

DPS FRAMEWORK SCHEDULE 4: LETTER OF APPOINTMENT AND CONTRACT TERMS

Part 1: Letter of Appointment

Dear Sirs

Letter of Appointment


This letter of Appointment dated 24th February 2020, is issued in accordance with the provisions of the DPS Agreement (RM6018) between CCS and the Supplier.

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

Order Number:	CR19106
From:	The Department for Business, Energy and Industrial Strategy (BEIS) ("Customer")
To:	BMG Research, Beech House, Greenfield Crescent, Edgbaston, Birmingham B15 3BE

Effective Date:	Tuesday, 2 nd March 2020
Expiry Date:	Thursday, 30 th June 2022 Notice period for cancellation is 30 days.

Services required:	Set out in Section 2, Part B (Specification) of the DPS Agreement and refined by: the Customer's Project Specification attached at Annex A and the Supplier's Proposal attached at Annex B;
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Key Individuals:	
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Contract Charges (including any applicable discount(s), but excluding VAT):	£915,950.00 excluding VAT in alignment with Annex 1 of the Contract Terms.
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Insurance Requirements	<p>Additional public liability insurance to cover all risks in the performance of the Contract, with a minimum limit of £5 million for each individual claim</p> <p>Additional employers' liability insurance with a minimum limit of £5 million indemnity</p> <p>Additional professional indemnity insurance adequate to cover all risks in the performance of the Contract with a minimum limit of indemnity of £2 million for each individual claim.</p> <p>Product liability insurance cover all risks in the provision of Deliverables under the Contract, with a minimum limit of £5 million for each individual claim</p>
Liability Requirements	Suppliers limitation of Liability (Clause 18.2 of the Contract Terms);
Special Terms	There is a break clause after Year 6 where BEIS will assess the contractor's performance and make a decision on the contract renewal for Year 7 of the overall project.
Customer billing address for invoicing:	All invoices should be sent to finance@services.ukpbs.co.uk or Billingham (UKPBS, Queensway House, West Precinct, Billingham, TS23 2NF).

FORMATION OF CONTRACT

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

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

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

For and on behalf of the Supplier:

For and on behalf of the Customer:

Name and Title:

[REDACTED]

Name and Title:

[REDACTED]

Signature:

[REDACTED]

Signature:

[REDACTED]

Date: 25/02/2020

Date: 25/2/2020

ANNEX A

Customer Project Specification

To be determined by the Customer at Call for Competition stage

1. Background

The BEIS Longitudinal Small Business Survey (LSBS) has operated since 2015 and is a key source of reliable data on SME performance and the factors that affect this.

LSBS data and findings are highly policy-relevant and are widely used to enable evidence-based policy making by BEIS, its arms-length bodies and Other Government Departments. For example, previous surveys have been used to measure the impact of the National Living Wage, the awareness of the Scottish Government's Business Pledge, the uptake and usage of Smart meters, investment in business advice, training and innovation, and HMRC's 'Making Tax Digital' programme.

LSBS cross sectional data provides the only reliable data on growth ambition and the business behaviours associated with business performance and growth in SMEs.

In 2015, an initial sample of 15,500 SMEs (0 to 249 employees) was surveyed between August 2015 and December 2015. Respondents to this first survey were resurveyed in each subsequent wave of the survey. 2,757 of these responded to Year 4 of the survey and the expected number of responses for the original panel in Year 5 (fieldwork currently being carried out) is approximately 1,900.

Years 2 to 5 of the LSBS have also included additional respondents (top-ups) in order to maintain size of the sample and the cross-sectional representativeness of the data produced and this process will need to be repeated for Years 6 and 7.

This specification relates to the Years 6 and 7 of the LSBS; the fieldwork for which will take place between July and December in 2020 and 2021, respectively.

In Years 1, 2 and 3 of LSBS, the survey was commissioned through separate contracts for micro businesses, small and medium sized businesses, and analysis and reporting. Years 4 and 5 were commissioned through a single contact. Years 6 and 7 will be commissioned again through a single contact. Accordingly, this specification invites tenders for conducting the full surveys and for the associated analysis and report writing.

However, while this ITT relates to two surveys (Years 6 and 7), award of the contract will not guarantee that the Year 7 survey will take place. Once the Year 6 fieldwork is finished and we have the data and a preliminary report in March 2021, we will assess the contractor's performance and make a decision on the contract renewal for Year 7. We will assess them on:

- Survey administration – retention of existing panel, coverage of business population;
- Reporting and Datasets – cleaning, ease of understanding, accuracy of datasets, accuracy, quality of communication of reporting;
- Methodology – weighting, significance testing;
- Project management – timeliness, communications with project manager.

KPIs relating to the above measures will be agreed with the supplier and included in the contract. The KPIs will then be used to consider whether the contract should be extended.

2. Aims and Objectives of the Project

The aims of this project are as follows.

Year 6 of the survey

- a. To conduct a telephone survey of the panel of businesses with 0 to 249 employees that were surveyed in previous waves of the LSBS. The survey will take place between July and December 2020;
- b. To minimise attrition amongst the panel businesses;
- c. To conduct further telephone-based interviews with a further sample needed to ensure the overall achieved sample is representative. A total of approximately 12,000 interviews will be required in Year 6;
- d. To produce three research reports: one for businesses with no employees, one for SME employers and one for findings from the longitudinal data. The contractor will also be required to produce a comprehensive technical report;
- e. To manage the LSBS academic user group. Particularly, to manage a mini competition that will be used to fund a small number of secondary analysis projects by members of this group.

If BEIS decide to proceed with Year 7 of the survey

- f. To conduct a telephone survey of the panels of businesses with 0 to 249 employees that were surveyed in previous waves of the LSBS. The survey will take place between July and December 2021;
- g. To minimise attrition amongst the panel businesses;
- h. To conduct further telephone-based interviews with a further sample needed to ensure the overall achieved sample is representative. A total of approximately 12,000 interviews will be required in Year 7;
- i. To produce three research reports: one for businesses with no employees, one for SME employers and one for findings from the longitudinal data. The contractor will also be required to produce a comprehensive technical report;
- j. To manage the LSBS academic user group. Particularly, to manage a mini competition that will be used to fund a small number of secondary analysis projects by members of this group.

As the award of this contract will not guarantee that the Year 6 survey will be conducted, tenders should provide discrete separately costed proposals for Years 6 and 7.

3. Suggested Methodology

We do not wish to be overly prescriptive in defining the project methodology and we would welcome alternative methods to those outlined in this specification. However, tendering organisations should be aware that LSBS is a longitudinal survey and key elements of the established approach and methods must be maintained.

The survey should be telephone-based, rather than online because a large proportion of smaller businesses do not have publicly available email addresses, and online surveys can have lower response rates which would be detrimental to the longitudinal data. We also would not want to introduce a break in our time series by introducing a modal effect (from telephone surveying to another mode).

The approach to sampling and weighting etc. should correspond directly to that used in LSBS Years 1 to 5. These are comprehensively explained in the Year 4 (2018) technical report.

<https://www.gov.uk/government/publications/small-business-survey-2018-methodology>

A sample of the Interdepartmental Business Register will be provided for identifying businesses which are registered for VAT/PAYE, for sampling purposes. The sampling frame for businesses which are not registered for VAT/PAYE should be provided by the contractor. For previous waves a sample from Dun and Bradstreet has been used but we would welcome proposals for alternatives.

Tendering organisations should assume a mean interview length of 20 minutes for Years 6 and 7 of the survey. The contractor will be required to work closely with the BEIS project manager and other stakeholders to develop and agree the questionnaires for Years 6 and 7. Proposals should include provision for piloting of the questionnaires. A copy of the Year 4 questionnaire is included in the above-mentioned technical report. It is likely that some non-core questions will be included in modules that will be asked in parallel to just a proportion of respondents.

Interviews for the panels should take place as near as possible to the dates individual businesses were interviewed in the previous year. The interviews for any boosts should also take place between July and December 2020 and July and December 2021. The successful contractor will be supplied with contact details, etc. for the panel.

There are estimated to be approximately 12,000 respondents in total from 2019 - Year 5 (including 1,400 from the original Year 1 panel) following a significant top up in 2018 – Year 4. Accordingly, tenders should be based on an achieved Year 6 sample of 12,000 businesses. This total includes both the businesses in the existing panel and those being interviewed for the first time.

In Years 2 to 5 the sample has been 'topped up' to maintain its cross-sectional representativeness (for example, through the addition of businesses which are less than one year old). The surveys have also been designed to achieve samples of 1,000 in Scotland and 500 in Northern Ireland. Tenders should include proposals for maintaining cross sectional representativeness and the minimum achieved samples in Scotland and NI in Years 6 and 7. Proposals for Year 7 should assume an attrition rate of 30 per cent from Year 6 to Year 7. Accordingly, they should assume an overall achieved sample of approximately 12,000 including top ups in year 7.

Minimising attrition is of paramount importance to this survey. Tenders should describe in detail the measures that will be taken to minimise attrition in Year 6 and beyond. On this point, you should be aware that BEIS does not normally favour the use of incentives. BEIS would welcome proposals to test measures to reduce attrition on a proportion of the overall sample in 2020.

As part of the contract, the contractor will also be required to manage the LSBS academic user group. Tenders should include a ring-fenced sum of £25,000 per year that will be used to fund 4/5 small research projects. The key contractor task here is to manage a mini competition that will be used to fund a small number of secondary analysis projects by members of this group. The contractor will make the user-group aware of the opportunity, collate research proposals, contribute to deciding on which research bids to fund, make payments to the successful researchers, and review resulting outputs. Academics bid for funding support and 4 / 5 projects are provided with funding. The research projects inform both wider academia and BEIS policy making. They also encourage further research into the area, to maximise use of the data collected from the LSBS.

As the award of this contract will not guarantee that the Year 7 survey will be conducted, tenders should provide discrete separately costed proposals for Years 6 and 7.

The contractor will be required to work closely with the BEIS project manager throughout this project.

This project will be overseen by a Steering Group. Proposals should include provision for participation in three Steering Group Meetings per year in London. Tenders should also include details of how the contractor will undertake appropriate quality assurance and a comprehensive risk register.

4. Deliverables

The contractor will be required to produce the deliverables in relation to Year 6 described below by the dates indicated:

- I. A detailed work programme (within one month of the contract being awarded)
- II. A detailed sampling strategy (within one month of the contract being awarded)
- III. An agreed questionnaire for Year 6 (end May 2020)
- IV. Cleaned datasets (28th Feb 2021)
- V. A draft research report on SME employers (28th Feb 2021)
- VI. Draft research reports: one for businesses with no employees and a report on the Year 6 findings from the longitudinal data. The contractor will also be required a comprehensive technical report. (31st March 2021)
- VII. Final reports as above of publishable quality (30th April 2021)
- VIII. Associated 'transparency tables' for publication alongside the survey reports. (30th April 2021)
- IX. A presentation of findings – details to be arranged with BEIS.
- X. Four or five projects commissioned from the LSBS academic user group.

Equivalent deliverables will be required at similar dates for Year 7 if it goes ahead.

Publication

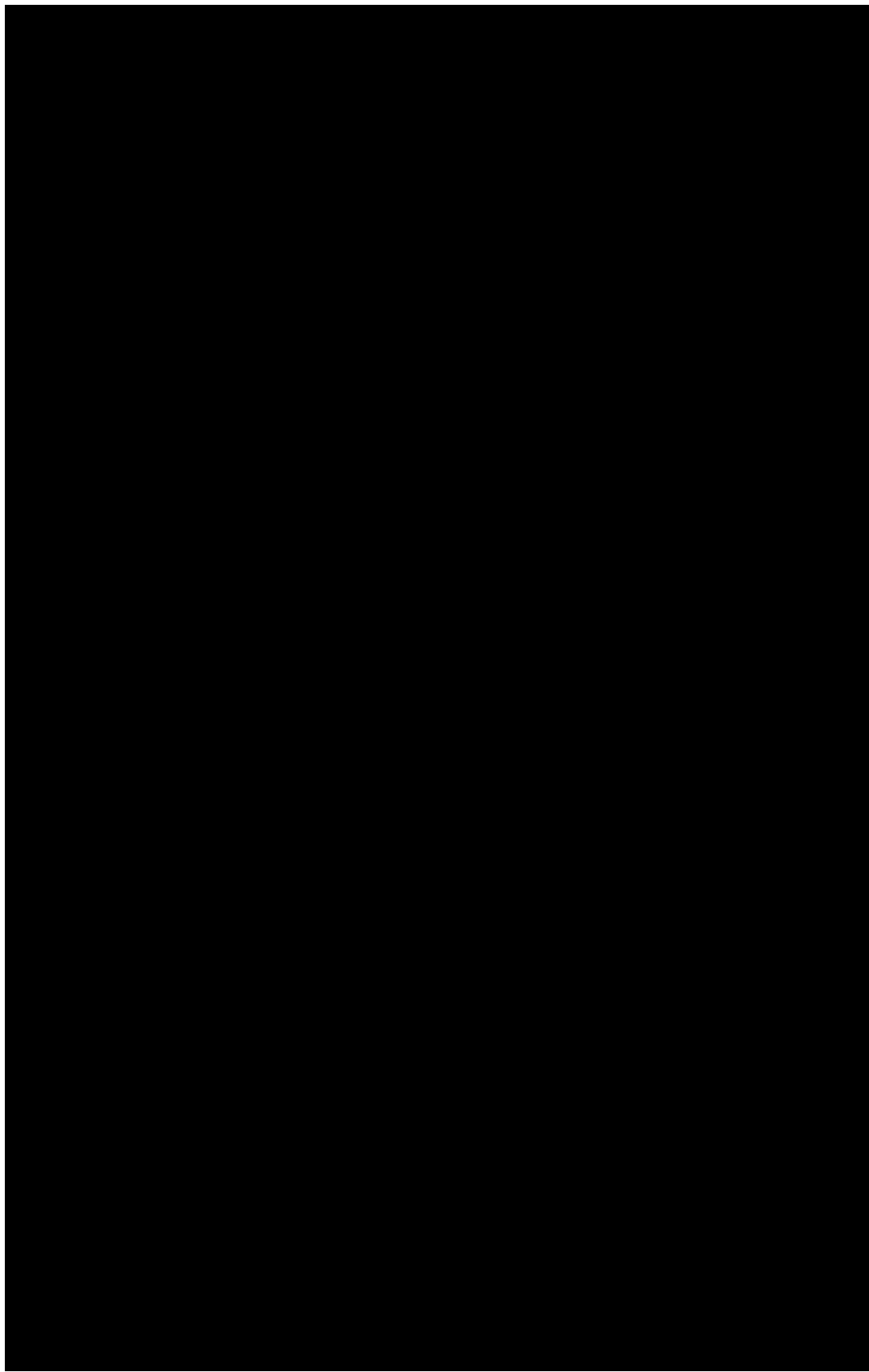
The final reports for this research project must be formatted according to BEIS publication guidelines, therefore within the statistics template and adhering to BEIS accessibility requirements for all publications on GOV.UK. The publication template will be provided by the project manager. Please ensure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

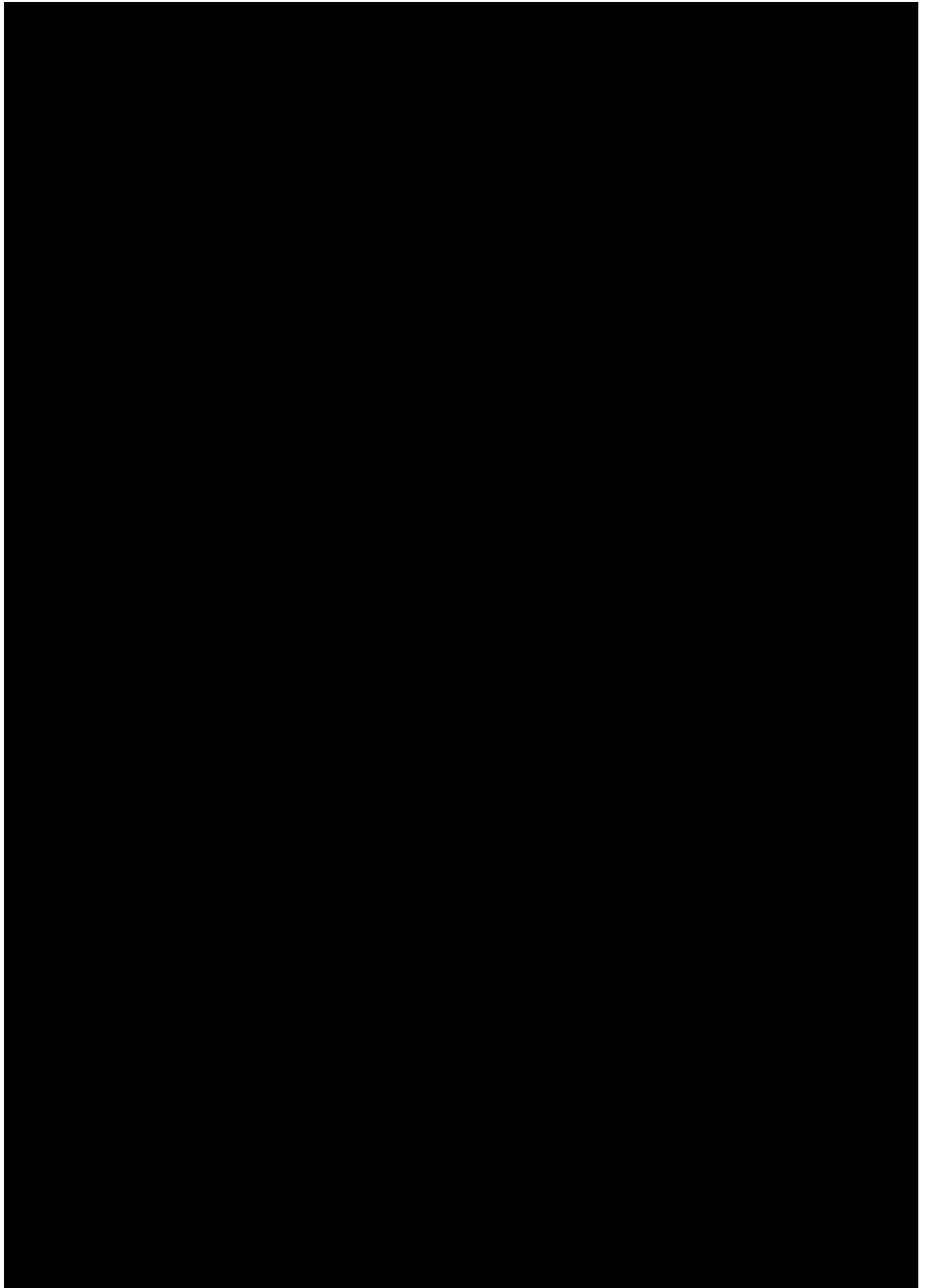
Checklist for Word accessibility

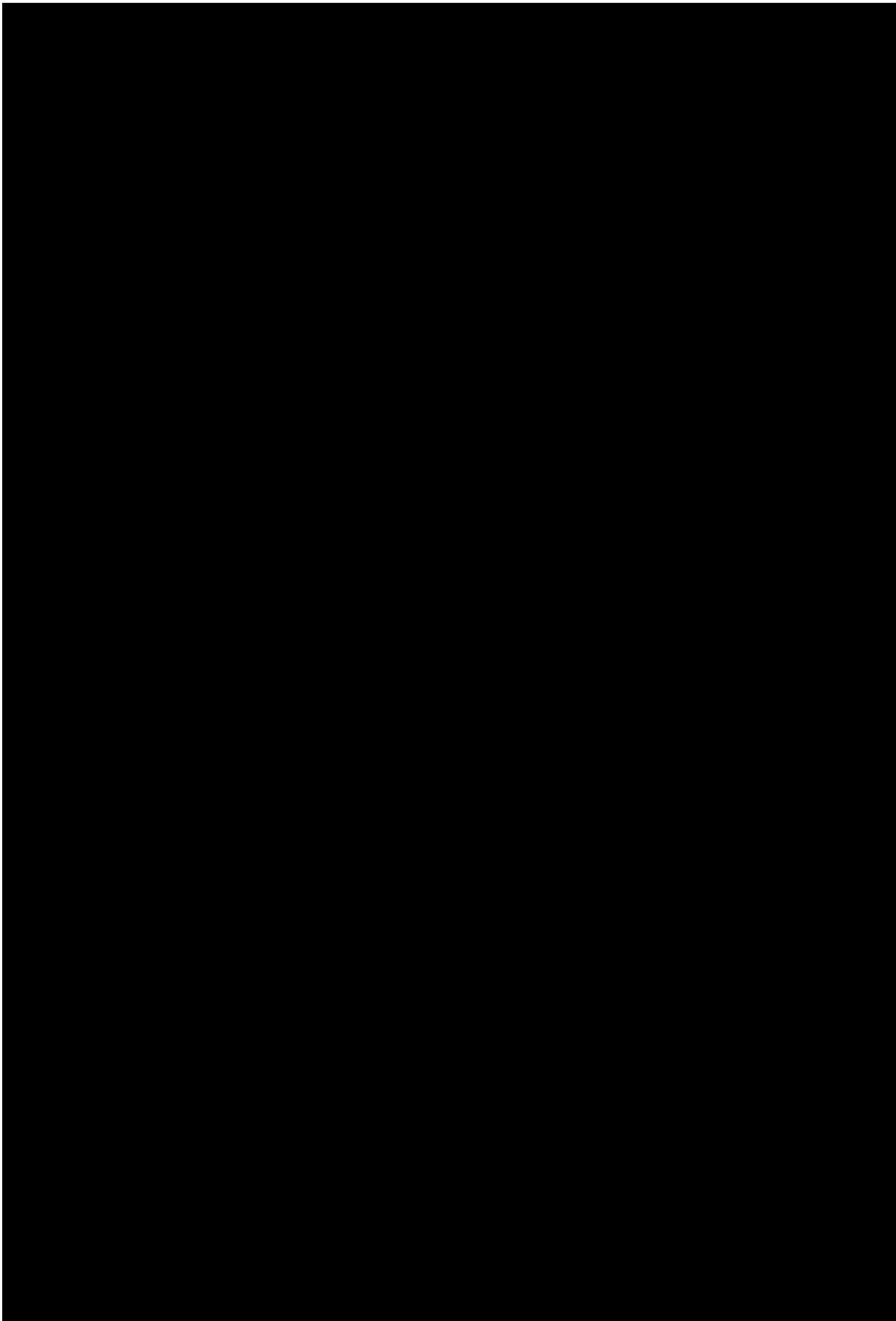
Word documents supplied to BEIS will be assessed for accessibility upon receipt. Documents which do not meet one or more of the following checkpoints will be returned to you for re-working at your own cost.

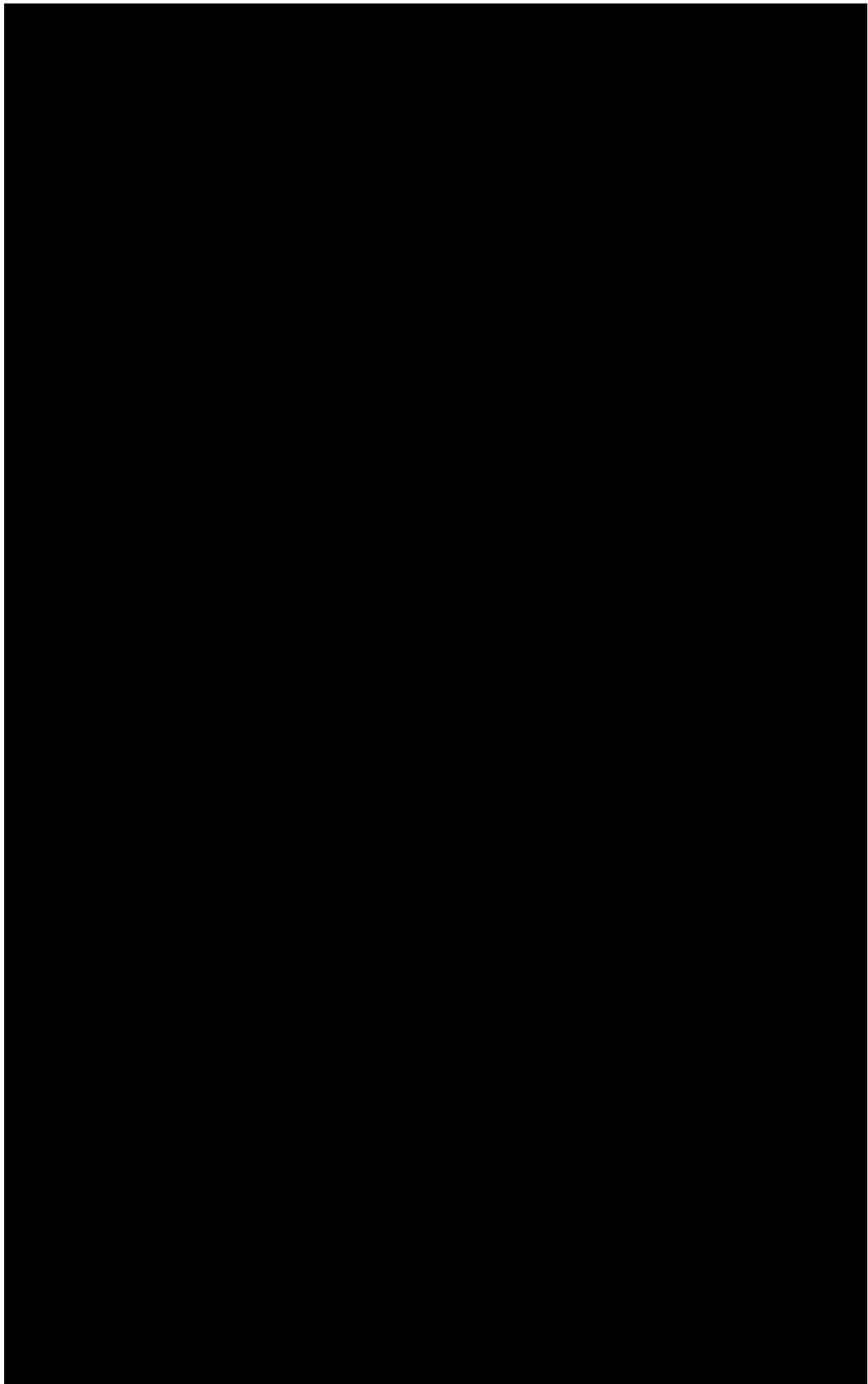
- document reads logically when reflowed or rendered by text-to-speech software
- language is set to English (in File > Properties > Advanced)
- structural elements of document are properly tagged (headings, titles, lists etc)
- all images/figures have either alternative text or an appropriate caption
- tables are correctly tagged to represent the table structure
- text is left aligned, not justified
- document avoids excessive use of capitalised, underlined or italicised text
- hyperlinks are spelt out (e.g. in a footnote or endnote)
- Datasets to support those to be published in the final report must be provided in an accessible format (CSV, Excel) on submission of the report.

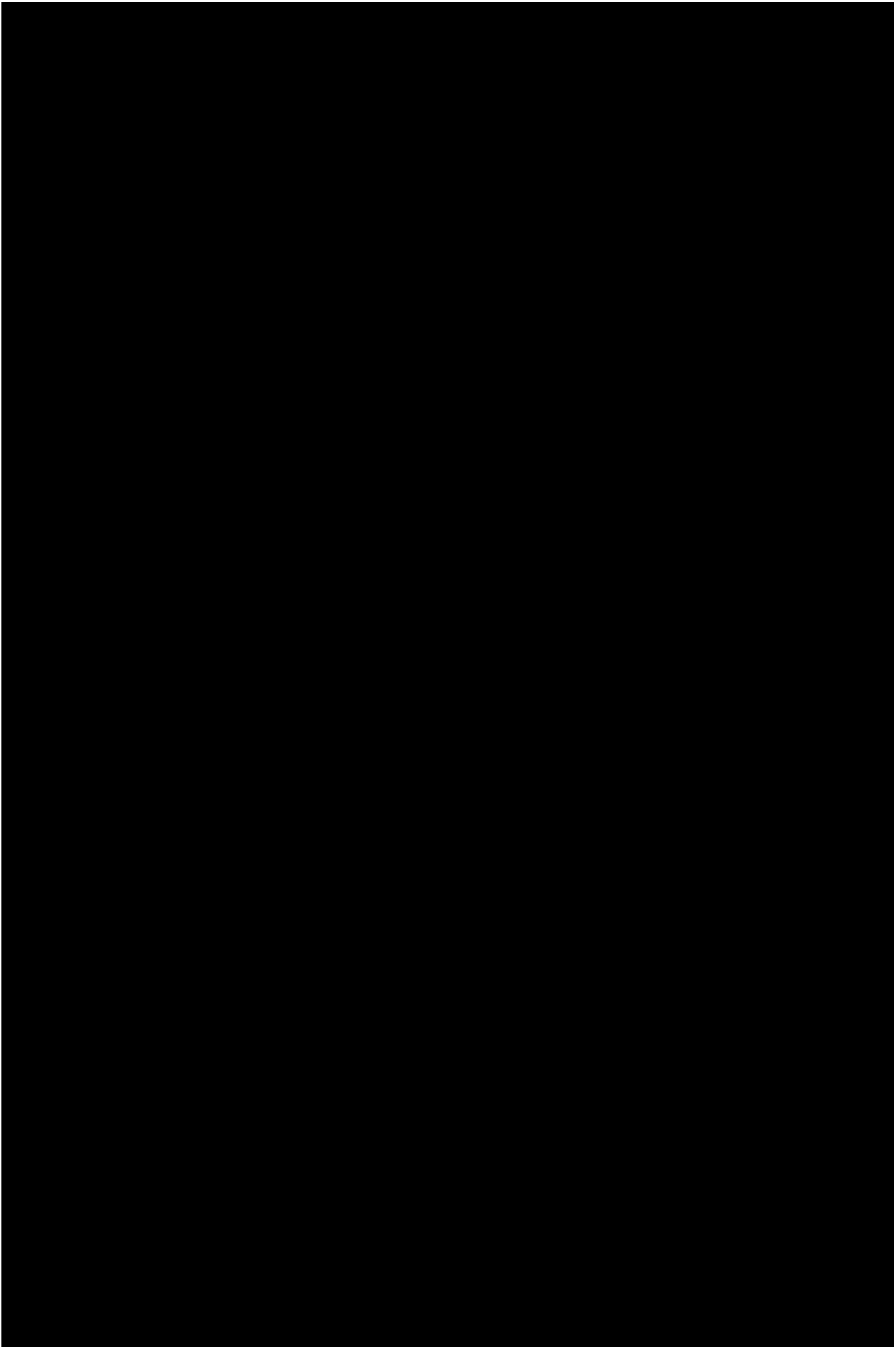








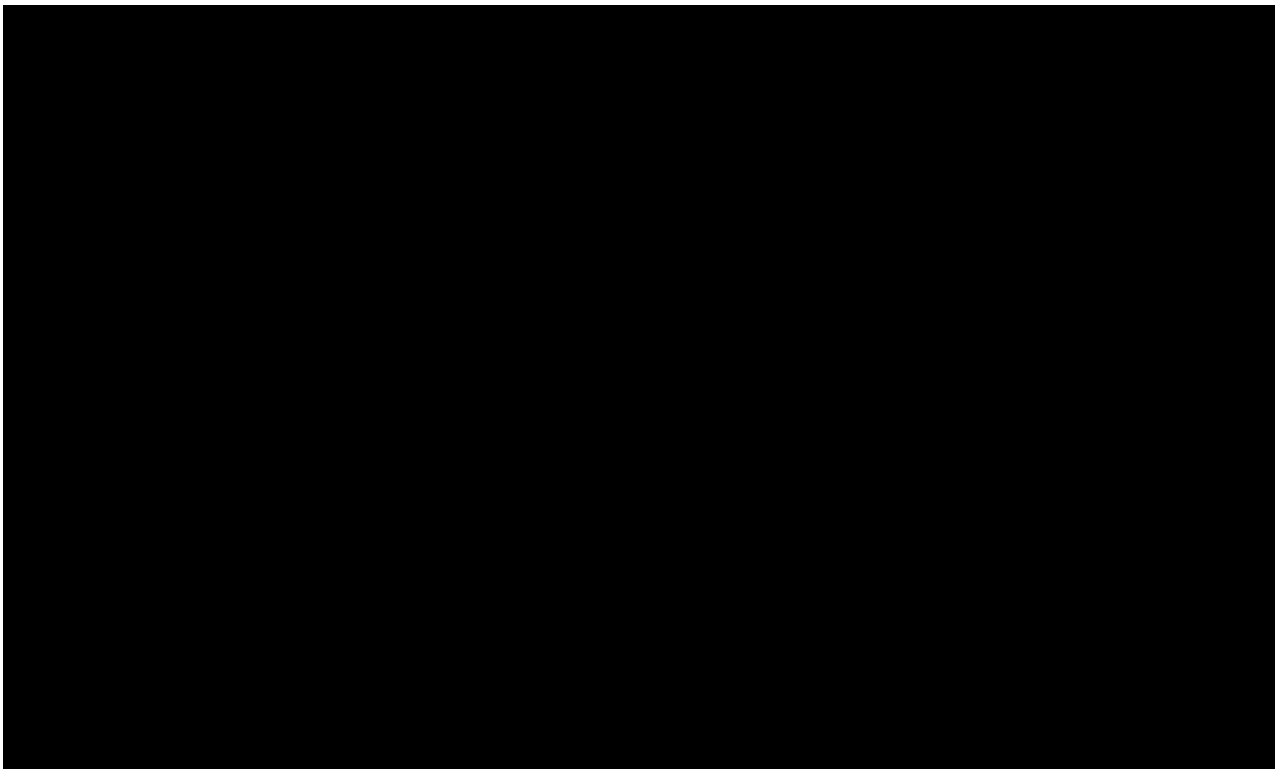
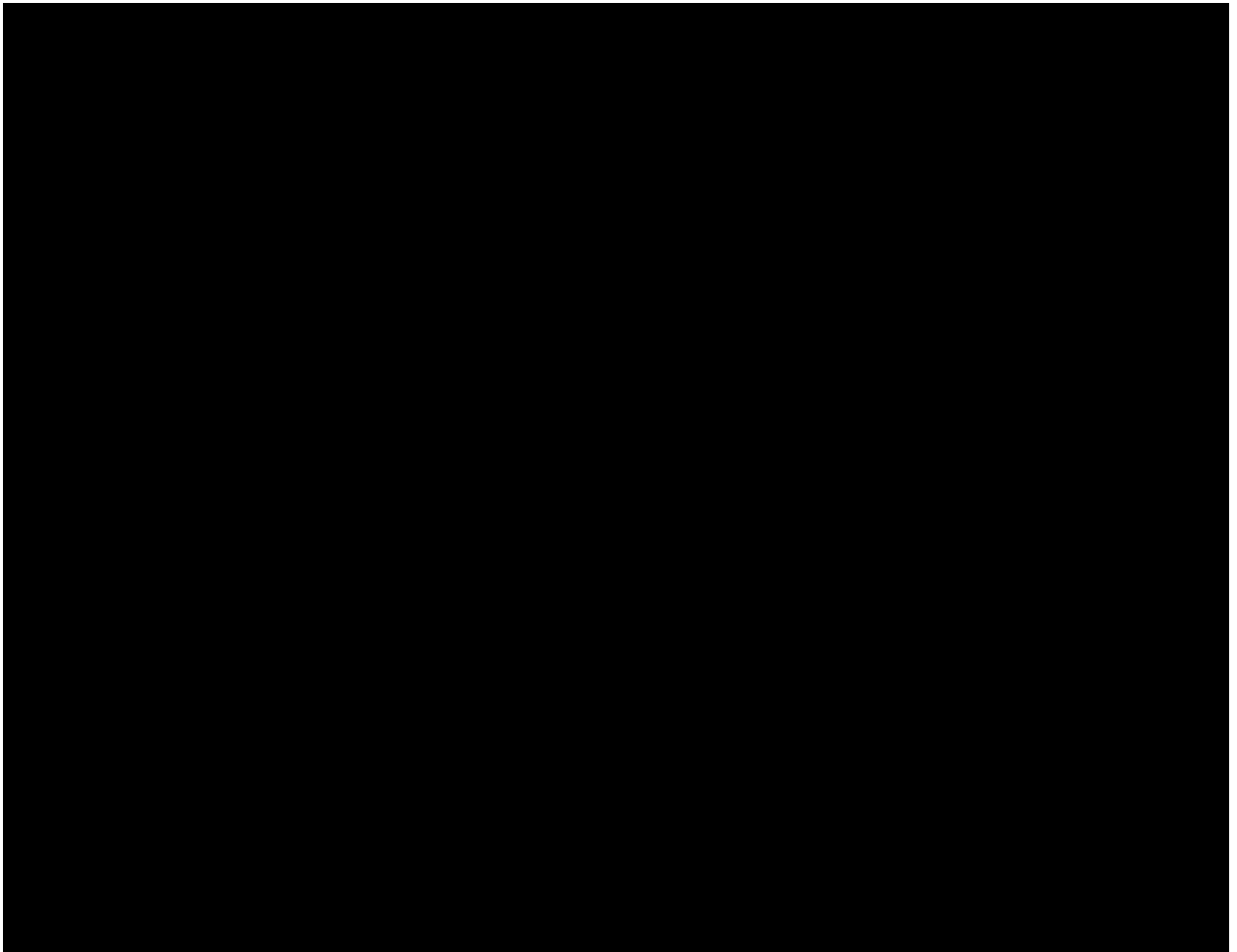


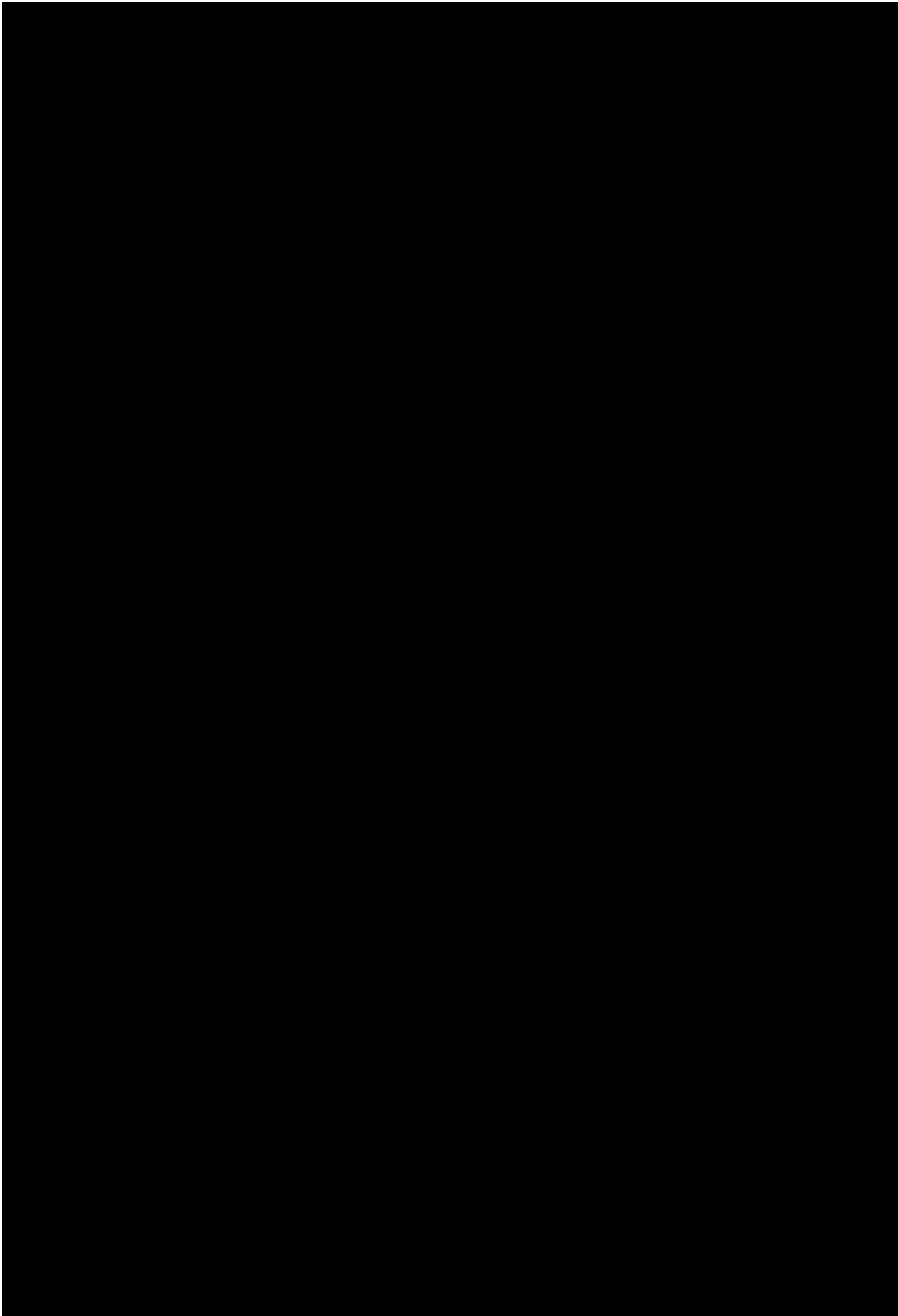


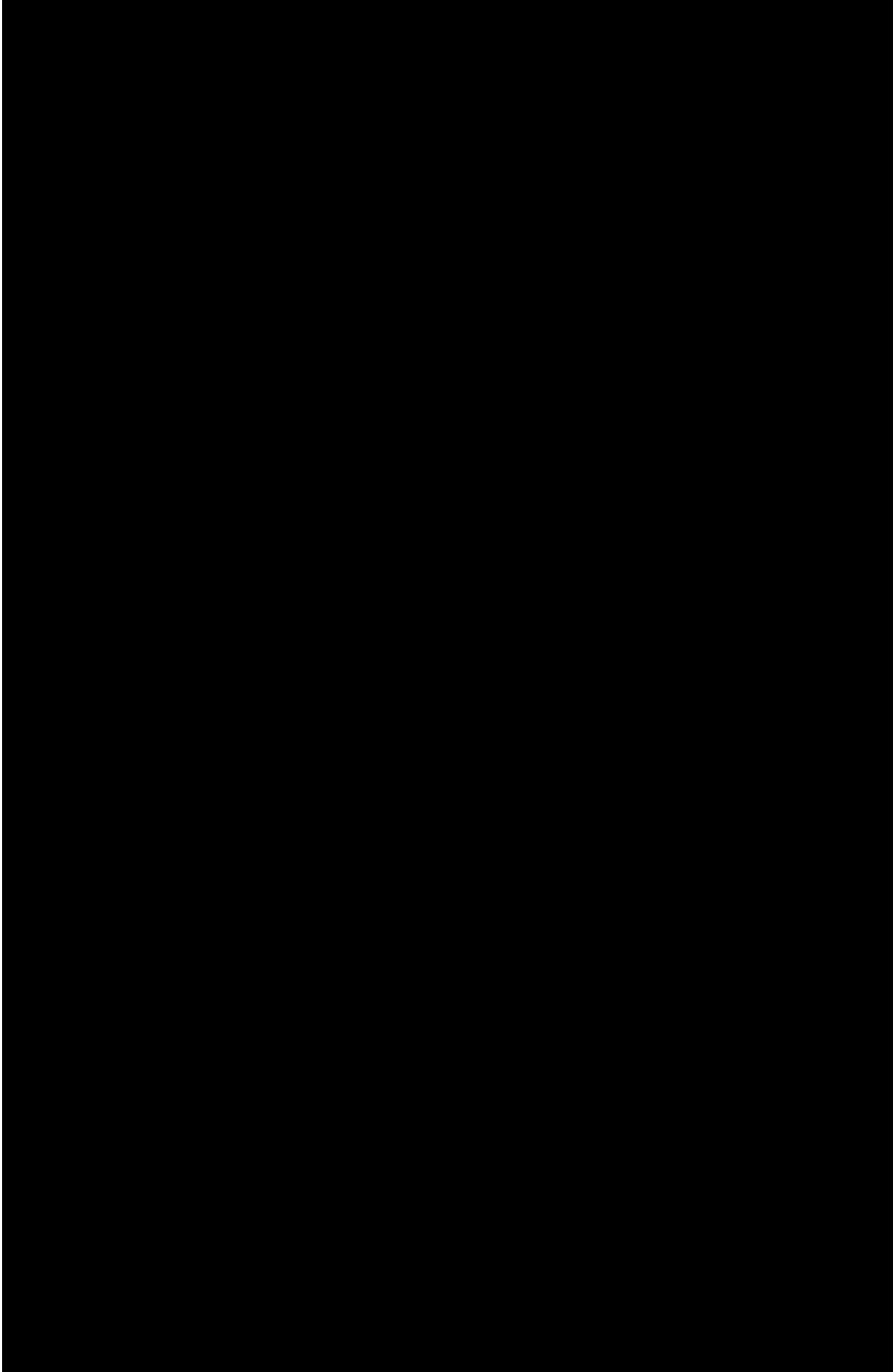
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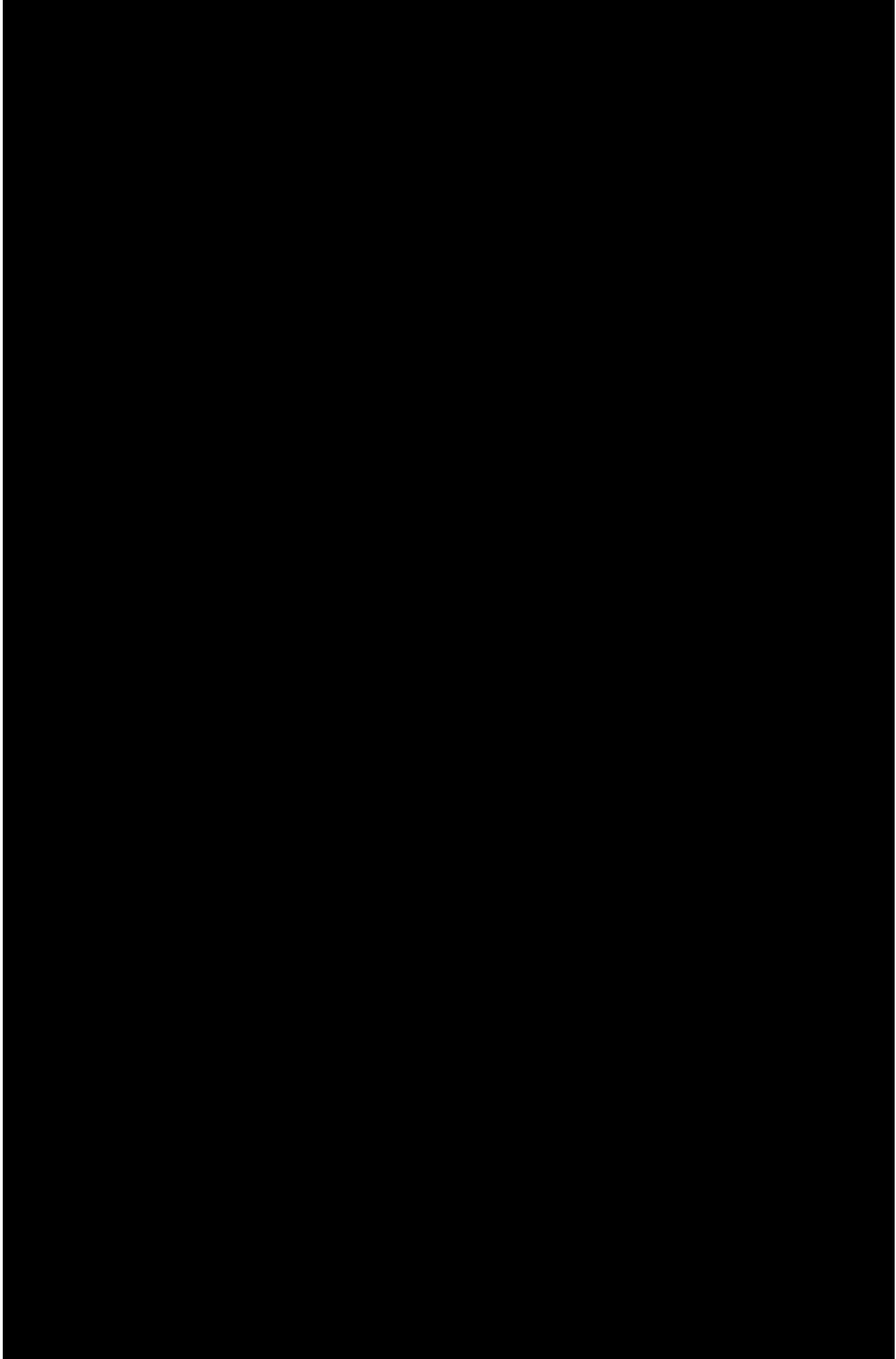
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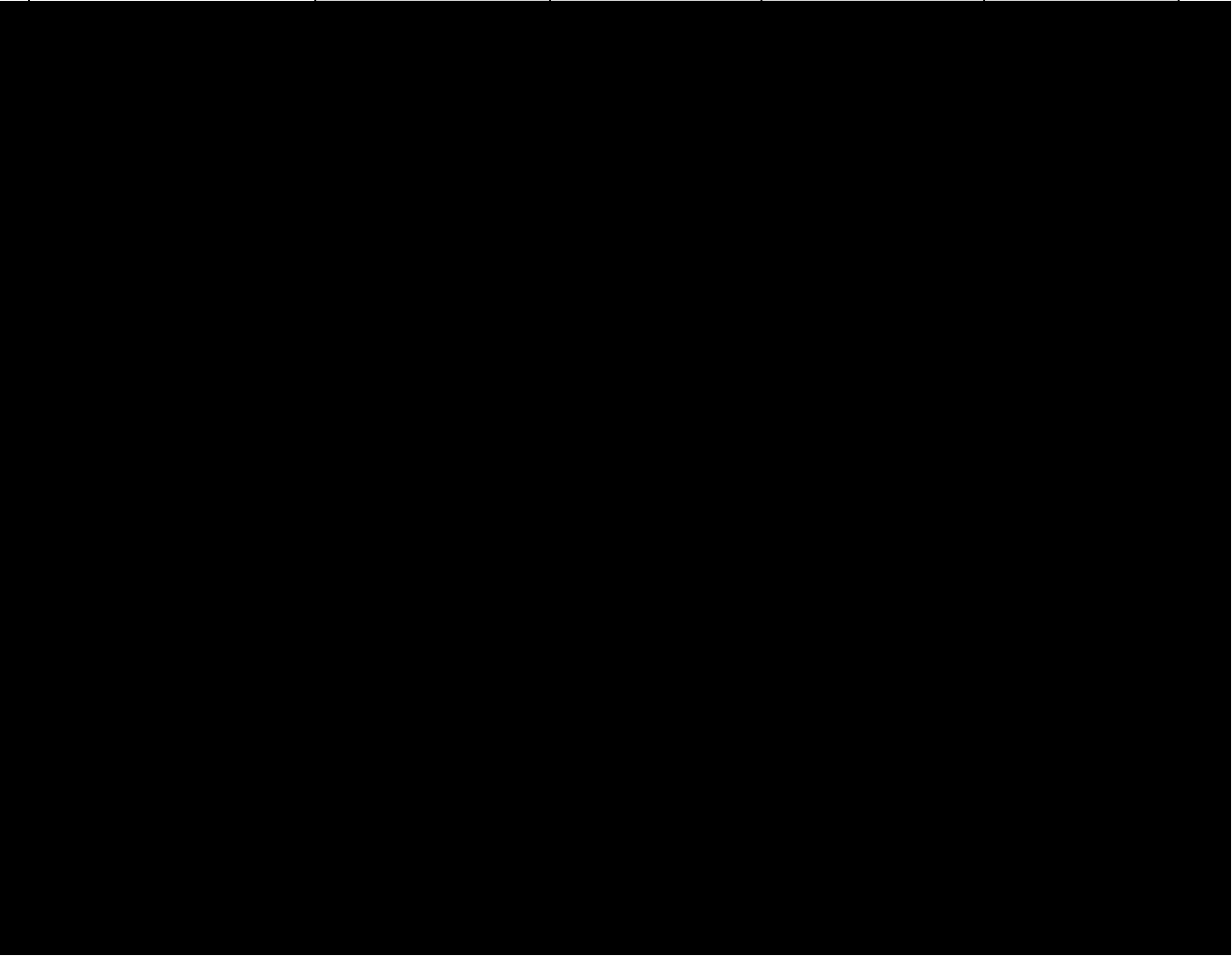
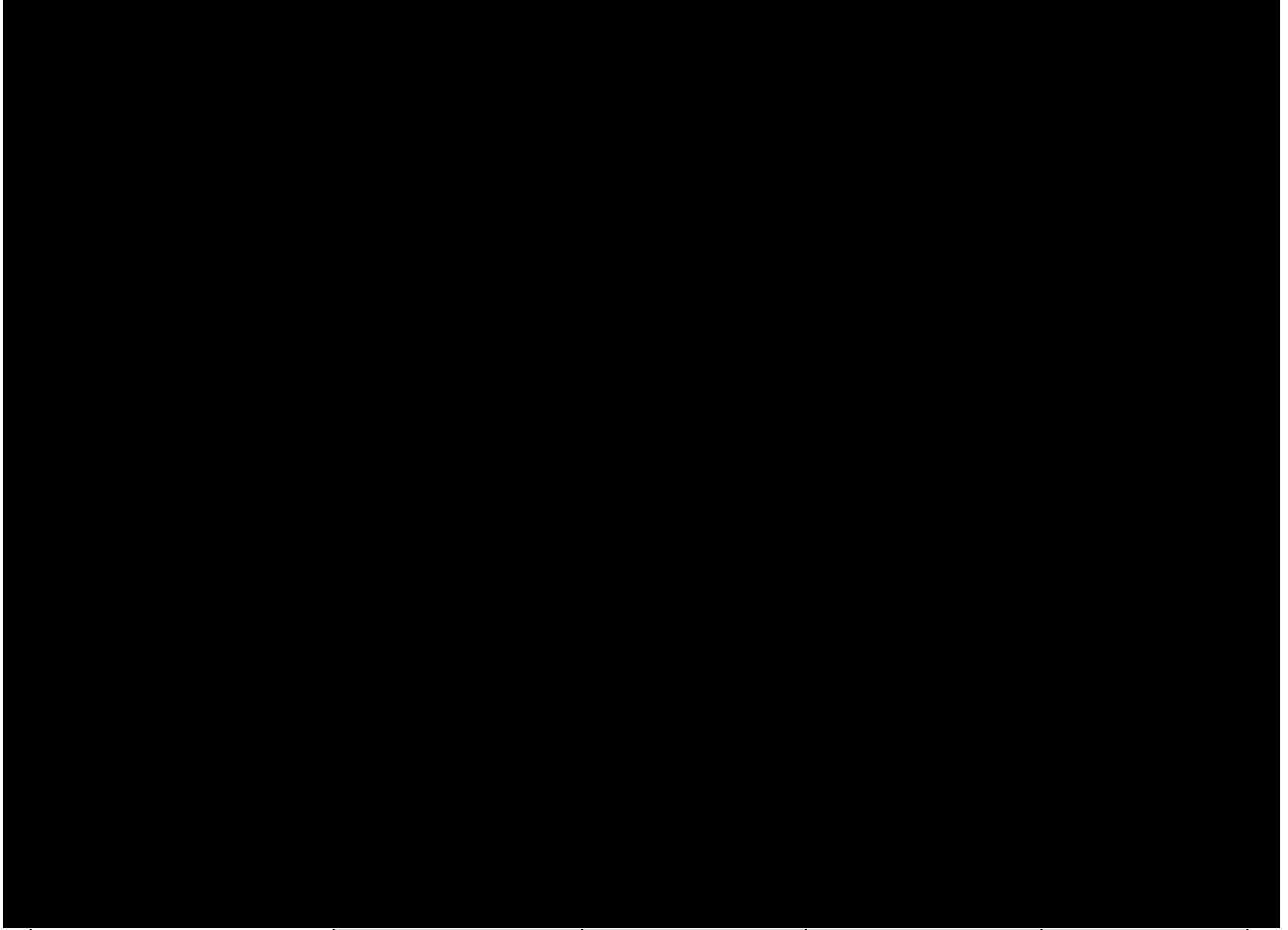
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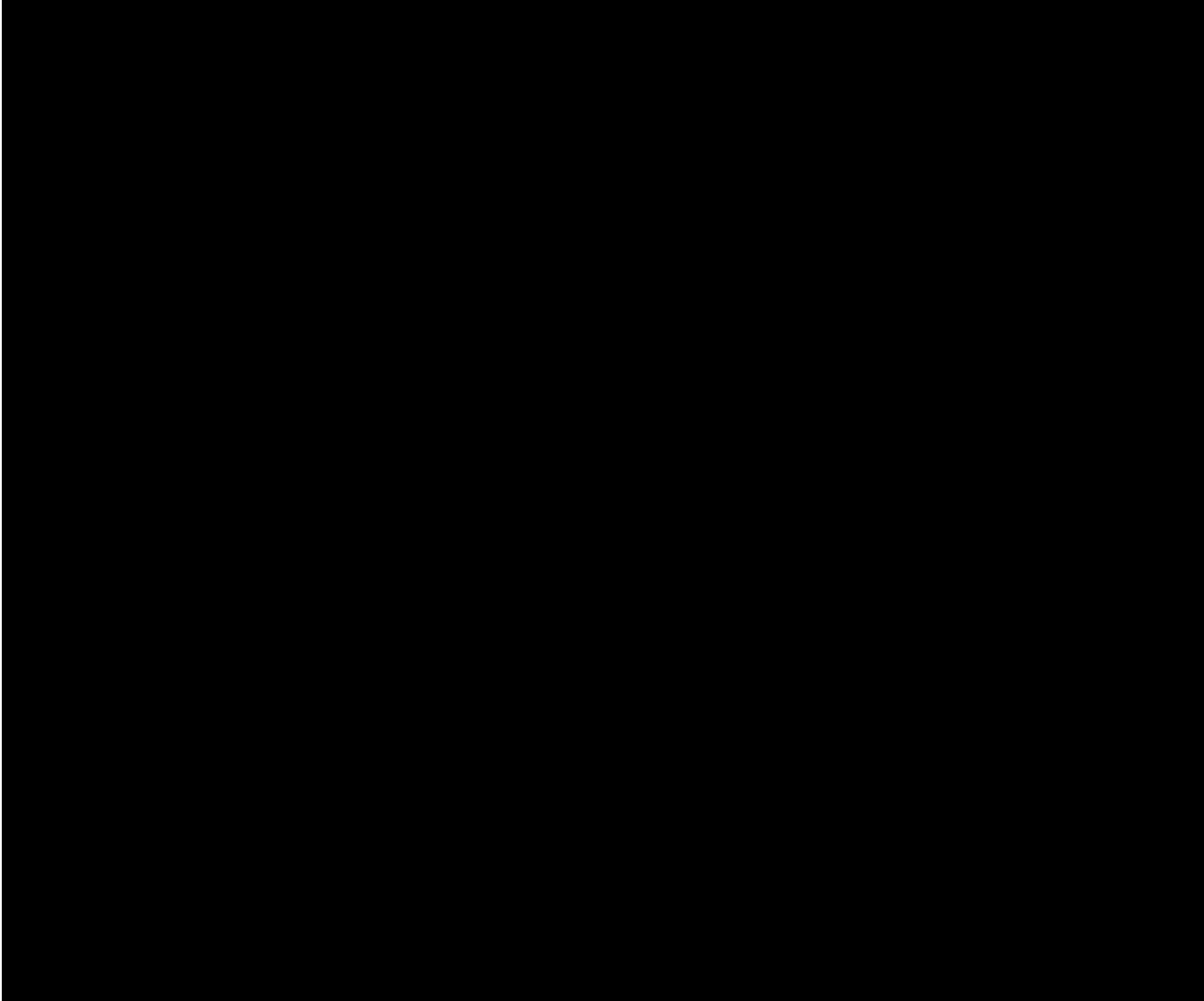












Part 2: Contract Terms



Contract Terms v6.0