



**CONTRACT FOR THE PROVISION OF GREEN DISTILLERIES – PHASE 2 (DEMONSTRATION) COMPETITION (TRN 4927/03/2021) TO THE DEPARTMENT FOR BUSINESS, ENERGY AND INDUSTRIAL STRATEGY**

**Purchase Order Number:** [This information has been redacted]

**DUNS Number:** [This information has been redacted]

This Contract is dated .....**07/10/2021**..... and is made between:-

1. **The Secretary of State for Business, Energy and Industrial Strategy** [“(the Authority)”] of 1 Victoria Street, London SW1H 0ET, acting as part of the Crown;  
  
and
2. **Locogen Ltd (the “Contractor”)** whose registered office is at 4 West Silvermills Lane, Edinburgh, EH3 5BD.

**INTRODUCTION**

- (A) On 20<sup>th</sup> March 2021, the Authority issued an invitation to tender for the provision of Green Distilleries – Phase 2 Competition (TRN 4927/03/2021), including the specification, a copy of which is set out in Schedule 1 (the “Specification”).
- (B) In response the Contractor submitted a proposal entitled Decarbonising the distillation process via direct fuel switching from fossil fuels to hydrogen (Lot 1: focus on fuel switching of the process and onsite power production) explaining how it would provide the Services, a copy of which is set out in Schedule 2 (the “Proposal”).

The parties agree as follows:-

**1. SUPPLY OF SERVICES AND CONTRACT PRICE**

In consideration of payment by the Authority to the Contractor of the sum of £3,000,000.00, (three million pounds and zero pence), (exclusive of Value Added Tax) (the “Contract Price”) and in accordance with (a) the Specification; (b) the Proposal; and (c) the Authority’s Terms and Conditions of Contract for Services (as detailed in Appendix 4 of the Green Distilleries Phase 2 Guidance Notes, “Schedule 1”, and attached in Schedule 3); the Contractor shall provide the Services described in the Specification and the Proposal to the Authority.



## 2. COMMENCEMENT AND CONTINUATION

- 2.1 This contract shall commence on ...07/10/2021..... and, subject to any provisions for earlier termination contained in the Terms and Conditions, clause 2.2, 2.3 and 2.4, shall continue until 30<sup>th</sup> June 2023.
- 2.2 The continuation of this Contract shall be subject to completing and passing the stage gate review points provided in Schedule 2 (7252-Green Distilleries Project Plan - Arbikie Phase 2 V1.2), also summarised below:

Stage gate review point	Stage gate review deadline
1) Completion of Technical Site Survey Works	20/12/2021
2) Confirm Project Economics	31/01/2022
3) Technical Detailed Design	14/02/2022
4) Planning Decision	06/06/2022
5) Final Commissioning	30/12/2022

The Contractor will need to provide a report for each stage gate review point summarising the nature of the stage gate review point and how this stage gate review has been met, providing any supporting evidence. This report will need to be submitted by the stage date review deadline for each stage gate review point. The report will need sign off and approval from the Authority before the Contractor can continue with the project. The Authority reserves the right to terminate the contract in accordance with the Terms and Conditions if the Contractor fails to submit a report before the deadline or pass the stage gate review point.

- 2.3 Given the outcome of the due diligence conducted by the Authority on Locogen Ltd, the Authority requires ongoing assurance of the financial status of Locogen Ltd for the duration of the contract period through the provision of the following documents:

- Statement of financial position (balance sheet) for the prior 12 months;
- Statement of profit and loss for the prior 12 months;
- Cashflow forecast for the next 12 months.

It is not required that these statements are audited, but should be prepared by a competent accountant.



These documents shall be provided to the Authority in accordance with the schedule defined below:

<b>Financial Review</b>	<b>Documents to be submitted by</b>
Financial Review 1	29/10/2021
Financial Review 2	25/03/2022
Financial Review 3	30/09/2022
Financial Review 4	31/03/2023

These documents are to be reviewed and approved by the Authority. If the Authority deems these documents highlight issues around the financial stability and on-going concerns, the Authority reserves the right to terminate the contract in accordance with the Terms and Conditions.

- 2.4 The Contractor will be required to accept the incubation support (Acceleration support) provided by Authority when offered, due to the outcome of the financial due diligence checks. This must be completed within 2 months of signing this contract. The Authority reserves the right to terminate the contract in accordance with the Terms and Conditions if this condition is not met.

### **3. TERMS AND CONDITIONS**

- 3.1 The Terms and Conditions as detailed in Schedule 3 shall form part of this Contract.
- 3.2 The Contractor's Standard Terms and Conditions of business, if any, shall not apply to this Contract.
- 3.3 This Contract is formed of these clauses and the Schedules hereto. Any other attachments are provided for information purposes only and are not intended to be legally binding. In the event of any conflict or inconsistency, the documents prevail in the following order:
- a) these clauses;
  - b) the Terms and Conditions;
  - c) the Specification; and
  - d) the Proposal.

### **4. CONTRACTOR'S OBLIGATIONS**

- 4.1 Where the Contractor is supplying goods to the Authority these shall be delivered to the Authority in full compliance with the Specification and shall be of satisfactory quality and fit for purpose.
- 4.2 Where the Contractor is performing services for the Authority it shall do



so in accordance with the Specification and exercise reasonable skill and care.

## **5. MANAGEMENT AND COMMUNICATIONS**

- 5.1 The Contractor shall deliver and perform the Services under the direction of the Authority.
- 5.2 Any direction by the Authority may be given by [This information has been redacted] (the “Contract Manager”) who is an officer in the Authority’s Industry and CCUS Innovation Programme, 1 Victoria Street, London SW1H 0ET or such other person as is notified by the Authority to the Contractor in writing.
- 5.3 The Contractor appoints [This information has been redacted], to be the Contractor’s first point of contact for this Contract. All queries to the Contractor from the Authority’s Contract Manager shall initially be addressed to the Contractor’s first point of contact.
- 5.4 The Contractor’s first point of contact and the Contract Manager shall meet as often as either the Contractor or the Authority may require to review the Contractor’s performance of the Contract.

## **6. INVOICES AND PAYMENT**

- 6.1 Subject to the Contractor providing the Services to the Authority in accordance with this Contract and submitting invoices to the Contract Manager in the manner reasonably required by the Contract Manager payment will be made by the Authority to the Contractor in accordance with (as referred to in Condition 11 of the Terms & Conditions).

Evidence of payments over £5,000 to suppliers and subcontractors is required via the submission of receipted invoices and/or bank statements.

## **7. TRANSPARENCY**

- 7.1 The Authority is required to publish information about this contract through the Governments Transparency website and Contracts Finder.




The Authority’s decision not to publish full details of the Contract does not however preclude it publishing such information in the future (subject to applicable redactions) and the Authority may be required to disclose such information under the Freedom of Information Act 2000 (FOIA), the Environmental Information Regulations 2004 (EIR) or other legal requirement. The Contractor shall provide such assistance and information as the Authority may require to fulfil its obligations under FOIA and EIR. In such cases, the Authority would need to consider



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disclosure in the context of the particular circumstances of the request  
or requirement concerned.

**The following Schedules form part of this Contract:**

Schedule 1	The Authority's Specification – Green Distilleries Phase 2 Guidance Notes	 S1 - GD P2 Specification.pdf
Schedule 2	The Contractor's Proposal and Annexes	 GD143 - Locogen Ltd L1.zip
Schedule 3	The Authority's Terms & Conditions Contract for Supplies/Services	 S3 - GD P2 T&Cs.pdf

Signed by the parties' duly authorised representatives: -

For the Secretary of State for Business, Energy and Industrial Strategy

Signature: ..... [This information has been redacted] .....  
Print Name: .....  
Job Title: .....  
Date:.....

For the Contractor

Signature: ..... [This information has been redacted] .....  
Print Name: .....  
Job Title: .....  
Date: .....07/10/2021.....