DPS FRAMEWORK SCHEDULE 4: LETTER OF APPOINTMENT AND CONTRACT TERMS

Part 1: Letter of Appointment

To whom it may concern,

Letter of Appointment

This letter of Appointment dated Wednesday, 22nd January, 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:	CR19108
From:	The Department for Business, Energy and Industrial Strategy (BEIS) ("Customer")
To:	ICF Consulting Services whose registered office is at Riverscape, 10 Queen Street Place, London, UK, EC4R 1BE ("Supplier")

Effective Date:	Monday, 3rd February 2020
Expiry Date:	Friday, 5th June 2020

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; and

Contract Charges (including any applicable discount(s), but excluding VAT):	The total contract value shall not exceed £44,900.00 Excluding VAT as per the breakdown in Annex C.
Insurance Requirements	Subject to Clause 19 of the Contract Terms
Liability Requirements	**Suppliers limitation of Liability** (Clause 18.2 of the Contract Terms);

Customer billing address for invoicing:	███████████████

| GDPR	Schedule 7 of the Contract Terms

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:
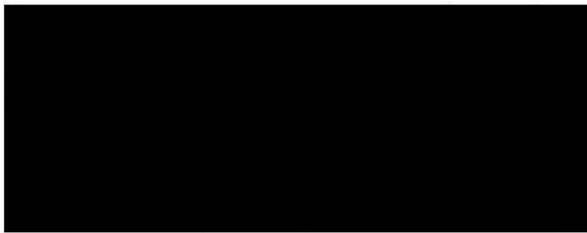
Date: 23|01|2020

For and on behalf of the Customer:

Customer Project Specification

Background

The Department for Business, Energy & Industrial Strategy (BEIS) is delivering an Industrial Strategy that sets out the long-term plan to boost the productivity and earning power of people throughout the UK. As part of the Industrial Strategy, the government has committed to support businesses with regulation that stimulates and facilitates innovation; and ensure that regulation is as simple as possible.

The Better Regulation Executive (BRE) leads the regulatory reform agenda across government. Its White Paper on Regulation for the Fourth Industrial Revolution[1] sets out plans to transform the UK's regulatory system to support innovation; the emergence of new products, services and business models.

To support the above innovation agenda, BRE has put various projects in place such as the Regulators Pioneer Fund which aims to support regulators to create an environment that helps innovation and deploy emerging technologies to benefit the wider society. As part of this work, BRE has also undertaken interviews with regulators to better understand their experiences with emerging technologies.

Whilst public information is available on individual applications, there is no systematic and multi-perspective overview and analysis of applications of specific technologies by regulators and across regulatory functions. This project looks to improve on this and to assist regulators in the UK to become early adapters and to consider how they can best use emerging technologies in their work. The adaption of new technology including in the public sector will help the UK become a more innovative economy.

BRE has already explored some of the potential applications of emerging technologies with regulators. We expect to share the information we have collected so far internally with the successful contractor.

In this research, we are looking for the successful contractor to explore innovation in two different ways via a literature review and some case studies:

Type of technology used:

- Artificial Intelligence and machine learning
- Blockchain and privacy/security technologies
- Data analytics, including the use of big and open data
- Robotic process automation
- Sensors and similar technologies

How and where it has been applied by the regulator, e.g. what type of regulatory function:

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[1] https://www.gov.uk/government/publications/regulation-for-the-fourth-industrial-revolution

- Intervention functions. This includes proactive risk based work, and reactive monitoring, intervening in competition and markets, providing emergencies and alerts.
- Transactional functions. This includes services and licensing, data sharing, reporting and disclosure, pre application.
- Policy and administrative functions. This includes internal decision support and evidence, and external data releases.

Aims and Objectives of the Project

The aim of the research is to gain evidence on regulators using emerging technology to improve the efficiency or effectiveness of regulation in a transformational way for the benefit of businesses and consumers. E.g. it has the potential to help with better enforcement as well as with improving the services that users get. We are looking to fill an evidence gap concerning the specific forms of emerging technology different regulators have used to this end, and the specific regulatory functions these technologies have been applied to.

BRE discussions to date with regulators have highlighted significant variance in the progression and exploitation of new technologies by regulators. When asked how government or BRE could help them to utilise emerging technologies, many regulators have requested additional guidance and information, such as 'best practice' examples. Acting on these requests' fits within a crucial strategic context. Firstly, BRE's Regulation for the Fourth Industrial Revolution white paper emphasised the importance of regulators keeping pace with technological innovation. In addition, two of the emerging technologies listed in the previous section of this specification, AI (including machine learning) and data analytics, are relevant to the AI and Data Industrial Strategy Grand Challenges.

Evidence on use case applications of specific emerging technologies will help provide answers to questions such as:

- What are practical considerations for the technology?
- What constitutes best practice in regulatory application of the technology?
- Who should a regulator talk to and learn from when considering using the technology?

Similarly, evidence on applications across regulatory function will answer the equivalent question across functions. We intend to give flexibility to the contractor on typology of function, and output in this area will enhance our understanding of what typology is most useful when considering regulatory application of emerging technology.

Suggested Methodology

Phase one - A literature review

A literature review to identify examples of the application of emerging technologies by regulators. The review will cover public policy reports, work by think tanks, as well as published peer reviewed academic material. In the first instance it would look at the UK followed by international examples with a focus on the rest of Europe, the US, Canada,

Australia, New Zealand, Singapore, South Korea, and Japan. At an international level, reports by EU institutions, the World Economic Forum and the OECD are potential sources.

Once the contractor has had an initial review of the evidence, we expect to have a brief conversation about the final scoping of the literature review.

The contractor should explore emerging technologies in two ways:
1. Type of technology used:
- Artificial Intelligence and machine learning
- Blockchain and privacy/security technologies
- Data analytics, including the use of big and open data
- Robotic process automation
- Sensors and similar technologies

2. How and where it has been applied by the regulator, e.g. what type of regulatory function.
- Intervention functions. This includes proactive risk based work, and reactive monitoring, intervening in competition and markets, providing emergencies and alerts.
- Transactional functions. This includes services and licensing, data sharing, reporting and disclosure, pre application.
- Policy and administrative functions. This includes internal decision support and evidence, and external data releases.

This reflects only one way to classify or distinguish different 'types' of regulatory functions. Alternative classifications – which provide relevant insight and help with understanding – would also be acceptable if the bidder preferred.

The content of the examples will be discussed with the successful contractor, but we hope that examples should include the technology involved, the regulatory application, and how it has impacted on the regulator's work, and how it has benefitted businesses or consumers. We anticipate that after an initial review we will discuss the findings with the successful contractor to ensure we get the most out of the research going forward and review the scope as appropriate.

Phase two

Once we have a clearer evidence of the amount and quality of evidence, the contractor would go on to do a second phase which would include more in-depth exploration of use cases applications, complimenting this with some in-depth interviews with regulators and experts in the area. We envisage that, if enough information on relevant examples are identified in the first phase, 10 to 15 use cases would be explored in depth which would include interviews with relevant staff in regulators.

However, if the available information is more limited, the phased nature of the project means there is potential to change the scope of the project focusing on a few examples in more depth.

The interviews would increase our understanding of the work done and help with evidence around how to best apply emerging technologies and provide useful reflections for others thinking about using emerging technologies. They should be used to obtain general principles of best practice regarding how and when and which technology could be used for performing a regulatory function more effectively. We would be particularly keen to see examples where the initiatives have been in some way evaluated, being a full evaluation, or something more light touch.

The information from the literature review and the complementary deep dives and interviews would form the basis of a library of use cases. A potential graphic would be the following, with each cell populated with names of use-cases:

Technology 'types' → Regulatory function 'types' ↓	Artificial intelligence and machine learning	Robotic process automation	Data analytics, including the use of big and open data	Blockchain and privacy/security technologies	Sensors and similar technology
Intervention					
Transactional					
Policy and administrative					

Deliverables

Milestones	Timings
Literature review	February 2020
Agree the case study phase	End of February 2020
Case study fieldwork (interviews)	March 2020
Final report (to be published)	End of May 2020

Part 2:   Contract Terms

Contract Terms v6.0