

DPS FRAMEWORK SCHEDULE 4: LETTER OF APPOINTMENT AND CONTRACT TERMS

Part 1: Letter of Appointment

Dear [REDACTED],

Letter of Appointment

This letter of Appointment dated Thursday 28th October 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:	PS21015 – Evaluation of Productivity Programme
From:	UK Research and Innovation, Polaris House, North Star Avenue, Swindon, SN2 1FL ("Customer")
To:	RAND Europe Community Interest Company, Westbrook Centre, Milton Road, Cambridge CB4 1YG ("Supplier")

Effective Date:	Thursday 28th October 2021
Expiry Date:	Tuesday 31 st March 2026 Notice Period of Cancellation is 30 days.

Services required:	Set out in Section 2, Part B (Specification) of the DPS Agreement and refined by: <ul style="list-style-type: none">· the Customer's Project Specification attached at Annex A and the Supplier's Proposal attached at Annex B and Payment Milestones in Annex C;
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Key Individuals:	UKRI Project Manager – [REDACTED] [REDACTED] Supplier Project Manager – [REDACTED] [REDACTED]
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Contract Charges (including any applicable discount(s), but excluding VAT):	The customer shall pay the supplier of the sum of £499,934.50 excluding VAT for delivery of these services in alignment with Annex C – Payment Milestones. For the avoidance of doubt, the contract charges shall be inclusive of all third-party costs.
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 £1 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	<p>Break Clause</p> <p>There will be a break clause in the contract for UKRI ESRC to review whether phase 4 and 5 is required. For clarity, the break clause date will be as follows:</p> <p>On completion of Deliverable 3 – Process evaluation and early impact report (31st March 2024).</p> <p>If the break clause is initiated, we would expect the contract to draw to a close on 31st March, 2024 (providing 30 days notices for termination has been served, as per the terms of the contract).</p>
Customer billing address for invoicing:	<p>All invoices should be sent to:</p> <p>UKRI C/O UK Shared Business Services Ltd Polaris House North Star Avenue Swindon United Kingdom SN2 1UH</p> <p>For all invoicing queries, please contact finance@uksbs.co.uk</p>
GDPR	As per Contract Terms Schedule 7 (Processing, Personal Data and Data Subjects)

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:

Name and Title:

[REDACTED]

Signature:

[REDACTED]

Date: 11 FEBRUARY 2022

For and on behalf of the Customer:

Name and Title:

[REDACTED]

Signature:

[REDACTED]

Date: 14th February 2022

ANNEX A

Customer Project Specification

1. Background

UK Research and Innovation (UKRI) works in partnership with universities, research organisations, businesses, charities and government to create the best possible environment for research and innovation to flourish. Operating across the whole of the UK with a combined budget of more than £8 billion, UKRI brings together the seven Research Councils, Innovate UK and Research England. As part of UKRI, the Economic and Social Research Council (ESRC) is the UK's largest funder of research on the social and economic questions facing us today. We support the development and training of the UK's future social scientists and also fund major studies that provide the infrastructure for research. ESRC-funded research informs policymakers and practitioners and helps make businesses, voluntary bodies and other organisations more effective.

In 2019 ESRC secured £40m from the Strategic Priorities Fund (SPF) to create a major research programme focusing on productivity. Productivity has stagnated since 2007, it varies significantly across the UK and between sectors, and is up to 20% lower than comparable nations. Tackling productivity is one of the UK's biggest economic challenges, necessary to improve living standards, public services, health and well-being for the whole of the UK and for generations to come.

The SPF is funded through the government's National Productivity Investment Fund (NPIF) and managed by UKRI. The fund aims to increase high-quality multi- and interdisciplinary research and innovation; ensure UKRI investment links up effectively with government research and innovation priorities, and respond to strategic priorities and opportunities. More information on the SPF is available here: <https://www.ukri.org/our-work/our-main-funds/strategic-priorities-fund/>.

The **Productivity Institute Programme** is the largest single investment into economic and social science productivity research in the UK. Launched in September 2020, the programme will run over 5 years and its main objectives are to:

- Create a step-change improvement in productivity research and innovation in the UK by establishing sustainable world-leading structures and capabilities delivering a coordinated and comprehensive programme of work directly addressing the challenge of improving UK productivity
- Improve the systematic and sustained generation and use of evidence, and the capability to embed research within policy and practice across regions and sectors to improve UK productivity
- Develop solutions and interventions for improving productivity based on high-quality evidence, that can inform policy and be embedded within organisations,
- Involve un- and under-explored sectors, places and groups, including addressing strong spatial dimensions and understanding the long-tail, challenges and successes of larger businesses and those at the productivity frontier
- Form an interdisciplinary community taking a coordinated, interdisciplinary approach to productivity research and policy addressing long-term productivity challenges
- Forge mutual, lasting engagement between the UK productivity-related research community and policymakers, practitioners and business.

The programme consists of three investments described below:

- A. The Productivity Institute (TPI), a £32 million investment based at Alliance Manchester Business School,
- B. The Programme on Innovation and Diffusion (POID), a £5 million investment based at the London School of Economics,
- C. Thematic Research Initiatives, a series of new investments totalling approximately £11 million, which will be the subject of a forthcoming call in 2022.

The Productivity Institute (TPI): TPI is the largest component of the programme with a £32m investment, £26 million of which comes from ESRC and £6 million from the Alliance Manchester Business School. Led by Professor Bart van Ark from the University of Manchester, TPI has eight partner institutions: the Universities of Cambridge, Glasgow, Sheffield, Warwick; King's College London; Queen's University Belfast; Cardiff University; and the National Institute of Economic and Social Research. TPI's three objectives are to (a) advance understanding of UK productivity performance with an agenda that identifies gaps, supports frontier research, and facilitates interdisciplinary work, (b) act as a transformational national hub, with extensive regional reach, bringing together academics and stakeholders from private, public and third sectors to develop innovative practices, and (c) build capacity across universities, businesses, policy bodies and public and third sector organisation through engagement, fellowships and funding.

TPI will work over five years to understand the factors that affect the productivity puzzle and how improved productivity levels will impact lives. TPI will develop its research agenda and practical business interventions through regional engagement with policymakers and business leaders from firms of all sizes by creating eight Regional Productivity Forums across the country to focus on critical productivity issues in the regional context. Further information on TPI is available here: <https://www.productivity.ac.uk/>

Programme on Innovation and Diffusion (POID): Led by Professor John Van Reenen at the London School of Economics (LSE), POID is a £5m investment which will focus on relationship between productivity growth and two elements; innovative ideas and the diffusion of these ideas across the economy. ESRC is providing £4m of funding, while LSE is providing £1m. POID has the following objectives: (a) to understand the forces that drive innovation and adoption of new technologies in the economy; (b) to improve measurement of technologies, (c) to develop and evaluate policies that lead to more innovation and diffusion resulting in improvements to productivity. Further information on POID is available here: <https://poid.lse.ac.uk/>

Thematic Research Initiatives: There will be up to 8 new investments starting in 2022/23, each with a value of between £1-2m. These investments will run for 3 years and will cover areas in productivity research not covered by the other investments.

1. Evaluation Aims

ESRC is inviting organisations to submit a tender for a multi-year evaluation of the Productivity programme. The main aim of the evaluation is to assess the impact of the programme on a) improving understanding of the productivity challenge in the UK and b) developing policy and practical innovations to address it. The insights generated by this evaluation will inform ESRC's governance and management of the investment, and will inform future research investment priorities and strategy relating to productivity and more widely. The scope of the evaluation is limited to the investments in the programme (TPI, POID and the other research initiatives), although the evaluation should also address the relationship between the

programme and related ESRC investments (see <https://esrc.ukri.org/about-us/strategy-and-priorities/productivity/>) and wider productivity research and expertise across the UK and internationally.

The evaluation framework needs to meet the NPIF requirements which apply to all SPF programmes, for an external contractor to carry out a detailed process and impact evaluation which will allow us to understand the impact of the investment in relation to its original objectives, and also to feed into the fund level evaluation of the SPF, which has been commissioned from Technopolis..

2. Evaluation Questions

ESRC has developed the evaluation questions below from the objectives of the programme as a whole and the individual investments within it. These are the high level questions which ESRC expects the evaluation to address, but we expect that the evaluation contractor will develop and refine these further, notably to reflect the inclusion of the remaining investments in the programme.

Process Evaluation

1. *Process evaluation*

- 1.1. Is the Productivity Programme working and being delivered as intended?
- 1.2. To what extent, and how effectively, are the investments in the programme working together?
- 1.3. How has the PP identified and addressed the needs of stakeholders, and what has this meant for ongoing programme design and delivery?
- 1.4. How effectively has the PP mobilised existing knowledge and the wider research community?
- 1.5. To what extent, and how has the PP demonstrated a commitment to EDI, environmental sustainability and good people management practices?

2. *Early assessment of impact*

- 2.1. What has been the impact of the PP on academic leadership, capacity and capabilities for productivity research?
- 2.2. Is the PP on course to deliver intended impact?
- 2.3. Are there interim outcomes that provide an indication of future impact, and to what extent are these attributable to SPF funding?
- 2.4. Are any outcomes occurring which were not originally intended, and how significant are they?

Impact Evaluation

3. *Impact on knowledge*

- 3.1. To what extent, and how, has the programme produced high quality multi- and/or inter-disciplinary research and innovation?
- 3.2. To what extent are the innovations and proposed solutions to the 'productivity puzzle' developed by the PP based on high quality evidence?
- 3.3. Has the PP advanced the evidence base relating to UK productivity, particularly in relation to the evaluation of what works in increasing UK productivity?

- 3.4. How are productivity-related interventions and innovations developed by the PP perceived by stakeholders (e.g. in terms of practicality, novelty, risk, suitability for development and/or investment)?
- 3.5. To what extent has the PP linked up effectively with wider research and innovation priorities and opportunities?

4. *Impact on policy and policymakers*

- 4.1. Has the PP had an impact on how productivity is understood by policymakers, and on the quality of evidence on productivity in policy?
- 4.2. To what extent, and how, has the PP had an impact on the capacity and capability of policymakers to engage with and use productivity research?
- 4.3. What impact has the programme had on policy across the UK, including in the UK nations and at local levels?

5. *Impact on business*

- 5.1. To what extent, and how, has the PP had an impact on knowledge and practice in business and industry?
- 5.2. To what extent, and how, has the PP identified and addressed the needs and concerns of businesses, how have they been involved in programme design and delivery, and what has been the impact of this?
- 5.3. How has the PP created new structures and opportunities for productivity researchers to engage with businesses and other industry stakeholders, and how sustainable are these?

6. *Impact on UK productivity*

- 6.1. How effectively has the programme identified and addressed different productivity challenges across the UK nations, regions and sectors of the economy?
 - 6.2. To what extent, and how, has the programme delivered innovations and solutions relating to productivity?
 - 6.3. What has been the impact of the PP on productivity-related innovation (e.g. on risk, market failure, pace and widespread adoption) and on UK productivity generally (e.g. cost savings at firm level).
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3. Evaluation Requirements

ESRC is inviting proposals for a multi-year, mixed-methods evaluation of the Productivity programme. We expect potential suppliers to have demonstrable experience in quantitative and qualitative data collection, data linking, analysis of secondary data, analytical methods of impact estimation and benefits realisation, and econometrics. We also expect potential suppliers to have subject matter expertise in relation to productivity in the U.K.

This invitation to tender calls for proposals that develop and deliver an evaluation comprising the following elements:

- Phase 1 - Evaluation framework and baseline report (December 2021)
- Phase 2 - Formative evaluation report (December 2022)
- Phase 3 - Process evaluation and early impact report (December 2023)
- Phase 4 - Economic evaluation report (December 2024)
- Phase 5 - Final impact evaluation report (No later than March 2026)

Each of these evaluation reports may be published on UKRI's website so will need to be of the highest quality. The following sections set out our detailed requirements for each stage:

Evaluation Stage	Details
Evaluation framework and baseline report	<p>This stage of the evaluation will develop the evaluation framework and delivering a baseline report which will provide the basis for the subsequent impact evaluation. We are open to a range of suitable approaches, but we envisage that this stage would involve the following:</p> <ul style="list-style-type: none"> • Updating a revised Theory of Change for the PP to reflect the development of the individual investments, and which can be reviewed during the programme. • Designing an evaluation framework to assess the economic and social impact of the programme as a whole, and the individual investments, in relation to their objectives • Developing and delivering a baseline assessment in relation to the overall objectives of the programme, for instance relating to the understanding and use of high quality evidence on productivity by UK policy makers, or the speed of the diffusion of innovation among UK businesses.
Formative evaluation report	<p>This stage of the evaluation will focus on process and will seek to draw out lessons learned from an operational perspective regarding delivery of the programme. It will also include analysis of monitoring data to answer standard process questions, e.g.:</p> <ul style="list-style-type: none"> • How effective is the programme design? • How is the programme delivered? • Is programme funding been used appropriately? • How is the programme performing? <p>This report will also look at the extent to which the scheme is achieving the relevant immediate outputs, as outlined in the objectives, and an initial assessment of the programme's reach will also be made.</p>
Process evaluation and early impact report	<p>This stage will provide additional insights into how the programme is performing, including assessing initial impact. This stage will also inform decisions about the potential continuation of the programme and/or its investments in future. Account will have to be taken of the new Thematic Research Centres. Likely questions will include:</p> <ul style="list-style-type: none"> • Is the programme working as expected? • Is the programme on track to deliver the anticipated impacts? • What are the investments learning from their own evaluation, and how is this informing the delivery of the programme? • How effective is ESRC's management and governance of the programme?
Economic evaluation report	<p>An economic assessment of the PP should be performed at this stage relating to performance to date and expected future performance. For example:</p>

	<ul style="list-style-type: none"> • What were the costs of the programme? • Were there write-offs from the programme? • What are the wider economic benefits in terms of supporting productivity research and pilot projects? • Does the programme represent good value for money?
Final impact evaluation report	<p>This stage will assess the full range of impacts identified in the evaluation framework, as well as wider impact questions such as:</p> <ul style="list-style-type: none"> • What is the likely impact of ESRC's investment on UK productivity ? • What was the impact of the programme on business innovation, growth and performance? • What longer term growth outcomes have been achieved in terms of employment, turnover, and valuation? <p>The Final Report will be expected to be accompanied by a stand-alone Executive Summary and should include case studies.</p>

We would expect that suppliers working on this project will draw upon Government guidance on evaluation found in the Magenta Book and in the relevant supplementary guidance. We would also expect that the economic component of the evaluation to draw on Government guidance on appraisal found in the Green Book. We aspire for the impact evaluation to reach Level 3 on the Scientific Maryland Scale, but acknowledge there are several challenges to identifying impact robustly. We expect bidders to outline what some of these challenges are likely to be in relation to productivity in the U.K.

4. Deliverables

The evaluation will have five key deliverables in terms of reports and the dates they are expected as outlined in Section 4. In addition, we expect contractors to submit a short quarterly progress report to the ESRC Evaluation Team in advance of a quarterly meeting. The submission of each report at the end of every year will also be supplemented by a presentation to the wider ESRC team, including members of the Programme Advisory Group and the Management Board. These meetings may be virtual or face-to-face and can be costed into the budget. Suppliers can suggest variations to the deliverables and their timings if the variations are explained and justified fully.

5. Budget

The budget for this evaluation is £500k excluding VAT. The payment schedule will be 20% of the total budget upon approval by ESRC of each deliverable, but this can be varied if explained and justified fully as above.

6. Oversight and Management

Progress Meetings: The evaluation programme will be managed by a core team of people from ESRC, including members of the Evaluation Team and the Programme Team, on a day-to-day basis. Bidders should allow for a short quarterly progress meeting with key staff and up to two (virtual) meetings or presentations per annum to other stakeholders, e.g. Programme Advisory Board.

Stakeholders: ESRC expects the contractor to engage a range of stakeholders in the evaluation, including those not directly involved in the programme who are likely to provide information and insights relevant to the evaluation questions, for example senior officials, political and business leaders. ESRC does not expect that the approach will be primarily one of assessing stakeholder views, and it is not expected that the contractor will necessarily

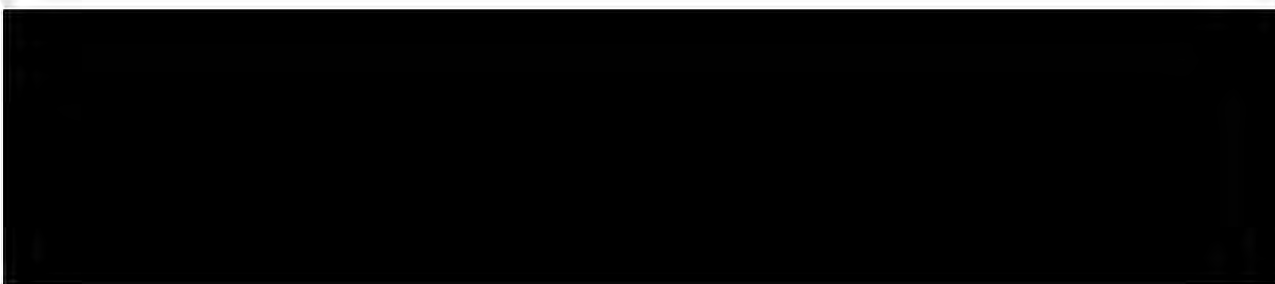
engage with all these groups, but this should be considered alongside other assessments of the impact of the programme. ESRC will assist the contractor in identifying and contacting relevant key stakeholders.

Information: ESRC will provide the contractor with information relating to the commissioning, management and governance of the programme, including call documents, proposals, funding agreements, relevant correspondence, and will provide contact details and introductions to stakeholders as necessary. ESRC expects the contractor and the fund-holders at TPI and POID (and later the leads for the Thematic Research Centres) to establish regular contact and an effective working relationship, and for requests for monitoring information and assistance to be dealt with normally without ESRC involvement.

Risk Management: We expect suppliers to outline how they are going to manage risk and to identify mitigating actions. Any analytical risks should be managed in line with approaches from the Aqua Book.

Data protection and security: The bidder is invited to outline how the evaluation will be conducted in accordance with relevant data protection and security standards, including how they will safely store, use and destroy contact details of stakeholders, documentary sources shared about the investments during the evaluation and the other information collected as part of the evaluation.

ANNEX B
Supplier Proposal



Annex C – Payment Milestones



Part 2: Contract Terms



Contract Terms v6.0