [REDACTED], The Department for Business, Energy and Industrial Strategy, 1 Victoria Street, London SW1H 0ET; Email: [REDACTED], (or such other person as is notified by the Customer to the Supplier in writing) to be the Customer's Contract Manager.

D3-2 The Supplier appoints: [REDACTED] Economic Insight Ltd, 6th Floor, 125 Old Broad Street, London EC2N 1AR; Email: [REDACTED], (or such other person as is notified by the Supplier to the Customer in writing) to be the Supplier's Contract Manager.

D3-3 UK Shared Business Services appoints: [REDACTED] Category Manager, Research Team, Polaris House, North Star Avenue, Swindon, Wiltshire SN2 1FF; Email: [REDACTED]

D4 – Contract Price

D4-1 Total Contract price shall not exceed £49,950.00 excluding VAT in accordance with the Contract price and breakdown submitted for this contract detailed below:



D4-2 Invoice schedule will be confirmed within inception meeting.

D4-3 All invoices should be sent to finance@services.uksbs.co.uk or Billingham (UKSBS, Queensway House, West Precinct, Billingham, TS23 2NF).

For and on behalf of Economic Insight Ltd
(The Supplier)

Signed

Name

Position

Date



...DIRECTOR...

...07/01/21...

For and on behalf of The Department for
Business, Energy and Industrial Strategy
(BEIS) **(The Contracting Authority)**

Signed

Name

Position

Date



Policy Manager - OGEP

13/01/2021

THIS IS THE LAST PAGE OF THESE TERMS & CONDITIONS

Annex A – Specification

1. Background

The Oil and Gas Exploration and Production (OGEP) Team at the UK's Department for Business, Energy and Industrial Strategy (BEIS) is seeking to appoint a third party to conduct an impact analysis of a range of policy options for the UK's regime for new, offshore oil and gas licences.

BEIS are currently carrying out a review of policy on the future of the UK's offshore oil and gas licensing regime, in relation to its alignment with the UK's climate change objectives including its target of net-zero greenhouse gas emissions by 2050.

A key part of the options appraisal process of this review will require modelling the impact of a range of scenarios where the licensing regime used for awarding new UK offshore oil and gas licences is changed. This includes both quantitative impacts, such as economic indicators, as well as qualitative impacts, such as international influence.

It is intended that the review will be completed in early 2021, with the outcome announced shortly afterwards.

Significant work is already underway internally, including:

- The Oil and Gas Authority (OGA) is modelling the direct effect of each scenario on UK Continental Shelf oil and gas production.
- Experts within BEIS and the OGA are modelling the impact on investor sentiment.
- Both of these are key inputs to any modelling of the economic impacts. Work is also underway within BEIS looking at other impacts, including emissions, and impacts on the net-zero economy.
- Teams within BEIS are evaluating the impact on other countries' behaviour in response to the various policy options
- The impact on the ramp up of net-zero technologies, such as CCUS, is also being considered internally.
- The winning bidder will produce a paper on this subject, as well as present their findings to seniors within BEIS.

The deadline for completion of the main body of this work is 29th January 2021, with further support expected to be required until mid-February.

2. Aims and Objectives of the Project

The aim of this project is to assess the various impacts of multiple scenarios where the terms of the UK's oil and gas licensing regime differ from the current terms. Comparisons should be expressed in terms of the difference between indicators in each scenario, and the business as usual scenario.

There are two key objectives of this work which each represent 50% of the total value of the project:

Objective 1

This objective is to model the direct effect of each licensing scenario (business as usual + 4 – 6 others) on economic indicators over time including as a minimum:

- Impact on the exchequer due to both **direct** and **indirect** effects of the licensing regime on production
 - Note: Estimations of both direct and indirect impacts to production will be provided. Appraisal of these estimations may be required as part of objective 2.
- The impact on the cost of energy to UK consumers
- The impact on numbers of jobs, both directly and indirectly supported by the UK oil and gas industry.
 - This data should be shown and compared with projections of jobs numbers in the Net-zero economy over time.

The first objective represents 50% of the value of the maximum award value of the project (up to £25,000).

Objective 2

Note: In-house modelling and analysis on the below topics is progressing at pace, and so dependent on progress, there is a possibility that this objective will not be required, in which case the maximum value of the project would be limited to the maximum cost of Objective 1 (£25,000).

This objective requires data gathering and assessment on the following impacts:

- The relationship between UK indigenous oil and gas production and domestic emissions, and therefore the impact on domestic emissions on an option by option basis.
- An appraisal of BEIS-led assessment of the plausible impact of each option on the behaviour of other countries. Specifically the likelihood of other countries to adopt supply-side measures.
- An appraisal of BEIS/OGA-led assessment of the impact of each option on investor sentiment in the North Sea, and the resulting impact on investment and production.

Qualitative analysis may be used where data is unavailable, but where relevant data can be sourced, this should be used to support arguments. The output of this objective will be delivered in the form of a slidepack supplied with accompanying data.

BEIS invites bidders to detail any sources of data at their disposal that could provide relevant data to evidence the analysis of the above.

This second objective represents 50% of the maximum award value of the project (up to £25,000).

3. Suggested Methodology

We invite prospective bidders to outline their proposed methodology for the project, but envisage the project consisting of:

- Data gathering phase and assessment of in house work undertaken.
- Economic modelling of the 4-6 licensing scenarios (including a sensitivity on implementation time for each one)
- Review of the production projections for the scenarios
- Assessment / Appraisal of objective 2 impacts (if required)
- Preparation of a note and presentation to BEIS
- Meet with BEIS officials to discuss the report and answer queries

4. Deliverables

The required outputs and suggested timescales for this project are as follows:

Outputs

- A paper outlining the economic impacts of the 4-6 UK offshore oil and gas licensing scenarios relative to the business as usual case, including sensitivities on the implementation time of each of these options
- A presentation to seniors within BEIS on the findings of the study
- A follow up discussion with BEIS on the findings of the report.

Timescale

- Work begins 7th January
- w/c 4th January: review materials, begin modelling
- w/c 11th January: discussion with BEIS staff on findings to date, begin preparing report
- w/c 18th January: continue to develop analysis, working closely with BEIS colleagues
- w/c 25th January: finalise report, presentation to BEIS/c
- w/c 1st Feb and 8th Feb: Continued support to BEIS team while ministerial advice is gathered

The report should include:

- Outline the economic effect of each scenario (current regime and 4-6 variations), as well as the impact of implementation time on each of these scenarios.
- Dependent on the requirements with respect to Objective 2, the report must also include analysis and assessment of the relevant additional impacts.

Terms and Conditions

Bidders are to note that any requested modifications to the Contracting Authority Terms and Conditions on the grounds of statutory and legal matters only, shall be raised as a formal clarification during the permitted clarification period.

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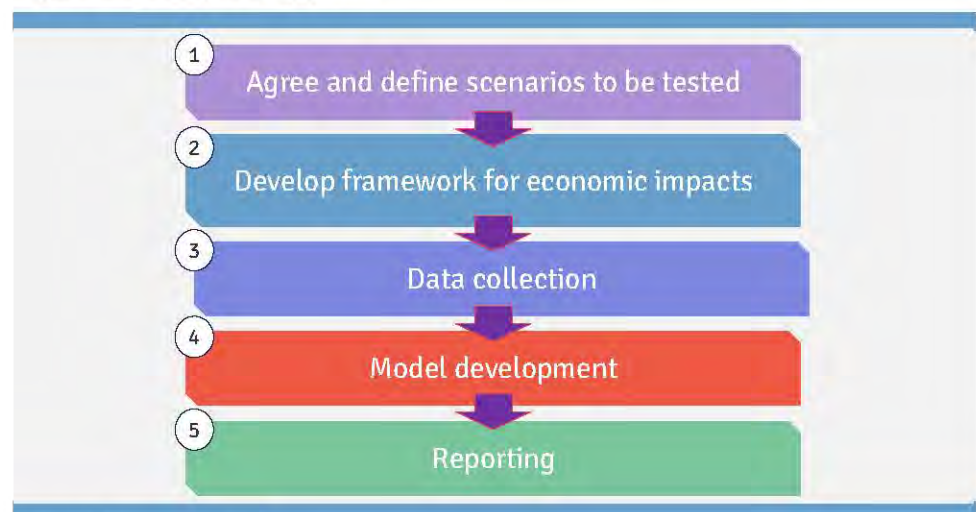
Annex B – Bidder Response

By working with Economic Insight, you will obtain a robust assessment of the economic impacts associated with alternative options for the offshore oil and gas licensing regime. This is because we have developed an approach that: (i) has been carefully tailored to your requirements; (ii) will robustly capture direct and indirect economic impacts; (iii) includes a range of economic indicators that can be readily compared to the status quo; and (iv) includes developing outputs that are easy to understand, maximising the prospects of constructively informing policy choices.

1. Our method

Our approach for delivering this work for you consists of five main stages, which are summarised in the figure below. In the following subsections, we expand on each, setting out details of the analysis we will undertake and data we propose to use.

Figure 1: Our Proposed Approach



Source: Economic Insight

1.1 Agreeing and defining scenarios to be tested

We are happy to commit to testing 6 scenarios for the future licensing regime. Clearly, an important first step is to agree and define these with you. It may be that you already have a clear idea as to 'what' these might be (from your ITT we infer this is likely the case). However, even so, it will be important that we have a shared understanding as to exactly 'what' the key parameters are under each scenario. Specifically, for each scenario it will be important to define the licensing criteria; regulatory, policy and fiscal context; and the implications of these for production volumes.

1.2 Develop framework for economic impacts

Before commencing on data collection or model build, it is important to have a clear conceptual framework that 'connects' the licensing regime to the economic outcomes you want to measure impacts on. We will therefore develop and agree the framework with you, as part of our work. However, for the purpose of this proposal, our current thinking is as follows.

In the first instance, any changes to the regime will obviously impact the production volumes of oil and gas. In turn, this will have **direct impacts** on:

- **Production taxes** received by Government.
- The number of **people employed** in gas and oil production.
- The immediate **economic value (GVA)** generated by the sector through production.

There will further be **indirect impacts**. These primarily arise through spending in the wider supply chain that represents a 'spillover' from the activities of oil and gas production. These will likely include:

- Income and value-added taxes paid by those employed in the wider supply chain.
- People employed in the wider supply chain.
- The 'knock on' impact on economic value, as spending ripples out through the economy (and impacts on end energy prices associated with changes in oil and gas production volumes and, thus, prices).

1.3 Data collection / sources

We will next collect the data we need to develop our modelling. Here, in the interests of time, we will liaise closely with you to identify the most appropriate sources. However, key data sources we expect to draw on include the following: (i) OGA's 'open data', which includes information on production volumes and licensee data; (ii) UKCS income and expenditure data (published by OGA); (iii) UKCS expenditure projections (published by OGA); (iv) historical economic reports for the oil and gas industry, as published by OGUK; (v) existing studies on the economic impact of oil and gas production (e.g. the Oxford Economics studies); and (vi) ONS input-output multipliers.

1.4 Model development

Objective 1

The direct impacts for each scenario will be calculated separately for each outcome metric. That is to say, starting from projected production volumes, we will estimate the: employment levels; GVA; and tax receipts

consummate with those. This will primarily be based on undertaking historical analyses of how these have varied with production volumes in the past. However, we will also apply a 'bottom up' approach, whereby we calculate expected impact metrics based on changes in their drivers under each scenario (e.g. on employment, we will make assumptions about labour force structure required under different production levels; on GVA, calculate this based on projected revenues and costs).

To robustly measure indirect impacts, our modelling will be based around an 'input-output' approach. As such, the model will include assumed interlinkages between oil and gas production (the main input) and the effects of this through the wider supply chain and economy (outputs). To do this, we will make use of our existing input-output model of the UK economy, which includes 'multipliers' that seek to reflect how changes in inputs in one industry affect outputs more broadly – both in terms of GVA and employment.

We will develop a bespoke 'user-friendly' standalone Excel tool, based on our wider input-output model, that can be used to test scenarios around alternative licensing regimes. Specifically, the model will take as an input 'direct' impacts for each scenario (described above) and will then model the wider 'knock on' effects. The tool will have easy to read results tabs and charts, providing a means to readily compare impacts across the scenarios. Output projections will be shown over time (a period of 10 years) and the model will include the ability to undertake sensitivity analysis around implementation time.

Objective 2

Subject to your requirements, Objective 2 may primarily consist of us 'reviewing' your existing 'in house' work, or may require us undertaking additional analyses. On the assumption that this work will be required, a brief outline of our approach is as follows. (1) We will analyse the impact of production on emissions for each option. This will primarily be based on a review of the existing literature discussing how emissions vary with oil / gas production. However, in a UK context, we will also analyse the historical relationship between the variables ourselves. (2) We will develop case studies around how countries react to changes in oil / gas licensing production and the circumstances under which supply-side measures are used. We will also review your own work in this area. (3) We will evaluate the BEIS/OGA assessments of impacts on investor sentiment.

2. Deliverables and dissemination

2.1 Deliverables

The main output of our work will be a report, setting out our assessment of the economic impacts of the 6 scenarios tested (but also including our work on Objective 2, should that proceed). Given the timescales, we recommend a relatively short report, in Word format, where the aim is to

communicate the main findings clearly and succinctly. The report will be professionally produced with tables / charts, and rendered to a high standard. If required, annexes will be used to provide technical details of our modelling.

In addition, we will provide a summary Slidepack. The Slidepack will provide an 'at a glance' summary of our findings. This will include a 'dashboard' style presentation, highlighting the key impacts against economic metrics for each scenario. This will give the reader a quick and easy way to compare the options.

2.2 Our approach to dissemination

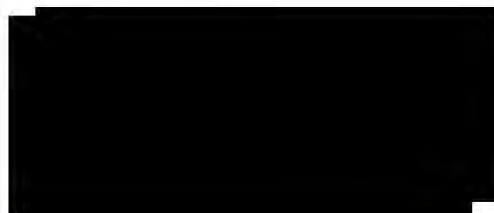
We will think carefully about the audience for our outputs and will discuss this with you early on. Our current view is that it is helpful to distinguish between two broad requirements: (a) the need for decision makers to be able to readily ascertain the relative impacts of policy options; and (b) the need for technical experts to engage in the work and have confidence in its robustness.

To help meet the first requirement, we will attend meeting(s) with senior stakeholders, at which we will present our findings. The presentation will be focused on providing a clear description of the results of our assessment, along with highlighting any key issues or uncertainties. To maximise the effectiveness of this, we further propose to firstly present the findings to the immediate project team at BEIS, so that we can get feedback on the content and format of the presentation, before we broaden it out to include the senior team. In terms of the second requirement, we propose to work closely with the relevant experts within BEIS throughout, ensuring you have visibility of the technical aspects of our work. We would also be happy to separately hold meetings with said experts, allowing them to ask questions / challenge our findings.

3. Concluding remarks

We would be delighted to work with BEIS on this important and high-profile issue. We recognise the important contribution the oil and gas sector makes to the UK economy; and the role that an effective licensing regime plays within that – particularly in the context of the net zero target. We are confident that our approach will meet your aims to a high standard; and that we have the right team in place to deliver against challenging timescales. As such, we sincerely hope you select us for this assignment.

Yours sincerely,

A large black rectangular redaction box covering the signature and name of the sender.

By working with Economic Insight, you will benefit from input and support from a team of expert economists, with considerable experience in relation to impact assessments; the UK energy sector; and the design and appraisal of licensing regimes. We pride ourselves on our client-focused approach and, as such, you will find our team to be highly professional, but friendly, and able to adapt to work in a way that suits you best.

In this part of our response, we set out details of our 'staff to deliver' the work. In turn we provide: (a) an overview of our expertise and experience as a firm; (b) details of our project team's specific areas of expertise; and (c) a description of how we propose to allocate our team across the key tasks to be undertaken.

1. Overview

Economic Insight is a specialist economics consultancy firm. Established in 2009, we have grown rapidly and are now a leading provider of economics analysis and advice. Of relevance to this proposed assignment for BEIS, our expertise includes: proficiency in economic impact modelling; scenario analysis; impact assessments; policy evaluation; and forecasting. More broadly, we combine highly robust analysis with excellent consultancy skills, ensuring we communicate our findings clearly and succinctly. We are highly experienced in leading and supporting on high profile impact assessment of policies (for example, in relation to tax-free childcare credits). We also have a depth of experience in the energy sector and in assessing the design of (and reforms to) licensing regimes. Beyond energy, we are also highly experienced in relation to advising on policy relating to UK infrastructure, such as in the water industry; telecoms; and transport.

2. Our project team

We are able to offer BEIS an exceptional project team for this assignment. Recognising the short timescales over which you need this work to be completed, we should highlight that we are proposing a project team: (a) of considerable size; (b) with senior members; and (c) that has a depth of relevant experience. The figure overleaf shows a schematic of our team structure, with individual roles identified. In the following subsections, we provide brief profiles of each team member.



2.1 [REDACTED] Project Director

[REDACTED] is a director and co-founder of Economic Insight, with over 18 years of experience as a professional economist. Of particular relevance to this assignment, [REDACTED] is recognised as an expert in relation to economic modelling to support impact assessments (including of Government policies; regulations; and licensing regimes). This includes developing the underlying conceptual frameworks; model design; and model development. [REDACTED] previous project work has included: (i) modelling / forecasting UK gas and oil production; (ii) evaluating direct and indirect impacts of policies on economic output and employment; (iii) strategic behavioural analysis of how countries may react to UK policies in regulated industries; and (iv) evaluating potential changes in licensing regimes in the UK water industry; and similarly in relation to telecoms. He has advised on energy policy / in the energy sector considerably over the course of his career.

Further to his role at Economic Insight, [REDACTED] expertise is demonstrated by his presence on the external panel of advisors to the CMA, and the Bar Standards Board. He also has excellent academic credentials, holding economics degrees from the universities of Warwick and Oxford.

On this assignment, as Project Director, [REDACTED] will be responsible for the overall quality of our work for BEIS and will lead on the development of the overall approach to the modelling.



2.3 [REDACTED] – Project Manager

[REDACTED] is a Principal at Economic Insight, with a decade of experience as an economist. [REDACTED] is highly experienced in relation to the energy sector; economic regulation more generally; and policy evaluation. He therefore leads most of our major projects in these areas.

Of relevance to our proposed work for BEIS, [REDACTED] previous assignments have included: (a) modelling impacts on energy costs arising from changes in production levels; (b) quantifying direct and indirect economic impacts through the use of input-output modelling across a range of sectors (including energy, but also in water, healthcare and education); (c) researching supply-side policy measures relating to gas and oil production (and export); and (d) developing end-to-end impact assessments of policy options on a number of high profile issues.

[REDACTED] has an exceptional academic background, holding a BA in Philosophy, Politics and Economics from the University of Oxford; and an MSc in Economics from the London School of Economics.

As Project Manager, [REDACTED] will be your main point of day-to-day contact. He will be responsible for ensuring the project delivers the outputs you need, to time and to standard. He will also lead on the development of the overall approach to the economic modelling, managing input from the rest of our team.



2.4 [REDACTED] - Consultant

[REDACTED] is a Consultant at Economic Insight, with 4 years of experience as an economist. [REDACTED] joined Economic Insight in 2018; and before that worked as an economist within a customer insights and strategy consultancy. At Economic Insight, [REDACTED] has worked extensively on economic modelling projects, including in relation to impact assessments and policy option appraisals. She has a degree in Land Economy from the University of Cambridge; and an MSc in Behavioural Economics and Finance Economics from the University of Exeter.

On the project, [REDACTED] will develop the modelling, working closely with Chris. This will include developing the key input assumptions required for each of the scenarios we evaluate for you.



2.5 [REDACTED] – Analyst

[REDACTED] is an Analyst at Economic Insight, with over 2 years of experience. She works extensively in our public policy and regulation practices, and so has experience of undertaking impact assessments in the context of the energy sector. More broadly, she has expertise in data collection and analysis - and has undertaken numerous critical reviews of existing impact analyses and policy appraisals.

██████ holds a first-class BSc in Economics (2017) and an MSc in Economics and Finance (2018) from the University of Bristol. Her role on the project will include working with ██████ on the early data gathering tasks and helping to build the model(s) under instruction from ██████. In relation to reviewing the existing work, she will also feed into our review of the production projections for the scenarios.

2.6 ██████ – Analyst

██████ is also an Analyst at Economic Insight with 2 years of experience. ██████ is a highly proficient modeller, who has an excellent track-record of developing robust evaluation models to inform impact assessments. As such, he will work alongside ██████ to help collect the input data and develop the model(s).

██████ holds a first-class BSc Economics from the London School of Economics, and a distinction MSc Behavioural Economics from the University of Warwick. He also holds numerous academic awards from both universities.

3. Allocation of team to key tasks

The table below summarises how we propose to allocate staff time.

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At Economic Insight, we have an excellent understanding of the key context to this work, and how your requirements fit within that. The ongoing review into the oil and gas licensing regime is intended to identify future models that will help facilitate the UK's move to net zero carbon (whilst also continuing to maximise economic recovery). Accordingly, it is imperative that you have robust evidence and modelling of alternative licensing regimes that can be assessed relative to the status quo. You have considerable 'in house' expertise and are progressing a range of analyses yourselves to inform this. However, due to resource constraints and challenging timescales, you are keen to obtain external input to further assist you at this time.

1. Context

1.1 Government review of future licensing

In September 2020, the Government announced a review into the future UK offshore oil and gas licensing regime, as part of the wider aim of achieving net zero emissions by 2050.¹ Whilst more than half of the UK's electricity now comes from clean sources, oil and gas remain essential to meeting society's requirements (and this is likely to remain the case over the next few decades). Consistent with this, the independent Committee on Climate Change (CCC) continues to include oil and gas in all of its scenarios associated with the UK's approach to achieving net zero carbon. For example, the CCC is projecting 55% and 25% reductions in primary energy demand for oil and gas respectively by 2050, relative to 2010.²

The above review is being led by the Department for business, Energy and Industrial Strategy (BEIS). Within BEIS itself, the Oil and Gas Exploration and Production (OGEP) Team is seeking to assess the available licensing policy options. To Enable this, robust modelling of the impact of said policy options is needed – specifically, examining outcomes when the licensing regime for awarding UK offshore oil and gas licenses is changed. Such modelling needs to capture both quantitative impacts (economic indicators) and qualitative impacts (e.g. international influence).

¹ BEIS press release: <https://www.gov.uk/government/news/government-launches-review-into-future-offshore-oil-and-gas-licensing-regime>

² 'Net Zero: The UK's contribution to stopping global warming,' CCC (May 2019).

Internal work is already being progressed to help inform the review. This includes:

- The Oil and Gas Authority (OGA) is modelling the direct effects of scenarios on UK Continental Shelf Oil and gas production.
- BEIS and the OGA are modelling impacts on investor sentiment.
- Internal work is further examining potential impacts on emissions and progress towards the net-zero economy.
- BEIS is examining how policies may affect the behaviours of other countries.
- The impact of regimes on the 'ramp-up' of net-zero technologies is also being examined.

In light of the above, you wish to commission external consultancy support, to work with you to help evaluate the impact of 4-6 alternative licensing regimes for offshore oil and gas licenses.

1.2 The current licensing regime

The current regime is overseen by the OGA, which is able to grant licenses that confer rights to '*search and bore for and get*' petroleum. The licensing framework is based on maximising economic recovery from companies involved in the UK Continental Shelf (UKCS) and applies evaluation criteria relating to: (i) technical capability; (ii) Corporate governance; and (iii) Financial viability and financial capacity. The most recent (32nd) offshore licensing round ended on September 3rd, with the OGA awarding 113 license areas over 260 blocks / part-blocks, to some 65 companies.

1.3 The importance of oil and gas sector

The oil and gas sector is a significant contributor to the UK economy. It supports 270,000 jobs across the UK and is central to the development of infrastructure relating to green technologies. The oil and gas sector is also a major source of tax revenue for public services, and has provided over £330 billion to the UK Government from production taxation alone in today's prices. Over £150bn has been invested in the basin over the last 20 years.³

³ ['Economic Report 2020' OGUk \(2020\)](#)

3. Your aims and objectives

The overarching aim of this assignment is to evaluate the impact of various different options for the licensing regime. Within this overarching aim, you have identified two main objectives.

3.1 Objective 1 – modelling impacts on economic indicators

You wish to model the impact of 4-6 alternative licensing regimes (relative to the current one) on a range of economic indicators over time. Within this, you wish the economic impact metrics to capture, as a minimum:

- Impacts on the exchequer arising from both direct and indirect effects.
- Impacts on consumers arising from changes to energy costs.
- Impacts on jobs, again capturing both direct and indirect effects.

3.2 Objective 2 – assessing broader impacts

You further wish to understand the broader impacts of alternative licensing regimes, including impacts on: (i) domestic emissions; (ii) the behaviour of other countries (specifically including any supply-side measures they might take); and (iii) investor sentiment.

As you are undertaking in-house modelling on the above topics, at this stage there is some uncertainty as to 'whether' external support on this objective will definitely be required. Relatedly, it might be that the input required is primarily framed around 'reviewing' the work and evidence already developed by the relevant in-house teams.

3.3 Deliverables and timescale requirements

The primary output you require is a paper outlining the economic impacts of 4-6 alternative offshore licensing scenarios – relative to 'business as usual'. You further wish to receive a presentation of the findings to senior stakeholders within BEIS. Finally, you wish to arrange a follow-up discussion with BEIS regarding the findings.

You require the work to be completed rapidly, and concluded by January 29th. Further to this, you require: (i) the modelling to begin from the w/c January 4th; (ii) report development to begin the w/c January 11th; and (iii) for the report / work to be finalised from w/c January 25th. Beyond the conclusion of the report itself, you would like support to be provided through February, whilst ministerial advice is collated.

5. Our thoughts on the project aims and economic indicators

We think the aims and objectives you have identified for this work are appropriate and achievable. In terms of determining the relative merits (impact) of the various options, we recommend using a range of economic indicators. As explained further in our 'method' submission, we recommend primarily focusing on the following impact metrics:

- Gross value add (GVA);
- Employment; and
- Tax receipts.

In addition to the above 'economic impact' metrics, we further consider it feasible (and important) to measure impacts on consumer energy prices – and so propose to also include this metric.

In relation to Objective 2, we will also include measures of 'emissions' for each option.

Please note, data sources are discussed in our submission on '*our approach*'.

6. How we will ensure successful delivery of the project in the current working environment

We will ensure all meetings / interactions are fully compliant with relevant COVID-19 guidelines and restrictions. We are happy to accommodate virtual meetings using whichever platform(s) you prefer.

Over the course of this year, we have successfully delivered a large number of projects, whilst operating under the evolving measures and restrictions. We have found online platforms to be an effective and efficient basis for client meetings. In our experience, their usefulness is enhanced through: (i) clarity over the agenda and objectives; (ii) a clearly designated 'chair' to marshal input; (iii) adherence to 'good practice' (remaining on mute when not speaking); and (iv) prior thought as to whether documents / analysis needs to be disseminated in advance. We will therefore ensure we apply these lessons in our work with you, so that the project is delivered effectively.

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The logo for Economic Insight, featuring the words "Economic" and "Insight" in a white, sans-serif font, stacked vertically. The text is positioned to the right of a large, semi-transparent blue circle that serves as a background element.

We have developed a robust project plan, which means you can be confident that we will be able to deliver the outputs you need within the challenging timescales and to an excellent standard. Our plan works backwards from your final deadline, ensuring our preceding work is logically ordered to ensure we meet your requirements. We have further identified the key milestones and timings for meetings, to ensure delivery. Throughout the assignment, we will work flexibly, adapting to your preferences. Our management arrangements further include both formal (but also frequent informal) interactions with you. Finally, our management approach is underpinned by rigorous quality assurance processes to ensure our work is of the highest possible quality.

1. Project timeline and plan

We recognise that a key aspect of this project is that the outputs must be delivered within short timescales. Specifically, from your ITT we understand that you require the final report by the w/c January 25th, meaning that the deliverables must be concluded within 4 elapsed weeks of the project start. As such, we have developed a robust project plan (shown below) to ensure that we can meet these timings.

Figure 1: Project Gantt Chart

	04/01/2020	11/01/2020	18/01/2020	25/01/2020	01/02/2020	08/02/2020
Confirm framework & scenarios						
Data collection						
Modelling						
Reporting						
Support for ministerial advice						
Milestones	Work begins	Initial findings	Outline report	Draft final report & final report		

As you will see, we have ordered the key tasks as per our proposed approach. Key milestones for the project include:

- A kick-off meeting (work begins), w/c January 4th.
- An update meeting with initial findings, w/c January 11th.
- An outline structure / content of our report, w/c January 18th.
- Draft and then final report to be provided, w/c January 25th.

2. Our approach to project management

2.1 Project management for this assignment

2.1.1 Management arrangements

You will be assigned a Project Manager [REDACTED] for the duration of the assignment. [REDACTED] will be your main point of day-to-day contact throughout. He will be responsible for planning our work and keeping you fully informed of progress. [REDACTED] will manage our team, assigning tasks to each member as appropriate and ensuring they are completed on time.

We propose weekly formal project meetings, which will be used to track progress during the assignment. As part of these we will provide you with:

- Task lists: including a full update of tasks completed in the prior week, and to agree tasks to be completed in the week ahead.
- Analytical progress updates: primarily focused on the modelling, we will provide more detailed updates as to progress, raising provisional results as they emerge.

In addition, in light of the short timescales for the work, we recommend more frequent informal contact points. Most obviously, we would expect our respective teams to have frequent informal email exchanges / telephone conversations in order to ensure work progresses as rapidly as possible.

We will ensure all meetings / interactions are fully compliant with relevant COVID-19 guidelines and restrictions. We are happy to accommodate virtual meetings using whichever platform(s) you prefer.

2.1.2 Risk management

We will take care to identify and manage risks during the project. Across all our work, we apply a best practice approach to risk management. This includes developing a 'risk register' within which all relevant risks are identified and rated for their (i) likelihood; and (ii) impact. Mitigating strategies are then considered for each. Where any risks crystallise we will discuss the options for how these are best addressed with you, and allow

you to select a preferred approach. Our current assessment of risks is summarised in the following table.

Table 1: Initial identification of risks

Risk type	Likelihood	Impact	Mitigation steps
Failure to deliver work by deadline	Low	High	Allocated significant resource Team includes senior personnel with relevant experience Robust project plan
Data availability	Medium	Medium	Pragmatic approach to utilise a 'mix' of complementary sources Early engagement with BEIS / OGA on sources
Uncertainties regarding regime impacts	High	Medium	Scenarios will include sensitivity analysis Stress testing of findings with key stakeholders
Outputs inappropriate to informing policymaking	Medium	High	Prioritise clear, easy to interpret, information across scenarios Be transparent as to key uncertainties and risks

Source: Economic Insight

2.2 How we will work with you

We will rapidly establish a friendly, but highly professional, working model during this assignment. We will adopt a flexible approach, adapting to the way you would prefer us to work. Therefore, whilst in this proposal, we have set out our suggestions for the frequency and nature of interactions, we are entirely happy to adapt these as you prefer. Also, given the short timelines, it is inevitable that certain tasks will need to be re-sequenced, or addressed in alternative ways to those envisaged in our method. Again, our approach will therefore be a pragmatic and flexible one, so that this does not delay progress. Finally, you will find us to be highly responsive throughout, happy to accommodate your requests and answer any questions you might have.

2.4 Quality assurance

At Economic Insight we have comprehensive quality assurance processes that will apply to all our work for you. These include the following.

2.4.1 Analytical work

- All analytical work will be subject to a full audit by the author. This will include checking all calculations and code, with workings traced back to source and raw data entry verified.
- Material analytical work will be further subject to a '2-stage' process, where a full audit is also undertaken by someone outside of the core project team.
- All results and findings are 'sense checked' against prior intuition. Sensitivity analysis is used to check that results vary as expected, in line with variation in input.

2.4.2 Written outputs

- All written work will be produced in line with our own internal style guides, to ensure it is well-presented and properly formatted.
- In addition, we are happy to comply with any formatting requirements you have, including ensuring accessibility of outputs. This can include using 'hidden text' in charts and figures to ensure our work is accessible to a wide audience.
- All written work is subject to a full review, including a proof read, by someone outside of the core project team.

2.4.3 QA Director

Outside of our project team, you will be assigned a QA Director. Their role will be to provide external challenge and critical review of the work throughout. This will include: (a) attending internal meetings / asking questions as to the approach taken; (b) reviewing major client outputs and identifying areas for improvements; and (c) sense checking important findings.

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