

## **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 Wednesday, 23<sup>rd</sup> June 2021, 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:	PS21031
From:	The Department for Business, Energy & Industrial Strategy, 1 Victoria Street, London SW1H 0ET (BEIS) ("Customer")
To:	Technopolis Limited, 3 Pavilion Buildings, Brighton, BN1 1EE ("Supplier")

Effective Date:	Monday, 28th June 2021
Expiry Date:	Tuesday, 31st October 2023

Services required:	Set out in Section 2, Part B (Specification) of the DPS Agreement and refined by: the Customer's Project Specification attached at Appendix A and the Supplier's Proposal attached at Appendix B of this letter of appointment;
--------------------	--

Key Individuals:	Technopolis Limited - <span style="background-color: black; color: black;">[REDACTED]</span> BEIS - <span style="background-color: black; color: black;">[REDACTED]</span>
------------------	---

Contract Charges (including any applicable discount(s), but excluding VAT):	£159,960.00 excluding VAT
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	<b>Suppliers limitation of Liability</b> (Clause 18 of the Contract Terms);
GDPR	As per Contract Terms Schedule 7 (Processing, Personal Data and Data Subjects)
Special Conditions	A review point before Phase 2 and a break clause in the contract will be enacted should external circumstances mean the remainder of the research is undeliverable.
Customer billing address for invoicing:	All invoices should be sent to should be sent to finance@services.uksbs.co.uk or Billingham (UKSBS, 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 Signature]

Managing Director

Name and Title:

Signature:

Date: 25 June 2021

Signature:

Date:

28/06/2021 12:17:15

## APPENDIX A

### Customer Project Specification

#### 1. Background

##### Introduction and Policy Background

This contract is for the delivery of an extensive evaluation of the Flexibility Exchange Demonstration (“**Flex**”) competition. The Flex competition was part of the broader BEIS £505m Energy Innovation Programme.

Creating new markets in which smart businesses can compete fairly and realise the true value of their services was highlighted in the [Smart Systems and Flexibility plan](#) as an area of high priority for the Government. The purpose of the Flex competition is to develop and demonstrate flexibility market platforms which successfully bring buyers and sellers together and connect local and national markets, and it is hoped that these markets will provide a foundation for future innovation in system flexibility. In developing new platforms for flexibility exchanges, the Flex competition seeks to address the following four failures in flexibility markets:

- **Information failure:** some participants are unaware of the market price for products and services due to the asymmetric distribution of information.
- **Undervalued positive externalities:** network operators risk overspending on non-flexible assets, in order to ensure system stability, whilst better value flexibility products and services are currently available.
- **Under-priced negative externalities:** participants are unable to access the information necessary to assess the value of flexible products and services, leading to them being used inefficiently to meet system needs.
- **Undervalued benefits of knowledge spill-overs:** a lack of reporting on flexibility exchanges is a barrier to the technical and policy development of future flexibility markets.

Two flexibility exchange demonstration projects have been awarded funding as part of the Flex competition, references to a potential third project in the Evaluation Scoping Report are no longer relevant.

##### Piclo:

The Piclo Exchange project involves the participation of six DNOs (Distribution Network Operators) across the country, National Grid ESO, and over 100 flexibility providers registered on the Piclo platform. Piclo currently operates a market platform for flexibility products and services using bilateral contracts between buyers and sellers. Using the £560,000 grant, Piclo aims to trial the inclusion of third-party access to the market platform (e.g. through the use of aggregators) as well as market synthesis (automated matching of flexibility offers with demand). Users of the platform will be able to use the graphical user interface (GUI) to search for and bid into a variety of flexibility products – including DNO flexibility services and secondary trading of National Grid ESO ancillary services. In doing so, the project aims to demonstrate how an open, transparent and neutral flexibility marketplace can play a crucial role in the decarbonisation of the UK economy.

##### Electron TraDER:



TraDER is a consortium led by blockchain-focused energy technology company Electron, as well as other companies operating in the energy sector. The marketplace is testing direct (peer-to-peer) trading between market participants with automated transaction recording using blockchain distributed ledger technology. The project aims to engage with different flexibility providers and pilot several energy market products, combining these elements into a single marketplace to demonstrate exchanges across services and flexibility products. The project is being trialled on the Orkney islands, where excess renewable generation provides opportunities for flexibility.

## **2. Aims and Objectives of the Project**

### **The Requirement**

A process and impact evaluation, with an economic evaluation element, of the programme (which covers the work of both Electron and Piclo), is required.

Taking into consideration the Department's priorities, this evaluation seeks to deliver against the following aims:

#### **Aim 1 - Assess the achievements of the FleX competition (impact evaluation)**

The impact evaluation will assess competition achievements against a theory of change and assess value for money.

#### **Aim 2 - Provide lessons on optimal competition design and delivery (process evaluation)**

The process evaluation will provide learnings about programme design and delivery to inform the design of future public sector energy innovation programmes, pilots and policies.

The evaluation will therefore have a dual purpose, as recommended by the evaluation scoping report commissioned by BEIS.

In order to facilitate an effective bid and enable fair competition, this Scoping Report has been included in Annex 1 of this ITT. This ITT should be read alongside that scoping report and references to the relevant sections are made throughout.

This evaluation will run alongside the delivery of the projects and beyond the date of project completion (completion expected in Q4 2021).

### **Research Questions**

To address the aims set out above, the following high-level research questions have been developed, as outlined in the Evaluation Scope, section 4, page 20.

#### **HLQ1. To what extent has FleX delivered on the outputs of the project applications?**

- To what extent, and in what ways, has the competition demonstrated technological development of flexibility exchanges as a method to trade flexibility (e.g. increased TRL)?
- To what extent, and in what ways, has the competition demonstrated commercial viability of flexibility exchanges as a method to trade flexibility (e.g. increased CRL)?

- To what extent has learning from the demonstrations projects been captured and used to inform (future flexibility market and DSO transition) policy?
- To what extent and from what sources have the competition trials secured follow on funding or leveraged private funding to commercialise activity?
- To what extent have the projects demonstrated integration of flexibility exchange solutions with existing networks and markets (through engagement with the regulator and ESO)?
- To what extent have the projects improved the availability and quality of data available at the distribution level?

**HLQ2. To what extent has FleX contributed to the successful development of Flexibility exchanges and efficient market models?**

- To what extent has the competition enabled the development of commercialised flexibility exchanges in the UK?
- To what extent has the competition improved the business case for investment in flexibility and smart technologies in the UK?
- To what extent has the competition contributed to removing information asymmetries in the flexibility market?
- Has the competition provided any insights to the future design of flexibility markets? (i.e. flexibility as balancing approach vs energy trading model)
- To what extent has the competition acted as an enabler for effective engagement with regulators and other market actors to inform future UK policy for flexibility markets?
- To what extent has the competition supported network owners/operators in delivering low cost, secure networks?

**HLQ3. To what extent is FleX on track to deliver intended future impacts as set out in the Theory of Change?**

- What contribution, and how, can the rollout of flexibility exchanges be expected to make towards meeting UK decarbonisation targets (net zero by 2050)?
- What contribution, and in what ways, can the rollout of flexibility exchanges places be expected to make towards a reduction in system operation and network costs, resulting in a reduction to end-user costs?
- What contribution, and in what ways, can the rollout of flexibility exchanges make to producing a reliable and resilient electricity supply through increased active management of distribution and transmission networks and better whole system coordination?
- What factors have prevented the effective delivery of intended impacts? Why?
- Has the competition budget and size been sufficient to deliver against its initial objectives?

**HLQ4. To what extent has the design of the FleX competition effectively supported delivery of wider (government) objectives?**

- Does the FleX competition represent value for money (i.e. does the present value of expected future benefits outweigh the costs)?
- How has the competition contributed to positioning of the UK within the international market for smart systems and flexibility technology development and innovation?
- Have there been any unintended outcomes of the competition (positive or negative)?

- Has government activity crowded out private sector work that may have happened anyway (deadweight)?
- Has there been any duplication of effort with other national or international programmes (substitution)?
- Has there been any wider social or environmental multiplier effects?
- To what extent has the competition stimulated flexibility markets by increasing usage and participation in flexibility as a service or by stimulating a supply chain for providers of flexibility (e.g. DSR, storage)?
- To what extent has the competition integrated with other similar (or prior) programmes to support the delivery of a cohesive support environment for flexibility?

**HLQ5: What insights can be gained to inform the delivery processes of future flexibility or wider BEIS programmes?**

- To what extent were the competition launches, calls and associated communications successful in reaching target audiences? Why/not?
- Did the competition receive a sufficient number and range of high-quality applications? Why/not?
- Was the application assessment process efficient and effective? Why/not?
- Was the competition management/monitoring efficient and effective? Why/not?
- Were appropriate/sufficient mechanisms in place to share progress and insight from the competition to support ongoing development of policy?
- To what extent were applicants/beneficiaries satisfied with competition processes (including in terms of clarity and specificity of milestones and objectives)?
- What elements of the delivery of the competition processes did project recipients identify as useful for the delivery of competition objectives?

### 3. Suggested Methodology

#### Approach

The following section sets out our suggested approach to carrying out the required work. More detail is set out in section 3 of the accompanying Scoping Report. As outlined in part 2, both an impact and process evaluation are required, with each phase outlined below paying particular attention to one of these two components respectively.

#### Phase 1 - Interim Evaluation [June 2021 – October 2021]

Phase 1 will commence with a scoping stage including familiarisation with documentation, review of existing Theory of Change and development of evaluation framework. The interim evaluation will also include:

- The main **process evaluation** will focus on assessing the quality and efficiency of competition processes (HLQ5), including the reach of the competition, the range, quality and number of applicants and should provide evidence and information to support the design of future programmes.
- Early assessments of competition design (HLQ4), particularly around the breadth/coverage of the programme and any duplication/overlap with other similar programmes.



- A preliminary assessment of competition outputs, outcomes and impacts (HLQs 1-3) by collecting evidence of early results from both demonstrators. During the interim evaluation it would also be appropriate to assess what happened next for unsuccessful applicants, including outcomes for those who secured funding for a flexibility market feasibility study. More detail on what is expected from the process evaluation, including data sources, is outlined in the Process Evaluation methodology below and on page 50 of the evaluation scoping report.

This phase should entail a review of competition documentation and data, information from the application process, early monitoring and reporting of projects and other secondary data. The first round of interviews with project leads, BEIS and other stakeholders, will be conducted during the Interim Evaluation and will focus on all aspects of competition design. More details of what is expected in the Interim Evaluation can be found on page 25 of the attached Evaluation Scoping Report.

#### **Phase 2 - Final Evaluation [January 2022-September 2023]**

Phase 2 should commence in January 2022, with a final report completed by September 2023. Phase 2 will focus predominantly on the **impact evaluation**, providing an assessment of achievements as well as addressing in more detail the design questions, (outputs, outcomes and impacts as per HLQ1-4). The final evaluation will also revisit process questions (HLQ5), where relevant. In all areas, the final evaluation should research/consult more widely than the interim evaluation and should explore the broader outcomes and impacts of the competition.

The data expected to be collected and analysed in the impact evaluation is explored in more detail in the following section on methods, particularly the sections on Contribution Analysis, Process Tracing and Cost Benefit Analysis. The second round of interviews will be conducted at the beginning of the Final Evaluation after an assessment of Project Completion Reports. The third and final round of interviews are expected to be carried out in Q3 of 2023, final report available in September 2023.

A review point before Phase 2 and a break clause in the contract will be enacted should external circumstances mean the remainder of the research is undeliverable.

As per section 6, page 44, of the attached Scoping Report, the following outlines suggested methods that are in scope for this evaluation.

#### **Methods**

##### **Contribution Analysis (CA) (HLQ1-4) (Interim and Final Evaluation)**

Contribution Analysis (CA) will assess, building on different sources of evidence, the extent to which, and how, and if not, why not, the programme produced the outcomes and impacts envisaged in the theory of change. It will explore attribution by assessing the contribution that the FleX competition is making to observed results over and above other influencing factors. The outcome of this analysis should be a plausible, evidence-based narrative that gives reasonable assurance on whether the observed outcomes and impacts can be attributed to the programme. More detail on this method can be found on page 44 of the annexed Scoping Report.

##### **Process Tracing (PT) (HLQ1-4) (Interim and Final Evaluation)**

Where possible, the evidence will be strengthened using process tracing. Process Tracing can provide a framework for outlining the type of evidence that would be expected if the Flex competition was achieving its intended outcomes, and the extent to which this evidence can be attributed to the programme. PT can identify how a particular causal mechanism leads to a pre-defined intended outcome, on a case-by-case basis. A PT approach for this evaluation would not necessarily require developing a PT framework for every evaluation question, but PT can be strategically used to strengthen evidence collected within an overarching CA framework instead. More detail can be found on page 46 of the annexed Scoping Report.

The evidence/data expected to support both the **Contribution Analysis** and the **Process Tracing** includes:

- SICE KPIs
- Project reports, including monitoring reports
- Consultations with project teams
- Consultation with demonstrator participants
- Consultation with other energy market stakeholders (Ofgem/ESO)
- Consultations with policymakers
- Consultations with international stakeholders
- Desk research (including document analysis of DNO reports and websites)
- Data from project teams and participants
- Carbon modelling
- Flexibility exchange data
- Network charging tariffs
- Company data (e.g. Office for National Statistics (ONS) Secure Research Service (SRS))
- Market trends databases (e.g. Beauhurst, Crunchbase, Pitchbook and Prequin)

More detail on the quantitative and quantifiable evidence expected to be collected to support the impact evaluation is outlined in the Indicator Framework on page 34 of the attached Scoping Report and section 4 of this ITT outlines different data sources in more detail.

### **Process Evaluation (HLQ5) (Interim and Final Evaluation)**

The purpose of the process evaluation is to provide lessons on programme design and delivery that can be applied to optimise implementation of future programmes, and therefore addresses the second aim of this evaluation (through addressing HLQ5). The process evaluation should explore reasons for non-/achievement of questions under HLQ5 and should provide insights into the contexts in which the Flex projects are/are not successful. The process evaluation should be undertaken at full in the interim evaluation phase and revisited and updated (where appropriate) in the final evaluation phase. The process evaluation should be underpinned by a clear framework that defines the key processes involved, their contribution to the programme's objectives and different indicators that can be used to measure this contribution. This framework should include a process map that summarises the processes of the programme, focusing on the 'applicant journey' from pre-call activity through to project completion. The development of this process map should be carried out in the evaluation planning stage. More detail can be found on page 50 of the annexed Scoping Report.

The process evaluation will be based on a mix of evidence and data sources, including:

- Programme design and delivery documentation (e.g. business cases, call information)
- Internal BEIS data on the number of applicants and the scoring process
- Project monitoring and progress reports
- Semi-structured qualitative interviews, surveys and workshops with different stakeholder groups

### **Economic Evaluation (Cost Benefit Analysis) (Final Evaluation)**

A cost benefit analysis (CBA) is required to meet the first aim of this evaluation, as outlined in the Aims and Objectives section. This analysis will determine whether the achievements of the FleX competition outweigh the programme costs and whether the interventions made were an efficient use of resources. This evaluation will be conducted in accordance with the HM Treasury Green Book and Green Book Supplementary Guidance.

Modelling the costs and benefits of flexibility market platforms should focus on the intrinsic value to the system provided by the demonstration projects, such as increased security of supply, lowering costs of capacity, and unlocking revenue streams for flexibility supply. The scope of the CBA will compare the combined competition costs with an assessment of the estimated net present value of future benefits from energy system change and decarbonisation.

The approach will need to identify an appropriate energy and emissions counterfactual, allowing for policies to which the Government is already committed (following supplementary guidance to the Green Book, published in April 2019). The proposed approach will use evidence from Project Reports in addition to thorough exploration using in-depth case study research to identify potential reductions in network capital (capex) and operating expenditure (opex), increased output from renewable sources, and reductions in carbon and greenhouse gas emissions that are expected to be realised following commercialisation of successful flexibility market projects.

Considering the change, over and above the counterfactual scenario, will be the focus for the CBA evaluation. Where changes in capex and opex, energy use and emissions are projected and subject to uncertainty, sensitivity analysis will be required to identify a range of future net energy and emissions effects.

All bids should include detail on how value for money will be assessed. BEIS welcome alternative approaches to the one listed above, and in the scoping report, with appropriate justification.

The scope of CBA analysis will be finalised at the inception stage of phase 2.

### **Case studies (Interim and Final Evaluation)**

Both Piclo and Electron will serve as case studies, each with its own write-up, and will be included in the final evaluation report. Two additional cross-cutting case studies should also be included, the contents of which to be proposed by the evaluation contractor. Examples may include studies of participant buyers and sellers of flex to provide insight into the usability of the marketplaces for each type of market participant.



The case studies should explore the different ways in which each project established a flexibility market platform and should therefore include interviews with project stakeholders and other documentation such as monitoring reports. More details can be found on page 52 of the annexed Scoping Report.

### **Benchmarking (Interim and Final Evaluation)**

In order to assess competition performance and additionality of Flex funding, the project outcomes should be benchmarked against similar, non-BEIS funded flexibility marketplace demonstrations. Examples include UK-based projects such as the Cornwall Local Energy Market, Transition and FUSION or international projects such as the German SINTEG programme. Projects suitable for benchmarking against Electron and Piclo should be selected based on their similarity to Flex, including investment size, method of delivery, aims and objectives. More details can be found on page 53 of the annex Scoping Report.

### **Opportunity for bidders to submit creative bids**

Whilst there is a methodology outlined above and a detailed evaluation plan for this programme, annexed to this ITT, bidders should feel that they have room to be creative and submit distinct bids.

Applicants are encouraged to propose alternative approaches and methodologies, where they believe these would better achieve our aims and objectives as set out above, or be more cost effective. Alternative suggestions should be justified sufficiently to allow assessment in regard to reliability and validity of the approach, and the costs relative to the proposed approach. Each bidder must only submit one final methodology, and must not submit a number of options. All bids must fit within our budget, timeline and output criteria, regardless of methodology proposed.

## **4. Data Sources**

This section highlights different sources of data expected to be included in the evaluation.

### **Primary Data**

Primary data collection for all areas of the evaluation will be undertaken through interviews (semi-structured telephone interviews lasting about 30-45min each) with the following groups of stakeholders:

- BEIS Flex competition programme managers
- Energy Innovation Support Programme (EISP) project monitoring and reporting officers
- Representatives of each organisation involved in the consortia that are leading the delivery of funded projects (project leads)
- Representatives of partner organisations involved in the delivery of each project (project partners)
- Project participants (buyers of flexibility)
- Project participants (sellers of flexibility)
- Representatives of wider private sector investment sector - to understand potential impacts of the project on de-risking the business model for future investment
- Representatives of developers of flexibility solutions to obtain wider insight on the market growth potential of competing technologies and how they can fit into the developed projects

- Unsuccessful applicants– to understand their perspectives on the application process, as well as to explore whether they have advanced scale-up of their storage technologies in the absence of FleX funding
- Interviews with similar projects as part of the benchmarking exercise.

A summary table of proposed interviews is provided below:

Stakeholder Group	Round 1 (No. Of interviews)	Round 2 (No. Of interviews)	Round 3 (No. Of interviews)	Total	Focus of the interview
<b>BEIS FleX steering group</b>	3		1	4	Detailed understanding theory of change and anticipated contribution of FleX to wider energy system benefits.
<b>BEIS Senior SICE SRO</b>	1			1	Detailed understanding of how competition design and delivery processes fits with wider programme aims
<b>Programme delivery support managers (including EISP application appraisers and monitoring officers)</b>	2	2	2	6	Views on what has worked well/ areas for improvement with competition design and delivery processes
<b>Competition winners (lead project developer firm)</b>	2	2	2	6	Gather evidence to inform various process and impact evaluation questions
<b>Project developer wider consortium partners (Academic scientists,</b>	6	2	6	14	Evidence gathering on extent of achieved and expected future outcomes for project stakeholders.

utility firm, industrial partner)					
<b>Trial participants flexibility platforms (buyers)</b>	5	5	5	15	Extent to which project market platforms are viable for procuring flexibility
<b>Trial participants flexibility platforms (sellers)</b>	10	10	10	30	Extent to which project market platforms are viable commercially for participants
<b>Unsuccessful applicants which did not participate in Flex</b>	3	2	2	7	Views on application process. Inform consideration of additionality of Flex (whether non- participants have proceeded with projects and how funding was secured)
<b>Flexibility market sector experts (e.g. Electricity Networks association, Ofgem, aggregators)</b>	4	2	2	8	Views on; potential for wider commercialisation, assumptions underpinning modelling, business case, potential alternative solutions.
<b>Total no of interviews</b>	<b>36</b>	<b>25</b>	<b>30</b>	<b>91</b>	

It is expected that the first round of interviews will be conducted in the "Interim evaluation" phase and the second and third rounds will be conducted in the "Final evaluation" phase.

#### **Details of Secondary data sources**

Secondary data and information will be drawn from various sources including SICE KPIs, project reporting, project level metrics, company performance and market trends databases, and other publicly available sources (e.g. DUKES data)

These are the secondary data sources that will be used to support the evaluation:

- **Energy Innovation Portfolio KPIs** -KPIs will feed into the overall competition's evaluation.



- The KPIs for this programme are:

Ref.	Performance Metric
KPI 1	Number of energy innovation projects supported
KPI 2	Number of projects that have successfully met objectives
KPI 3	Number (and size) of Organisations supported to deliver project
KPI 4	Number of Business Relationships and Collaborations supported: Formal/Informal; New/Overall
KPI 5	Advancement of low carbon projects
KPI 6i	Initial Financial Leverage from private sector to deliver project
KPI 6ii	Follow-on Funding to take project further forward
KPI 7i	A. Increased Energy Efficiency/Reduced Energy Demand B. Potential Increased Energy Efficiency up to 2032
KPI 7ii	A. Increased energy system flexibility B. Potential increased energy system flexibility up to 2032

- **Programme and project level reports:**
  - Quarterly/monthly project monitoring reports, end of phase reports, project completion reports.
  - Metrics expected to be in project level reports include:
    - Number of participants
    - Participant satisfaction
    - Number of successful exchanges/active trades
    - Total value of market services provided
    - Net savings of market services provided vs conventional market services
    - kW of flexibility contracted, by product/service
    - Change in prices of flexibility products/services
    - Change in network utilisation
    - Flexibility service non-delivery rates
    - Breakdown of participation by technology
    - Carbon emissions relative to conventional market services
- **Company performance and market trends databases**
  - Datasets (available through the ONS SRS) can be used to provide annual observations of turnover, employment, and GVA at a firm level (or wages at a worker level), while patent records can provide traces knowledge spill-over that form part of the economic case for subsidies for industrial R&D. Structured information on disclosed fund-raising activities (e.g. VC investments) can be used to construct data on investment outcomes. Sources such as Crunchbase, Beauhurst, Pitchbook or others may be used to collect this information.
  - Bidders must make clear their current availability and access to the databases. Bidders should ensure if they are using these sources, they have the appropriate licenses in place.

## 5. Deliverables

## **Expected Outputs**

### **Interim Evaluation Phase:**

- Revised theory of change and evaluation framework (July 2021)
- Interim report, covering findings from process evaluation and emerging findings on outputs, outcomes and impacts (milestone 1, October 2021)
- Presentation of findings to BEIS (October 2021)
- Anonymised interview transcripts (October 2021)

### **Final Evaluation Phase**

- Final report on process, impact and economic evaluation findings, including write-ups of the case studies (milestone 2, September 2023)
- Presentations of final findings to BEIS (September 2023)
- Technical report (September 2023)
- Anonymised interview transcripts (October 2023)

### **Other reporting requirements or deliverables:**

Where relevant, outputs should include suitable technical annexes and datasets. Outputs should include anonymised datasets and transcripts of qualitative interviews, for the purposes of QA and further analysis.

We would welcome suggestions as to any further outputs and would expect to agree a final set of deliverables at the inception stage.

It is assumed that both the Final and Technical reports will be published to ensure a transparent evidence base is available to support ongoing policy making decisions. Three rounds of drafting is expected to take place for all published reports.

To demonstrate relevant expertise in producing high quality reporting, bids must:

- specify who in the project team will be responsible for drafting the report;
- specify who will be responsible for quality assurance before it comes to BEIS.

### **Quality Assurance**

Bidders must set out their approach to quality assurance (QA) in their response to this ITT with a QA plan, as outlined in the Project Plan and Timescales section of the Mini Competition Questions.

Sign-off for quality assurance must be conducted by someone of sufficient seniority within the contractor organisation to be able to take responsibility for the work done. Acceptance of the work by BEIS will take this into consideration. BEIS reserves the right to refuse to sign off outputs which do not meet the required standard specified in this invitation to tender and/or the contractor's QA plan. QA should cover all aspects of the project undertaken by the contractors, including data collection, data analysis and reporting.

To demonstrate an effective process to produce high quality reporting, the contractor/s must ensure that quality assurance is done by individuals who were not directly involved in that research or analysis.

Bidders should note that BEIS may appoint its own peer reviewer(s) to QA publishable outputs. Consideration should be given to how the external peer reviewer(s) will be included in the QA process.

Where complex or innovative methods are proposed, bidders should specify how additional quality assurance will be provided. Where necessary, this should include the use of external experts. A BEIS appointed peer reviewer will not be expected to provide detailed quality assurance, their role will be focused on higher level peer review.

Outputs will be subject to BEIS internal approvals, the more substantive the output the longer the approval time required. Published reports will require three rounds of comments, which should be factored into the timelines.

The successful bidder will be responsible for any work supplied by sub-contractors. For primary research, contractors should be willing to facilitate BEIS research staff to attend interviews or listen in to telephone surveys as part of the quality assurance process.

Other useful sources of guidance and advice that will help bids and the resulting work be of the highest quality include:

- The [Government Social Research Code](#), in particular those that relate to GSR Products:
- [UK Statistics Authority Code of Practice](#) or an equivalent standard.
- Supplementary Guidance on the Quality in Policy Impact Research
- [Quality in Qualitative Research: A Framework for assessing research evidence](#) provides a framework for appraising the quality of qualitative research.

## **Working Arrangements**

The successful contractor will be expected to identify one named point of contact through whom all enquiries can be filtered. A BEIS project manager will be assigned to the project and will be the central point of contact. Where a consortium or sub-contractors are in place, BEIS expect that they are included in relevant meetings, workshops, and review points to ensure their full engagement in the project. All contractors and sub-contractors are responsible for the delivery of outputs to the appropriate time and quality. It is expected that the lead contractor takes an active role in oversight of all workstreams and bears the overall responsibility for the delivery of the evaluation activities and outputs.

Bidders should assume that BEIS take an active role in review and quality assurance of research materials, analysis, and outputs, beyond external peer review. It should be expected that research materials and outputs go through at least four iterations (i.e., three rounds of comments from BEIS), dependent on the complexity of the product. Additional amendments may be required for published outputs.

The appointment offer will be confirmed on or before 18<sup>th</sup> June. Note that bidders must be available to attend an inception meeting in the week commencing 28<sup>th</sup> June.

We envisage the need for close interaction between the BEIS Project Manager and contractor throughout the process, to ensure that emerging issues are dealt with promptly and that BEIS fully understand the assumptions and approach taken. Bidders should assume that engagement with BEIS will include weekly project management phone calls, weekly progress updates, steering group meetings (frequency to be confirmed), and face to



face meetings as required to design, and deliver the chosen methods. Throughout the research, BEIS will be required to review and sign off all final data collection instruments, analytical approaches (including key assumptions) and outputs.

### **Skills and Expertise**

BEIS require you to demonstrate that you have the expertise and capabilities to undertake the project. Your tender response should include a summary of each proposed team member's expertise and capabilities.

Contractors should propose named members of the project team and include the tasks and responsibilities of each team member. This should be clearly linked to the work programme, indicating the grade/ seniority of staff and number of days allocated to specific tasks.

Contractors should identify the individual(s) who will be responsible for managing the project.

### **Challenges**

There may be several challenges in conducting this research; some are given in the following section. Bidders must consider how these, and any other challenges will be addressed through the research design and delivery.

#### Timescales of the FleX Competition

The evaluation will be running alongside the programme, with sites at different stages of the process. Therefore, it is important to ensure the evaluation approach aligns with the programme plan, so we are asking the right questions at the right time (i.e., asking about technologies after they have been installed). This also means being agile to potential programme delays.

#### Insufficient data to inform cost benefit analysis

The cost benefit analysis is dependent on project participants providing robust data. Therefore, early appraisal and effective communication with stakeholders is required.

#### Primary research and COVID-19 impacts

The successful contractor will need to work flexibility and plan for alternative modes of virtual research should coronavirus restrictions continue.

### **Ethics**

All applicants will need to identify and propose arrangements for initial scrutiny and on-going monitoring of ethical issues.

We expect contractors to adhere to the following [Government Social Research \(GSR\) Principles](#):

- Sound application and conduct of social research methods and appropriate dissemination and utilisation of findings
- Participation based on valid consent
- Enabling participation
- Avoidance of personal harm
- Non-disclosure of identity and personal information

**Data security**

The successful tenderer must comply with the General Data Protection Regulation 2016 (GDPR) and any information collected, processed, and transferred on behalf of the Department, and in particular personal information, must be held and transferred securely.

**Price and payments**

The budget for this project is up to £160,000.00 excluding VAT. Cost will be a criterion against which bids which will be assessed.

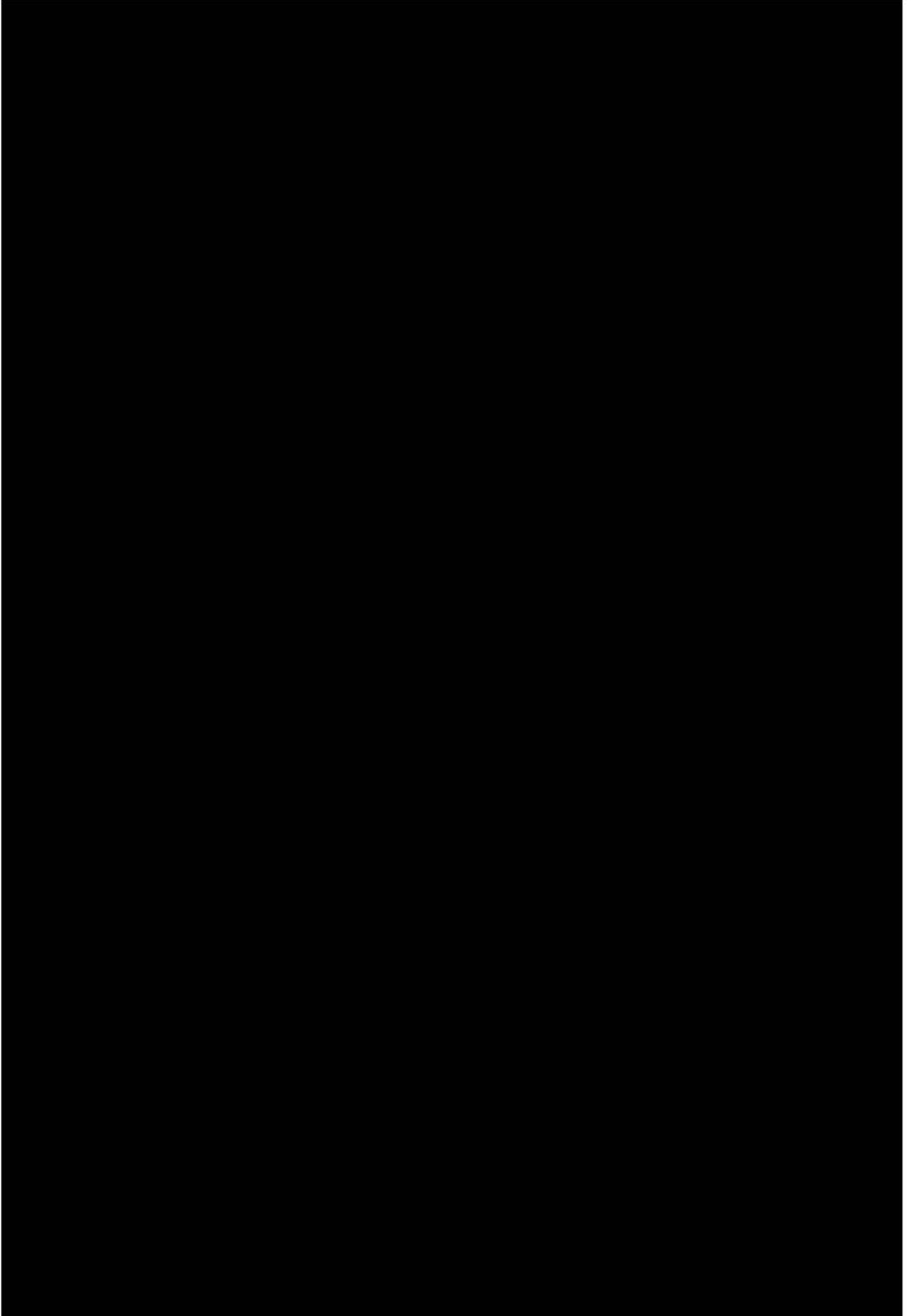
Contractors should provide a full and detailed breakdown of costs. This should include staff (and day rate) allocated to specific tasks.

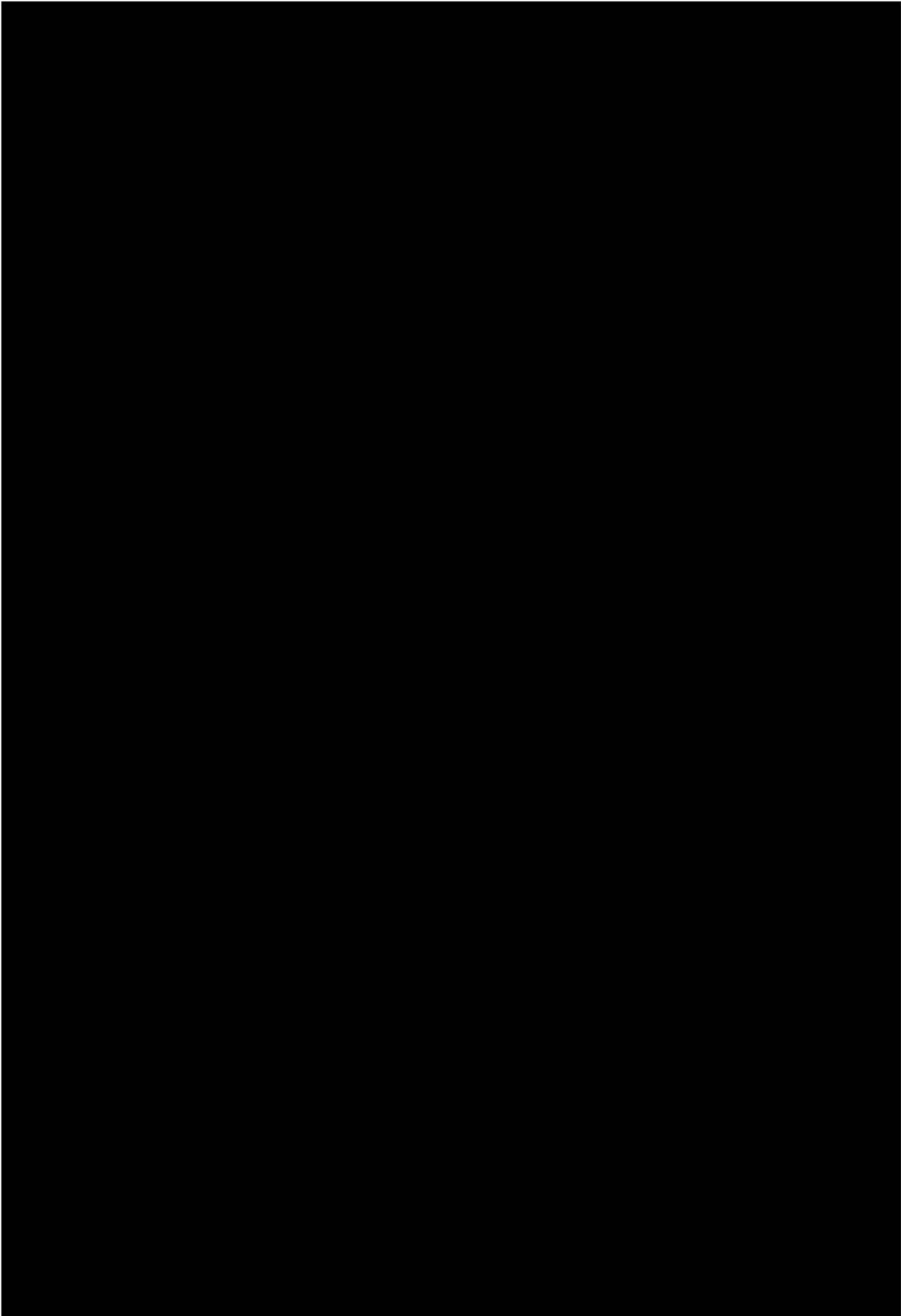
- Bids should at a minimum include costs for the below activities, including design and analysis.
- Inception/Scoping Stage (review programme documentation and finalise project plans)
- Development of Contribution Analysis (with additional Process Tracing elements) Evaluation Framework; review theory of change and develop research tools
- Semi-structured telephone interviews
- Development of 4 Case Studies
- Analysis of secondary data sources
- Cost Benefit Analysis
- Benchmarking
- Process Evaluation
- Overall analysis, report drafting, revision and sign off
- Project Management and meetings

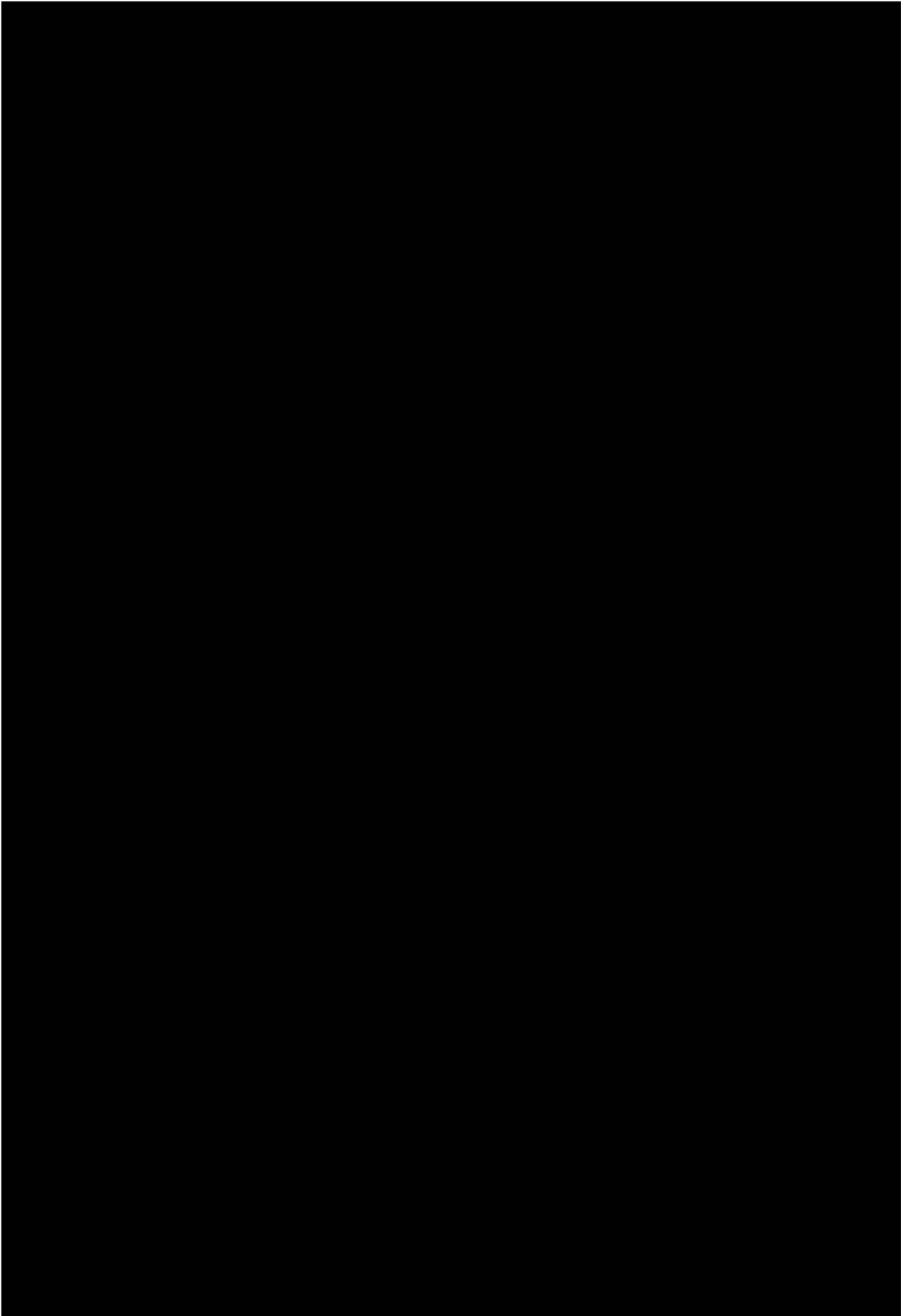
In submitting full tenders, suppliers confirm in writing that the price offered will be held for a minimum of 60 calendar days from the date of submission. Any payment conditions applicable to the prime contractor must also be replicated with sub-contractors.

The Department aims to pay all correctly submitted invoices as soon as possible, within 30 days from the date of receipt, in line with standard terms and conditions of contract.

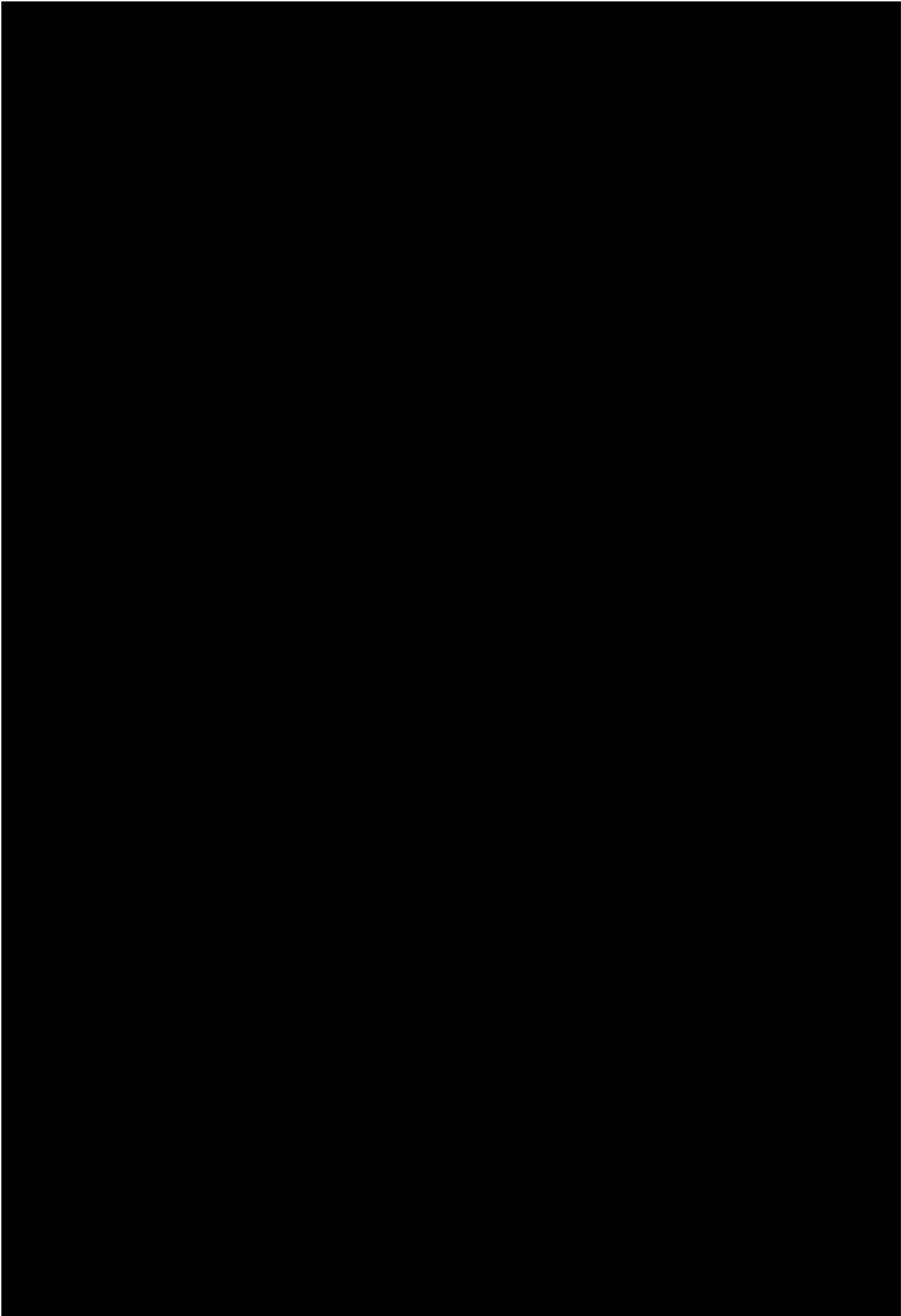
**APPENDIX B**  
**Supplier Proposal**

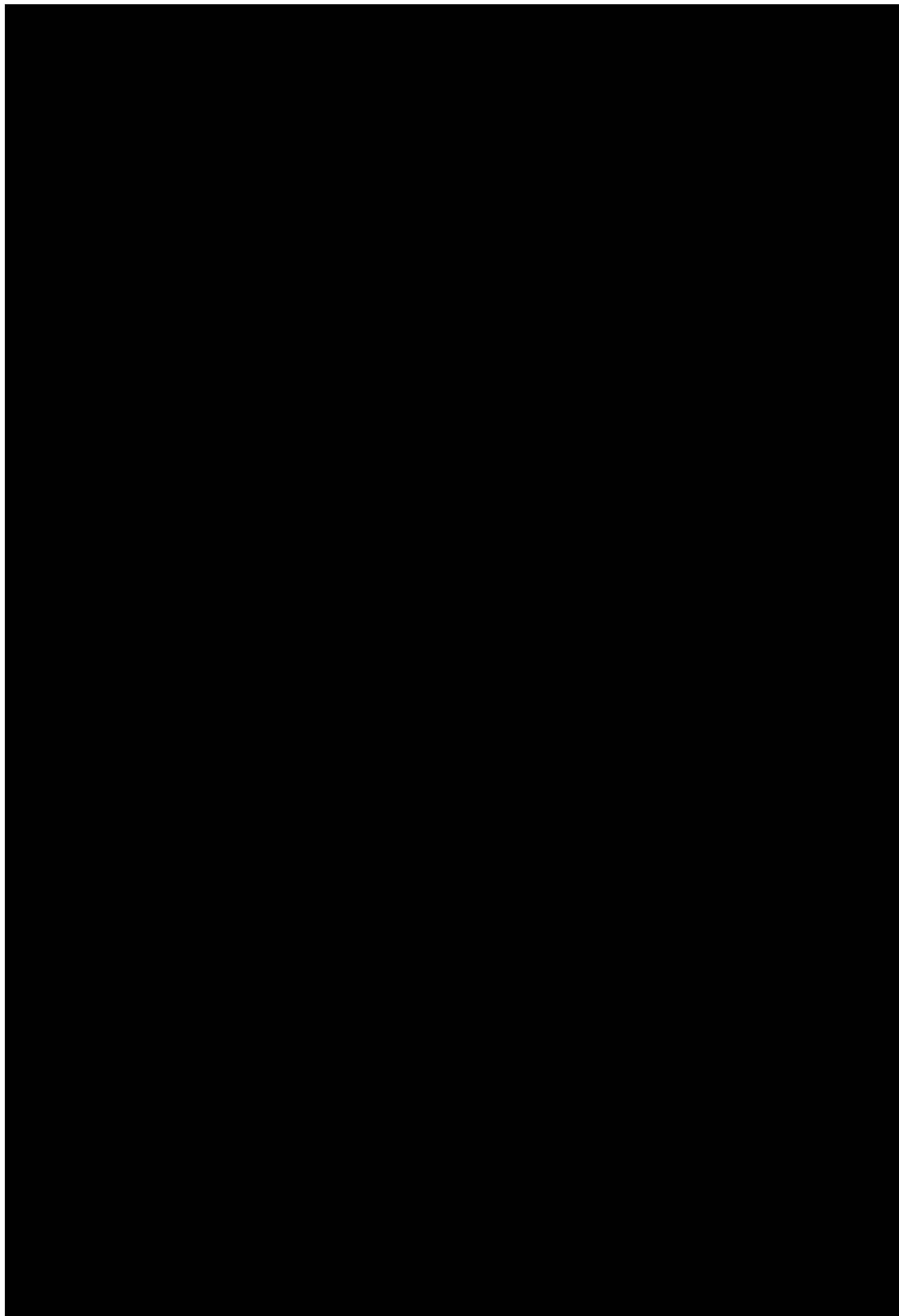


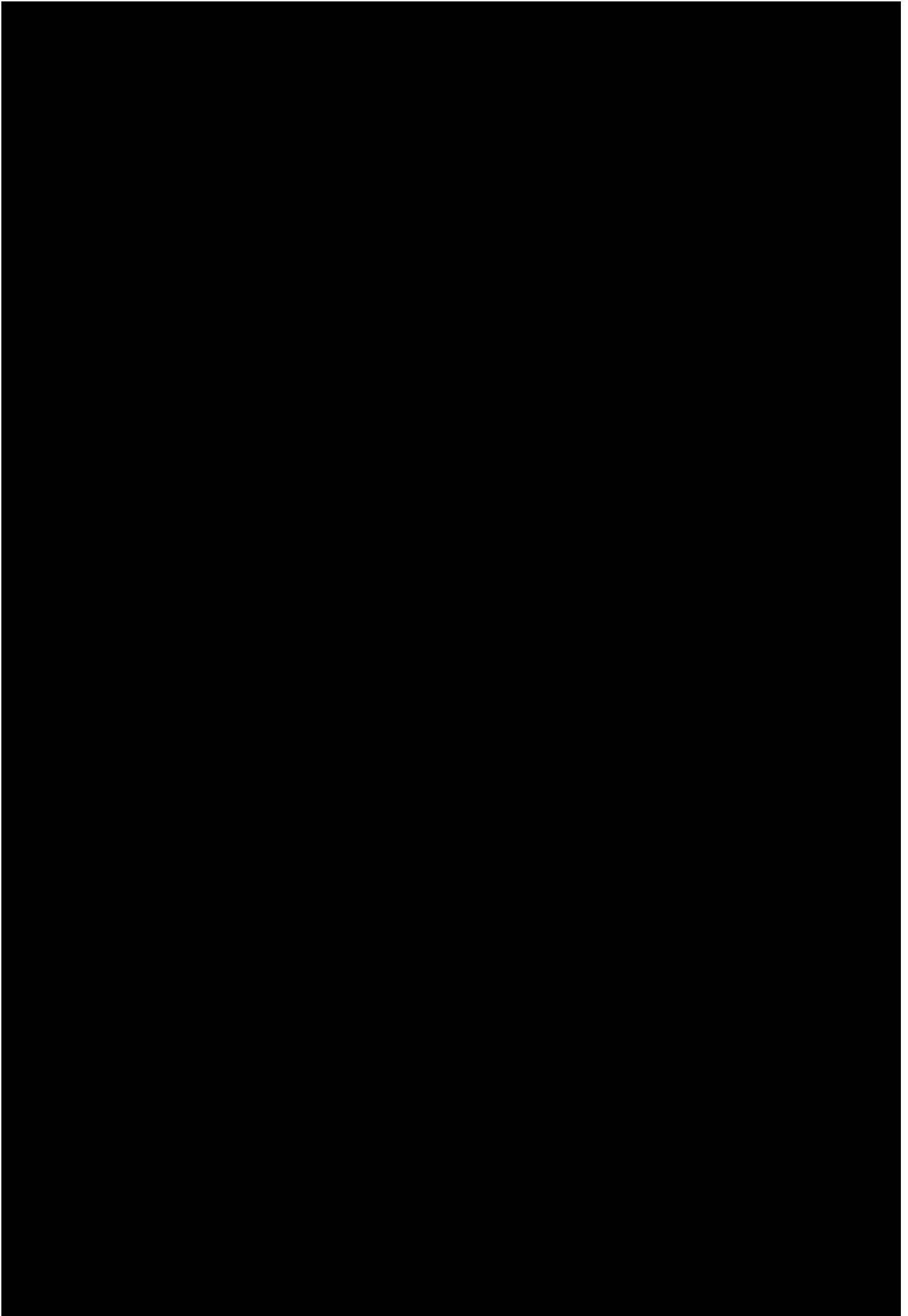


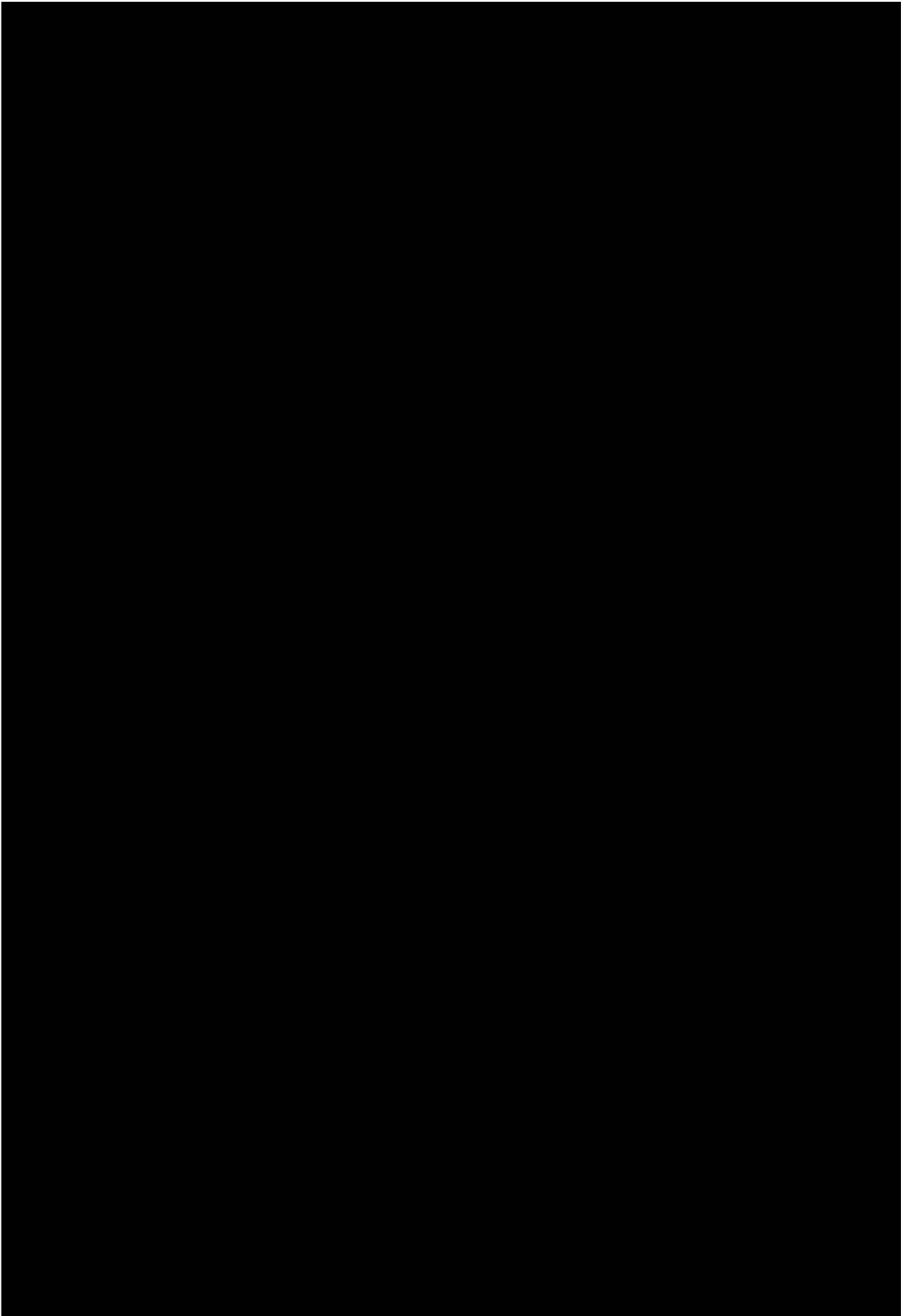


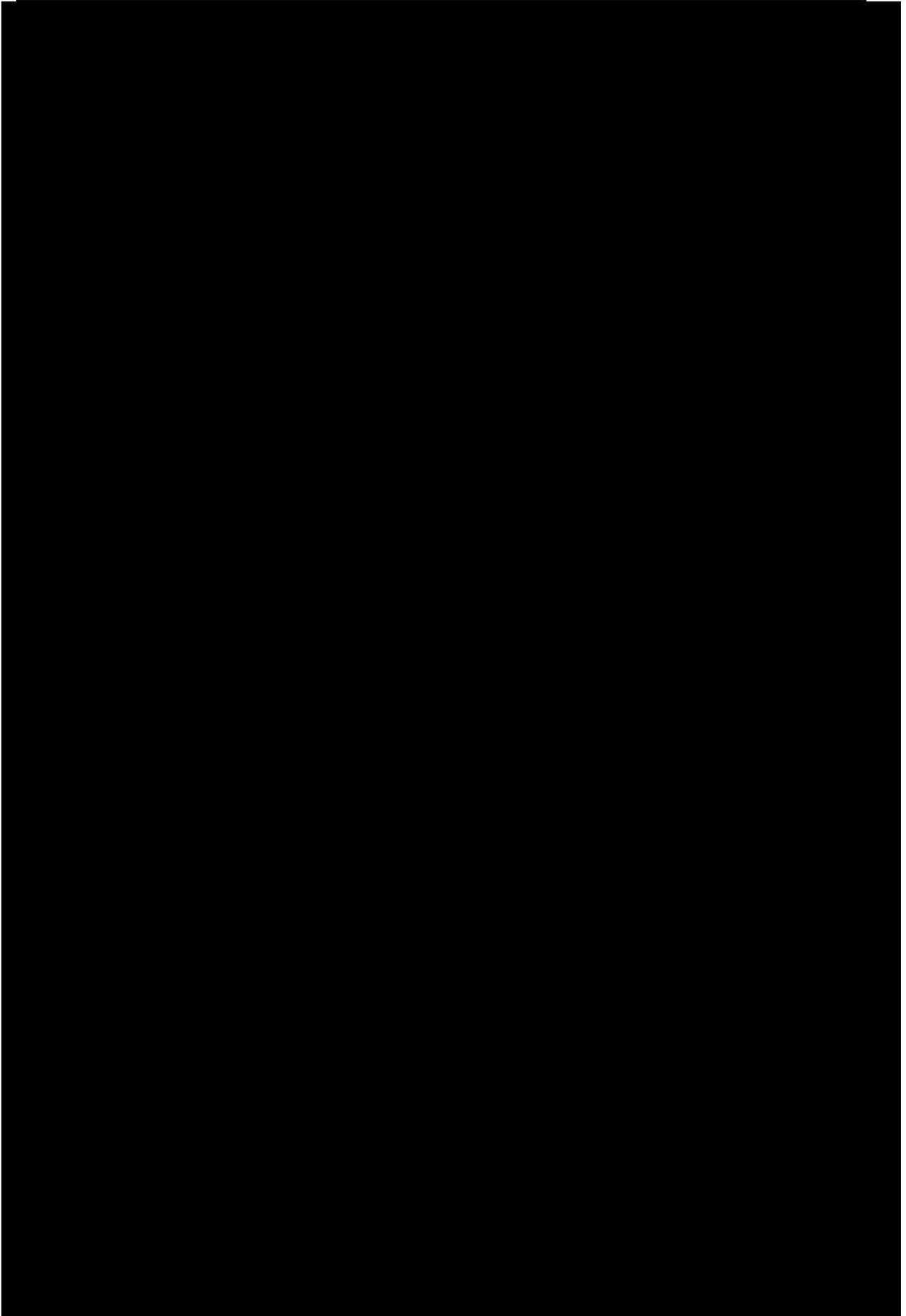


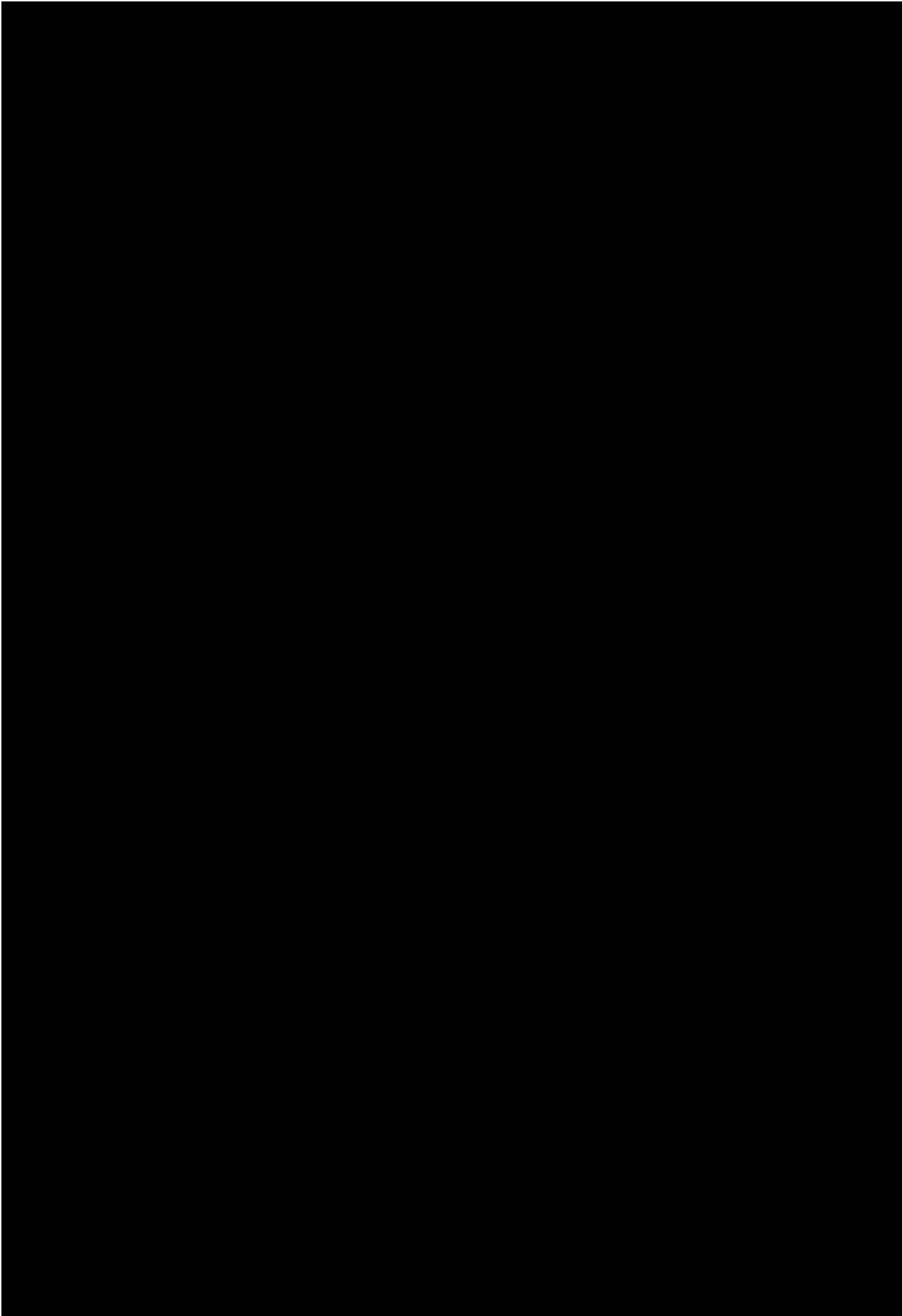




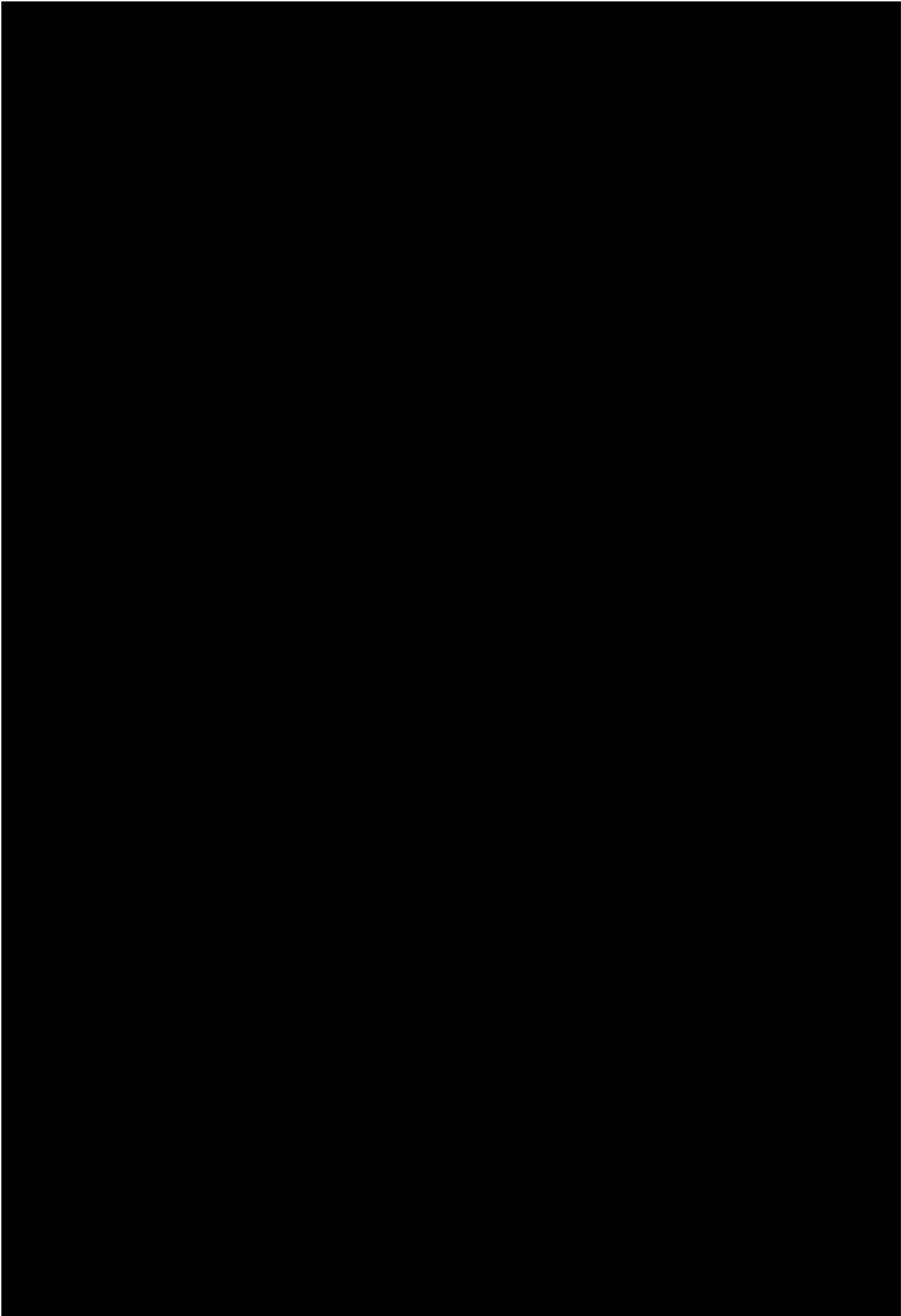


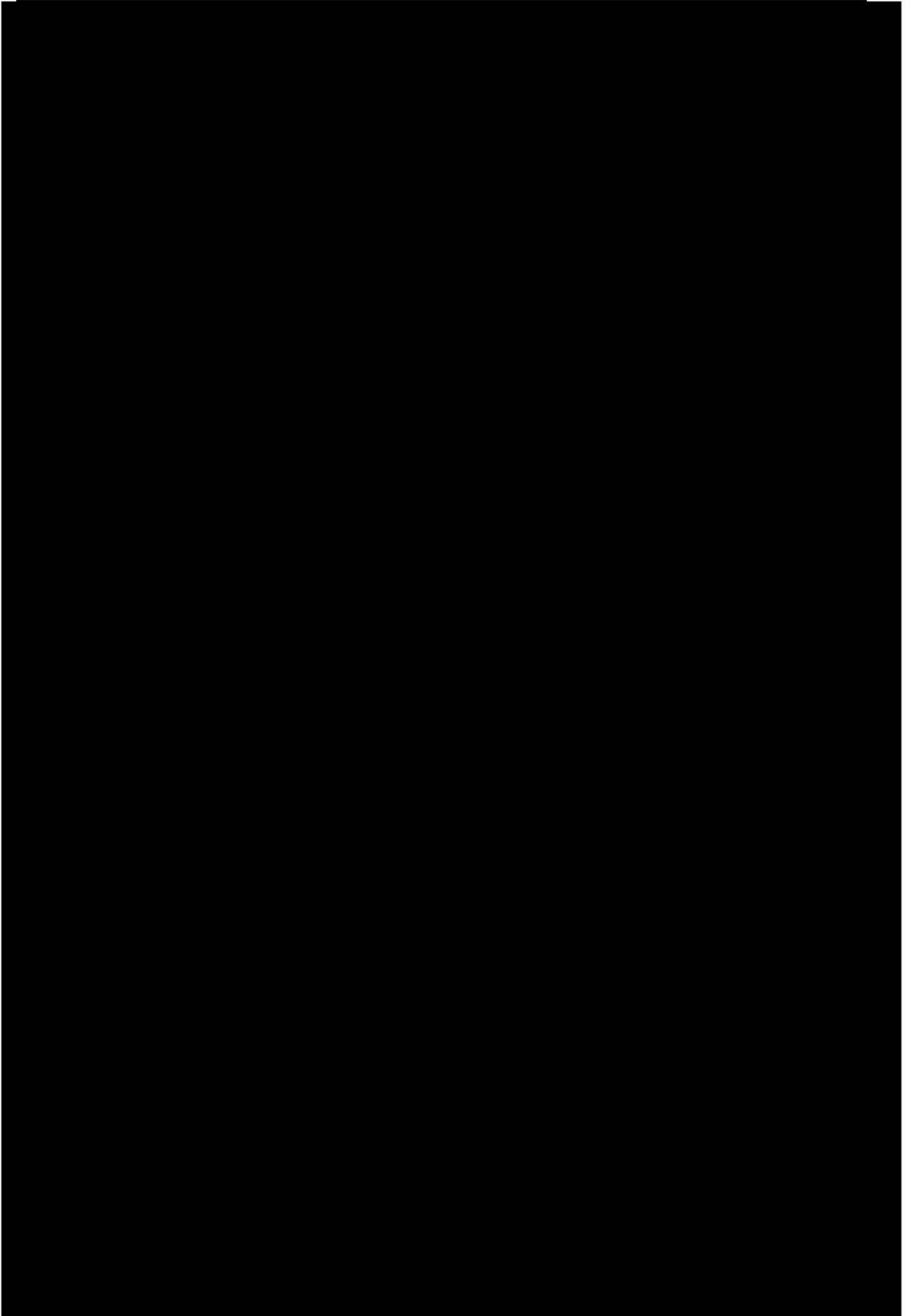


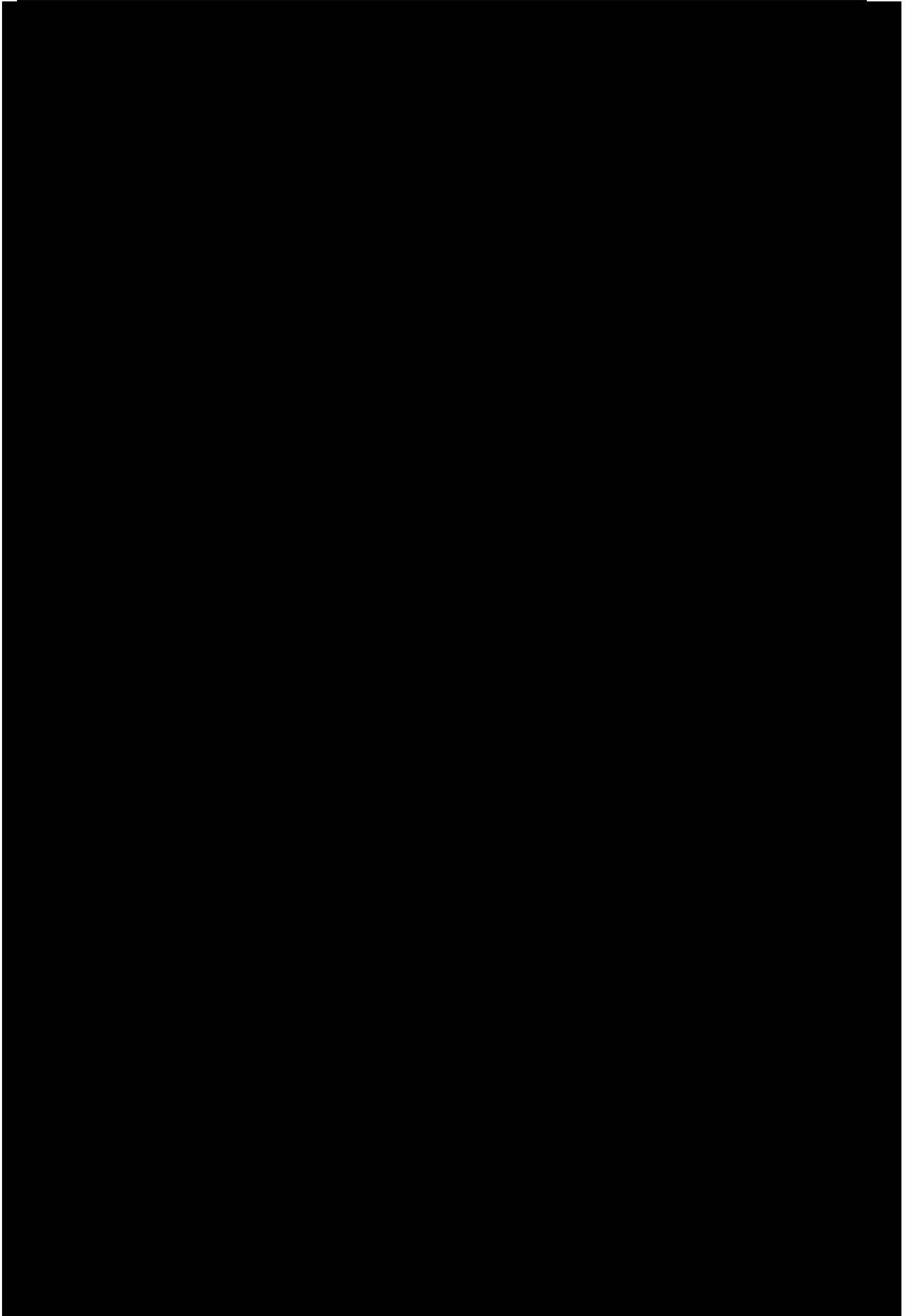


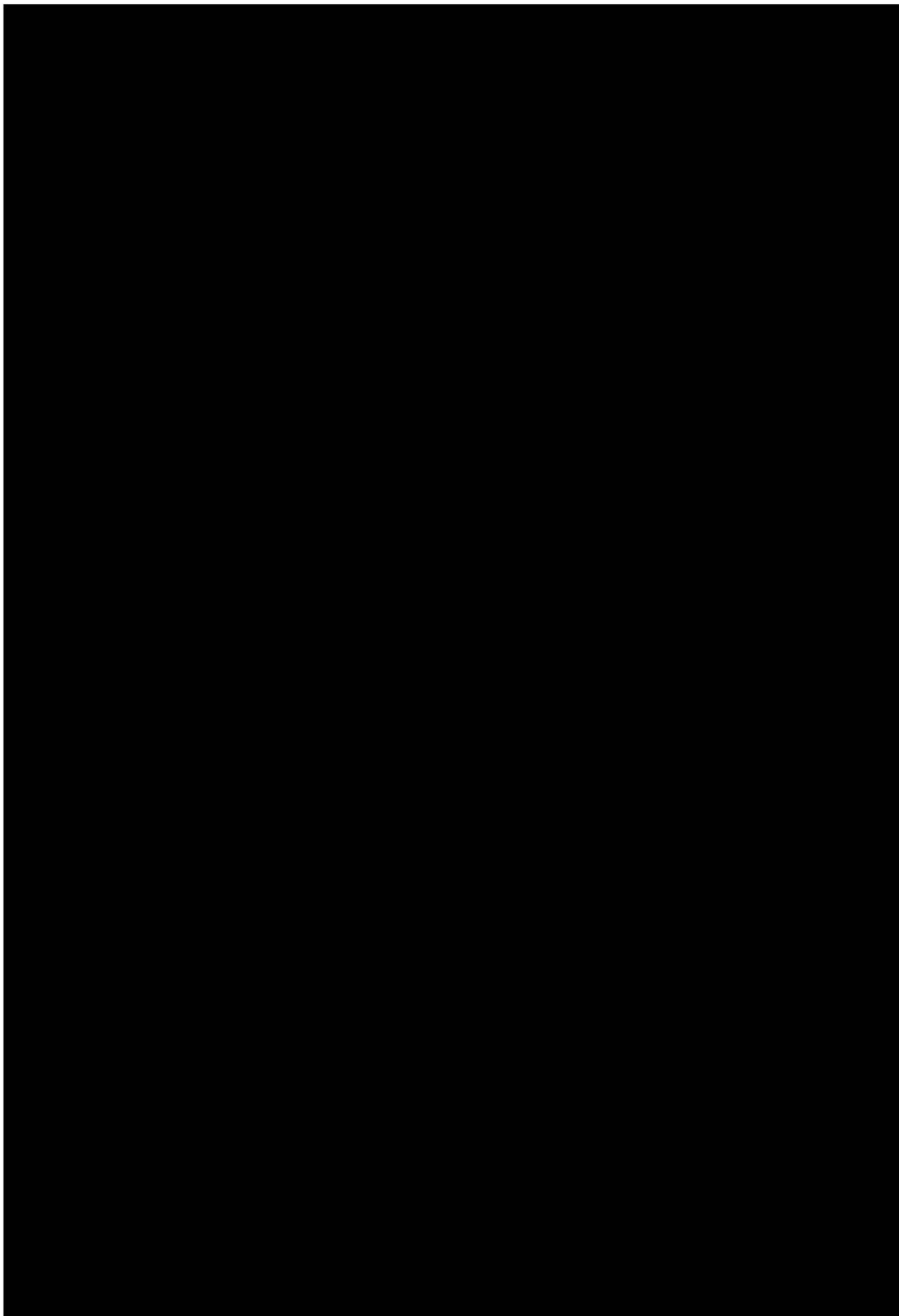


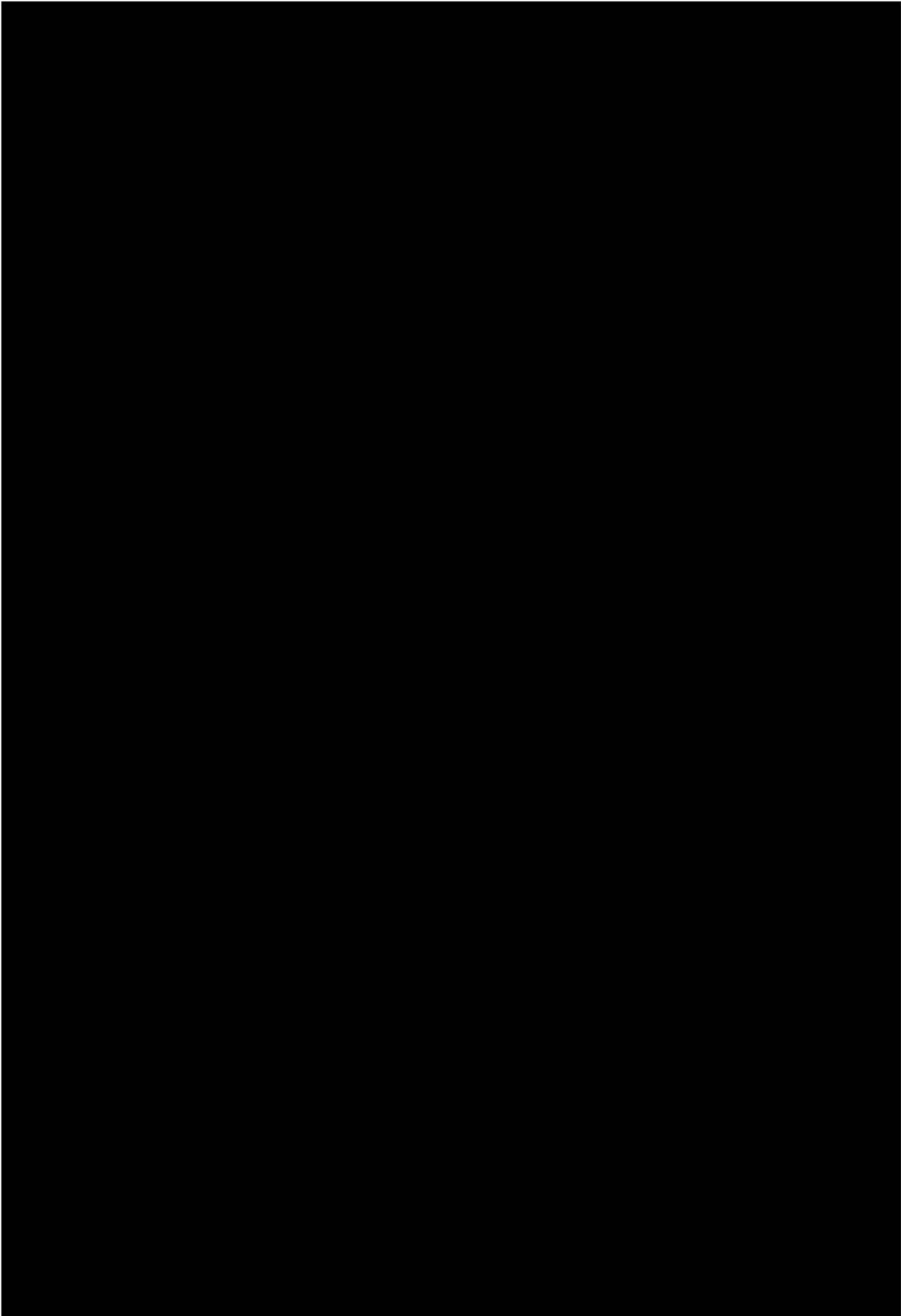




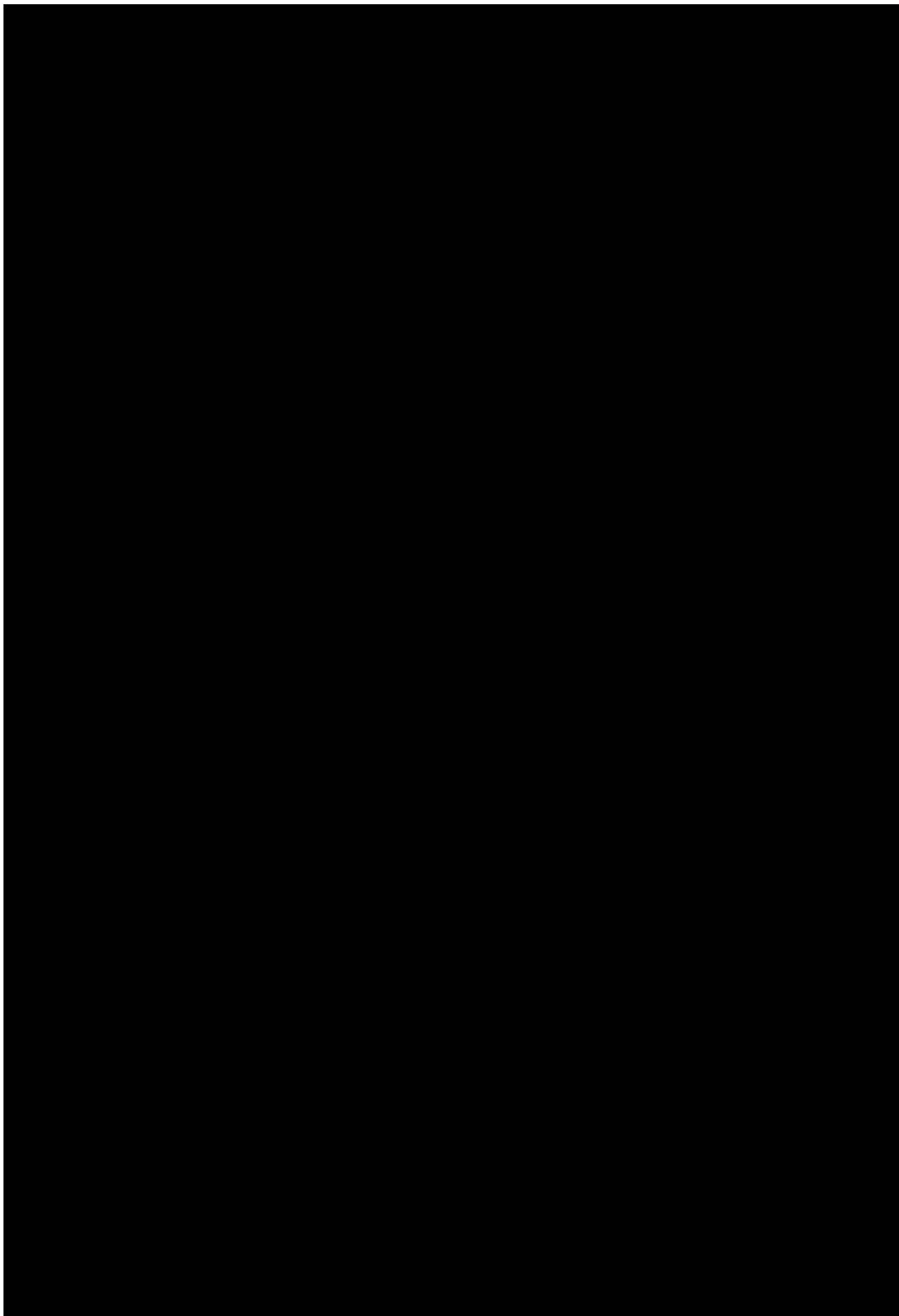






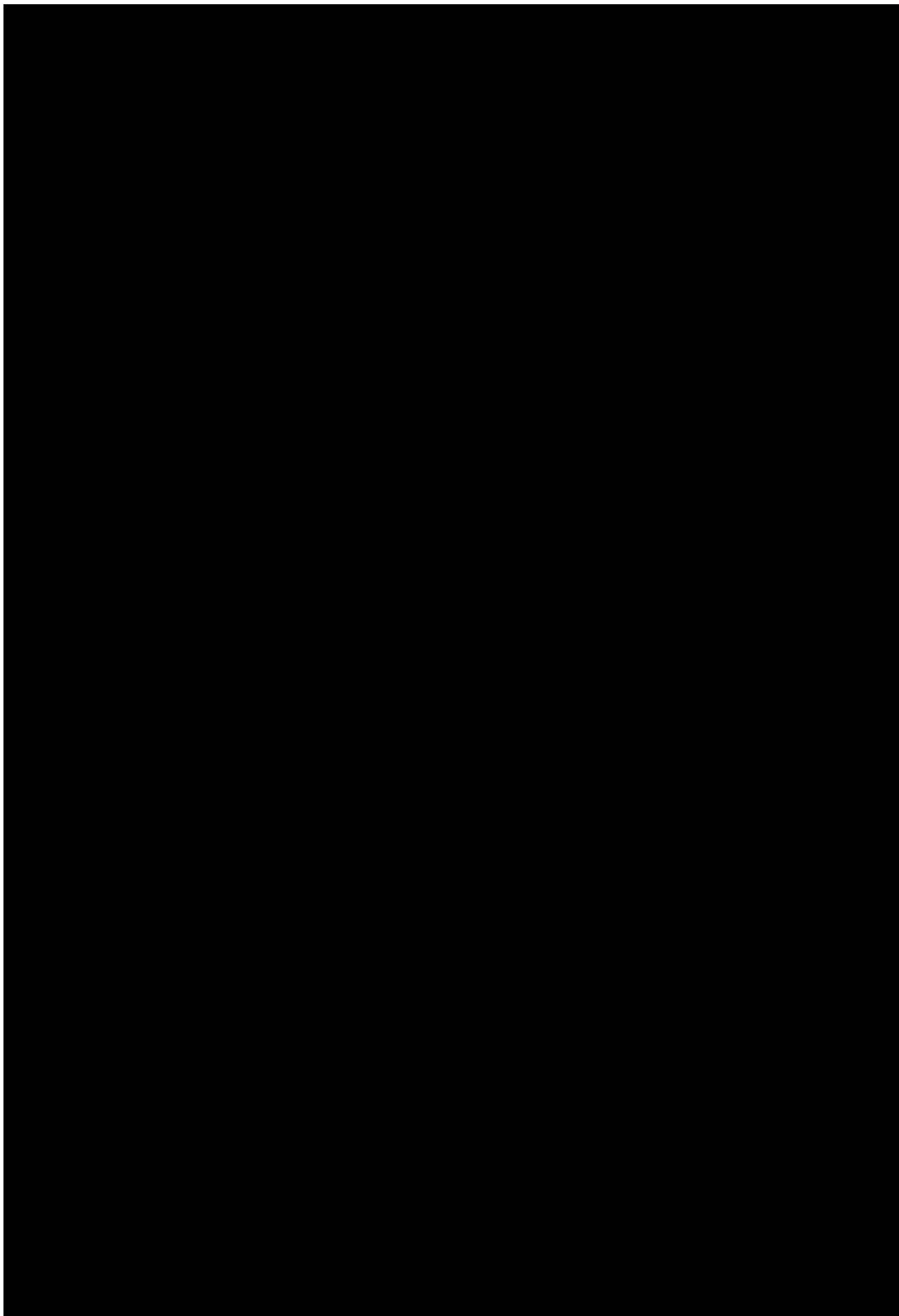


















**E-Sign.**

This Document has been Signed with a **secure electronic signature** via E-Sign.

