

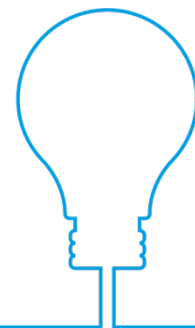


Department for
Business, Energy
& Industrial Strategy

HEAT PUMP READY: STREAM 1 – SOLUTIONS FOR HIGH- DENSITY HEAT PUMP DEPLOYMENT PHASE 2

An SBRI Competition: TRN: PRJ_884

Competition Guidance Notes



7th October 2022

Heat Pump Ready SBRI Competition

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Contents

A) HEAT PUMP READY PROGRAMME	5
A.1. PROGRAMME OVERVIEW	5
A.1. PROGRAMME OBJECTIVES	5
A.2. FUNDED STREAM 1, PHASE 1 PROJECTS	9
A.3. FUNDED STREAM 2 PROJECTS	10
A.4. CONFLICT OF INTEREST	12
B) COMPETITION OBJECTIVES	13
B.1. COMPETITION OBJECTIVES	13
B.2. PROJECT SCOPE	14
B.3. PROCUREMENT ROUTE	17
B.4. LOCATION CATEGORIES	17
B.5. STREAM 3 INTERACTIONS	18
B.6. PROJECT MONITORING	19
C) COMPETITION & DELIVERY	20
C.1. STAGE 1: APPLICATION	21
C.2. STAGE 2: ASSESSMENT	23
C.3. STAGE 3: CONTRACT AWARD	24
D) ELIGIBILITY FOR FUNDING	26
D.1. PROJECT ELIGIBILITY CRITERIA: STREAM 1 – SOLUTIONS FOR HIGH-DENSITY HEAT PUMP DEPLOYMENT – PHASE 2	26
1. <i>Phase 1 to Phase 2 Project Team</i>	26
2. <i>Regional Location</i>	26
3. <i>Location Definition</i>	27
4. <i>High-density deployment requirement</i>	27
5. <i>Housing and building types</i>	28
6. <i>Technology Deployment</i>	29
7. <i>Replicability of methodology</i>	30
8. <i>Innovation & Commercialisation</i>	30
9. <i>Eligible project size</i>	30
10. <i>Eligible project costs</i>	31
11. <i>Ineligible project costs</i>	31
12. <i>Project status</i>	32
13. <i>Additionality</i>	32
14. <i>Project end date</i>	32

15. <i>Risk-Benefit sharing</i>	33
16. <i>Knowledge transfer and collaboration</i>	33
17. <i>Multiple Application and Delivery</i>	33
18. <i>Data Sharing Requirements</i>	34
19. <i>Agree to published Terms & Conditions</i>	35
D.2. GENERAL BEIS PROCUREMENT CONDITIONS	35
E) ELIGIBILITY OF CONSUMER OFFER	37
1. <i>Technologies to be deployed</i>	37
2. <i>Consumer facing tools to be utilised</i>	37
3. <i>Finance & Business models</i>	37
F) DELIVERABLES	39
G) ASSESSMENT PROCESS AND CRITERIA	40
G.1. ASSESSMENT PROCESS	40
G.2. ASSESSMENT CRITERIA: STREAM 1 - PHASE 2	40
G.3 SCORING GUIDANCE	54
G.3. FINANCIAL INFORMATION	55
G.4. FUNDING ALLOCATION METHOD: PHASE 2	56
G.5. PHASE 2: STAGE GATE ASSESSMENT	57
1. <i>Stage Gate Criteria</i>	57
2. <i>Multiple Stage Gates</i>	59
3. <i>Evidence Delivery</i>	61
Criteria for Stage Gate	61
4. <i>Requirements for Quality Assurance</i>	67
H) NOTIFICATION AND PUBLICATION OF RESULTS	72
H.1. NOTIFICATION	72
H.2. PUBLICATION OF COMPETITION OUTCOME	72
H.3. PUBLICATION OF PROJECT RESULTS AND REPORTING	72
I) REPORTING, KNOWLEDGE SHARING, EVALUATION AND INTELLECTUAL PROPERTY REQUIREMENTS	74
I.1. REPORTING, KNOWLEDGE SHARING AND EVALUATION REQUIREMENTS	74
I.2. INTELLECTUAL PROPERTY	77
I.3. OWNERSHIP OF HEAT PUMPS INSTALLED AND ASSOCIATED EQUIPMENT	78
J) FEEDBACK, RE-APPLICATION AND RIGHT OF APPEAL	79
K) CONFIDENTIALITY AND FREEDOM OF INFORMATION	80
L) FURTHER INSTRUCTIONS TO APPLICANTS	81
M) APPENDIX 2 - ELIGIBLE AND INELIGIBLE COSTS	82

M.1. ELIGIBLE COSTS.....	82
1. <i>Eligible direct costs</i>	83
2. <i>Eligible home survey and system design costs</i>	83
3. <i>Eligible heat pump capital and installation costs</i>	84
3. <i>Eligible indirect costs</i>	87
4. <i>BEIS Travel and Subsistence Policy</i>	88
M.2. INELIGIBLE COSTS	89
1. <i>Outside of programme scope</i>	89
2. <i>Not eligible under SBRI</i>	90
N) APPENDIX 3 – DECLARATIONS	91
N.1. DECLARATION 1: STATEMENT OF NON-COLLUSION	91
N.2. DECLARATION 2: FORM OF TENDER.....	92
N.3. DECLARATION 3: CONFLICT OF INTEREST	93
N.4. DECLARATION 4: STANDARD SELECTION QUESTIONNAIRE	95
N.5. DECLARATION 5: CODE OF PRACTICE.....	112
N.6. DECLARATION 6: THE GENERAL DATA PROTECTION REGULATION ASSURANCE QUESTIONNAIRE FOR CONTRACTORS	117
O) APPENDIX 4 – CONTRACT TERMS AND CONDITIONS	124

A) Heat Pump Ready Programme

A.1. Programme Overview

The Heat Pump Ready (HPR) Programme forms part of BEIS's £1 billion [Net Zero Innovation Portfolio](#) (NZIP), which aims to accelerate the commercialisation of innovative clean energy technologies and processes through the 2020s and 2030s. As a key solution for decarbonising homes, heat pumps will be critical for meeting the UK's legally binding commitment to achieve net zero by 2050. The Heat Pump Ready Programme will support the development of innovative solutions across the heat pump sector.

The Programme is aligned with other BEIS NZIP Programmes, and Ofgem's Network Innovation Fund (NIC) and Strategic Innovation Fund (SIF). Key to the success of Heat Pump Ready is the highly collaborative approach which will be fostered between the Heat Pump Ready Programme; the complementary BEIS Net Zero Innovation Portfolio programmes; and the broader heat pump sector.

The Government's recently published Heat and Buildings Strategy¹ sets out several key commitments to help to ensure the transition to low carbon buildings is affordable and achievable for all, including delivering a package of measures to scale up deployment of heat pumps to 600,000 a year by 2028 and to support industry to reduce the costs of heat pumps. The Strategy set out the ambition to work with industry to reduce the upfront costs of heat pumps by 25-50 per cent by 2025 and to parity with boilers by 2030, as well as making them as cheap to run as a gas boiler. The Heat Pump Ready Programme will support the delivery of these commitments, by developing innovative solutions to:

- Reduce the upfront and running costs of heat pumps,
- Improve the consumer journey,
- Reduce the environmental impact, and
- Ready the electricity network for the widescale deployment of heat pumps.

A.1. Programme Objectives

The overarching objective of the HPR Programme is to create an enabling environment for heat pump deployment at a significantly increased density and scale than the current deployment level. This enabling environment - to stimulate and support the high-density

¹ <https://www.gov.uk/government/publications/heat-and-buildings-strategy>

deployment of domestic heat pumps in the UK - will be achieved through the development and trial of innovative technology and tools to address barriers faced across the landscape, in parallel to the development and trial of innovative methodologies and solutions for local coordination of high-density heat pump deployment, consumer engagement and network upgrades.

This translates into the following primary objectives for HPR:

- Reduce the lifetime costs of domestic heat pumps (including capital equipment costs, installation costs and operating costs)
- Improve the lifetime consumer experience of heat pumps (including the experiences of learning about and choosing a heat pump and how to pay for it; having a heat pump installed in the home; and living with it)
- Stimulate innovative research and solutions to address the impact of domestic heat pumps on the electricity system
- Improve the interoperability of domestic heat pumps with other smart technology in the home
- Develop and strengthen partnerships between the many players involved in the domestic heat pump sector
- Develop effective approaches and products to engage stakeholders effectively on heat pump issues with homeowners and with the key players who can help to deliver high-density heat pump deployment across the UK
- Establish an evidence base to enable effective design and development of future heat pump policy and regulation

The Heat Pump Ready Programme is split into three, separate delivery streams:

- ***Stream 1: Solutions for High-Density Heat Pump Deployment.***
- ***Stream 2: Developing Tools and Technology.***
- ***Stream 3: Trial Support and Learning.***

Stream 1 - Solutions for High-Density Heat Pump Deployment (the focus of this Guidance), will support the deployment of heat pumps through the **development and trial of solutions and methodologies for the optimised deployment of domestic heat pumps, at high-density**, in the UK. Projects supported in this stream will need to demonstrate the cost savings that are secured from the optimised deployment solutions and how the approaches can be sustainable beyond the lifetime of the Programme. A Small Business Research Initiative (SBRI) pre-commercial procurement process will be used to deliver *Stream 1 - Solutions for High-density Heat Pump Deployment*.

Stream 2, Developing Tools and Technology will support the **development of tools, technology and processes to overcome specific barriers to domestic heat pump deployment** in the UK. This stream will support solutions aiming to reduce the lifetime cost and increase the performance of domestic heat pumps, minimise home disruption whilst providing high quality installations, develop and trial financial models to support heat pump deployment, improve the heat pump consumer journey and provide a smart and flexible home energy system. The solutions supported in this Stream are expected to be at Technology Readiness Levels 5 to 7 at the start of any funded projects. *Stream 2 - Tools & Technology* will support development of these innovative tools and technology using grant funding.

Stream 3 - Trial Support and Shared Learnings, will **provide support to ensure knowledge transfer and shared learning across the Heat Pump Ready Programme and with external heat pump stakeholders**. This stream will capture and share progress, evidence, knowledge, and lessons between *Stream 1 - Solutions for High-density Heat Pump Deployment* projects, coordinate interactions between *Stream 1 - Solutions for High-density Heat Pump Deployment* projects and special interest working groups in support of areas of common delivery, and broker relationships between *Stream 1 - Solutions for High-density Heat Pump Deployment* project and the solutions being developed in *Stream 2 - Tools & Technology* and other NZIP programmes, such as the NZIP-Green Home Finance Accelerator programme². Three work packages will be delivered: the first will deliver activity related to programme and project learning and collaboration; the second will cover research and evaluation activity; and the third will focus on knowledge and evidence dissemination to external audiences throughout the lifetime of the programme.

Further details of the other Heat Pump Ready Streams can be found online at: <https://www.gov.uk/government/publications/heat-pump-ready-programme>

Heat Pump Ready also has strong links with other innovation programmes, including:

- **Ofgem Strategic Innovation Fund:** the purpose of [Ofgem's Strategic Innovation Fund](#), which is delivered in partnership with Innovate UK, is to support network innovation that will contribute to achieving Net Zero rapidly and at lowest cost; to deliver real net benefits to network companies, energy users and consumers.
- **NZIP- Green Home Finance Accelerator (GHFA):** The [GHFA](#) will provide up to £20million grant funding to support UK retail lenders to design, develop and pilot a range of finance propositions which encourage domestic energy efficiency and low carbon heating retrofits. The Green Home Finance Accelerator is intended to drive innovation in the green lending market and support the establishment of a diverse

² <https://www.gov.uk/government/publications/green-home-finance-accelerator>

range of green finance products which incentivise domestic energy performance improvements for both owner occupiers and private landlords.

- **NZIP Flexibility Innovation Programme:** The 2021 Smart Systems and Flexibility Plan and Energy Digitalisation Strategy identified key BEIS policy priorities to enable the transition to a smart, flexible and decarbonised energy system. To support the transition, the [Flexibility Innovation Programme](#) seeks to enable large-scale widespread electricity system flexibility through smart, flexible, secure, and accessible technologies and markets. Up to £65 million will be made available. This overarching programme will fund innovation across a range of key smart energy applications.
- **NZIP- Alternative Energy Markets (AEM) Programme:** [The Alternative Energy Markets \(AEM\) Programme](#) is exploring what an alternative system of network and policy price signals might look like, whether those signals could be trialled in a real-world environment, how to undertake any potential trial, and how energy suppliers and consumers may respond within a trial.
- **NZIP- Longer Duration Energy Storage Demonstration (LODES):** [The Longer Duration Energy Storage Demonstration](#) competition (closed to applications) is an innovation competition aiming to accelerate commercialisation of innovative longer duration energy storage projects.
- **Thematic Evaluation:** In addition to the evaluation activity carried out in *Stream 3 - Trial Support and Shared Learnings* of Heat Pump Ready, there will be a separate NZIP research project looking beyond the HPR Programme. This Thematic Evaluation work will look at the impacts which HPR has had on the broader heat pump sector and at how the Programme has changed the perceptions, intentions and actions of participating and non-participating heat pump stakeholders. More information on the evaluation activities is provided in the 'Programme Evaluation' Section later in this document.

For details of all projects supported by NZIP please visit:

<https://www.gov.uk/government/collections/net-zero-innovation-portfolio>

A.2. Funded Stream 1, Phase 1 Projects

Heat Pump Ready, Stream 1, Phase 2 is open to projects which were successful in their applications to Heat Pump Ready, Stream 1, Phase 1. A list of these projects is provided in Table 1 below. Full details of successful Stream 1, Phase 1 projects is available here: <https://www.gov.uk/government/publications/heat-pump-ready-programme-successful-projects/heat-pump-ready-programme-stream-1-phase-1-projects>

Table 1: Summary of Heat Pump Ready, Stream 1: Phase 1 projects

Location	Project title	Lead organisation
Newcastle, Tyne and Wear	Heat Pump Ready Newcastle	Eon
Sunderland, Tyne and Wear	Utilita Energy Heat Pump Ready Programme	Utilita Energy
Leeds, Yorkshire	Renewable Heat Infrastructure Network Operating System (RHINOS) Leeds	Leeds City Council
Oxford, Oxfordshire	Clean Heat Streets	Samsung
Greenwich, Greater London	Greenwich Thermal Infrastructure Motivating Electrification (Greenwich TIME)	Element Energy Limited
Bristol	Bristol Heat Pump Ready	Buro Happold
Teignbridge, Devon	Project Gaia	EDF
Fenland, Oxfordshire	PACE Financing for Heat Pumps in Rural Cambridgeshire	City Science
Blairgowrie, Perth & Kinross	SAPPHIRE Solo	Power Circle Projects
Cherwell, Cambridgeshire	Prosumer Model for Heat Pump Deployment in Cherwell	City Science
Bridgend	Heat Pump Ready - Bridgend	Buro Happold

A.3. Funded Stream 2 Projects

Heat Pump Ready supports collaboration across the projects funded by the programme. Where appropriate, and beneficial to both projects, Stream 1 projects should look to work with funded Stream 2 projects in the delivery of their Stream 1 – Phase 2 project. A list of these Stream 2 projects is provided in Table 2 below.

Table 2: Successful Heat Pump Ready Stream 2 projects

Lead Organisation	Project Title
Build Test Solutions	MEASURED: The role of measured building performance in heat pump specification, system design and management
City Science Corporation Limited	Advanced Modelling for Heat as a Service
EDF	Catalyst – Accelerating the heat pump journey
Energiesprong UK Ltd	Integrated Comfort and Billing Service
Green Energy Options (geo)	AI Smart Heat Pathway
GenGame Ltd	Total Home Optimisation Management (THOM)
Guru Systems Ltd	Guru Smart Heat Pumps: developing tools for social housing landlords to enable heat pump installation at scale across the UK
Guru Systems Ltd	Guru Verify for Heat Pumps: delivering best practice install, commissioning and maintenance verification tools to the Heat Pump market
Hildebrand Technology Ltd	Glow Heat Pump Community
Hoare Lea	Right sizing heat pumps

Home Infrastructure Technology Limited (Add to my mortgage)	Green Homeowner Loans
ICAX Ltd	Heat Pump Manufacturing Automation for Scale and Cost
Kensa Heat Pumps Limited	Highly Flexible Storage Heat Pump (HFSHP)
Mixergy Ltd	Making Efficient Systems around Heat-pumps (MESH)
Parity Projects Ltd	Performance
Q-Bot Ltd	Free Heat Pump Home Survey and Design Tool
RJ Barwick Ltd	Archetypal Heat Pump Retrofit for 175,000 Non-Trads
Switchee Ltd.	Digitising the Customer Journey of Heat Pumps in Social Housing
The MCS Service Company Limited	EST MCS Heat Pump Consumer Journey
Thermoelectric Conversion Systems Ltd	Two stage heat pump with greywater energy recovery
Thormer Solutions Limited	Total Heatpump Installation Solution (THIS)
Ventive Ltd	Modular Heat Pumps for Cell Based Microfactory Assembly
VIA Analytics Limited	Heat Pathway
Wondrwall Limited	Wondrwall: Intelligent air-sourcing to net zero

A.4. Conflict of interest

Applying for Multiple Heat Pump Ready Streams and Related Activity

For the purpose of this competition, a conflict of interest is defined as the presence of an interest or involvement of the contractor, subcontractor (or consortium member) which could affect the actual or perceived impartiality of the research or analysis.

The appointed supplier, the Carbon Trust, for Heat Pump Ready *Stream 3 - Trial Support and Shared Learnings* will be partly responsible for assessing effectiveness and impact of *Stream 1 - Solutions for High-density Heat Pump Deployment* and *Stream 2 - Tools & Technology* projects and disseminating the work of these Streams.

BEIS therefore considers that there is potential for an actual or perceived conflict of interest if companies who are delivering *Stream 3 - Trial Support and Shared Learnings* work were to be included in a bid for the *Stream 1 - Solutions for High-density Heat Pump Deployment (Phase 2)* or for the Thematic Evaluation Contractor. In their tender response, all tenderers (regardless of which competition they are bidding for) are required to ensure that any actual or perceived conflict is declared and satisfactorily mitigated.

Organisations may submit bids for both *Stream 1 - Solutions for High-density Heat Pump Deployment (Phase 2)* and be in receipt of funding from *Stream 2 - Tools & Technology* but they must declare this and ensure that satisfactory mitigation to any potential conflict of interest is identified in their tender responses.

BEIS reserves the right to exclude any proposals where the bidder has an actual or perceived conflict of interest that cannot be mitigated to the satisfaction of BEIS.

All projects, as part of the application process, are required to complete Declaration 3: Conflict of Interest (Appendix – Section N.3)

B) Competition Objectives

B.1. Competition Objectives

Stream 1 - Solutions for high-density heat pump deployment of the Heat Pump Ready Programme focuses on the following specific objectives of the development and trial of innovative, cost-effective optimised approaches to high-density heat pump deployment. It is expected that projects' innovative methodologies will provide:

- **An improved consumer journey:** A complete, 'hassle free' journey for the consumer which includes:
 - An understanding of a heat pump's role in heating their home
 - An assessment of their home
 - An assessment of their wants, needs and circumstances
 - The identification of optimum heat pump (e.g. sizes and types) tailored to their specific requirements, including the identification and installation of any necessary fabric and energy efficiency measures required
 - The identification of local installers
 - The delivery of the agreed heat pump system
 - The identification of suitable financing options and energy tariffs
 - A seamless network connection process
 - Advice on the operation of the heat pump
 - A high-quality installation and consumer protection
 - On-going maintenance and support
- **A cost reduction for consumers:** through the coordinated provision of heat pump deployment to a high-density of buildings in a single area.
- **An opportunity to understand the network impacts of high-density heat pump deployment:** through the engagement with Distribution Network Operators (DNOs) in parallel to the high-density deployment and opportunity to provide flexibility using multiple heat pump installations in a given area.

Heat Pump Ready will be the UK's first significant high-density heat pump deployment trial building on from BEIS' Energy Innovation Programme (EIP) [Electrification of Heat Demonstration Project \(EoH\)](#) which installed over [740 heat pumps across 3 different locations](#).

The aim of the Heat Pump Ready *Stream 1 - Solutions for high-density heat pump deployment* is to identify, support and then develop credible innovative methodologies for the high-density deployment of heat pumps in a given location to bring about a step change in current heat pump deployment, whilst providing a cost reduction to consumers.

B.2. Project Scope

The Solutions for High-Density Heat Pump Deployment Competition aims to design and demonstrate innovative, optimised solutions and methodologies which deliver more cost-effective and high-density deployment of domestic heat pumps. These innovative solutions should focus on understanding and engaging all the key stakeholders and decision makers within a location who are responsible for high-density heat pump deployment.

Through the trial of innovative solutions for the coordinated, high-density deployment of heat pumps, BEIS aims to support innovation and learning on the implications of high-density deployment across the local electricity network, the supply chains and the approaches used to engage with consumers.

For complete clarity, the scope of Heat Pump Ready, Stream 1 is to develop and trial innovative methodologies and solutions which support high-density heat pump deployment **not** the development of innovative technologies, tools, or business models which would have otherwise been [eligible under Stream 2](#). Stream 1's innovative methodologies must consider the key stakeholder and decision makers within the specific location with a role to play in areas such as:

- Engaging consumers throughout their heat pump transition
- Understanding the housing stock within the location
- Increasing the supply chain capacity and installer base
- Designing, installing and commissioning of heat pumps
- Providing consumer protection and post-install monitoring
- Identifying and delivering suitable energy efficiency measures
- Providing on-going consumer support and heat pump maintenance

We expect successful solutions to take a joined up approach to heat pump roll-out, working across stakeholders, involving, for example, local authorities, energy suppliers, DNOs, manufacturers, consumers groups, installers and finance providers within a given locality.

Different key stakeholders and decision makers are likely to be required in the coordination solutions needed for different types of location, for example, reflecting the level of housing density in addition to the demographic and socioeconomic status of occupants within in a location. Therefore, in *Stream 1 - Solutions for High-density Heat Pump Deployment*,

projects have been classified in one of three separate categories – predominantly urban, urban with significant rural, and predominantly rural - depending on the location proposed for the trial of the innovative solution for coordinated high-density deployment.

The focus of Stream 1, Phase 1 was to carry out a feasibility study to identify innovative methodologies for coordinating the high-density deployment of heat pumps. In Stream 1, Phase 2, the selected project teams will be following their innovative methodology, working together with their identified key stakeholders and decision makers, to test the effectiveness of their innovative methodology. Through the trial of each project's innovative methodology for the coordination of high-density heat pump deployment, BEIS expects project teams to deliver:

- Cost-savings relative to current average deployment costs for domestic heat pumps.
- High-density deployment of domestic heat pumps³ – i.e. transition a large proportion of domestic consumers within a single area over a short period of time (before the end of the trial project, end November 2024).
- An enhanced 'consumer journey' – providing high levels of consumer satisfaction throughout the deployment.

Phase 2 (total budget up to £27m) will take the most promising projects from Phase 1 and support the proposed Phase 2 trial of these methodologies for high-density heat pump deployment.

Only projects which have successfully completed their Phase 1 project will be eligible to be contracted for Phase 2. BEIS will **not** award funding to any project which did not successfully complete their Phase 1 project. This includes the submission and approval of the project's final Phase 1 report, the submission of project completion KPI's and invoicing.

Heat Pump Ready Stream 1, Phase 2 is split into 2 stages: Phase 2a, Trial Mobilisation Phase and Phase 2b Trial Deployment Phase – with a Stage Gate review between the Phases.

Phase 2a: Trial Mobilisation Phase (up to 12 months) – the intention is to select at least 3 projects from Phase 1 to progress to Phase 2 (subject to Phase 2 proposals meeting the required threshold at assessment). In Phase 2a, projects will begin mobilising for their deployment trial, to the point where the project teams are ready to start installation, carrying out activities which include:

³ Details of the Stream 1 high density deployment requirements are set out in the Eligibility section.

- Detailed co-ordination planning.
- Development of innovative elements (e.g. tools/processes) required to support or manage their coordinated deployment methodology. Examples of innovation in this area could include, but is not limited to:
 - Information management tools to support the joining up of multiple organisations, which are not consumer facing
 - Data management processes to enable cross-organisation data sharing

Notes: this does not include the development of tools, technologies or business models/consumer offers which would have otherwise been eligible [under Heat Pump Ready Stream 2](#).

- Detailed planning for quality assurance, consumer satisfaction and protection, and post-install monitoring and maintenance processes.
- Selection of suppliers for technologies, tools and business models to be offered to consumers during deployment.
- Working with installer training providers to ensure installer capacity and conducting any coordinated methodology-specific installer training.
- Finalising the operational heat pump data to be collected (in line with methodology developed).
- Recruitment of consumers.
- Identifying funding route for heat pump installation and capital costs.
- Confirming network connection readiness.
- Continued recruitment of consumers, which may occur in Phase 2b. These are the consumers recruited post Stage Gate, above the project minimum number set out in the project Stage Gate criteria, up to a maximum number set out in the Phase 2 application. All costs of consumer recruitment are considered to be a Phase 2a eligible cost.

*In order to successfully transition from Phase 2a to Phase 2b, project teams will be required to pass a tailored stage gate in their project, full details of stage gate requirements are provided in Section G.5 of this document.

Phase 2b: Trial Deployment Phase (up to January 2025) – In this stage, project teams will finalise consumer recruitment, complete the roll-out (installation and commissioning) of the high-density cluster of heat pumps within each project locality, in line with the project team’s optimised deployment methodology, and collect an initial set of operational data which the project has set-out as part of their coordinated deployment methodology. This phase will include:

- Finalising installation logistics.

- Confirming finance options for households.
- Installing heat pumps and relevant energy efficiency and supporting measures (e.g. thermal storage), ensuring the solution is optimised for each home, with a focus on achieving the highest possible heat pump efficiencies which is affordable to the consumer.
- Supporting consumers to adapt to their new heating system (e.g. how to use the system, advice on energy tariffs) and ensuring they are satisfied with and are confident using their system.
- Monitoring and quality assuring heat pump operation, including the reliable provision of agreed heat pump data.

B.3. Procurement Route

The Competition funding will be awarded using the Small Business Research Initiative (SBRI) approach. SBRI is a well-established pre-commercial procurement process that enables the development of innovative products and services in response to specific challenges faced by government departments and public-sector bodies. Successful business partners receive finance to develop their innovative ideas, generating new business opportunities and routes to market. This competition and the SBRI approach is not limited to small and medium sized organisations.

An SBRI will fund 100% of eligible costs up to the maximum of £9m per project for Phase 2 (total across Phase 2a and Phase 2b). The minimum cost per project for Phase 2 is £1m.

The sharing of *risks and benefits* is an important aspect to the SBRI approach. Projects receive financial support and retain any intellectual property generated, with certain rights of use retained by BEIS. Project outputs are also expected to be shared widely and publicly and project teams are **not permitted to include profit associated with the cost of mobilising and trialling their innovative coordinated methodology and are not permitted to include contingency sums across all eligible project costs**. It should be noted that where the project team are purchasing or contracting external, commercially available products which will be used by the consumer, the consumer must be charged the commercial rate for these products, which includes profit – further details of this is provided in Section M.1.3. Eligible Heat Pump Capital Costs.

B.4. Location Categories

Applications into this competition must apply to trial their coordinated methodology within the same location category (Urban, Rural or Urban with Significant Rural) and Local Authoritarian Unit (LAU) as per their original Phase 1 application.

B.5. Stream 3 Interactions

As part of the overall Heat Pump Ready programme, all project teams will be required to participate fully in Stream 3 research, knowledge sharing and dissemination activities, which support the creation and sharing of learnings across project teams in both *Stream 1 - Solutions for high-density heat pump deployment* and Stream 2. Table 3 below sets out the activities, timings and the required attendees for the Stream 3 activities over the course of Phase 2. Applicants may include, as part of the project costs, the associated day rate and travel and subsistence costs for required staff to attend the Stream 3 activities listed below as part of their project costs, detailed within their Project Finance Spreadsheet. All travel and subsistence for the activities associated with Stream 3 interactions must be in line with BEIS staff policy (full policy available on request) which is summarised in Section 0.

Table 3: Overview of Stream 3 requirements of *Stream 1 - Solutions for high-density heat pump deployment* project teams

Activity	Occurrence	Attendance requirements*	Travel & Subsistence Eligible (where face-to-face event is held)?
Attend half day, in-person introduction workshop with Stream 2 Projects	Every 6-months	Project Lead	Yes
Attend half day, online Stream 1 learning workshop	Every Quarter	Project Lead	N/A
Attend industry conference	3 days during Phase 2	Project Lead	Yes
Participate in 2-hour online interview	Every 6 months	Project Lead	N/A
Develop and implement data sharing processes in line with Stream 3 provider guidance that enable Stream 3 research	Ongoing	N/A	N/A
Recording of project case study video	Once	Project Lead	N/A

NZIP Project Collaboration Event	Annually	Project Lead	Yes
Heat Pump Ready Conference	Annually	Project Lead	Yes

* Project teams may request additional invitations for additional staff to participate in the Stream 3 activities; however where additional attendees can be accommodated, the cost for additional (non-required) staff will be at the expense of the project team and not reclaimable from the project cost.

Attendees are not required to do any pre-event work; therefore personnel time should be for the actual time of the event – i.e. half day. Likewise, project leads are not required to create any marketing material for these events so costs of posters, banner stands etc. are not eligible as part of Stream 3 attendance.

Each Stream 1, Phase 2 project must be represented by their Project Lead at the above events. Where the Project Lead is the project lead on more than one Stream 1, Phase 2 project the project must nominate an alternate Project Lead who will attend Stream 3 activities on behalf of the subsequent Stream 1, Phase 2 projects. This alternate Project Lead must be consistent throughout the Stream 3 activities.

B.6. Project Monitoring

A BEIS-appointed Project Monitoring Officer (PMO) will be assigned to each project and will be their main point of contact with BEIS during delivery. Projects will meet with their PMO at project start to agree the delivery plan, the milestones, and the specific outputs that will be delivered, as well as an invoicing schedule, with oversight from BEIS. PMOs will be responsible for reviewing evidence submitted as part of an invoicing claim before the invoice payment is approved.

Projects are required to submit monthly written progress reports to their PMO, and to meet with them monthly to discuss project progress. The *Stream 3 - Trial Support and Shared Learnings* contractor may also attend these meetings to allow them to stay up to date on project progress, to capture lessons and to provide support in overcoming risks and issues. Projects should raise risks and issues promptly with their PMO as they arise, within and outside of these meetings. The PMOs will report to and meet with BEIS regularly and will escalate project issues to BEIS as necessary.

Projects will also be required to report on the NZIP Key Performance Indicators, a set of portfolio-level indicators that help BEIS consistently track, measure, and report on results and progress achieved by NZIP. Templates for reporting KPIs and project progress will be provided to each project. Further details of KPI's are set out in Section I.1.

C) Competition & delivery

The expected timeline for competition and delivery of Phase 2 projects is set out in Table 4 below. Please note, this timetable is subject to change.

Table 4: Phase 2 timeline (subject to change)

Stage	Activity
Pre-Application engagement	<ul style="list-style-type: none"> Draft Stream 1 – Phase 2 Competition Guidance shared with Stream 1 – Phase 1 project teams. Heat Pump Ready, Stream 1 – Phase 2 engagement webinar – 21st September 2022 1 to 1 meetings between BEIS and Stream 1 – Phase 1 project teams (20 mins duration) – 22nd & 23rd September 2022 Deadline for comments/feedback on draft Stream 1 – Phase 2 Competition Guidance to be submitted to BEIS, 14:00 26th September 2022
Application	<ul style="list-style-type: none"> Issuing of Stream 1 Phase 2 Guidance and Application form – 7th October 2022. Application for Phase 2 of competition to be submitted – 7th November 2022. Phase 2 application forms can be submitted from any point after the 7th October 2022 up to the deadline of 7th November 2022. NB. All Phase 2 applications submitted prior to the application deadline, will be formally assessed after the submission deadline regardless of the date of their submission. Note: It is not compulsory that Phase 1 projects must submit a Phase 2 application should they find during Phase 1 that they do not have a feasible, innovative methodology for coordinating high-density heat pumps to trial in line with the competition eligibility.
Assessment	<ul style="list-style-type: none"> Eligibility check, technical assessment, clarification correspondence and moderation - November 2022 Technical clarification issued to projects from w/c 21st November 2022

	<ul style="list-style-type: none"> Inform Applicants of the outcome of their application – from 28th November 2022, subject to BEIS completing all technical clarifications. The notification of outcome will include any commercial clarification question required, followed by any questions relating to financial due diligence
Contract Award	<ul style="list-style-type: none"> BEIS will begin issuing contract to projects who have completed all clarification stages and due diligence from w/c 12th December 2022.
Delivery – Phase 2a	<ul style="list-style-type: none"> 3rd January 2023 up to 1st January 2024
Phase 2 Stage Gate	<ul style="list-style-type: none"> Before 3rd January 2024 – as agreed with BEIS based on the date proposed by the applicant as part of their Phase 2 application.
Delivery – Phase 2b	<ul style="list-style-type: none"> Final installs and commissioning of all heat pumps deployed to be complete by 30th November 2024 Final reports submitted to BEIS by 30th December 2024, with final amendments by 17th January 2025. Projects close 31st January 2025

C.1. Stage 1: Application

[Click here for Heat Pump Ready, Stream 1 – Phase 2 Application Form](#) which must be used to submit your application.

Applicants are asked to submit an online competition application form, with supporting information by **14:00, 7th November 2022**. The notes below explain the details of the application process:

- Questions about the Competition:** If you have any questions on the competition process or require clarifications on the eligibility criteria after reading these guidance notes, please submit queries to heatinnovation@beis.gov.uk. All questions should be submitted **by 14:00, 14th October 2022**. Questions submitted after this date may not be answered. We will reply to any queries which, in our judgement, are of material significance through an anonymised Q&A sheet published on the [Heat Pump Ready webpage](#) **by 14:00, 21st October 2022**, so there is sufficient time to include the responses in the applications. All applicants should take these replies into

consideration when preparing their own applications and we will evaluate applications on the assumption that they have done so.

- **Submission of Application:** The full application for the Competition must be submitted online by the deadline: **14:00, 7th November 2022**. The online application form will be closed for submissions after this time. **BEIS will not accept any submissions, amendments to submissions or any additional project information received after this deadline.**
 - Application documents: All application documents must be submitted via the online application form. In the form there are opportunities to upload relevant supporting documents. In some sections we specify the supporting information we would like to see uploaded. **BEIS will not accept any submissions which are not submitted via the online application form.**
- **Submission Content:** Each Phase 2 online application must respond to every question within the application form. This will include details submitted via either text box in response to a question or via document upload where permitted. A check list of these is provided as part of the online application form.

You should endeavour to answer all the questions on the application in full. Some questions will be 'required fields' in the form and you will not be able to proceed to the next section until these questions are complete. Incomplete applications and any containing incorrect information may be rejected. However, BEIS may, at its discretion, request clarification before making a final decision. Any applications or supporting documentation received after the application deadline will not be considered. Applicants are advised to use the downloadable word version when working on a draft application, but also to ensure they leave sufficient time to copy their application to an online version and answer all the compulsory questions. Applicants are also advised to make an early start on the application process as it may take considerable time, and to use the Q&A process to clarify anything they are unsure about. The advertised deadline will not be extended and no submissions will be accepted after the deadline.

- **Submission Costs:** You will **not** be entitled to claim from the Department any costs or expenses that you may incur in preparing your application, whether or not your application is successful.
- **Consortium Applications:** Applications from consortia are welcome. **Only one submission should be submitted for each separate project application**, but all consortium partners are required to sign the completed application form for their project(s) (see Appendix 3, Declaration 2 of the application form).

If a consortium is not proposing to form a separate corporate entity, the project partners will need to nominate a lead organisation who we will contract with and

complete a Consortium Agreement (once a contract has been awarded). Please note that BEIS reserves the right to require a successful consortium to form a single legal entity in accordance with Regulation 19 of The Public Contracts Regulations 2015.

BEIS recognises that arrangements in relation to consortia and sub-contractors may (within limits) be subject to future change. Applicants should therefore respond in the light of the arrangements as currently envisaged and are reminded that any future proposed changes in relation to consortia and sub-contractors must be submitted in writing to BEIS for consideration on a case-by-case basis.

- **Multiple Applications:** Lead organisations may only enter one application into each Category (i.e. urban, rural, urban with significant rural) as the project lead. Consortium members/Subcontractors may be part of multiple applications; however, it is the duty of the lead organisation to manage any arrangements with regards to conflict of interests with sub-contractors/consortium members where those sub-contractors/consortium members are part of other applications. Where consortium members are part of multiple applications, the lead organisation must provide assurance that the consortium members have sufficient resources to successfully deliver all work packages. The lead organisation must also ensure that funding is not double counted for the same piece of work.
- **Tender Validity:** Phase 2 applications shall be valid for a minimum of 180 calendar days from the submission deadline (14:00, 7th November 2022).
- **Phase 2 Submissions:** Only the response to the Phase 2 application form will be used to assess and select the projects to be funded. The work over the first 4 months of the feasibility study will be expected to strengthen the evidence used for the application process via the application form. In the Phase 2 application form, applicants are expected to demonstrate the rationale for the innovative methodology and that it can be quantified and evidenced, with a greater focus on how the proposed methodology will enable high-density heat pump deployment and be sustainable as a commercial solution beyond the life of this programme.
- All project activities, including reporting, final report amendments and payments, must be completed by **31st January 2025**.

C.2. Stage 2: Assessment

Applications will initially be assessed against the Eligibility Criteria in Section D.

Applications which fail the Eligibility Criteria will not be assessed further, so it is

essential to ensure that your project meets these criteria before you submit your application.

The assessment process is detailed in Section G.1 of this document. Phase 2 requires an overall score of 60% or more to be eligible for funding, in addition to any thresholds which apply to specific questions within the assessment criteria.

Following the assessment of applications, the funding will be awarded to projects as detailed in Section G.4 for Phase 2.

After the assessment stage, all applicants will receive a short summary of key feedback regarding their applications irrespective of whether they are successful or not. BEIS aims to provide feedback to applicants at the same time as notifying applicants whether they are successful or unsuccessful.

C.3. Stage 3: Contract Award

Phase 2 projects are expected to be notified of their outcome w/c 28th November 2022. BEIS aims to start issuing Phase 2 contracts to project teams which have passed all clarification and due diligence checks from w/c 12th December with a project start date of 3rd January 2023 – all dates are subject to change and dependent on successful completion of due diligence and any clarification checks.

BEIS will not be issuing contracts between Monday 19th December 2022 and 6th January 2023 due to the Christmas holiday period. Once issued with a contract, project teams will have 5 days to return their signed contract to BEIS. In order to meet this turnaround time, BEIS expects projects legal teams to review these terms and conditions ahead of their application submission.

Please note that BEIS will not back date the start date of contracts. For contracts issued after 1st January 2023, the project start date will be the date in which BEIS counter signs the contract.

Contract terms: For Phase 2 the contracts will be based on the BEIS pre-commercial procurement contract. The terms and conditions for the Phase 2 contract is provided in Appendix 4 of this ITT. **These terms and conditions are final and non-negotiable.** For Phase 2, clause 18.7 of the terms and conditions stipulates that liability is £4m or twice contract value whichever is greater.

All applicants should review the clauses 27 and 28 of the terms and conditions which contain important provisions relating to arising intellectual property and its exploitation.

There will be an opportunity for successful applicants, prior to contracts being signed, to discuss the contract at a meeting with an official from BEIS who will explain the contractual

terms and conditions and respond to any queries which the applicant may have at this stage. **However, this meeting will not be an opportunity to negotiate the contract: the Terms and Conditions as published with this guidance are final and will not be amended for any supplier or consortium.**

Consortium applications: with consortium applications, the lead company (project coordinator) will be the recipient of the contract (the supplier) and will be responsible for managing payment to the other project partners. If a consortium is not proposing to form a separate corporate entity, the project partners will need to complete a Consortium Agreement. Funding will not be provided by BEIS until a signed consortium agreement has been finalised between all of its members.

Consortium members/Sub-contractors may be part of multiple applications; however, it is the duty of the lead organisation to manage any arrangements with regards to conflicts of interest with sub-contractors/consortium members where those sub-contractors/consortium members are part of other applications.

Also, where consortium members are part of multiple applications, it is the responsibility of the lead organisations to ensure that all the consortium members have sufficient resources to successfully deliver multiple applications/work packages. The lead organisations must also ensure that there is no double-counting' – i.e. that funding is not claimed more than once for the same piece of work.

D) Eligibility for Funding

D.1. Project Eligibility Criteria: Stream 1 – Solutions for high-density heat pump deployment – Phase 2

To be eligible for funding, proposed projects must meet all the following eligibility criteria:

1. Phase 1 to Phase 2 Project Team

Only successful Heat Pump Ready Phase 1 projects teams are eligible to submit one application to Phase 2 (i.e. those applicants who were successful in the Heat Pump Ready Phase 1 SBRI Competition).

To be awarded a Phase 2 contract, projects must have successfully completed their Phase 1 project – this includes the submission and approval of the project's final report, the submission of project completion KPI's and invoicing.

Eligibility question: Was the project team submitting this application successful in being awarded a contract for Heat Pump Ready: Stream 1 - Phase 1? (yes/no)

Eligibility question: As the project team submitting this application, do you understand that to be contracted for Heat Pump Ready Stream 1 – Phase 2 the project team must have submitted and had approval for the: Heat Pump Ready Phase 1 final report; KPI's; and final invoice? (yes/no)

Eligibility question: Is the Project Lead the same as your Phase 1 project? Where no, please provide rationale for this change. (250 words)

Eligibility question: Have any consortium members / key sub-contractors left or joined the project team? Where yes, please provide rationale for this change. (250 words)

2. Regional Location

Phase 2 of the competition must be delivered in the same regional location as Phase 1. This regional location is defined using local administrative unit (LAU) Level 1 area.

Eligibility question: Is the LAU Level 1 area the same as your Phase 1 application? YES/NO

Eligibility question: What is the LAU Level 1 area in which you will trial your methodology? (LAU name)

3. Location Definition

This competition requires each application to specify the location category for their high-density deployment from the following 3 categories:

- **Category 1: Urban Location**
- **Category 2: Rural Location**
- **Category 3: Urban with Significant Rural**

(Definitions provided in Section B.4)

Phase 2 applications must be entered into the same Location Category as Phase 1 application.

Eligibility question: Are you applying to trial your coordinated methodology in the same location category as your Phase 1 project? (Yes/No)

Eligibility question: What is the rural-urban definition for the location you will trial your methodology in? (Urban / Rural / Urban with Significant Rural)

4. High-density deployment requirement

A key focus for Heat Pump Ready is demonstration of effective methodologies for the roll out of a high-density of heat pumps in a locality – to reflect the density of heat pumps that may be required to meet Net Zero requirements. Therefore, *Stream 1 - Solutions for High-density Heat Pump Deployment* project teams must deploy heat pumps to either:

- **Category A:** At least 25% of the domestic buildings on at least one low-voltage network within their chosen LAU Level 1 deployment trial locality; and/or
- **Category B:** At least 25% of domestic buildings served by at least one single secondary sub-station within their chosen LAU Level 1 deployment trial locality; and/or
- **Category C:** At least 25% of the domestic building on at least one primary sub-station within their chosen LAU Level 1 deployment trial locality.

Phase 2 applications may be submitted with a **different** high-density category to their Phase 1 application, however project must justify why they have opted to change this category following their feasibility study.

Eligibility question: Are you selecting the same high-density deployment category as your Phase 1 project? (yes/no)

Where no, please provide justification and rational for this change. (250 words)

Eligibility question: Which density category will be delivered by your Phase 2 project in the location where you will trial your methodology? (Category A, Category B or Category C).

5. Housing and building types

Table 5 sets out the permitted limits for housing and building eligible under Heat Pump Ready *Stream 1 - Solutions for High-density Heat Pump Deployment*. BEIS is unable to fund projects which do not focus on domestic heat pumps. Where non-domestic heat pumps are included in the methodology (within the limits provided in Table 5), credible evidence must be provided that the inclusion of non-domestic heat pumps increases the viability of the installation of domestic heat pumps and that the methodology is replicable.

Table 5: Permitted housing/building type and deployment limits under Heat Pump Ready *Stream 1 - Solutions for High-density Heat Pump Deployment*.

Building type	Permitted in Stream 1 trial?	Limit for Stream 1 trial (as % of total heat pumps deployed in trial⁴)
Social housing New Build (pre-occupancy) Non-domestic	Yes	Maximum of 30% in total (i.e. for all three categories)
Off-gas grid homes	Yes	Maximum of 15%

Eligibility question: Does the trial of your methodology achieve a minimum of 70% heat pump deployment to retrofit non-social housing homes? (yes/no)

Eligibility question: Does the trial of your methodology achieve a minimum of 85% heat pump deployment to on-gas homes? (yes/no)

⁴ Where the required building type mix is not available on a single density unit (e.g. on a single low voltage network) applicants may meet the building type mix across adjacent multiples of their density unit (e.g. building type mix is achieved across 5 low voltage networks within a location) . If this approach to meeting the building type criteria is being taken by a project all the density units which make the eligible building type mix must be included within a single Phase 2a to 2b stage-gate

6. Technology Deployment

Table 6, below, sets out the heating technologies eligible under Heat Pump Ready *Stream 1 - Solutions for High-density Heat Pump Deployment* and where applicable, the limits on their inclusion in the trial. The aim of this programme is to support the deployment of the optimal heat pump technology for individual homes, where heat networks are not suitable. Priority for *Stream 1 - Solutions for High-density Heat Pump Deployment* is air source (ASHP) and ground source (GSHP) heat pumps. However, BEIS recognise that ASHP and GSHP are suited to ~80% of homes, therefore for inclusion (where deemed appropriate) of other types of heat pumps and direct electric heat solutions is accepted up to the limits below.

Table 6: Permitted heating technologies and deployment limits under Heat Pump Ready *Stream 1 - Solutions for High-density Heat Pump Deployment*.

Heat pump / source type	Permitted in Stream 1 trial?	Limit for Stream 1 trial (as % of total heat pumps deployed in trial)
Hydronic ASHP*	Yes	No limit
Hydronic GSHP*	Yes	No limit
Other electric heating solutions. For example, hybrid heat pump, air-to-air heat pump, direct electric heating.	Yes – but with limit	Net maximum of 20% of total heat pumps deployed in trial
Shared ambient temperature ground loop connected to individual low temperature hydronic heat pumps	Yes	No Limit
Shared high temperature ground loop	No	N/A
Heat Network	No	N/A
Other domestic heating technologies not listed in this table	No	N/A

* Heat pumps must have a seasonal coefficient of performance (SCOP) of at least 2.8. This must be calculated in accordance with the MCS SCOP calculator (MCS026). New hydronic heat pump systems should also be installed to operate at a flow temperature below 55°C where it is practical to do so. Where a project is proposing to install a system

that operates at higher flow temperatures, in addition to the minimum SCOP requirements, BEIS requires project teams to provide the following details at their Stage Gate:

- Justification why this is the most cost optimal solution for the occupant.
- Explicit evidence, supported by the local Distribution Network Operator, that the installation of high temperature heat pumps within that location does not compromise network capacity.

Eligibility question: Does the trial of your methodology achieve the technology deployment requirement as set out above in Table 6? (yes/no)

Eligibility question: Does the trial of your methodology deploy heat pumps in a location unsuitable for a heat network? (yes/no)

7. Replicability of methodology

Heat Pump Ready aims to trial innovative methodologies which can be repeated across areas similar to those in which they were trialled in. Heat Pump Ready does **not** seek to trial innovative methodologies which target niche locations which are not representative of wider UK locations, demographics and house types.

Eligibility question: Is your project trialling a methodology which is replicable in other UK locations? (yes/no)

Eligibility question: Is your project trialling a methodology which is sustainable, beyond the lifetime of the Heat Pump Ready project, without the requirement for further public funding? (yes/no)

8. Innovation & Commercialisation

This is a pre-commercial procurement competition to support the development of innovative methodologies to optimise high-density heat pump deployment. These innovative methodologies must not have previously been tested in the market or commercialised.

Eligibility question: has your proposed deployment methodology been previously tested in the market or commercialised? (yes/no)

9. Eligible project size

Phase 2 – Demonstration phase (SBRI): The maximum funding available Phase 2 project is up to £9m and the full project cost must be a minimum of £1m (this must cover 100% of project costs).

Eligibility question: Are your Phase 2 project costs between £1,000,000 and £9,000,000? (yes/no)

10. Eligible project costs

Eligible costs associated with Heat Pump Ready *Stream 1 - Solutions for high-density heat pump deployment* are provided in Section M.1.

SBRI is aimed at organisations working on research, development and demonstration (RD&D) of an innovative process, material, device, product, or service prior to commercialisation. Funding is available for RD&D activities only, including related dissemination activity.

Projects requesting funding for commercialisation activities (for example, advertising and marketing of their developed solution as a commercial product to other heat pump coordinating organisations) are not eligible.

To meet the risk-benefit sharing requirements of the SBRI delivery method, project teams are **not permitted to include profit associated with the cost of trialling their innovative coordinated methodology or contingency sums across all eligible project costs**. It should be noted that where the project team are purchasing or contracting external, commercially available products which will be used by the consumer, the consumer must be charged the commercial rate for these products which includes profit – further details of this is provided in Section M.1.2. Eligible Heat Pump Capital Costs.

The focus for this Stream of the Heat Pump Ready Programme is to develop optimised deployment solutions for high-density deployment of heat pumps. To test the effectiveness of the solutions, they must be trialled in realistic conditions, based on current or announced deployment funding mechanisms. Project teams are **not** eligible to apply for additional or complimentary funding from any central government public funding scheme towards costs they include within the ‘cost to consumer’ calculator. Costs included in the ‘cost the consumer’ calculator can include (but is not limited to) heat pump capital costs, and costs of energy efficiency measures. Where project teams require additional funding for such elements, in addition to the funding provided under the Heat Pump Ready programme, project teams are expected to source additional private funding sources, such as green mortgages and loans; innovative finance models, or consumer savings.

Eligibility question: Do your project costs only include those eligible under a SBRI contract? (yes/no)

Eligibility question: Do your project costs include those attributed to commercialisation activities and/or profit or contingency on eligible costs? (yes/no)

11. Ineligible project costs

Ineligible costs associated with Heat Pump Ready *Stream 1 - Solutions for high-density heat pump deployment* are provided in Section M.2.

Eligibility question: Does your application include costing/budget for any of these ineligible costs? (yes/no)

Eligibility question: Does your project includes costs which would have been eligible under [Heat Pump Ready Stream 2](#)? (yes/no)

12. Project status

Any **retrospective work** on a *Stream 1 - Solutions for High-density Heat Pump Deployment* project (i.e. work completed before the formal project start) **cannot be funded by BEIS.**

Eligibility question: Can you confirm that your application does not seek funding for retrospective work on this project? (yes/no)

Eligibility question: Can you confirm that ‘costs to consumers’ for heat pump deployment are only stated in your Project Finance Spreadsheet under Phase 2b - i.e. costs claimed once you have completed your Stage Gate review? (yes/no)

13. Additionality

Projects can only be funded where evidence can be provided that innovation would not be taken forwards (or would be taken forwards at a much slower rate) without public sector funding.

Eligibility question: Can you confirm that this project would not be taken forward (or would progress at a much slower rate) without public sector funding? (yes/no)

14. Project end date

Phase 2 projects are split across Mobilisation and Demonstration separated by a stage gate:

- Phase 2: Mobilisation (2a) must be completed by 1st January 2024 and heat pump installs (2b) complete by 30th November 2024.
- Phase 2 final reports produced and submitted to BEIS by 31st December 2024, with final amendments by 17th January 2025. Phase 2 project close by 31st January 2025.

Note: Projects need to allow for time for the BEIS monitoring officer to review final reports, and for project teams to action any required amendments at the end of each stage. This process can take up to a month and the deadlines listed above reflect this review period requirement.

Eligibility question: Can you confirm that your Phase 2a Mobilisation stage will be complete by 1st January 2024? (yes/no)

Eligibility question: Can you confirm that deployment of heat pumps, as part of Phase 2b of your project will be complete by 30th November 2024? (yes/no)

Eligibility question: Can you confirm that your project reporting and invoicing will be complete by 31st January 2025? (yes/no)

15. Risk-Benefit sharing

The sharing of *risks and benefits* is an important aspect to the SBRI approach. Projects receive financial support and retain any intellectual property generated, with certain rights of use retained by BEIS. Project outputs are also expected to be shared widely and publicly and project teams are not permitted to include profit in the eligible project costs (for Phase 1 or Phase 2).

Eligibility Question: Do you agree to this risk-benefit sharing approach? (yes/no)

16. Knowledge transfer and collaboration

For each project within this stream, it is compulsory that they partake in the knowledge transfer, collaboration and dissemination activities facilitated by the Stream 3 provider.

Eligibility Question: Do you agree to your project lead fully participating in the knowledge transfer, collaboration and dissemination activities facilitated by the Stream 3 provider? (yes/no)

17. Multiple Application and Delivery

If you intend to submit multiple applications, you must comply with the following limits of entry into the competition:

- 1) Lead organisations may only submit **one** application into each of the three urban/rural/urban with significant rural Application Categories as the project lead (see below for details).
- 2) Lead organisations may only submit one application for any single LAU Level 1 as the project lead.
- 3) See also separate guidance on 'Conflict of interest' (Section 0).
- 4) If project consortium member(s) are part of multiple successful applications, they must have sufficient capacity to be able to deliver all of them, if selected for funding by BEIS.

Applicants must not submit multiple applications for the same project.

Eligibility question: If you or your consortium are part of multiple successful applications, would you be able to successfully deliver all projects if necessary? (yes/no/NA)

Eligibility question: If you are the lead organisation, as the project lead can you confirm only one application per Location Category and only one application for any single LAU Level 1 area has been submitted? (yes/no)

18. Data Sharing Requirements

BEIS requires Stream 1: Phase 2 projects to establish data sharing and data collection processes that provides the Stream 3 provider with the data necessary to carry out their activities. Any data that is collected and shared must have the relevant consent and approvals. The following data must be provided to the Stream 3 provider:

- Contact details (name, project role, email address, telephone number) of all Stream 1: Phase 2 project deployment stakeholders, such as heat pump installers, training providers, DNOs, local authorities, and energy suppliers.
- Stream 1: Phase 2 end consumer contact details, including name, email address, full postal address, telephone number, Stream 1 project details, and relevant household identifier to be used to verify the tenant is the owner of the energy consumption data.

Eligibility question: Do you agree to share with the Stream 3 provider the mandatory data set out above, and put in place processes that provide you with the required consent to share this data under UK GDPR? (yes/no)

BEIS also requires Stream 1: Phase 2 projects to share, with the Stream 3 provider, the data and information collected on the consumers and households targeted for heat pump deployment as part of the implementation of their methodology. This may derive, for example, from the eligibility assessment or property survey undertaken ahead of installation during mobilisation and/or deployment Phases, or from the Quality Assurance process post-installation. Project must have the relevant consent and approvals from consumers and stakeholders to share data with Stream 3. Data could include the following:

- Stream 1: Phase 2 consumer sociodemographic data, such as income band, occupants, and livings arrangements
- Stream 1: Phase 2 consumer property data, such, building type, floor area, EPC rating, energy use and heat loss coefficient.
- The calculated cost for each consumer for their heat pump installation, operation and maintenance
- Consumer's historical energy consumption data of their property. Where pre-installation smart meter data is not available, EAC (estimated annual electricity

consumption) and AQ (estimated annual gas consumption) readings obtained from consumers or energy suppliers.

- Details on funding propositions used for heat pump (including funding route and amount)
- Consumer tariff data, including tariff price structure before and after the trial.
- Data on how households use and engage with the heat pump technologies installed in homes, such as temperature set-points and heating schedules.
- Post-installation support data, such as handover materials provided to consumers, and any enquiries made by consumers to heat pump installer/ maintenance operator.

Eligibility question: Do you agree to share with the Stream 3 provider the data and information collected on the consumers and households targeted for heat pump deployment as part of the implementation of your methodology, and put in place processes that provide you with the required consent to share this data under UK GDPR? (yes/no)

19. Agree to published Terms & Conditions

Applicants must agree to the published Terms and Conditions, including clauses on Intellectual Property to be eligible.

Eligibility question: Do you agree to the published Terms and Conditions? (yes/no)

D.2. General BEIS procurement conditions

There are six declaration forms which must be completed by each applicant, covering issues such as: conflict of interest, non-collusion, bribery, corruption and fraud, GDPR assurance and overall agreement to the terms of this pre-commercial procurement process.

These declarations are provided and can be downloaded from the Heat Pump Ready *Stream 1 - Solutions for high-density heat pump deployment* Phase 2 Application form which must be signed and attached to the application by the applicant. They are also attached in Appendix 3 of this document for reference. The GDPR Assurance Questionnaire is embedded in this document and must be returned as part of the application.

Conflicts of interest: The BEIS standard terms and conditions of contract include reference to conflict of interest and require contractors to declare any potential conflict of interest to the Secretary of State.

For research and analysis, conflict of interest is defined as the presence of an interest or involvement of the contractor, subcontractor (or consortium member) which could affect the actual or perceived impartiality of the research or analysis.

Where there may be a potential conflict of interest, it is suggested that the consortium or organisation designs working arrangements such that the findings cannot be influenced (or perceived to be influenced) by the organisation that owns a potential conflict of interest. For example, consideration should be given to the different roles which organisations play in the research or analysis, and how these can be structured to ensure an impartial approach to the project is maintained.

This is managed in the procurement process as follows:

- During the application process, organisations may contact BEIS to discuss whether or not their proposed arrangement is likely to yield a conflict of interest.
- **Contractors are asked to sign and return Declaration 3** (this is contained in the Competition Application Form and is attached for reference in Appendix 3) to indicate whether or not any conflict of interest may be, or be perceived to be, an issue. If this is the case, the contractor or consortium should give a full account of the actions or processes that it will use to ensure that conflict of interest is avoided. In any statement of mitigating actions, contractors are expected to outline how they propose to achieve a robust, impartial and credible approach to the research.
- When tenders are scored, this declaration will be subject to a pass/fail score, according to whether, on the basis of the information in the application and declaration, there remains a conflict of interest which may affect the impartiality of the research.

Failure to declare or avoid conflict of interest, or perceived conflict of interest, at this or a later stage may result in exclusion from the procurement competition, or in BEIS exercising its right to terminate any contract awarded.

E) Eligibility of Consumer Offer

In order to trial the innovative methodology to coordinate high-density deployment of heat pumps, project teams will be required to, within Phase 2, install heat pumps in homes.

All technology and financial models provided to the consumer in the deployment phase must be commercial products. It is **not within the scope** of Heat Pump Ready Stream 1 to develop or trial innovative technologies or financial models to consumers. From the consumer perspective, they should be provided with an 'off the shelf' commercially available experience of heat pump deployment. All technologies and financial models must have previously been at a minimum trialled in the market.

Within this section, you will be asked to provide details of the commercial products you will be offering to consumers. Each of these criteria will be judged on a pass/fail basis. A pass will be awarded to all criteria whereby applicants provided evidence the technology, tool, finance model has been trialled in the market to date. A fail will be awarded where little to no evidence is provided demonstrating that the technology/tool/finance model has been trialled in the market.

1. Technologies to be deployed

Technologies deployed in Heat Pump Ready Stream 1, Phase 2b must be commercially available, i.e. [Technology Readiness Level \(TRL\) 9+](#)

Eligibility question: What technologies will you be installing during Phase 2b, which are eligible for funding from Heat Pump Ready? (list of specific technologies)

Eligibility question: Provide evidence to demonstrate these technologies are established in the market. (up to 250 words)

2. Consumer facing tools to be utilised

Consumer facing tools used to support the deployment of heat pumps in Heat Pump Ready Stream 1, Phase 2b must be commercially available (i.e. TRL 9+ or [Live stage](#))

Eligibility question: What consumer facing tools will you be using to support the consumer during Phase 2? (list specific tools)

Eligibility question: Provide evidence on how established in the market these tools are. (up to 250 words)

3. Finance & Business models

Finance and business models offered to consumers in Heat Pump Ready Stream 1, Phase 2b must be legally and regulatory viable. For 'Heat-as-a-service' type business models,

these must have secured Ofgem and/or Financial Conduct Authority (FCA) sandbox (or equivalent) support by the project's stage gate.

Eligibility question: What finance model(s) are you offering to the consumer in Phase 2b for each consumer segmentation – e.g., able to pay, private landlord and social landlords? (list specific finance and business models)

Eligibility question: Provide evidence that demonstrates the scale that the finance/business models have previously been trialled and, where relevant, that the models are legally and regulator viable under current legislation, if not part of an Ofgem and/or FCA sandbox trial. (up to 250 words)

F) Deliverables

It should be noted that SBRI contracts require that project outputs are shared publicly – therefore non-commercial information developed by this competition will need to be sharable.

Phase 2: mobilisation to deployment

Phase 2 will require applicants to trial the innovation methodology to coordinated, high-density heat pump deployment as set out in their Phase 2 application. In order to trial this methodology, successful Phase 2 project teams will follow their methodology through to heat pump installation and post-install support to gather learnings around the success of their innovative methodology.

Phase 2 will require up to 4 compulsory stage gates to be achieved within the first 12 months of phase to ensure that innovative methodology remains on track to deliver high-density deployment of heat pumps. Further details of stage gate requirements detailed in Section G.5.

The thresholds which projects are required to pass at the point of the Stage Gate will be self-defined by each project as part of their Phase 2 application. Projects will be required to deliver a report containing all stage gate evidence, and a presentation to BEIS as part of their stage gate review.

Additional to a testing their innovative, coordinated methodology for high-density heat pump deployment through the deployment of heat pumps, successful applicants to Phase 2 will need to deliver:

- An evidence-based final project report for BEIS (and other government departments) detailing the design and development innovative methodology, demonstration and trials results, key successes, lessons learned, and next steps.
- A version of the Phase 2 project report that can be published.
- Results of the post-installation quality assurance checks (following the methodology developed by the project)
- A detailed assessment of how other locations within the UK could follow the innovative methodology developed and trialled by the project team, to coordinate the high-density deployment of heat pumps within their specific location.

G) Assessment Process and Criteria

G.1. Assessment Process

All applications will be considered initially against all the competition eligibility criteria (detailed in Section D) and then against the assessment areas outlined in Section G.2, which are based on the competition's objectives and the likelihood of effective project delivery.

The eligible projects will be scored against the assessment criteria below to determine an overall ranking list which will be used to allocate the funding for the competition – further details on the funding allocation process for Phase 2 is provided in Section G.4.

The application form and guidance notes are designed to inform you about the types of information you should provide to BEIS for your application to be assessed.

Note: Nothing in this funding call requires BEIS to award any applicant a contract of any particular amount or on any particular terms. BEIS reserves the right not to award any contracts, in particular if BEIS is not satisfied by the applications received or if the funding assigned to the scheme is required for other, unforeseen, purposes. BEIS will not, under any circumstances, make any contribution to the costs of preparing applications and applicants accept the risk that they may not be awarded a contract.

G.2. Assessment Criteria: Stream 1 - Phase 2

The assessment criteria for the **Heat Pump Ready: Stream 1 - Solutions for high-density heat pump deployment Phase 2** competition is broken down into 6 separate criteria. Each criterion will be scored independently and will be given a scoring between 1-10 – full Scoring Guidance is provided in Section G.3. It is expected that applicants use the knowledge gained throughout their Phase 1 project to provide certainty and clarity around their coordinated methodology and their approach to mobilisation and deployment.

An overall threshold score of 60% applies in Phase 2 which must be achieved by projects in order to be eligible to receive funding.

For each of Questions 1, 2a, 2b and 2c, set out in the table below, projects must achieve an unweighted, moderated score of 6 or more (out of 10) to be eligible for funding.

For each of Questions 3a, 3b, 4a, 4b, 5a, 5b, 6a, 6b and 6c, projects must achieve an unweighted, moderated score of 4 or more (out of 10) to be eligible for funding.

Please note: a word count is provided with each the assessment criterion or sub-criterion. This is the **maximum** word count which you may use, and projects are encouraged to be **concise with their responses** and do not need to fill this word count unnecessarily. High word count limits have been set to enable applicants to provide relevant supporting evidence within their response and to remove or reduce the need for applicants to provide separate 'Supporting Information'.

Criteria	Weighting
1. Innovative, cost-effective methodology for coordinated high-density deployment of heat pumps within a given location	20%, with a threshold unweighted moderated score of 6 or more out of 10 to pass this question and to be eligible for funding.
2. Approach to mobilisation and deployment	30% (split into sections 2a - 10%, 2b – 10% & 2c – 10%, all three sections, individually, have a threshold unweighted, moderated score of 6 out of 10 to be eligible for funding.)
3. Social Value	10% (Split into sections 3a – 5%, 3b – 5%; both sections, individually, have a threshold unweighted, moderated score of 4 out of 10 to be eligible for funding.)
4. Long Term Impact and Deployment	10% (Split into sections 4a – 5%, 4b – 5%; both sections, individually, have a threshold unweighted, moderated score of 4 out of 10 to be eligible for funding.)
5. Project Financing	15% (Split into sections 5a – 10%, 5b – 5%; both sections, individually, have a threshold unweighted, moderated score of 4 out of 10 to be eligible for funding.)
6. Project Delivery	15% (Split into sections 6a – 5%, 6b – 5%, 6c – 5%; all three sections, individually, have a threshold unweighted, moderated score of 4 out of 10 to be eligible for funding.)

The scoring guidance and the criterion weighting is summarised in the table below.

Criterion 1	Innovative, cost-effective methodology for coordinated, high-density deployment, of heat pumps within a given location.
Weighting	20% (minimum moderated, unweighted score of 6 or more out of 10 required to be eligible for funding.)
Guidance (maximum 5,000 words)	<p>This criterion will be used to assess the proposed innovative approach to coordinated, high-density deployment of heat pumps within a specific location.</p> <p>Applicants are expected to explain why their methodology for coordinating the many actors in the consumer heat pump journey is innovative, detailing:</p> <ul style="list-style-type: none"> • The key stakeholders/organisation/groups within their project team required in the coordinated methodology, including those involved in: deciding upon the location for high-density deployment, consumer engagement and advice, specifying technologies, electricity network issues, heat pump and energy efficiency measure installation, and post-install consumer support; and. • Their role in delivering the methodology. • The interactions, including sharing of data, which occur between these organisations; • The decisions for which they are responsible; • Any key stakeholders outside the project team which are required to deliver their innovative coordination methodology; • The innovation in their co-ordination methodology for high-density heat pump deployment, including innovation in how they will co-ordinate the activities of these project partners and key stakeholders. <p>Applicants must also detail the specific innovation they propose to develop and deploy across Phase 2 relating to:</p> <ul style="list-style-type: none"> • Consumer engagement required to achieve consumer recruitment at high density • Innovative ways of engaging with consumers throughout their heat pump journey, from understanding and recruitment to installation and on-going operation of the heat pump • Installer training which is bespoke to this project to enable the methodology developed to be trialled and achieve high-density heat pump deployment • Any other areas of innovation (noting innovation which would be eligible under Stream 2 would not be eligible) <p>For each of these bullet points, applicants must set out who will be responsible for delivering the innovation, what is innovative about the approach and what they will achieve through this innovation, in addition to the cost savings and other benefits they will realise throughout the supply chain and consumer journey through this innovation.</p> <p>Applicants must also provide a 1-page process diagram mapping the following:</p>

	<ul style="list-style-type: none"> • Key processes in their innovative coordinated methodology for high-density heat pump deployment • Key stakeholders, within and outside of the project team responsible for the various elements of the processes within their methodology for coordinating high density heat pump deployment. • Their relationship with stakeholders • Key dependencies between the stakeholders - i.e. data sharing, data collection etc.
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Criterion 2(a)	Approach to mobilisation and deployment – Survey methodology
Weighting	10% (minimum moderated, unweighted score of 6 or more out of 10 required to be eligible for funding.)
Guidance (maximum 2,500 words)	<p>This sub-criterion will be used to assess the survey approach proposed for achieving the high-density deployment objective of Heat Pump Ready Stream 1. Project teams must confirm the number of heat pumps which the project team will deploy at high-density and set out the proposed survey process required in advance of deployment to achieve the required high-density of heat pumps.</p> <p>High-density deployment</p> <ul style="list-style-type: none"> • Please state the total number of heat pumps which you will be deploying in Phase 2b. This should be a single number which aligns with the numbers submitted as part of your ‘Cost to consumer’ calculator, which is the basis of your Project Costs. Applicants must not submit ranges in response to this point. • Please state the number of heat pumps you will deploy and the density which this will achieve for each specific location proposed in Phase 2b. Applicants must not submit ranges in response to this point. <p>These should each be a single number which aligns with the numbers submitted as part of your ‘Cost to consumer’ calculator, which is the basis of your Project Costs.</p> <ul style="list-style-type: none"> • Please justify, with evidence how you have determined that the numbers set out above are achievable within the location the project is based. <p>Approach to achieving high-density deployment</p> <p>In order to reach the deployment number set out above, projects will be required to conduct a range of surveys on the property in order to establish its suitability for a heat pump and where suitable its system design. In response to this criterion, applicants must:</p> <ul style="list-style-type: none"> • State the overall number of consumers to be targeted regarding the opportunity for a heat pump install within the projects given location.

	<ul style="list-style-type: none"> • Where applicable, state the number of homes to be surveyed through bulk or other remote survey methods in advance and/or throughout the consumer journey • State the number of in-home surveys which will be required in order to meet the above heat pump deployment figure and the required heat pump density. This number should be a single number which aligns with the in-home survey and system design costs submitted as part of your Project Costs. • Please justify with evidence how you have determined the number of in-home surveys and system designs which the project will be required to conduct and the drop-out rate (as a percentage) you expect between conducting an in-home survey and securing acceptance of a heat pump install from the consumer. <p>In terms of home surveys, applicants must detail the specific innovation they will apply through the trial of their coordinated methodology:</p> <ul style="list-style-type: none"> • Describe the proposed innovative and cost-effective approaches to home surveys (both remote and in-home approaches) which deploying at high density unlocks – i.e. approaches which decrease the drop-out rate of consumers following a home survey and system design. • As part of this response applicants must provide the following information for each of their proposed deployment locations, state, justify and evidence the number of homes in which heat pumps will be deployed to secure the 25% density requirement. This total number must be broken down into: percentage of each housing and building type (eligibility criteria 9); and technology deployment type (eligibility criteria 10) that will make up the 25% density <p>For each of these bullet points, applicants must set out who will be responsible for delivering the innovation, what is innovative about the approach and what they will achieve through this innovation, in addition to the cost savings and other benefits they will realise throughout the supply chain and consumer journey through this innovation.</p>
<p>Criterion 2(b)</p>	<p>Approach to mobilisation and deployment - Costs</p>
<p>Weighting</p>	<p>10% (minimum moderated, unweighted score of 6 or more out of 10 required)</p>
<p>Guidance (maximum 2,500 words)</p>	<p>By following your innovative methodology for coordinating the high-density deployment of heat pumps, you will reach a technical and financial solution(s) for consumers within your location.</p> <p><i>‘Cost to consumer calculator’</i></p>

	<p>For you to trial your methodology for coordinating high-density heat pump deployment (detailed in response to Criterion 1), BEIS is making available funding to cover a portion of ‘costs to the consumer’ eligible for funding.</p> <ul style="list-style-type: none"> • Complete the ‘Cost to consumer’ calculator (produced by the Carbon Trust) to establish the average cost to consumers for each consumer offer (technology plus financing model) which will be deployed in Phase 2b – i.e. where multiple technologies and financing options are being used, multiple version of the calculator spreadsheet should be complete. • Upload all complete ‘Cost to consumer’ calculators • Copy and paste each summary provided within the individual spreadsheet into the ‘Heat Pump Capital Cost’ tab of the Project Finance Form. <p>Please note:</p> <ol style="list-style-type: none"> 1) Where a project is requesting multiple stage gates, the number of houses per Stage Gate must be accurately represented in the ‘Cost to consumer’ calculator. 2) Where a project is intending to offer a variety of scenarios with regard to heat pump ownership models, heat pump type and system type, a ‘Cost to consumer’ calculator spreadsheet must be complete and submitted for each scenario. 3) The number of heat pumps submitted within the ‘Cost to consumer’ calculator, in addition to the value of funding towards the heat pump and associated elements should be carried through into your Phase 2 finance form. <p>Evidencing cost reductions and additional sources of funding:</p> <ul style="list-style-type: none"> • Evidence the cost reductions you expect to achieve through the coordinated high-density heat pump deployment ensuring these are technically, commercially, legally and regulatorily feasible, providing justifications where appropriate. • Detail where the project will source any additional funding (public and private) required; including the source of any private investment required
<p>Criterion 2(c)</p>	<p>Approach to mobilisation and deployment – understanding of logistics</p>
<p>Weighting</p>	<p>10% (minimum moderated, unweighted score of 6 or more out of 10 required)</p>

<p>Guidance</p> <p>(maximum 2,500 words)</p>	<p>This sub-criterion will be used to assess the applicants' understanding of the logistics required to trial their methodology.</p> <p>Applicants are expected to:</p> <ul style="list-style-type: none"> • Describe the deployment challenges expected to be overcome by the coordinated methodology. • Provide a method statement detailing their approach to quality assurance, monitoring and ensuring consumer protection, both during the project and for the life time of the heat pump – further details provided in Section G.4 of this document. • Detail the network constraints, any specific mitigation or actions required to overcome network constraints and innovation opportunities in the specific deployment locations, in addition to any related applications made to the Strategic Innovation Fund • Detail the alignment to Local Authority heat pump deployment ambitions and policy • Explain the approach which will be taken to consumer engagement throughout the consumer journey (with reference to innovative approaches to consumer engagement described in answer to Criterion 1) • Detail the local installer base, supply chain, training providers and any other stakeholders required for the trial, and how they will support the methodology trial <p>Applicants must also include, to support the above criteria:</p> <ul style="list-style-type: none"> • Local Authority engagement <ul style="list-style-type: none"> ○ As part of consortium and/or letter of support from Local Authority ○ The project's planned engagement with their Local Authority • DNO engagement <ul style="list-style-type: none"> ○ DNO part of consortium and/or letter of support from DNO ○ The project's planned engagement with their DNO <p>Additional supporting evidence which applicants should include to support their responses to the above include (where applicable to the project) letters of support from:</p> <ul style="list-style-type: none"> • Energy supplier(s) • Community group(s) • Installer group(s) • Manufacture(s) • Training provider(s) • Finance provider(s) • Landlord group(s) <p>Highest marks will be given to applicants that provide full evidence or, where full evidence is not available, applications can evidence full understanding of the gaps in their evidence and how they will</p>
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	<p>fill that evidence gap as part of their Phase 2 project. Where evidence is outstanding:</p> <ul style="list-style-type: none"> • All outstanding evidence must be detailed in response to Question 13 of the 'Stage Gate Criteria' section of the project's application form. • Explicit dates detailing when this evidence will be generated must be provided in response to Question 13 of the 'Stage Gate Criteria' section of the project's application form. <p>This evidence will then form part of the project's Stage Gate review.</p>
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Criterion 3	Social Value
Weighting	10% (Split into sections 3a – 5%, 3b – 5%) (unweighted, moderated score of 4 or more out of 10 required for each section)
	This criterion will be used to assess the plans for the social value gained from supporting the project.
Criterion 3a	Improve community integration
Weighting	5% (unweighted, moderated score of 4 or more out of 10 required)
Guidance (maximum 2,500 words)	<p>Applicants are expected to provide a method statement which demonstrates:</p> <ul style="list-style-type: none"> • The specific actions which the project will carry out to ensure collaboration with users and community groups throughout their mobilisation and deployment stages to support strong, integrated communities. • The specific actions which applicants will carry out to influence staff, suppliers, customers and communities throughout their mobilisation and deployment stages to support strong, integrated communities. • KPI's which the project team will use to monitor the delivery of their improved community integration (minimum of 2 KPI's)
Criterion 3b	Increase supply chain resilience and capacity
Weighting	5% (unweighted, moderated score of 4 or more out of 10 required)
Guidance (maximum 2,500 words)	<p>Applicants are expected to provide a method statement which demonstrates:</p> <ul style="list-style-type: none"> • The specific actions which the project will take to collaborate throughout the supply chain, and ensure a fair and responsible approach to working with supply chain partners throughout their mobilisation and deployment stage. • The specific actions which the project will take to influence staff, suppliers, customers and communities through the delivery of the contract to support resilience and capacity in the supply chain.

	<ul style="list-style-type: none"> • The specific actions which the project will take to support newly commercialised and disruptive technologies throughout the supply chain to deliver lower cost and/or high quality goods and services. • KPIs which they will use to monitor their impact on supply chain resilience and capacity (minimum of 2 KPI's)
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Criterion 4(a)	Long Term Impact and Deployment
Weighting	5% (minimum moderated, unweighted score of 4 or more out of 10 required)
Guidance (maximum 2,500 words)	<p>This sub-criterion will be used to assess the long-term impact and sustainability of the innovative methodology developed from the perspective of the operational model required for future deployment following the project.</p> <p>Applicants are expected to:</p> <p>Demonstrate the long-term sustainability of the developed methodology, beyond the lifetime of the project without public funding. Evidencing elements such as:</p> <ul style="list-style-type: none"> • How the business model they will be deploying in Phase 2b, as part of their innovation solution trial is a commercial offering to consumers, including the required overheads in addition to consumer costs • Where costs have been included in total eligible projects costs for in-home survey and system design, how these costs will be met in the deployment of their methodology beyond the life time of BEIS funding. • Any investment required by private organisations to ensure this is sustainable in deployment of heat pumps beyond the Heat Pump Ready programme • How the deployment of heat pumps following their innovative methodology does not require public funding beyond the life time of Heat Pump Ready • Organisation(s) responsible for future coordinating the deployment of the methodology beyond the Heat Pump Ready programme
Criterion 4(b)	Long Term Impact and Deployment
Weighting	5% (unweighted, moderated score of 4 or more out of 10 required)

<p>Guidance (maximum 2,500 words)</p>	<p>This sub-criterion will be used to assess the long-term impact and sustainability of the methodology developed, in terms of the replicability in other areas.</p> <p>Applicants are expected to:</p> <ul style="list-style-type: none"> • Demonstrate the replicability of the innovative methodology for coordinated high-density deployment of heat pumps in other locations • Estimate, with justification, the number of heat pumps which could be installed by 2028 following this methodology.
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Criterion 5	Project financing
Weighting	15% (Split into sections 5a – 10%, 5b – 5%) (minimum moderated, unweighted score of 4 or more out of 10 required for each section)
Guidance	<p>This criterion will be used to assess the costs for mobilisation and deployment following the project’s innovative methodology for the coordinated high-density deployment of heat pumps, including assessing whether the project delivers fair market value and provides additionality.</p> <p>In recognition of the fact that the risks of the project development are shared with HM Government, but the applicant stands to gain all of the benefits occurring after completion of the project, the applicant is asked to explain where cost savings, from the point of view of HM Government, will be provided compared to the case where the project would be carried out under an exclusive development contract.</p> <p>This criterion will be used to assess:</p> <ul style="list-style-type: none"> • That the Phase 2 costs associated to the deployment of heat pumps following the innovative coordinated deployment methodology developed in Phase 1 are all eligible costs and represent a fair market value. • Robustness of the Phase 2 mobilisation and deployment project costs, i.e., whether the proposed eligible project costs are realistic and justified in terms of the proposed project plans, <u>and</u> sufficient to provide the deliverables sought.
Criterion 5a	Project costs
Weighting	10% (unweighted, moderated score of 4 or more out of 10 required)

<p>Guidance</p> <p>(maximum 5,000 words)</p>	<p>Applicants are expected to:</p> <ul style="list-style-type: none"> • Complete the project finance form. In completing the project finance form, applicants must ensure they enter all the required details in each of the tabs relevant to the project. • Upload their complete finance form as part of their response to this criterion. <p>Applicants must ensure that all costs are justified, eligible, represent fair market value, and are provided in such a way that is sufficiently disaggregated for BEIS to judge that this is the case. To note, BEIS will not pay overheads at a rate of more than 50% for a single organisation.</p> <p>Provide a written response which:</p> <ul style="list-style-type: none"> • Justifies all personnel involved in the project • Describes the basis of the costs. Including actual labour costs, and depreciation of capital items • Evidence that the project finances, for the costs associated with the trial of the innovate methodology for high density heat pump deployment, are appropriate for the balance of risks and benefits seen by the project consortium and those seen by HM Government. • Evidence that the funding, for the costs associated with the trial of the innovate methodology for high density heat pump deployment, represents good value for money for HM Government, including no element of profit in the project costs. • Evidence that the funding, for the costs associated with the trial of the innovate methodology for high density heat pump deployment, represents good use of public funding by supporting projects whose costs are realistic and justified and are likely to secure the expected project aims and deliverables.
<p>Criterion 5b</p>	<p>Value for money to HM Government</p>
<p>Weighting</p>	<p>5% (unweighted, moderated score of 4 or more out of 10 required)</p>

<p>Guidance (maximum 1,500 words)</p>	<p>Applicants are expected to:</p> <p>Describe why the application represents good value for money for HM Government. The answer should explain the following:</p> <ul style="list-style-type: none"> • How the costs set out for Phase 2a delivers value for money against the number of heat pumps expected to be deployed in Phase 2b. • How the availability of public funding makes a material difference to the actuality and pace of moving their innovation methodology for coordinated high-density deployment of heat pumps towards commercialisation, and support the collaboration between organisations • Provide evidence for the additionality achieved with this funding and project teams would not have otherwise coordinated heat pump deployment using this methodology. • Qualify and quantify the savings that are being passed on to HM Government to reflect the asymmetric balance of risks and benefits accruing to the project consortium and HM Government. As part of the assessment process for Phase 2, project teams will be asked to clearly state where cost savings are being provided, by those contributing to the coordinated high-density heat pump deployment, how these compare to exclusive development contracts. These cost savings form part of the eligibility conditions for the Competition, i.e., projects that do not offer justified cost savings will not be eligible for Phase 2 funding.
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Criterion 6	Project delivery
<p>Weighting</p>	<p>15% (Split into sections 6a – 10%, 6b – 5%, 6c – 5%) (minimum moderated, unweighted score of 4 or more out of 10 required for each section)</p>
<p>Guidance</p>	<p>This criterion will be used to assess the expected effectiveness and efficiency of Phase 2 mobilisation through to deployment stages; and will also consider the indicative plan, and the project team’s potential capacity and capability to deliver Phase 2 demonstration project as set out in this application, in the time available.</p> <p>This will be assessed by looking at a range of factors, including:</p> <ul style="list-style-type: none"> • The capacity, experience, and capability of the project team. • The completeness and quality of the proposed project delivery plans both for the feasibility study and for the proposed demonstration project.

	<ul style="list-style-type: none"> • The appropriateness and realism of the project milestones and deliverables required for Phase 2 delivery. • The project’s access to the necessary skills, facilities, and materials. • The quality of risk assessment and contingency planning, including consideration of health and safety and other regulatory requirements. <p>Highest marks will be awarded to applicants that:</p> <ul style="list-style-type: none"> • Take all reasonable steps to maximise the likelihood of successfully delivering the project aims (whilst recognising the innate technical risk in any innovation project) • Present well thought-out, robust, credible, project plans. • Show a realistic and robust approach to risk management. • Identify the skills and competencies necessary for each task. • Have a strong delivery team with proven capability of successfully delivering comparable projects. • Guarantee access to any necessary specialist facilities, operational knowledge and skills, or other resources required to execute the project. • Show a strong commitment of all participating organisations. • Are not heavily dependent on the success of external factors beyond the project’s direct control.
Criterion 6a	Project team and organisation
Weighting	5% (unweighted, moderated score of 4 or more out of 10 required)
Guidance (maximum 2,500 words in addition to CVs)	<p>Applicants are expected to:</p> <ul style="list-style-type: none"> • Provide an organogram outlining the key members (both role and named personnel) of the delivery team (lead organisation, consortium members and key subcontractors) and the proposed governance and communication arrangements in managing and coordinating the project between the partners to ensure effective project delivery. • List any external parties responsible for delivering goods or services worth more than 10% of the total project value and explain how they will ensure that these parts of the project do not give rise to delays in the delivery of the project. • Provide details of the relevant skills, qualifications, and experience of main project team members, including descriptions and evidence of previous relevant work carried out. Include brief details of relevant previous projects that specific members of the team have been involved with, including the date, location, client and project size. <p>Brief CVs of lead and key individuals (listed on Project Finance Form) within the project team should be provided in an attachment to this criterion (CVs should be no longer than 2 pages each).</p>

Criterion 6b	Project Plan
Weighting	5% (unweighted, moderated score of 4 or more out of 10 required)
Guidance (maximum 1,500 words in addition to GANTT Charts)	<p>Applicants are expected to:</p> <ul style="list-style-type: none"> • Set out the key work packages for the Phase 2 solution trial, clearly split between Phase 2a Mobilisation work packages and Phase 2b Deployment work packages. This is submitted under the ‘Work package Breakdown’ tab of the Project Finance Form. • Provide a separate high-level Gantt chart or outline project plan listing the key tasks, timescales, critical path for successful completion of the project, key decision milestones and interdependencies between tasks. This Gantt chart should clearly show the key tasks required for Phase 2a, prior to the Stage Gate, and Phase 2b tasks post-stage gate. • Explain how the project team, if involved in other Heat Pump Ready (Stream 1 or Stream 2) projects, will ensure they have sufficient capacity to deliver multiple projects. <p>Applicants must upload as part of their response to this criterion:</p> <ul style="list-style-type: none"> • A Gantt chart showing their timeline for delivery of Phase 2a and Phase 2 b. <p>Highest marks will be provided to applicants who:</p> <ul style="list-style-type: none"> • Provide a comprehensive description of each work package within their Project Finance Form • Demonstrate interdependencies between work packages on their Gantt chart • Detail the critical path for project completion on their Gantt chart
Criterion 6c	Project Risks
Weighting	5% (unweighted, moderated score of 4 or more out of 10 required)
Guidance (maximum 1,500 words in addition to project risk register)	<p>Applicants are expected to:</p> <ul style="list-style-type: none"> • Upload a full detailed project risk register, which details risks across Phase 2, and specific risks associated with Phase 2a and Phase 2b. • Applications must identify key risks and providing suitable mitigation strategies, • Group the risks in whether the risks are, or relate to: technical, legislative/regulatory, environmental, policy, economic, commercial, financial or project management. • Specifically detail any risks to the projects critical path and the specific mitigation action they will take.

	<ul style="list-style-type: none"> • Provide information on contingency plans for their top 5 risks which they have included within their risk register.
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G.3 Scoring Guidance

The table below outlines the scoring guidance for the assessment criteria. To achieve the highest scores, projects must provide high quality responses that fully answer all parts of the criterion, are highly detailed and fully evidence or justify any claims or assertions made. Scores will be applied on the basis of the weakest component of a response. For example, a response with major omissions will not be able to score higher than a 2, even if the response itself is highly detailed and fully evidenced.

For completeness, no omissions would apply when a response covers all constituent points of a criterion. Minor omissions would apply where part of one bullet point of a criterion has been omitted from a response. Significant omissions would apply where one whole bullet point has been entirely omitted from a response. Major omissions would apply where more than one bullet point of a criterion has been omitted from a response. Where no response is present, not answered would apply.

For level of detail, very detailed would apply where a response contains sufficient detail that there is no ambiguity in the response. Reasonably detailed would apply where there is a lack of supporting detail sufficient to make the response ambiguous in places. Superficial would apply where there is insufficient detail to reasonably assess the claims made.

For evidence/justification, a fully evidenced or justified response would be provided within the word count allowed, which reference sufficient supporting information to provide full confidence of the veracity of claims or the justification of assumptions for all parts of a criterion. Where supporting references are lacking for part of one criterion bullet point, mostly evidenced/justified will be applied. Where supporting references are lacking for one full bullet point of a criterion, partially evidence/justified will be applied. Where supporting references are lacking for more than one bullet point of a criterion, lacking evidence/justification will be applied. Not evidenced/justified will be applied where supporting references are entirely absent.

Score	Completeness	Level of detail	Evidence/justification
1	Not answered	Superficial	Not evidenced/justified
2	Major omissions	Superficial	Lacking evidence/justification
3	Significant omissions	Superficial	Lacking evidence/justification
4	Significant omissions	Superficial	Partially evidenced/justified
5	Significant omissions	Reasonably detailed	Partially evidenced/justified
6	Minor omissions	Reasonably detailed	Partially evidenced/justified
7	Minor omissions	Reasonably detailed	Mostly evidenced/justified
8	No omissions	Reasonably detailed	Mostly evidenced/justified
9	No omissions	Very detailed	Mostly evidenced/justified

10 No omissions Very detailed Fully evidenced/justified

G.3. Financial Information

Applicants are requested to provide a capped price quotation for the work. A detailed cost breakdown is required to enable assessment of value for money.

Financial information should include costs for Phase 2 of the project, detailing labour (including manpower rates), material and capital equipment costs, and any travel and subsistence requirements. Applicants are required to complete a detailed financial summary template (the finance form) as part of the application process.

Estimated project costs should also be provided for the Phase 2 demonstration study.

Financial viability checks

BEIS will undertake financial viability checks on all successful applicants. These will include looking at the latest independently audited accounts filed on the Companies House database. BEIS reserves the right to also verify the financial viability of all members of the consortium and key sub-contractors.

Where a business is not required to file accounts with Companies House, other financial information may be requested to enable an appropriate financial viability review to be undertaken. We will be looking for evidence of your ability to resource the cashflow for the project appropriately, so the information we request will be focused on understanding how your business operates in this respect.

Before your project starts, BEIS will ask for evidence that you have the funding mechanisms in place to manage your cash flow across the life of your project. This could include letters of credit or other such mechanisms.

BEIS will not make payments in advance of need and typically makes contract payments in arrears on satisfactory completion of agreed milestones and deliverables. BEIS understands, however, the difficulties which small businesses may face when financing this type of project. BEIS will explore cash flow issues with the applicant as part of developing the financial and milestone profile during the Contract Award process. BEIS will offer flexibility in terms of profiles and payments, within the confines of the requirements for use of public money within which it operates.

G.4. Funding Allocation Method: Phase 2

For **Phase 2, funding allocation moves across the application category (urban to rural to semi-urban)**, with an example of the funding allocation process for Phase 2 provided in Table 7.

- 1) All projects are ranked in merit order, based on their moderated assessment score, within their application category.
- 2) Any projects scoring below the threshold score of 60% are eliminated.
- 3) Any projects scoring less than 6 from 10 as their unweighted, moderated score in Question 1, 2a, 2b and 2c are eliminated.
- 4) Any projects scoring which do not score at least 4 from 10 as their unweighted, moderated score in Questions 3 to 6 are eliminated.
- 5) The highest scoring project in the urban category is allocated funding.
- 6) The highest scoring project in the rural category is allocated funding, unless this project is in the same NUTS region as the funded urban project, in which case funding is awarded to the next unique NUTS region within the rural category.
- 7) The highest scoring project in the semi-rural category is allocated funding, unless this project be in the same NUTS region as the funded urban or rural project, in which case funding is awarded to the next unique NUTS region within the semi-rural category.
- 8) This process continues across the categories, funding the next highest scoring project in a unique NUTS region within the category until funding runs out.
- 9) If any funding remaining once all unique NUTS regions have received funding, the second highest scoring projects in each NUTS region are then allocated funding, and then the third etc.

Table 7: Heat Pump Ready Stream 1 - Solutions for High-density Heat Pump Deployment, Phase 2 funding allocation process

Urban Applications				Rural Applications				Semi-Urban Applications			
Order of funding allocation	Project ID	NUTS Area	Score	Order of funding allocation	Project ID	NUTS Area	Score	Order of funding allocation	Project ID	NUTS Area	Score
1 – funded	U1	A	92%	11	R1	A	82%	6	S3	D	81%
12	U2	A	88%	2 – funded	R3	D	80%	9	S1	A	80%
4	U5	G	85%	5	R4	C	78%	3 – funded	S2	E	79%
7	U6	J	84%	8	R5	H	77%	N/A <65%	S7	I	61%
10	U4	B	83%	N/A <65%	R2	C	60%	N/A <65%	S6	J	60%

G.5. Phase 2: Stage Gate Assessment

Prior to the installation and deployment of heat pumps, all successful Phase 2 projects will be subject to a stage gate and site visit by BEIS, to ensure their project has met the deployment density and cost to consumers set out in their Phase 2 application. Funding will be available for all successful Phase 2 project which pass the Stage Gate, i.e. there is no down select at this point. Failure to pass the Stage Gate assessment means that the project will be terminated and will receive no Phase 2b funding.

Note: no project funding associated with the cost of heat pump installation and heat pump capital can be claimed by projects prior to the completion of Phase 2's Stage Gate.

1. Stage Gate Criteria

The following parameters will be set by the project at the point of their Phase 2 application. Where variation of these numbers/dates is allowed, this is indicated within each criteria.

There is a specific section of Heat Pump Ready, Stream 1 – Phase 2 Application form which asks project leads to input the information listed below. The information provided in response to the Stage Gate Criteria is **not assessed** as part of your Phase 2 and is solely used to determine if your project has met the ambition set out by your project at the point of application. Where numbers included in the Stage Gate Criteria are also asked for as responses to Assessment Criteria, applicants must ensure the exact same numbers are used in both areas of their application form.

Where requested, project teams must set out the evidence which they will generate or make available to BEIS to judge whether their stage gate has been successfully achieved. Where BEIS requires additional evidence, this will be agreed with teams prior to contracting. If the project team cannot agree to provide the additional evidence BEIS requires, they will not proceed to contracting. This is to ensure that BEIS has sufficient assurance to manage the risks associated with Phase 2 delivery and capital funding.

As part of your Phase 2 application, you must provide the following information on your proposed Stage Gate assessment:

- Date of stage gate: According to your Phase 2 delivery plan, please enter the date which you will require your stage gate to be passed. To note:
 - All evidence required must be submitted to BEIS at least 2 weeks prior to this date to enable BEIS to review by the stage gate.
 - Project teams may request to delay their stage gate by up to one month, as long as the duration from Phase 2a start and stage gate does not exceed 12 months. Any requests for delay of a stage gate review, must be received by BEIS 1 months prior to the original stage gate.

- Number of houses required to achieve the heat pump density they have set out.
 - Provide details of the evidence which the project team will use at their Stage Gate to demonstrate that the density set out in your Phase 2 application has been reached. As a minimum this should detail the total number of consumers on the part of the network which you are deploying heat pumps.

Note: Where an applicant provides a fully justified and reasonable explanation as to why a project may not achieve the required number of homes recruited by their stage gate, BEIS reserves the right at its absolute discretion to either allow a reduction in the number of homes to be recruited or delay the date of the stage gate review

- Minimum number of consumers which will need to be recruited to enable your project to deliver the costs to consumers (if greater than the number required to achieve the density requirement) set out in your Phase 2 application. Note this number must be equal to or greater than the number provided in question above and should be the number used in the 'Cost to consumer' Calculator submitted as part of your Phase 2 application.
 - Provide details of the evidence which the project team will provide to demonstrate the number of consumers set out in Phase 2 application have been recruited. Project teams should specify here where the latest point in the consumer recruitment, according to their methodology, will be before they have fully committed to installing a heat pump in this home. As a minimum this should be the name, address and contact details of each of the consumers who will have a heat pump installed in Phase 2b.

At the point of your Phase 2 application, you must agree to provide BEIS with the following information at your Stage Gate review:

- Agree to provide BEIS details of the system design for each home in which a heat pump will be installed and the expected annual average electric cost to each consumer.
- Agree to provide BEIS with a letter of support from the relevant distribution network operator evidencing their ability to respond to the installation of heat pumps at the rate required to reach the density set out by the project team.
- Agree to provide BEIS with the calculated cost for each consumer for their heat pump installation and on-going costs to be installed in Phase 2b. *Note these costs will form the final amount up to which BEIS will provide to the project for the 'eligible costs to consumers' for Phase 2b deployment.*
- Agree to provide BEIS with their Quality Assurance and Consumer Protection plan and received approval from BEIS for their approach.

- Where project teams would like BEIS to review and provide feedback on this in advance of their stage gate, this should be provided to BEIS 1 month prior to the project stage gate
- Agree to provide BEIS with draft contracts (to be signed post Stage Gate approval) for the purchase and installation of heat pumps.
- Agree to provide BEIS with details of the consumers financial arrangements they will be using to fund the heat pump, installation, and auxiliary technologies in Phase 2b deployment.
- Agree to provide BEIS with full details of organisation(s) who will retain ownership and liability for all equipment and services provided to consumers post-installation and post-BEIS funded project.
- Agree to provide BEIS full details of the data and information that the project will share with the Stream 3 provider on the consumers and households targeted for heat pump deployment as part of the implementation of their methodology
- Agree to provide BEIS with confirmation and evidence that informed consent has been received from relevant stakeholders for the sharing of personal data between the Stream 1 project and Stream 3 provider, and/or that processes are in place to secure this informed consent during Phase 2b, with data sharing agreements in place with relevant stakeholders where required. This, and point 11, will enable Stream 3 provider to conduct their research activities.
- Agree to provide BEIS with confirmation that any additional funding or investment has been received which the Phase 2b deployment depends upon for its success.
 - Project team to set-out what evidence they will provide and from whom as part of their Phase 2 application.
- Provide details of any evidence requirements which have been highlighted as outstanding within your response to the assessment criteria, which the project team will generate during Phase 2a, ahead of their Stage Gate.
 - Detail evidence requirement
 - The evidence which the project will provide at their stage gate to show this evidence requirement has been met

2. Multiple Stage Gates

Where a project is deploying heat pumps across more than 1 unit of its selected density category – for example across 4 low voltage networks (Category A) or across 2 secondary substations (Category B), they may wish to include multiple stage gates.

Where a project wishes to do this, they must provide a breakdown of costs per stage gate within the 'Heat Pump Capital Costs' tab of their project finance form.

The aim of multiple stage gates is to reduce the time between consumer recruitment and installation within ambitious projects, whilst reducing the risk to project teams.

Projects may wish to include up to 4 stage gates. Each Stage Gate will be reviewed independently and must be passed before funding for that location may be drawn down.

Delaying stage gates: Each stage gate is independent of one another, therefore if a project delays its first stage gate by 1 month, this does not have a knock-on impact of delaying each subsequent stage gate by one month. Projects must pass each of their stage gates independently, within 1 month of the date originally set for that stage gate.

Table 8: Example of maximum stage gate delay

Phase 2b Stage Gate Number	Date of Stage Gate set out in Phase 2 application	Maximum delay allowed to Stage Gate	Rationale
Stage Gate 1	5 th June 2023	5 th July 2023	1 month delay
Stage Gate 2	25 th June 2023	25 th July 2023	1 month delay
Stage Gate 3	5 th November 2023	5 th December 2023	1 month delay
Stage Gate 4	5 th December 2023	30 th December 2023	Cannot be delayed a whole month as that would be exceeding the 12 month deadline available for Phase 2a.

Failure to meet a stage gate: Where a project does not meet one of a series of stage gates, the funding associated to that stage gate will not rollover, or transfer to the location(s) of the remaining stage gates. The funding associated to the heat pumps which would have been deployed should the project have passed that specific stage gate will be removed from the project. For example, if costs associated to Phase 2b Stage Gate 1 were £2m and a project team failed to meet the evidence requirements to pass that specific Stage Gate, the £2m of funding would be removed from the total eligible project costs. The £2m of funding for Phase 2b Stage Gate 1 would not be transferred to Phase 2b Stage Gate 2.

3. Evidence Delivery

Table 9 sets out the evidence required at the First/Only Stage Gate and subsequent Stage Gates which must be delivered to BEIS.

Table 9: Evidence Delivery

Criteria for Stage Gate	First / Only Stage Gate	Subsequent Stage Gates (where applicable)
1. Date of stage gate	Date set out in Phase 2 application.	
2. Number of houses have been recruited as required to achieve the heat pump density set out by the project.	Evidence number of homes have been recruited for this Stage Gate to meet density requirements	Evidence number of homes for the specific Stage Gate under review have been recruited to meet density requirements.
3. Minimum viable number of consumers have been recruited to enable the project to deliver the heat pumps at the agreed costs to consumers	Evidence number of homes have been recruited to meet minimum viable number of consumers for this Stage Gate	Evidence number of homes have been recruited to meet minimum viable number of consumers, for this Stage Gate
4. Details of the system design for each home in which a heat pump will be installed and the expected annual average electric cost to each consumer.	Evidence to BEIS the system design and expected annual average	Evidence to BEIS the system design and expected annual average electricity cost

	<p>electricity cost for each home in which a heat pump will be installed as part of this Stage Gate</p>	<p>for each home in which a heat pump will be installed as part of this Stage Gate</p>
<p>5. Support from the relevant distribution network operator (DNO) evidencing their ability to respond to the installation of heat pumps at the rate required to reach the density set out by the project team.</p>	<p>Letter of support from the DNO within the location heat pumps are being deployed in under this Stage Gate, setting out their ability to respond to the installation of heat pumps, specifically in this location, at the rate required to reach the density set out by the project.</p> <p>Project may choose to have the letter of support provided at this point covering all subsequent Stage Gate</p>	<p>If not provided at their first Stage Gate.</p> <p>Letter of support from the DNO within the location heat pumps are being deployed in under this Stage Gate, setting out their ability to respond to the installation of heat pumps, specifically in this location, at the rate required to reach the density set out by the project.</p>

	Locations, if known.	
6. Calculated cost for each consumer for their heat pump installation and on-going costs to be installed in Phase 2b.	Evidence the cost for each consumer, within the location specific to this Stage Gate, for their heat pump installation and on-going costs.	Evidence the cost for each consumer, within the location specific to this Stage Gate, for their heat pump installation and on-going costs.
7. Quality Assurance and Consumer Protection plan	Approval of the projects Quality Assurance and Consumer Protection Plan will be provided at their first/only Stage Gate and will cover their processes across all heat pump installs included in the project	N/A
8. Draft contracts (to be signed post Stage Gate approval) for the purchase and installation of heat pumps.	Provide copies of all draft contracts associated with the delivery of heat pump	If not provided at first Stage Gate: Provide copies of all draft contracts associated with

	<p>installs being approved at this Stage Gate.</p> <p>Where projects are including multiple stage gates of delivery in a single contract, projects may wish for these contracts to cover all subsequent Stage Gates, where applicable.</p>	<p>the delivery of heat pump installs being approved at this Stage Gate.</p>
<p>9. Consumers financial arrangements they will be using to fund the heat pump, installation, and auxiliary technologies in Phase 2b deployment.</p>	<p>Evidence the consumer financial arrangement which will be used to fund the heat pump, installation and auxiliary technologies as part of this Stage Gate.</p>	<p>Evidence the consumer financial arrangement which will be used to fund the heat pump, installation and auxiliary technologies as part of this Stage Gate.</p>
<p>10. Details of organisation(s) who will retain ownership and liability for all equipment and services provided to consumers post-installation and post-BEIS funded project.</p>	<p>Evidence the details of organisation(s) who will retain ownership and</p>	<p>If not provided at first Stage Gate: Evidence the details of</p>

	<p>liability for all equipment and services provided to consumers post-install and post-BEIS-funded project for heat pumps installed as part of this Stage Gate.</p> <p>Where the same organisation(s) apply across multiple stage gates, projects may wish for this evidence to cover all subsequent stage gates.</p>	<p>organisation(s) who will retain ownership and liability for all equipment and services provided to consumers post-install and post-BEIS-funded project for heat pumps installed as part of this Stage Gate.</p>
<p>11. Confirmation and evidence that informed consent has been received from relevant stakeholders for the sharing of personal data between your project and Stream 3 provider, and/or that processes are in place to secure this informed consent, with data sharing agreements in place with relevant stakeholders where required.</p>	<p>Evidence that informed consent has been received from relevant stakeholders for the sharing of personal data between your project and Stream 3 provider, for all Stakeholders relevant to the heat pumps</p>	<p>Evidence that informed consent has been received from relevant stakeholders for the sharing of personal data between your project and Stream 3 provider, for all Stakeholders relevant to the heat pumps</p>

	being deployed as part of this Stage Gate.	being deployed as part of this Stage Gate.
12. Confirmation that any additional funding or investment has been received which the Phase 2b deployment depends upon for its success.	<p>Evidence any additional funding or investment has been received required to enable the installation of heat pump relevant to the heat pumps being deployed as part of this Stage Gate.</p> <p>Where a project is receiving investment to cover heat pumps deployed across multiple Stage Gates, they may wish to include subsequent Stage Gates in this evidence.</p>	<p>If not provided at first Stage Gate:</p> <p>Evidence any additional funding or investment has been received required to enable the installation of heat pump relevant to the heat pumps being deployed as part of this Stage Gate.</p>
13. Delivery of outstanding evidence requirements.	Deliver all outstanding evidence	Deliver all outstanding evidence

	requirements associated with the delivery of this Stage Gate.	requirements associated with the delivery of this Stage Gate.
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4. Requirements for Quality Assurance

As part of the Heat Pump Ready, Stream 1: Phase 2, Assessment Criteria 2(b) applicants have been asked to provide a method statement detailing their approach to quality assurance, monitoring and ensuring consumer protection, both during the project and for the lifetime of the heat pump. Successful Phase 2 projects are then required to develop their full Quality Plans in detail, to be approved by BEIS at their Stage Gate. This section summarises the mandatory areas which this Quality Assurance and Consumer Protection Plan must cover, including essential points for consideration when developing this.

Quality Plan Requirements

As a minimum, Quality Plans should:

- Align with the MCS Domestic Heat Pump Best Practice Guide⁵
- Include Installation by an MCS Certified Installer⁶

However, whilst some areas of the development of heat pump projects already have clearly set guidance, there are other areas where the guidance varies or where the guidance may not be sufficient to ensure a high quality outcome for your project. Stream 1 projects should consider additional Quality Assurance measures and practices beyond those required under MCS where necessary and provide details of QA measures that differ from or are provided in addition to the [MCS Domestic Heat Pumps – A Best Practice Guide](#).

For Heat Pump Ready Stream 1, Quality Assurance is considered under the following areas:

- Design
- Install & Commissioning
- Consumer Handover
- Ongoing Consumer Protection

⁵ <https://mcscertified.com/wp-content/uploads/2020/07/Heat-Pump-Guide.pdf>

⁶ <https://mcscertified.com/installers-manufacturers/>

Risks & Considerations

The following activities have been identified as areas of higher risk to successful heat pump installations and should be considered in your Phase 2 applications. Please note that this list is not exhaustive, and is provided only as a guide to aid the development of your QA plan.

Design	
Heat loss calculations	How will you ensure heat loss calculations are consistent and accurate?
Heat pump sizing	How will you ensure heat pumps are sized appropriately to heat loss and occupant requirements?
Space heating flow temperature and appropriate emitter sizing	How will you ensure that flow temperatures are minimised and that heat emitters are appropriately sized to provide occupant comfort?
Hydronic design	How will you ensure that designers are appropriately qualified and knowledgeable on high quality hydronic design e.g. the design of flow rates, pipe sizing, pipe-run length, pressure losses, pump sizing, appropriate use of low-loss headers and buffer tanks?
Integration with heating controls and weather compensation.	How will you ensure that heat pump system is designed for effective integration with heating controls (including any smart heating controls proposed), thermostats and weather compensation?
Understanding of the equipment being installed	How will you ensure that the system designers have sufficient knowledge and understanding of the requirements of the specific equipment being installed?
Efficient hot water production	How will you ensure that system design is as efficient as possible for hot water production including consideration of hot water storage and distribution temperature and coil sizing?
Integration with other technologies and tariffs	How will you ensure that the system integrates effectively with other technologies such as solar PV, batteries, solar thermal, time of use tariffs or other?

Network Connection	What is required in your design to ensure the capacity of the electricity network is available for the connection of heat pumps, at high-density at the location on the network?
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Installation & Commissioning	
Installer qualifications and knowledge	How will you ensure that the person (as opposed to the company) installing the equipment is suitably trained, qualified and knowledgeable to undertake the work (for example where MCS accreditation may come via an umbrella scheme or company accreditation)?
Ensuring correct hardware is used in installation	How will you ensure that the correct hardware is used to match the design of the heat pump system? Where difference hardware needs to be used or designs need to be modified, how will standards of design maintained and how will this be recorded?
Weather compensation	How will you ensure the weather compensation curve for the heat pump is correctly set up to ensure efficient operation?
Minimising disruption	How will you plan and implement the programme of works to ensure that customer disruption is minimised, including for example the sequencing and timing of heat emitter and pipework replacement and insulation measures.
Monitoring	How will you monitor heat pump performance and how will you ensure that any monitoring equipment is set up correctly?
Smart controls	How will you ensure heating controls are installed and set up correctly? Any smart controls need to be fully connected up to the consumer's internet (if applicable) to ensure the system communications are setup correctly
Good quality workmanship	How will you Quality Assurance the general standard of workmanship and finishing, i.e ensuring pipe work insulation is suitably fitted, air tight sealing around penetrations, tidiness and clear up once works are complete?
Accessibility for maintenance	How will you ensure that heat pump installation is undertaken so to enable accessibility for maintenance and replacement?

Network Connection	How will you verify the electricity network capacity, at the point of heat pump installation and/or commissioning, is as per the system design?
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Consumer handover	
Handover documentation	How will you ensure that documents are handed over according to the MCS handover pack requirements. Are any additional documents required for specialist equipment?
System operation and maintenance	How will you ensure that homeowners are suitably educated on the appropriate operation and maintenance of the system to deliver design efficiencies? This includes the appropriate use of controls and the potential impacts on efficiency of different modes and patterns of operation.

Ongoing consumer protection	
Customer support immediately post-install	How will you ensure that occupants are able to access support in the immediate aftermath of the installation to address any snagging issues or consumer uncertainty about operation?
Manufacturer warranties	How will you ensure that manufacturer warranties are made available to the occupant and that the occupant is aware of the key conditions of the warranty such as annual maintenance?
MCS Certified Contractors Guarantee	How will you ensure that installations are covered by an appropriate insurance backed guarantee, lasting at least 2 years post installation?
Renewable Energy Consumer Code of Conduct	How will you ensure that the Renewable Energy Code of Conduct is followed?
Maintenance schedules and plans	How will you ensure that occupants are made aware of the requirements for maintenance and servicing (including where these are part of the manufacturer warranty) and is any level of servicing and maintenance included as part of the up-front costs?

Aftercare package	What post-installation support will be available for consumers to ensure successful and efficient operation of the heat pump and for how long will this be available?
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H) Notification and Publication of Results

H.1. Notification

Applicants will be informed by email whether their application has been successful, subject to compliance with the terms and conditions of the Conditional Contract Offer (conditional on successfully passing due diligence).

BEIS may wish to publicise the results of the scheme, which may involve engagement with the media. At the end of the application and assessment process, BEIS may issue a press release or publish a notice on its website. These public documents may, for example, outline the overall results of competitions and describe some of the projects to be funded.

H.2. Publication of competition outcome

Some organisations may want their activities to remain confidential and you will be given a chance to opt out of any involvement in media relations activity surrounding the publication of competition outcomes, should you see this as being necessary. However, the public description of the project you provide in your application will be made available in the public domain if your application is successful, and you are not able to opt out of the project description being published, as such, you must provide a short description (<400 words) of your proposed innovative methodology to the co-ordinated high-density deployment of heat pumps in a given location. In addition, all funded projects must include reporting and dissemination milestones – agreed with BEIS – as part of their project deliverables. Information about all contracts awarded will also be published on [Contracts Finder](#) as legally required under The Public Contracts Regulations 2015.

Any organisation that wishes to publicise its project, at any stage, must contact the Competition Project Manager or their Project Monitoring Officer at BEIS for approval. Projects will not be approved to publicise the outcome of their application ahead of the BEIS publication of results.

H.3. Publication of project results and reporting

SBRI involves a high degree of risk–benefit sharing. In return for provision of funding and non-financial support during demonstration activities, BEIS expects to be able to use and share the results and outputs of the demonstration activities with other government departments and on the government website (gov.uk). Project details, results, lessons and

impact will also be publicised through the work of the HPR Stream 3 provider, as per Section B.5.

BEIS also wishes to publicise details of the award recipients. Therefore, on or after issuing a SBRI contract, BEIS will publish the following information:

- Identity of the participant and its partners
- Project summary information including aims and expected outcomes of the project and location of the project.
- Notice of award on Contracts Finder
- Total award value

Following completion of the funded projects, BEIS intends to publish on gov.uk a summary of the funded activities and the outcomes achieved. This will include a final summary report from each project detailing technical approach, and key achievements. BEIS may also revisit projects at a later date requesting information to support the publication of an evaluation report for the competition as a whole.

BEIS recognises the need to maintain confidentiality of commercially sensitive information. We will consult applicants regarding the nature of information to be published, to protect commercially sensitive information. The notice of the award on [Contracts Finder](#) will also include the value of the contract as well as expected start and end dates.

I) Reporting, Knowledge Sharing, Evaluation and Intellectual Property Requirements

I.1. Reporting, Knowledge Sharing and Evaluation Requirements

There will be several requirements on project teams during the project, including after the final payment milestone:

- Reporting: to track project progress and ensure payments are made according to a schedule of milestones to be agreed with selected projects. This reporting will be in confidence to BEIS, including its technical advisers and the Stream 3 contractor, and will not be published. Any changes to schedules or project plans will need to be discussed and agreed with BEIS and applicants should expect significant interaction with the team during the project.
- Reporting on Household Recruitment and Heat Pump Deployment Progress: All Heat Pump Ready Phase 2 projects will be required to provide regular updates on their progress against key household recruitment and heat pump installation metrics, such as numbers of completed bulk/remote surveys in each location; in-home surveys booked and completed; installations booked and completed. BEIS will provide a template for providing this data at the start of Phase 2 projects. This progress data may be required at monthly, fortnightly or even weekly intervals, depending on the stage of delivery and progress achieved by project teams during Phase 2.
- Evaluation of the scheme: Successful applicants will be expected to participate in an evaluation of the scheme during and after final contract payments, to assess the impact of the scheme, including value for money.

BEIS uses a standardised set of key performance indicator metrics within the Net Zero Innovation Portfolio (NZIP KPIs) to help assess the set-up, progress, achievements, and long-term impacts of all NZIP funded projects. As part of your application, you will select a subset of NZIP KPI's number 5 to 10 (provided in Table 10) which you believe are relevant to your project's design, aims and objectives. For all successful projects, these KPI's will be discussed in further detail and agreed with BEIS prior to contracts being issued.

- You are required to work with BEIS to select all relevant KPIs to be tracked, measured, and reported against for your project.

- You are required to build in project data collection and reporting for all selected KPIs.
- NZIP KPIs will be collected at the **project start**, at **project close** and for **three years after project close** from all funded projects regardless of project length. For projects which are successful in their Phase 2 application, there *will also be required* to report on KPIs **during the fourth quarter of each project delivery year**.⁷ However, if a project Q4 falls within six months of the project close date, then only project close KPIs will be collected.
- You will also be required to provide a subset of KPI data in annual follow-up data collection for 3 years post project-completion, with focus on Technology Readiness Levels (TRLs), Commercial Readiness Levels (CRLs), follow-on funding, sales and expected long-term impact.
- You should note that NZIP KPIs different to contract management KPIs. For Phase 2 of the programme, in addition to NZIP KPIs, project teams will be asked to report against 3 additional KPI's as part of BEIS contract management. Whilst subject to change, depending on the outcome of the feasibility studies, these KPI's will be:
 - Number of consumers engaged in location on the programme
 - Number of heat pumps deployed
 - Number of installers recruited under the programme

By submitting a bid, you agree that BEIS can hold your contact details for evaluation purposes for the duration of the competition, even if your bid is not successful. BEIS may, within that time, contact you to request your participation in an evaluation, exploring issues such as the application process or the development of your technology in the absence of BEIS funding. You are not required to participate in such an evaluation.

Table 10: BEIS Key Performance Indicators (KPI's) for projects

Note: Data provided by BEIS Monitoring Officers on behalf of Project Lead Organisations is marked in *italics*. Not all data will be collected during project delivery, with some metrics only reported on at project start, project close and for three-years post project close (“follow-up”).

KPI	KPI description	Suggested Metrics
KPI 1	Number of NZIP projects supported	<ul style="list-style-type: none"> • <i>Project start and completion.</i>

⁷ Quarters refer to project-based quarters and not the financial or calendar year.

KPI 2	Number of NZIP projects that have met objectives	<ul style="list-style-type: none"> • <i>Extent to which project objectives have been met to date</i> • <i>Change in objectives and reasons for change</i>
KPI 3	Number of organisations supported to deliver the project	<ul style="list-style-type: none"> • <i>Lead partner delivering the project: name, organisation size and number of jobs supported within the organisation to deliver the project.</i> • <i>Other partner organisations involved in delivering the project as named on the Contract or Grant: name, organisation size and number of jobs supported within the organisation(s) to deliver the project.</i>
KPI 4	Number of active contractual and non-contractual business relationships supported	<ul style="list-style-type: none"> • Number of contractual relationships: name and type of contractual relationship. • Number of formal non-contractual business relationships: name and type of non-contractual relationship • Extent to which your organisation expanded its network of business relationships as a result of the project
KPI 5	Technology Advancement	<ul style="list-style-type: none"> • Technology Readiness Levels (current and anticipated) • Other technology improvement indicators: patents applied for or granted; academic, technical or non-technical publications generated and knowledge exchange events attended (such as conferences)
KPI 6i	Initial Financial Leverage to deliver project	<ul style="list-style-type: none"> • <i>Project funding structure: Amount in £m of BEIS, Other Public Sector and Private Funding.</i>
6ii	Follow-on Funding secured	<ul style="list-style-type: none"> • Amount of follow-on funding raised and the source (public or private).
KPI 7i	Reduction in energy costs	<ul style="list-style-type: none"> • Scope and scale of impact on reducing energy costs • Route to reducing energy costs

7ii	Increased energy efficiency/ Reduced energy demand	<ul style="list-style-type: none"> • Scope and scale of impact on reducing energy demand/ increasing energy efficiency
7iii	Increase in energy system flexibility	<ul style="list-style-type: none"> • Scope and scale of impact on energy system flexibility • Route to increasing energy system flexibility
KPI 8	Commercialisation advancement	<ul style="list-style-type: none"> • Commercial readiness levels (current and anticipated) • Steps towards commercialisation incl. licensing agreements, commercial partnerships, product certifications etc.; national/ international standards passed • UK and International sales secured and their value (£m)
KPI 9	CO2 emissions reductions	<ul style="list-style-type: none"> • Scope and scale of project impact on carbon emissions • Route to achieving carbon emissions reductions
KPI 10	Policy influence	<ul style="list-style-type: none"> • Whether, how, and to what effect evidence from the project has informed policy development • Whether projects have engaged in activities with industry or civil society

1.2. Intellectual Property

The proposed arrangements for intellectual property rights and exploitation of IPR are set out in the contract terms and conditions for this competition, in Appendix 4.

Subject to the requirements of Conditions 27(3) and 28(5) of the pre-commercial terms and conditions (Appendix 4), applicants will retain ownership of the intellectual property generated from the project. Applicants are required to identify and record any such intellectual property and to protect patentable knowledge in accordance with Condition 28 of the standard terms and conditions. If within five years of its creation applicants have not commercially exploited intellectual property generated from the work, then in line with clause 28(5) of the standard terms and conditions, BEIS may request the Arising Intellectual Property be assigned to BEIS.

For further information please refer to the T&Cs, notably Conditions 27-28.

I.3. Ownership of Heat Pumps Installed and associated equipment

Subject to the terms and conditions applicable to intellectual property within the terms and Subject to the provisions on intellectual property within the terms and conditions, suppliers will retain liability for and ownership of:

- (a) the technologies and demonstration devices developed and deployed as part of this programme; and
- (b) the technologies and related equipment developed and deployed during the delivery of the contracts

beyond the lifetime of the project, unless and until ownership is transferred via agreement, in writing, to another party.

Upon completion of the project, the supplier will be responsible for:

- (a) assigning ownership and liability of any technologies and related equipment developed and deployed during the delivery of the contracts; and
- (b) where applicable, the disposal of any technologies and related equipment.

BEIS takes no ownership, responsibility or liability for any technologies, equipment or contract/leases installed or provided to consumers during the Phase 2 trial of innovative methodology deployment stage.

J) Feedback, Re-application and Right of Appeal

A short summary of key feedback regarding the applications will be provided to all applicants. This feedback will be based on the comments of technical assessors. No additional feedback will be provided and there will be no further discussion on the application.

The feedback from the assessors is intended to be constructive. Comments are not a checklist of points which must be answered or argued in a resubmitted application as the assessors/requirements may be different and it is your decision as to whether you act on the suggestions made.

K) Confidentiality and Freedom of Information

Where any request is made to BEIS under the Freedom of Information Act 2000 (“FOIA”) for the release of information relating to any project or applicant, which would otherwise be reasonably regarded as confidential information, BEIS will notify you of the request as soon as we become aware of it. An applicant must acknowledge that any lists or schedules provided by it outlining information it deems confidential or commercially sensitive are of indicative value only and that BEIS may nevertheless be obliged to disclose information which the applicant considers confidential.

As part of the application process all applicants are asked to submit a public description of the project. This should be a public facing form of words that adequately describes the project but that does not disclose any information that may impact on Intellectual Property (IP), is confidential or commercially sensitive. The titles of successful projects, names of organisations, amounts awarded, and the description of the project may be published once the award is confirmed as final.

All assessors (internal and external) used during the assessment of applications and project monitoring officers will be subject to a confidentiality agreement. Assessors external to BEIS will also be required to declare any potential conflicts of interest in a written and signed declaration. If assessors, or anyone involved in the assessment process, encounter a conflict of interest, they will be removed from the process.

L) Further Instructions to Applicants

The Department reserves the right to amend the enclosed Competition documents at any time prior to **14:00, 21st October 2022**. Any changes are most likely to correct editorial errors and may include further FAQs on the Guidance Notes asked by stakeholders **by 14:00, 14th October 2022**. Any such amendment will be numbered, dated and issued on the competition [website](#). Where amendments are significant, the Department may, at its discretion, extend the deadline for receipt of tenders.

The Department reserves the right to withdraw this contract opportunity without notice and will not be liable for any costs incurred by contractors during any stage of the process. Contractors should also note that, in the event an application is considered to be fundamentally unacceptable on a key issue, regardless of its other merits, that application may be rejected. By issuing this Competition document, the Department is not bound in any way and does not have to accept the lowest cost, or any application and reserves the right to accept a portion of any application unless the tenderer expressly stipulates otherwise.

M) Appendix 2 - Eligible and Ineligible Costs

M.1. Eligible Costs

Applicants are instructed that the project costs quoted must reflect actual costs at a 'fair market value' and for this Competition, **profit must not be included for costs associated with developing the methodology and the coordination activities to trial the innovative methodology or for project management or other costs (such as dissemination) that are incurred in meeting the Heat Pump Ready reporting, performance management and knowledge transfer requirements.** Profit may be included as part of the 'cost to consumer' calculation with further details provided in Section M.1.2.

Applicants **must ensure all project costs proposed for funding within Heat Pump Ready are eligible**. At any stage of the competition BEIS can ask for any ineligible cost to be removed from the project costs.

Applicants **must justify all costs** in their application.

All **eligible** project costs, outlined within this section, must be **100% funded by BEIS** – i.e. Heat Pump Ready funding must be for a specific innovation project as defined in this Guidance document; it cannot be used as partial funding for a broader programme. Applicants cannot include 'in-kind' or 'free' work as part of their project which is not being funded through Heat Pump Ready Stream 1, Phase 2.

Projects which have higher total eligible costs than the maximum allowed budget of £9m excluding VAT across Phase 2 are ineligible, even where a project team are providing the additional/in-kind funding. Please note this does not exclude projects from covering any ineligible costs at their own expense in addition to their project's total eligible costs, however these costs will not be included in the assessment of the project or form part of the contract.

In Phase 2, eligible costs are those directly associated with the trial of the innovative methodology for co-ordinated, high-density heat pump deployment, developed in Phase 1.

Applicants must complete the Competition Finance Form and Cost to the Consumer Calculator (2 separate spreadsheets) to provide the necessary cost information for the assessment process; further itemisation of costs and methods of calculation may be requested to support the application.

All **costs should be provided excluding VAT**, though where VAT applies, applicants should specify the amount. Your total costs excluding VAT for each Phase should not exceed the relevant maximum allowable budget per project.

Costs set out in the application forms and specified in the Phase 1 or Phase 2 contracts are the maximum permitted costs; any costs incurred by the project that are higher than the agreed total project costs will not be covered by BEIS.

1. Eligible direct costs

- Labour costs for all those contributing to the development of the innovative methodology for high-density heat pump deployment, broken down by individual salary and employer costs.
- Costs associated with participating in Stream 3 activities, as per Section B.5
- Labour and associated costs incurred in consumer recruitment for the trial in Phase 2 of the developed innovative methodology.
- Labour and associated costs incurred in conducting home survey for the trial in Phase 2 – within the limits set out in Section M1.2.
- Labour and associated costs of training installers (beyond standard certification and qualifications), during Phase 2, to follow the innovative processes developed for heat pump installation in Phase 1
- Material costs (including consumables specific to the project) required as part of the Phase 2 coordination of the trial the innovative methodology developed in Phase 1.
- Sub-contract costs incurred in delivery of the eligible activities outlined above in this section.
- Travel and subsistence for the eligible activities outlined above in this section.
- Heat pump and associated works costs as set out in the Eligible heat pump capital and installation cost Section M.1.3 below

2. Eligible home survey and system design costs

The costs of completed in-home survey and system design can be included as a Phase 2a eligible costs, up to a cost of £400 per home.

This funding will be available for the completed in-home surveys and system designs required to achieve the recruitment density – the number of completed surveys, which is eligible for BEIS funding is the number set out in response to Assessment Criterion 2(a) and agreed by BEIS. For example, where a project team sets out, in response to Assessment Criterion 2(a), that they will deploy heat pumps in 50 homes to reach the 25%

density requirements in a location and the team has provided sufficient evidence in the application that the expected dropout rate is up to 30%, then BEIS will provide funding for up to completed 72 in-home survey and system designs in that location.

Any additional survey costs – either costs above £400 per home (for example costs associated with enhanced in-home surveys) or costs for additional in-home surveys where a project finds it is not meeting the expected conversion rates – must be funded from private funding sources.

The funding associated with the cost of in-home survey and system design should be included and justified within the Project Cost Finance Form as either:

- Labour: where a project is proposing this work is carried out as part of an employee's role for one of the partner organisations
- Sub-contractor: where a project is sub-contracting the role of in-home survey and system design to an organisation outside the project partners

3. Eligible heat pump capital and installation costs

To de-risk the deployment of heat pumps and enable Phase 2 projects to successfully trial their innovative methodology, £5,000 for air source heat pumps and £6,000 for ground source heat pumps will be eligible for domestic retro-fit of eligible air and ground source hydronic heat pump installs. This funding will be provided to and managed by the lead applicant.

Please note: project teams/consumers participating in a Heat Pump Ready Stream 1 project will **not** be eligible to claim any other central government grant funding towards the costs which they include in their 'Cost to the consumer' calculation (i.e. the eligible costs outlined in the Table 11 below) – this includes (but is not limited to) funding from the Public Sector Decarbonisation Funding; Social Housing Decarbonisation Fund. It will be the responsibility of the project lead to ensure that consumers are notified of this and receive written agreement that they are not 'double claiming' – i.e. not combining Heat Pump Ready funding with other funding from public sources for the cost of their heat pump install.

Under no circumstances are projects eligible to apply for Boiler Upgrade Scheme (BUS) or any other public funding towards the cost of the heat pump and its installation. Any additional costs associated with these elements **must be sourced through private financing**.

Where public funding (e.g. Energy Company Obligation (ECO) funding, Green Homes Grant Local Authority Delivery scheme (LAD)) are being used against any of the cost to consumer costs (i.e. costs detailed in the Heat Pump Ready Phase 2 Cost Calculator), these costs will **be ineligible and must not be** included in the eligible costs to the consumer as part of the 'Cost to Consumer' calculator.

Other public funding can be used to fund any 'ineligible' project costs for work or products being installed in homes alongside the Heat Pump Ready heat pump installation (e.g. installation of solar PV). Where a project relies on ineligible costs as part of their heat pump deployment, these costs must be entered into the 'ineligible cost tab' of the Project Finance Spreadsheet.

Only the homes which contribute to achieving the 25% density, and are in line with the required Heat Pump Ready Stream 1 housing and building type restrictions, are eligible for £5,000 or £6,000 of funding towards their costs through Heat Pump Ready.

Table 11: Core costs to consumers

Eligible Costs to the Consumer	Ineligible costs to the consumer
<ul style="list-style-type: none"> • Percentage of overhead costs which includes costs associated with: <ul style="list-style-type: none"> ○ Customer support pre & post install ○ Consumer account manager ○ Insurance ○ Other overheads charged to the consumer • Profit (project teams will be required to justify the proposed profit or profit range, for example with reference to profit typically charged on similar consumer services and products) • Capital cost of hydronic air or ground source heat pump including buffer tank, smart controls, circulation pump & ancillaries • Where a consumer is not required to pay the full value of hydronic air or ground source heat pump upfront, any monthly chargers to the consumer (e.g. £2,000 upfront 	<ul style="list-style-type: none"> • Cost of survey to determine most suitable heat pump and energy efficiency measures (these form part of the overheads costs which are eligible costs) • Cost of renewable energy generation & electricity storage (i.e. solar PV, battery) • Non-heat pump specific home improvements • Direct electric space heating • Cost of on-going consumer support and maintenance packages • Cost of annual servicing <p>Where costs are not borne by the consumer – e.g. where public funding is being used:</p> <ul style="list-style-type: none"> • Cost of fabric improvement (loft, floor, internal/external, cavity insulation and draft proofing measures) • Cost of improved glazing

<p>capital cost from the consumer in addition to £50 monthly 5 year leasing contract with the consumer)</p> <ul style="list-style-type: none"> • Cost of finance charge to the consumer • For individual home GSHP – cost of ground works charged to the consumer • For shared group loops – upfront connection charge charged to the consumer and/or standing connection charge for the duration of contracted with the consumer • Cost of installation • Cost of hot water tank or equivalent, where primary source of heat from heat pump <p>Where the cost is borne to the consumer:</p> <ul style="list-style-type: none"> • Cost of fabric improvement (loft, floor, internal/external, cavity insulation and draft proofing measures) required to achieve the designed system efficiencies • Cost of improved glazing • Cost of heat emitters (UFH / Radiators) • In-home survey and system design costs, above £400, which result in both unsuccessful and successful heat pump take-up, included as part of the cost to consumer overheads 	<p>Cost of heat emitters (UFH / Radiators)</p> <ul style="list-style-type: none"> • In-home survey and system design costs, above £400, which result in both unsuccessful and successful heat pump take-up,
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The level of the core cost to consumers that can be included in the value of the total eligible costs will be taken from the 'Cost to consumer' calculations submitted in Question 1(b) of Phase 2 applications. These will be average costs, per house type (as outlined in section B.6), and not calculated on a house-by-house basis – an example of the eligible cost calculation is shown in Table 12 below.

Table 12: Example calculation of eligible core costs to consumers

House type (defined in 'Cost methodology')	Heat Pump Type	Core costs calculated in Phase 2, Question 2(b)	Eligible project funding per house	Number of homes expected to have a heat pump deployed in Phase 2b	Eligible Phase 2 project cost
Detached with solid walls	ASHP	£16,000	£5,000	100	£500,000
End-terrace with cavity walls	ASHP	£10,250	£5,000	300	£1,500,000
Mid-terrace with cavity walls	GSHP	£9,500	£6,000	500	£3,000,000
				Total	£5,000,000

The final costs associate with the core costs to the consumer will be determined at the project Stage Gate when details of the homes selected for heat pump installation are finalised.

4. Eligible indirect costs

Indirect costs should be charged in proportion to the amount of effort deployed on the project. Applicants should document the methodology they have applied to calculate them, using their own cost rates. They may include:

- General office and basic laboratory consumables
- Library services / learning resources
- Typing / secretarial
- Finance, personnel, public relations and departmental services
- Central and distributed computing
- Overheads up to a maximum of 50% of salary costs

5. BEIS Travel and Subsistence Policy

For any travel and subsistence claimed as part of the eligible costs, project teams should align with the BEIS Travel & Subsistence Policy, as set out below:

- **Accommodation:** When required as part of attending Stream 3 activities to stay overnight prior to or after an event that is a significant distance from your home or work, accommodation may be claimed at the following rates:
 - o London: £140 per night – including breakfast
 - o Elsewhere (UK): £100 – including breakfast

- **Travel:**

Rail travel is the preferred method of transport due to the options available for cheap, advanced tickets, journey comfort and having a relatively low environmental impact compared to other forms of transport. Rail travel must be booked at standard class however by exception, first class travel may be permitted where BEIS is satisfied that:

 - o it would constitute a “reasonable adjustment” under the Equality Act;
 - o a temporary “reasonable adjustment” is required e.g. due to injury or pregnancy related, or a condition where it will impact safety or cause a worsening or adverse effect on the condition;

First class travel must be approved by BEIS ahead of travel.

Car travel is not a favoured form of transport for BEIS unless travelling as part of a group. Where travelling as a group, mileage is claimable at a rate of 45p per mile for up to 10,000 miles per year, with a 5p mile supplement per passenger. It is the responsibility of the driver to ensure car is in good working order of their car, compliance with MOT regulations, and suitable insurance for work purpose; the associated cost of these are not eligible under BEIS policy.

Taxis are permissible where:

- o staff travelling alone or in small groups feel more secure than taking public transport;
 - o this is an appropriate reasonable adjustment (this includes journeys to work where agreed with HR); and/or
 - o it is the most economical transport available considering journey time or number of travellers.
-
- **Subsistence:**
 - o Breakfast (early start from home) – rather than staying overnight ahead of Stream 3 activities, attendees may claim £5 for breakfast where they leave their home 90 minutes earlier than usual to attend the event
 - o Lunch - where lunch is not provided at the event, £5 may be claimed.
 - o Evening meals: dinner, or evening meal may be claimed when staying overnight, with an expense of £15 per night, which includes a soft drink only.

For each of the above, project teams should retain their receipts to be reviewed by their Monitoring Officer.

M.2. Ineligible Costs

The following costs are ineligible under the Heat Pump Ready Programme however, should these costs be required in the delivery of Phase 1 or Phase 2, this does not exclude projects from funding ineligible costs at their own expense to enable them to be included in the development and trial of the methodology, however they will not be included in the assessment of the project or form part of the contract.

Where a project relies on ineligible costs as part of their delivery, these costs must be entered into the 'ineligible cost tab' of the Project Finance Spreadsheet.

1. Outside of programme scope

This programme will not provide funding for the following costs/activities, as they are outside the scope of funding for this competition.

- Cost of innovation, research and development, or trial of pre-commercial products and services associated to the heat pump hardware, ancillary technology, financial products or services (Note funding has been made available for these activities under Stream 2 of Heat Pump Ready programme).
- Cost of heat pump and auxiliary technologies and equipment, and installation costs for non-domestic installations and new build properties.
- Costs of non-hydronic heat pump heating technologies and auxiliary technologies, equipment, and installation costs – i.e. the capital and installation costs for deployment of hybrid heat pumps, air-to-air heat pumps, other direct electric heating solution are not eligible under Heat Pump Ready.
- Generic skills training and technical qualifications for heat pump installers, which is not specific to the methodology developed, e.g. generic electrical or heat pump installer training.
- Capital cost of renewable energy generation & electricity storage (i.e. solar PV, battery)
- Capital cost of non-heat pump specific home improvements (e.g. new kitchen sold as part of heat pump installation)
- Capital cost of direct electric space heating

- Cost of on-going heat pump operational costs, such as heat pump maintenance or quality assurance checks
- Cost of electricity to run heat pumps deployed

2. Not eligible under SBRI

Under no circumstances can costs for the following items be claimed as part of an SBRI programme:

- Profit and/or contingency sums associated with the coordination and project management of trialling the innovation methodology for high density heat pump deployment.
- Activities associated with the commercialisation of the innovative methodology developed
- Profit associated with the development or trial of the methodology developed (i.e. applicants should not include profit for themselves or the other project team members for work carried out in the coordination and project management of trialling the innovation methodology within indirect costs or include it as a separate project cost)
- Protection of IPR
- For activities of a political or exclusively religious nature
- In respect of costs reimbursed or to be reimbursed by funding from other public authorities or from the private sector
- In connection with the receipt of contributions in kind (a contribution in goods or services as opposed to money)
- To cover interest payments (including service charge payments for finance leases)
- For the giving of gifts to individuals, other than promotional items with a value no more than £10 a year to any one individual
- For entertaining (entertaining for this purpose means anything that would be a taxable benefit to the person being entertained, according to current UK tax regulations)
- To pay statutory fines, criminal fines or penalties
- In respect of VAT that you are able to claim from HM Revenue and Customs.

N) Appendix 3 – Declarations

N.1. Declaration 1: Statement of non-collusion

To: The Department for Business, Energy and Industrial Strategy

1. We recognise that the essence of competitive tendering is that the Department will receive a bona fide competitive tender from all persons tendering. We therefore certify that this is a bona fide tender and that we have not fixed or adjusted the amount of the tender or our rates and prices included therein by or in accordance with any agreement or arrangement with any other person.

2. We also certify that we have not done and undertake not to do at any time before the hour and date specified for the return of this tender any of the following acts:

- (a) communicate to any person other than the Department the amount or approximate amount of our proposed tender, except where the disclosure, in confidence, of the approximate amount is necessary to obtain any insurance premium quotation required for the preparation of the tender;
- (b) enter into any agreement or arrangement with any other person that he shall refrain for submitting a tender or as to the amount included in the tender;
- (c) offer or pay or give or agree to pay or give any sum of money, inducement or valuable consideration directly or indirectly to any person doing or having done or causing or having caused to be done, in relation to any other actual or proposed tender for the contract any act, omission or thing of the kind described above.

3. In this certificate, the word “person” shall include any person, body or association, corporate or unincorporated; and “any agreement or arrangement” includes any such information, formal or informal, whether legally binding or not.

.....
Signature (duly authorised on behalf of the tenderer)

.....
Print name

.....
On behalf of (organisation name)

.....
Date

N.2. Declaration 2: Form of Tender

To: The Department for Business, Energy and Industrial Strategy

1. Having considered the invitation to tender and all accompanying documents (including without limitation, the terms and conditions of contract and the Specification) we confirm that we are fully satisfied as to our experience and ability to deliver the goods/services in all respects in accordance with the requirements of this invitation to tender.
2. We hereby tender and undertake to provide and complete all the services required to be performed in accordance with the terms and conditions of contract and the Specification for the amount set out in the Pricing Schedule.
3. We agree that any insertion by us of any conditions qualifying this tender or any unauthorised alteration to any of the terms and conditions of contract made by us may result in the rejection of this tender.
4. We agree that this tender shall remain open to be accepted by the Department for 180 calendar days from the 9 of August 2021.
5. We understand that if we are a subsidiary (within the meaning of section 1159 of (and schedule 6 to) the Companies Act 2006) if requested by the Department we may be required to secure a Deed of Guarantee in favour of the Department from our holding company or ultimate holding company, as determined by the Department in their discretion.
6. We understand that the Department is not bound to accept the lowest or any tender it may receive.
7. We certify that this is a bona fide tender.

.....
Signature (duly authorised on behalf of the tenderer)

.....
Print name

.....
On behalf of (organisation name)

.....
Date

N.3. Declaration 3: Conflict of Interest

I have nothing to declare with respect to any current or potential interest or conflict in relation to this research (or any potential providers who may be subcontracted to deliver this work, their advisers or other related parties). By conflict of interest, I mean, anything which could be reasonably perceived to affect the impartiality of this research, or to indicate a professional or personal interest in the outcomes from this research.

Signed

Name

Position

OR

I wish to declare the following with respect to personal or professional interests related to relevant organisations*;

- X
- X

Where a potential conflict of interest has been declared for an individual or organisation within a consortium, please clearly outline the role which this individual or organisation will play in the proposed project and how any conflict of interest has or will be mitigated.

- X
- X

Signed

Name

Position

Please complete this form and return this with your ITT documentation - Nil returns **are** required.

* These may include (but are not restricted to);

- A professional or personal interest in the outcome of this research
- For evaluation projects, a close working, governance, or commercial involvement in the project under evaluation

- Current or past employment with relevant organisations
- Payment (cash or other) received or likely to be received from relevant organisations for goods or services provided (Including consulting or advisory fees)
- Gifts or entertainment received from relevant organisations
- Shareholdings (excluding those within unit trusts, pension funds etc.) in relevant organisations
- Close personal relationship or friendships with individuals employed by or otherwise closely associated with relevant organisations

All of the above apply both to the individual signing this form and their close family / friends / partners etc.

If your situation changes during the project in terms of interests or conflicts, you must notify BEIS straight away.

A DECLARATION OF INTEREST WILL NOT NECESSARILY MEAN THE INDIVIDUAL OR ORGANISATION CANNOT WORK ON THE PROJECT; BUT IT IS VITAL THAT ANY INTEREST OR CONFLICT IS DECLARED SO IT CAN BE CONSIDERED OPENLY.

N.4. Declaration 4: Standard Selection Questionnaire

Potential Supplier Information and Exclusion Grounds: Part 1 and Part 2.

The standard Selection Questionnaire is a self-declaration, made by you (the potential supplier), that you do not meet any of the grounds for exclusion⁸. If there are grounds for exclusion, there is an opportunity to explain the background and any measures you have taken to rectify the situation (we call this self-cleaning).

A completed declaration of Part 1 and Part 2 provides a formal statement that the organisation making the declaration has not breached any of the exclusion grounds. Consequently we require all the organisations that you will rely on to meet the selection criteria to provide a completed Part 1 and Part 2. For example these could be parent companies, affiliates, associates, or essential sub-contractors, if they are relied upon to meet the selection criteria. This means that where you are joining in a group of organisations, including joint ventures and partnerships, each organisation in that group must complete one of these self-declarations. Sub-contractors that you rely on to meet the selection criteria must also complete a self-declaration (although sub-contractors that are not relied upon do not need to complete the self-declaration).

When completed, this form is to be sent back to the contact point given in the procurement documents along with the selection information requested in the procurement documentation.

Supplier Selection Questions: Part 3

The procurement document will provide instructions on the selection questions you need to respond to and how to submit those responses. If you are bidding on behalf of a group (consortium) or you intend to use sub-contractors, you should complete all of the selection questions on behalf of the consortium and/or any sub-contractors.

If the relevant documentary evidence referred to in the Selection Questionnaire is not provided upon request and without delay we reserve the right to amend the contract award decision and award to the next compliant bidder.

Consequences of misrepresentation

If you seriously misrepresent any factual information in filling in the Selection Questionnaire, and so induce an authority to enter into a contract, there may be significant consequences. You may be excluded from the procurement procedure, and from bidding for other contracts for three years. If a contract has been entered into you may be sued for damages and the contract may be rescinded. If fraud, or fraudulent intent, can be proved, you or your responsible officers may be prosecuted and convicted of the offence of fraud by false representation, and you must be excluded from further procurements for five years.

⁸ For the list of exclusions please see

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/551130/List_of_Mandatory_and_Discretionary_Exclusions.pdf

Heat Pump Ready: *Stream 1 - Solutions for high-density heat pump deployment Phase 2*

TRN PRJ_884

Notes for completion

1. The “authority” means the contracting authority, or anyone acting on behalf of the contracting authority, that is seeking to invite suitable candidates to participate in this procurement process.
2. “You” / “Your” refers to the potential supplier completing this standard Selection Questionnaire i.e. the legal entity responsible for the information provided. The term “potential supplier” is intended to cover any economic operator as defined by the Public Contracts Regulations 2015 (referred to as the “regulations”) and could be a registered company; the lead contact for a group of economic operators; charitable organisation; Voluntary Community and Social Enterprise (VCSE); Special Purpose Vehicle; or other form of entity.
3. Please ensure that all questions are completed in full, and in the format requested. If the question does not apply to you, please state ‘N/A’. Should you need to provide additional information in response to the questions, please submit a clearly identified annex.
4. The authority recognises that arrangements set out in section 1.2 of the standard Selection Questionnaire, in relation to a group of economic operators (for example, a consortium) and/or use of sub-contractors, may be subject to change and will, therefore, not be finalised until a later date. The lead contact should notify the authority immediately of any change in the proposed arrangements and ensure a completed Part 1 and Part 2 is submitted for any new organisation relied on to meet the selection criteria. The authority will make a revised assessment of the submission based on the updated information.
5. For Part 1 and Part 2 every organisation that is being relied on to meet the selection must complete and submit the self-declaration.
6. All sub-contractors are required to complete Part 1 and Part 2⁹.
7. For answers to Part 3 - If you are bidding on behalf of a group, for example, a consortium, or you intend to use sub-contractors, you should complete all of the questions on behalf of the consortium and/ or any sub-contractors, providing one composite response and declaration.

The authority confirms that it will keep confidential and will not disclose to any third parties any information obtained from a named customer contact, other than to the Cabinet Office and/or contracting authorities defined by the regulations, or pursuant to an order of the court or demand made by any competent authority or body where the authority is under a legal or regulatory obligation to make such a disclosure.

⁹ See PCR 2015 regulations 71 (8)-(9)

Part 1: Potential Supplier Information

Please answer the following questions in full. Note that every organisation that is being relied on to meet the selection must complete and submit the Part 1 and Part 2 self-declaration.

Section 1	Potential supplier information	
Question number	Question	Response
1.1(a)	Full name of the potential supplier submitting the information	
1.1(b) – (i)	Registered office address (if applicable)	
1.1(b) – (ii)	Registered website address (if applicable)	
1.1(c)	Trading status a) public limited company b) limited company c) limited liability partnership d) other partnership e) sole trader f) third sector g) other (please specify your trading status)	
1.1(d)	Date of registration in country of origin	
1.1(e)	Company registration number (if applicable)	
1.1(f)	Charity registration number (if applicable)	
1.1(g)	Head office DUNS number (if applicable)	
1.1(h)	Registered VAT number	
1.1(i) - (i)	If applicable, is your organisation registered with the appropriate professional or trade register(s) in the member state where it is established?	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>
1.1(i) - (ii)	If you responded yes to 1.1(i) - (i), please provide the relevant details, including the registration number(s).	
1.1(j) - (i)	Is it a legal requirement in the state where you are established for you to possess a particular authorisation, or be a member of a particular organisation in order to provide the services specified in this procurement?	Yes <input type="checkbox"/> No <input type="checkbox"/>
1.1(j) - (ii)	If you responded yes to 1.1(j) - (i), please provide additional details of what is required and confirmation that you have complied with this.	
1.1(k)	Trading name(s) that will be used if successful in this procurement	

1.1(l)	Relevant classifications (state whether you fall within one of these, and if so which one) a) Voluntary Community Social Enterprise (VCSE) b) Sheltered Workshop c) Public service mutual	
1.1(m)	Are you a Small, Medium or Micro Enterprise (SME) ¹⁰ ?	Yes <input type="checkbox"/> No <input type="checkbox"/>
1.1(n)	Details of Persons of Significant Control (PSC), where appropriate: ¹¹ - Name; - Date of birth; - Nationality; - Country, state or part of the UK where the PSC usually lives; - Service address; - The date he or she became a PSC in relation to the company (for existing companies the 6 April 2016 should be used); - Which conditions for being a PSC are met; - Over 25% up to (and including) 50%, - More than 50% and less than 75%, - 75% or more. ¹² (Please enter N/A if not applicable)	
1.1(o)	Details of immediate parent company: - Full name of the immediate parent company - Registered office address (if applicable) - Registration number (if applicable)	

¹⁰ See EU definition of SME https://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition_en

¹¹ UK companies, Societates European (SEs) and limited liability partnerships (LLPs) will be required to identify and record the people who own or control their company. Companies, SEs and LLPs will need to keep a PSC register, and must file the PSC information with the central public register at Companies House. [See PSC guidance.](#)

¹² Central Government contracting authorities should use this information to have the PSC information for the preferred supplier checked before award.

	<ul style="list-style-type: none"> - Head office DUNS number (if applicable) - Head office VAT number (if applicable) <p>(Please enter N/A if not applicable)</p>	
1.1(p)	<p>Details of ultimate parent company:</p> <ul style="list-style-type: none"> - Full name of the ultimate parent company - Registered office address (if applicable) - Registration number (if applicable) - Head office DUNS number (if applicable) - Head office VAT number (if applicable) <p>(Please enter N/A if not applicable)</p>	

Please note: A criminal record check for relevant convictions may be undertaken for the preferred suppliers and the persons of significant in control of them.

Please provide the following information about your approach to this procurement:

Section 1		Bidding model			
Question number	Question	Response			
1.2(a) - (i)	Are you bidding as the lead contact for a group of economic operators?	Yes <input type="checkbox"/>	No <input type="checkbox"/>		
		<p>If yes, please provide details listed in questions 1.2(a) (ii), (a) (iii) and to 1.2(b) (i), (b) (ii), 1.3, Section 2 and 3.</p> <p>If no, and you are a supporting bidder please provide the name of your group at 1.2(a) (ii) for reference purposes, and complete 1.3, Section 2 and 3.</p>			
1.2(a) - (ii)	Name of group of economic operators (if applicable)				
1.2(a) - (iii)	Proposed legal structure if the group of economic operators intends to form a named single legal entity prior to signing a contract, if awarded. If you do not propose to form a single legal entity, please explain the legal structure.				
1.2(b) - (i)	Are you or, if applicable, the group of economic operators proposing to use sub-contractors?	Yes <input type="checkbox"/>	No <input type="checkbox"/>		
1.2(b) - (ii)	If you responded yes to 1.2(b)-(i) please provide additional details for each sub-contractor in the following table: we may ask them to complete this form as well.				
	Name				
	Registered address				
	Trading status				
	Company registration number				
	Head Office DUNS number (if applicable)				
	Registered VAT number				
	Type of organisation				

	SME (Yes/No)					
	The role each sub-contractor will take in providing the works and /or supplies e.g. key deliverables					
	The approximate % of contractual obligations assigned to each sub-contractor					

Contact details and declaration

I declare that to the best of my knowledge the answers submitted and information contained in this document are correct and accurate.

I declare that, upon request and without delay I will provide the certificates or documentary evidence referred to in this document.

I understand that the information will be used in the selection process to assess my organisation's suitability to be invited to participate further in this procurement.

I understand that the authority may reject this submission in its entirety if there is a failure to answer all the relevant questions fully, or if false/misleading information or content is provided in any section.

I am aware of the consequences of serious misrepresentation.

Section 1	Contact details and declaration	
Question number	Question	Response
1.3(a)	Contact name	
1.3(b)	Name of organisation	
1.3(c)	Role in organisation	
1.3(d)	Phone number	
1.3(e)	E-mail address	
1.3(f)	Postal address	
1.3(g)	Signature (electronic is acceptable)	
1.3(h)	Date	

Part 2: Exclusion Grounds

Please answer the following questions in full. Note that every organisation that is being relied on to meet the selection must complete and submit the Part 1 and Part 2 self-declaration.

Section 2	Grounds for mandatory exclusion	
Question number	Question	Response
2.1(a)	<p>Regulations 57(1) and (2)</p> <p>The detailed grounds for mandatory exclusion of an organisation are set out on this webpage, which should be referred to before completing these questions.</p> <p>Please indicate if, within the past five years you, your organisation or any other person who has powers of representation, decision or control in the organisation been convicted anywhere in the world of any of the offences within the summary below and listed on the webpage.</p>	
	Participation in a criminal organisation.	Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes please provide details at 2.1(b)
	Corruption.	Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes please provide details at 2.1(b)
	Fraud.	Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes please provide details at 2.1(b)
	Terrorist offences or offences linked to terrorist activities.	Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes please provide details at 2.1(b)
	Money laundering or terrorist financing.	Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes please provide details at 2.1(b)
	Child labour and other forms of trafficking in human beings.	Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes please provide details at 2.1(b)
2.1(b)	If you have answered yes to question 2.1(a), please provide further details. Date of conviction, specify which of the grounds listed the conviction was for, and the reasons for conviction,	

	<p>Identity of who has been convicted</p> <p>If the relevant documentation is available electronically please provide the web address, issuing authority, precise reference of the documents.</p>	
2.2	<p>If you have answered Yes to any of the points above have measures been taken to demonstrate the reliability of the organisation despite the existence of a relevant ground for exclusion? (Self Cleaning)</p>	<p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p>
2.3(a)	<p>Regulation 57(3)</p> <p>Has it been established, for your organisation by a judicial or administrative decision having final and binding effect in accordance with the legal provisions of any part of the United Kingdom or the legal provisions of the country in which the organisation is established (if outside the UK), that the organisation is in breach of obligations related to the payment of tax or social security contributions?</p>	<p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p>
2.3(b)	<p>If you have answered yes to question 2.3(a), please provide further details. Please also confirm you have paid, or have entered into a binding arrangement with a view to paying, the outstanding sum including where applicable any accrued interest and/or fines.</p>	

Please Note: The authority reserves the right to use its discretion to exclude a potential supplier where it can demonstrate by any appropriate means that the potential supplier is in breach of its obligations relating to the non-payment of taxes or social security contributions.

Section 3		Grounds for discretionary exclusion
	Question	Response
3.1	<p>Regulation 57 (8)</p> <p>The detailed grounds for discretionary exclusion of an organisation are set out on this webpage, which should be referred to before completing these questions.</p> <p>Please indicate if, within the past three years, anywhere in the world any of the following situations have applied to you, your organisation or any other person who has powers of representation, decision or control in the organisation.</p>	
3.1(a)	Breach of environmental obligations?	Yes <input type="checkbox"/> No <input type="checkbox"/> If yes please provide details at 3.2
3.1 (b)	Breach of social obligations?	Yes <input type="checkbox"/> No <input type="checkbox"/> If yes please provide details at 3.2
3.1 (c)	Breach of labour law obligations?	Yes <input type="checkbox"/> No <input type="checkbox"/> If yes please provide details at 3.2
3.1(d)	Bankrupt or is the subject of insolvency or winding-up proceedings, where the organisation's assets are being administered by a liquidator or by the court, where it is in an arrangement with creditors, where its business activities are suspended or it is in any analogous situation arising from a similar procedure under the laws and regulations of any State?	Yes <input type="checkbox"/> No <input type="checkbox"/> If yes please provide details at 3.2
3.1(e)	Guilty of grave professional misconduct?	Yes <input type="checkbox"/> No <input type="checkbox"/> If yes please provide details at 3.2
3.1(f)	Entered into agreements with other economic operators aimed at distorting competition?	Yes <input type="checkbox"/> No <input type="checkbox"/> If yes please provide details at 3.2
3.1(g)	Aware of any conflict of interest within the meaning of regulation 24 due to the participation in the procurement procedure?	Yes <input type="checkbox"/> No <input type="checkbox"/> If yes please provide details at 3.2
3.1(h)	Been involved in the preparation of the procurement procedure?	Yes <input type="checkbox"/> No <input type="checkbox"/>

		If yes please provide details at 3.2
3.1(i)	Shown significant or persistent deficiencies in the performance of a substantive requirement under a prior public contract, a prior contract with a contracting entity, or a prior concession contract, which led to early termination of that prior contract, damages or other comparable sanctions?	Yes <input type="checkbox"/> No <input type="checkbox"/> If yes please provide details at 3.2
3.1(j)	Please answer the following statements	Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes please provide details at 3.2
3.1(j) - (i)	The organisation is guilty of serious misrepresentation in supplying the information required for the verification of the absence of grounds for exclusion or the fulfilment of the selection criteria.	Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes please provide details at 3.2
3.1(j) - (ii)	The organisation has withheld such information.	Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes please provide details at 3.2
3.1(j) –(iii)	The organisation is not able to submit supporting documents required under regulation 59 of the Public Contracts Regulations 2015.	Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes please provide details at 3.2
3.1(j)-(iv)	The organisation has influenced the decision-making process of the contracting authority to obtain confidential information that may confer upon the organisation undue advantages in the procurement procedure, or to negligently provided misleading information that may have a material influence on decisions concerning exclusion, selection or award.	Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes please provide details at 3.2
3.2	If you have answered Yes to any of the above, explain what measures been taken to demonstrate the reliability of the organisation despite the existence of a relevant ground for exclusion? (Self Cleaning)	

Part 3: Selection Questions¹³

Section 4	Economic and Financial Standing	
	Question	Response
4.1	Are you able to provide a copy of your audited accounts for the last two years, if requested? If no, can you provide one of the following: answer with Y/N in the relevant box.	Yes <input type="checkbox"/> No <input type="checkbox"/>
	(a) A statement of the turnover, Profit and Loss Account/Income Statement, Balance Sheet/Statement of Financial Position and Statement of Cash Flow for the most recent year of trading for this organisation.	Yes <input type="checkbox"/> No <input type="checkbox"/>
	(b) A statement of the cash flow forecast for the current year and a bank letter outlining the current cash and credit position.	Yes <input type="checkbox"/> No <input type="checkbox"/>
	(c) Alternative means of demonstrating financial status if any of the above are not available (e.g. forecast of turnover for the current year and a statement of funding provided by the owners and/or the bank, charity accruals accounts or an alternative means of demonstrating financial status).	Yes <input type="checkbox"/> No <input type="checkbox"/>
4.2	Where we have specified a minimum level of economic and financial standing and/ or a minimum financial threshold within the evaluation criteria for this procurement, please self-certify by answering 'Yes' or 'No' that you meet the requirements set out.	Yes <input type="checkbox"/> No <input type="checkbox"/>

¹³ [See Action Note 8/16 Updated Standard Selection Questionnaire](#)

Section 5	If you have indicated in the Selection Questionnaire question 1.2 that you are part of a wider group, please provide further details below:
Name of organisation	
Relationship to the Supplier completing these questions	

5.1	Are you able to provide parent company accounts if requested to at a later stage?	Yes <input type="checkbox"/> No <input type="checkbox"/>
5.2	If yes, would the parent company be willing to provide a guarantee if necessary?	Yes <input type="checkbox"/> No <input type="checkbox"/>
5.3	If no, would you be able to obtain a guarantee elsewhere (e.g. from a bank)?	Yes <input type="checkbox"/> No <input type="checkbox"/>

Section 6	Technical and Professional Ability
6.1	<p>Relevant experience and contract examples</p> <p>Please provide details of up to three contracts, in any combination from either the public or private sector; voluntary, charity or social enterprise (VCSE) that are relevant to our requirement. VCSEs may include samples of grant-funded work. Contracts for supplies or services should have been performed during the past three years. Works contracts may be from the past five years.</p> <p>The named contact provided should be able to provide written evidence to confirm the accuracy of the information provided below.</p> <p>Consortia bids should provide relevant examples of where the consortium has delivered similar requirements. If this is not possible (e.g. the consortium is newly formed or a Special Purpose Vehicle is to be created for this contract) then three separate examples should be provided between the principal member(s) of the proposed consortium or Special Purpose Vehicle (three examples are not required from each member).</p> <p>Where the Supplier is a Special Purpose Vehicle, or a managing agent not intending to be the main provider of the supplies or services, the information requested should be provided in respect of the main intended provider(s) or sub-contractor(s) who will deliver the contract.</p> <p>If you cannot provide examples see question 6.3</p>

	Contract 1	Contract 2	Contract 3
Name of customer organisation			
Point of contact in the organisation			
Position in the organisation			
E-mail address			
Description of contract			
Contract Start date			
Contract completion date			
Estimated contract value			

6.2	<p>Where you intend to sub-contract a proportion of the contract, please demonstrate how you have previously maintained healthy supply chains with your sub-contractor(s)</p> <p>Evidence should include, but is not limited to, details of your supply chain management tracking systems to ensure performance of the contract and including prompt payment or membership of the UK Prompt Payment Code (or equivalent schemes in other countries)</p>

6.3	<p>If you cannot provide at least one example for questions 6.1, in no more than 500 words please provide an explanation for this e.g. your organisation is a new start-up or you have provided services in the past but not under a contract.</p>

Section 7	Modern Slavery Act 2015: Requirements under Modern Slavery Act 2015 ¹⁴	
7.1	Are you a relevant commercial organisation as defined by section 54 ("Transparency in supply chains etc.") of the Modern Slavery Act 2015 ("the Act")?	Yes <input type="checkbox"/> N/A <input type="checkbox"/>
7.2	If you have answered yes to question 7.1 are you compliant with the annual reporting requirements contained within Section 54 of the Act 2015?	Yes <input type="checkbox"/> Please provide the relevant URL No <input type="checkbox"/> Please provide an explanation

¹⁴ [Procurement Policy Note 9/16 Modern Slavery Act 2015](#)

8. Additional Questions

Suppliers who self-certify that they meet the requirements to these additional questions will be required to provide evidence of this if they are successful at contract award stage.

Section 8	Additional Questions
8.1	Insurance
a.	<p>Please self-certify whether you already have, or can commit to obtain, prior to the commencement of the contract, the levels of insurance cover indicated below: Y/N</p> <p>Employer's (Compulsory) Liability Insurance = £5m</p> <p>Public Liability Insurance = £5m</p> <p>*It is a legal requirement that all companies hold Employer's (Compulsory) Liability Insurance of £5 million as a minimum. Please note this requirement is not applicable to Sole Traders.</p>

8.2	Skills and Apprentices ¹⁵ – (please refer to supplier selection guidance)	
a.	<p>Public procurement of contracts with a full life value of £10 million and above and duration of 12 months and above should be used to support skills development and delivery of the apprenticeship commitment. This policy is set out in detail in Procurement Policy Note 14/15.</p> <p>Please confirm if you will be supporting apprenticeships and skills development through this contract.</p>	<p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p>
b.	<p>If yes, can you provide at a later stage documentary evidence to support your commitment to developing and investing in skills, development and apprenticeships to build a more skilled and productive workforce and reducing the risks of supply constraints and increasing labour cost inflation?</p>	<p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p>
c.	<p>Do you have a process in place to ensure that your supply chain supports skills, development and apprenticeships in line with PPN 14/15 (see guidance) and can provide evidence if requested?</p>	<p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p>

¹⁵ [Procurement Policy Note 14/15– Supporting Apprenticeships and Skills Through Public Procurement](#)

8.3	Steel ¹⁶ – (please refer to supplier selection guidance)
	Questions not applicable, no answer required in this case.

8.4	Suppliers' Past Performance ¹⁷ - (please refer to supplier selection guidance - this question should only be included by central government contracting authorities)	
a.	Can you supply a list of your relevant principal contracts for goods and/or services provided in the last three years?	Yes <input type="checkbox"/> No <input type="checkbox"/>
b.	On request can you provide a certificate from those customers on the list?	Yes <input type="checkbox"/> No <input type="checkbox"/>
c.	If you cannot obtain a certificate from a customer can you explain the reasons why?	Yes <input type="checkbox"/> No <input type="checkbox"/>
d.	If the certificate states that goods and/or services supplied were not satisfactory are you able to supply information which shows why this will not recur in this contract if you are awarded it?	Yes <input type="checkbox"/> No <input type="checkbox"/>
e.	Can you supply the information in questions a. to d. above for any sub-contractors [or consortium members] who you are relying upon to perform this contract?	Yes <input type="checkbox"/> No <input type="checkbox"/>

¹⁶ [Procurement Policy Note 16/15– Procuring steel in major projects](#)

¹⁷ [Procurement Policy Note 04/15 Taking Account of Suppliers' Past Performance](#)

N.5. Declaration 5: Code of Practice¹⁸

I confirm that I am aware of the requirements of the Department’s Code of Practice¹⁹ for Research and, in the proposed project, I will use my best efforts to ensure that the procedures used conform to those requirements under the following headings²⁰:

1. Responsibilities
2. Competence
3. Project planning
4. Quality Control
5. Handling of samples and materials
6. Documentation of procedures and methods
7. Research/work records

I understand that the Department has the right to inspect our procedures and practices against the requirements of the Code of Practice, and that I may be asked to provide documentary evidence of our working practices or provide access and assistance to auditors appointed by the Department.

(There is some flexibility in the application of the Code of Practice to specific research projects. Contractors are encouraged to discuss with the Department any aspects that cause them concern, in order to reach agreement on the interpretation of each requirement.)

.....
Signature (duly authorised on behalf of the tenderer)

.....
Print name

.....
On behalf of (organisation name)

.....
Date

¹⁸ Please note that this declaration applies to individuals, single organisations and consortia.
¹⁹ The Code of Practice is attached to this ITT
²⁰ Please delete as appropriate

Code of Practice for Research

Issued by the Department for Business, Energy and Industrial Strategy

The Department has developed this Code of Practice from the Joint Code of Practice issued by BBSRC; the Department for Environment, Food and Rural Affairs (Defra); the Food Standards Agency; and the Natural Environment Research Council (NERC) which lays out a framework for the proper conduct of research. It sets out the key aspects of the research process and the importance of making judgements on the appropriate precautions needed in every research activity.

The Code applies to all research funded by The Department. It is intended to apply to all types of research, but the overriding principle is fitness of purpose and that all research must be conducted diligently by competent researchers and therefore the individual provisions must be interpreted with that in mind.

PRINCIPLES BEHIND THE CODE OF PRACTICE

Contractors and consortia funded by the Department are expected to be committed to the quality of the research process in addition to quality of the evidence outputs

The Code of Practice has been created in order to assist contractors to conduct research of the highest quality and to encourage good conduct in research and help prevent misconduct.

Set out over 8 responsibilities the Code of Practice provides general principles and standards for good practice in research.

Most contractors will already have in place many of the measures set out in the Code and its adoption should not require great effort.

COMPLIANCE WITH THE CODE OF PRACTICE

All organisations contracting to the Department (including those sub-contracting as part of a consortium) will be expected to commit to upholding these responsibilities and will be expected to indicate acceptance of the Code when submitting proposals to the Department.

Contractors are encouraged to discuss with the Department any clauses in the Code that they consider inappropriate or unnecessary in the context of the proposed research project. The Code, and records of the discussions if held, will become part of the Terms and Conditions under which the research is funded.

Additionally, The Department may conduct (or request from the Contractor as appropriate) a formal risk assessment on the project to identify where additional controls may be needed.

MONITORING OF COMPLIANCE WITH THE CODE OF PRACTICE

Monitoring of compliance with the Code is necessary to ensure:

- Policies and managed processes exist to support compliance with the Code
- That these are being applied in practice.

In the short term, the Department can require contractors to conduct planned internal audits although the Department reserves the right to obtain evidence that a funded project is carried out to the required standard. The Department may also conduct an audit of a Contractor's research system if deemed necessary.

In the longer term it is expected that most research organisations will assure the quality of their research processes by means of a formal system that is audited by an impartial and competent third party against an appropriate internationally recognised standard that is fit for purpose.

A recommended checklist for researchers can be found on the UK Research Integrity Office (UKRIO) website at <http://www.ukrio.org/what-we-do/code-of-practice-for-research>

SPECIFIC REQUIREMENTS IN THE CODE OF PRACTICE

1. Responsibilities

All organisations contracting to the Department (including those sub-contracting as part of a consortium) will be responsible for the overall quality of research they conducted. Managers, group leaders and supervisors have a responsibility to ensure a climate of good practice in the research teams, including a commitment to the development of scientific and technical skills.

The Principal Investigator or Project Leader is responsible for all the work conducted in the project including that of any subcontractors. All staff and students must have defined responsibilities in relation to the project and be aware of these responsibilities.

2. Competence

All personnel associated with the project must be competent to perform the technical, scientific and support tasks required of them. Personnel undergoing training must be supervised at a level such that the quality of the results is not compromised by the inexperience of the researcher.

3. Project planning

An appropriate level of risk assessment must be conducted to demonstrate awareness of the key factors that will influence the success of the project and the ability to meet its objectives. There must be a written project plan showing that these factors (including research design, statistical methods and others) have been addressed. Projects must be ethical and project plans must be agreed in collaboration with the Department, taking account of the requirements of ethical committees²¹ or the terms of project licences, if relevant.

Significant amendments to the plan or milestones must be recorded and approved by the Department if applicable.

4. Quality Control

The organisation must have planned processes in place to assure the quality of the research undertaken by its staff. Projects must be subjected to formal reviews of an appropriate frequency. Final and interim outputs must always be accompanied by a statement of what quality control has been undertaken.

The authorisation of outputs and publications shall be as agreed by the Department, and subject to senior approval in the Department, where appropriate. Errors identified after publication must be notified to the Department and agreed corrective action initiated.

5. Handling of samples and materials

All samples and other experimental materials must be labelled (clearly, accurately, uniquely and durably), and retained for a period to be agreed by the Department. The storage and handling of the samples, materials and data must be as specified in the project plan (or proposal), and must be appropriate to their nature. If the storage conditions are critical, they must be monitored and recorded.

6. Documentation of procedures and methods

All the procedures and methods used in a research project must be documented, at least in the personal records of the researcher. This includes analytical and statistical procedures and the generation of a clear audit trail linking secondary processed information to primary data.

There must be a procedure for validation of research methods as fit for purpose, and modifications must be trackable through each stage of development of the method.

²¹ Please note ethical approval does not remove the responsibility of the individual for ethical behaviour.

7. Research/work records

All records must be of sufficient quality to present a complete picture of the work performed, enabling it to be repeated if necessary.

The project leader is accountable for the validity of the work and responsible for ensuring that regular reviews of the records of each researcher are conducted.²²

The location of all project records, including critical data, must be recorded. They must be retained in a form that ensures their integrity and security, and prevents unauthorised modification, for a period to be agreed by the Department.

A recommended checklist for researchers can be found on the UK Research Integrity Office (UKRIO) website at <http://www.ukrio.org/what-we-do/code-of-practice-for-research>.

²² Please note that this also applies to projects being undertaken by consortia.

N.6. Declaration 6: The General Data Protection Regulation Assurance Questionnaire for Contractors



Declaration 6 -
GDPR Assurance Que

Mandatory Exclusion Grounds

Public Contract Regulations 2015 R57(1), (2) and (3)

Public Contract Directives 2014/24/EU Article 57(1)

Participation in a criminal organisation

Participation offence as defined by section 45 of the Serious Crime Act 2015

Conspiracy within the meaning of

- section 1 or 1A of the Criminal Law Act 1977 or
- article 9 or 9A of the Criminal Attempts and Conspiracy (Northern Ireland) Order 1983

where that conspiracy relates to participation in a criminal organisation as defined in Article 2 of Council Framework Decision 2008/841/JHA on the fight against organised crime;

Corruption

Corruption within the meaning of section 1(2) of the Public Bodies Corrupt Practices Act 1889 or section 1 of the Prevention of Corruption Act 1906;

The common law offence of bribery;

Bribery within the meaning of sections 1, 2 or 6 of the Bribery Act 2010, or section 113 of the Representation of the People Act 1983;

Fraud

Any of the following offences, where the offence relates to fraud affecting the European Communities' financial interests as defined by Article 1 of the convention on the protection of the financial interests of the European Communities:

- the common law offence of cheating the Revenue;
- the common law offence of conspiracy to defraud;
- fraud or theft within the meaning of the Theft Act 1968, the Theft Act (Northern Ireland) 1969, the Theft Act 1978 or the Theft (Northern Ireland) Order 1978;
- fraudulent trading within the meaning of section 458 of the Companies Act 1985, article 451 of the Companies (Northern Ireland) Order 1986 or section 993 of the Companies Act 2006;

- fraudulent evasion within the meaning of section 170 of the Customs and Excise Management Act 1979 or section 72 of the Value Added Tax Act 1994;
- an offence in connection with taxation in the European Union within the meaning of section 71 of the Criminal Justice Act 1993;
- destroying, defacing or concealing of documents or procuring the execution of a valuable security within the meaning of section 20 of the Theft Act 1968 or section 19 of the Theft Act (Northern Ireland) 1969;
- fraud within the meaning of section 2, 3 or 4 of the Fraud Act 2006;
- the possession of articles for use in frauds within the meaning of section 6 of the Fraud Act 2006, or the making, adapting, supplying or offering to supply articles for use in frauds within the meaning of section 7 of that Act;

Terrorist offences or offences linked to terrorist activities

Any offence:

- listed in section 41 of the Counter Terrorism Act 2008;
- listed in schedule 2 to that Act where the court has determined that there is a terrorist connection;
- under sections 44 to 46 of the Serious Crime Act 2007 which relates to an offence covered by the previous two points;

Money laundering or terrorist financing

Money laundering within the meaning of sections 340(11) and 415 of the Proceeds of Crime Act 2002

An offence in connection with the proceeds of criminal conduct within the meaning of section 93A, 93B or 93C of the Criminal Justice Act 1988 or article 45, 46 or 47 of the Proceeds of Crime (Northern Ireland) Order 1996

Child labour and other forms of trafficking human beings

An offence under section 4 of the Asylum and Immigration (Treatment of Claimants etc.) Act 2004;

An offence under section 59A of the Sexual Offences Act 2003

An offence under section 71 of the Coroners and Justice Act 2009;

An offence in connection with the proceeds of drug trafficking within the meaning of section 49, 50 or 51 of the Drug Trafficking Act 1994

An offence under section 2 or section 4 of the Modern Slavery Act 2015

Non-payment of tax and social security contributions

Breach of obligations relating to the payment of taxes or social security contributions that has been established by a judicial or administrative decision.

Where any tax returns submitted on or after 1 October 2012 have been found to be incorrect as a result of:

- HMRC successfully challenging the potential supplier under the General Anti – Abuse Rule (GAAR) or the “Halifax” abuse principle; or
- a tax authority in a jurisdiction in which the potential supplier is established successfully challenging it under any tax rules or legislation that have an effect equivalent or similar to the GAAR or “Halifax” abuse principle;
- a failure to notify, or failure of an avoidance scheme which the supplier is or was involved in, under the Disclosure of Tax Avoidance Scheme rules (DOTAS) or any equivalent or similar regime in a jurisdiction in which the supplier is established

Other offences

Any other offence within the meaning of Article 57(1) of the Directive as defined by the law of any jurisdiction outside England, Wales and Northern Ireland

Any other offence within the meaning of Article 57(1) of the Directive created after 26th February 2015 in England, Wales or Northern Ireland

Discretionary exclusions

Obligations in the field of environment, social and labour law.

Where an organisation has violated applicable obligations in the fields of environmental, social and labour law established by EU law, national law, collective agreements or by the international environmental, social and labour law provisions listed in Annex X to the Directive (see copy below) as amended from time to time; including the following:-

- Where the organisation or any of its Directors or Executive Officers has been in receipt of enforcement/remedial orders in relation to the Health and Safety Executive (or equivalent body) in the last 3 years;
- In the last three years, where the organisation has had a complaint upheld following an investigation by the Equality and Human Rights Commission or its predecessors (or a comparable body in any jurisdiction other than the UK), on grounds of alleged unlawful discrimination;
- In the last three years, where any finding of unlawful discrimination has been made against the organisation by an Employment Tribunal, an Employment Appeal Tribunal or any other court (or incomparable proceedings in any jurisdiction other than the UK);
- Where the organisation has been in breach of section 15 of the Immigration, Asylum, and Nationality Act 2006;
- Where the organisation has a conviction under section 21 of the Immigration, Asylum, and Nationality Act 2006;
- Where the organisation has been in breach of the National Minimum Wage Act 1998.

Bankruptcy, insolvency

Bankrupt or is the subject of insolvency or winding-up proceedings, where the organisation's assets are being administered by a liquidator or by the court, where it is in an arrangement with creditors, where its business activities are suspended or it is in any analogous situation arising from a similar procedure under the laws and regulations of any State

Grave professional misconduct

Guilty of grave professional misconduct

Distortion of competition

Entered into agreements with other economic operators aimed at distorting competition

Conflict of interest

Aware of any conflict of interest within the meaning of regulation 24 due to the participation in the procurement procedure

Been involved in the preparation of the procurement procedure.

Prior performance issues

Shown significant or persistent deficiencies in the performance of a substantive requirement under a prior public contract, a prior contract with a contracting entity, or a prior concession contract, which led to early termination of that prior contract, damages or other comparable sanctions.

Misrepresentation and undue influence

The organisation has influenced the decision-making process of the contracting authority to obtain confidential information that may confer upon the organisation undue advantages in the procurement procedure, or to negligently provided misleading information that may have a material influence on decisions concerning exclusion, selection or award.

Additional exclusion grounds

Breach of obligations relating to the payment of taxes or social security contributions.

ANNEX X Extract from Public Procurement Directive 2014/24/EU

LIST OF INTERNATIONAL SOCIAL AND ENVIRONMENTAL CONVENTIONS REFERRED TO IN ARTICLE 18(2) —

- ILO Convention 87 on Freedom of Association and the Protection of the Right to Organise;
- ILO Convention 98 on the Right to Organise and Collective Bargaining;
- ILO Convention 29 on Forced Labour;
- ILO Convention 105 on the Abolition of Forced Labour;
- ILO Convention 138 on Minimum Age;
- ILO Convention 111 on Discrimination (Employment and Occupation);
- ILO Convention 100 on Equal Remuneration;
- ILO Convention 182 on Worst Forms of Child Labour;
- Vienna Convention for the protection of the Ozone Layer and its Montreal Protocol on substances that deplete the Ozone Layer;
- Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal (Basel Convention);

- Stockholm Convention on Persistent Organic Pollutants (Stockholm POPs Convention)
- Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade (UNEP/FAO) (The PIC Convention) Rotterdam, 10 September 1998, and its 3 regional Protocols.

Consequences of misrepresentation

A serious misrepresentation which induces a contracting authority to enter into a contract may have the following consequences for the signatory that made the misrepresentation: -

- The potential supplier may be excluded from bidding for contracts for three years, under regulation 57(8)(h)(i) of the PCR 2015;
- The contracting authority may sue the supplier for damages and may rescind the contract under the Misrepresentation Act 1967.
- If fraud, or fraudulent intent, can be proved, the potential supplier or the responsible officers of the potential supplier may be prosecuted and convicted of the offence of fraud by false representation under s.2 of the Fraud Act 2006, which can carry a sentence of up to 10 years or a fine (or both).
- If there is a conviction, then the company must be excluded from procurement for five years under reg. 57(1) of the PCR (subject to self-cleaning).

O) Appendix 4 – Contract Terms and Conditions

BEIS DPF31 - BEIS PRE-COMMERICAL TERMS AND CONDITIONS OF CONTRACT FOR SERVICES

(including Hire, Lease and Facilities Management)

Clauses	Index
1	Definitions and Interpretation
2	Acts by the Authority
3	Service of Notices and Communications
4	Assignment and Subcontracting
5	Entire Agreement
6	Waiver
7	Severability
8	Confidentiality
9	Freedom of Information
10	Amendments and Variations
11	Invoices and Payment
12	Accounts
13	Recovery of Sums Due
14	Value Added Tax
15	Provision of Services
16	Progress Report

17	Contractor's Personnel
18	Indemnities and Insurance
19	Termination for Insolvency or Change of Control
20	Termination of Breach of Contract
21	Cancellation
22	Dispute Resolution
23	Bribery and corruption
24	Official Secrets
25	Special Provisions
26	Conflict of Interest
27	Intellectual Property Rights
28	Exploitation of Intellectual Property
29	Rights of Third Parties
30	Government Property
31	Data Protection
32	Payment of taxes: income tax and NICs
33	Payment of taxes: Occasions of Tax Non-compliance
34	Equality and non-discrimination
35	Welsh Language Act
36	Sustainable Procurement
37	Other Legislation
38	Contractor Status
39	Transfer of Services

40	Law and Jurisdiction
41	Transparency
42	Monitoring and Management Information
43	Information confidential to the Contractor

BEIS PRE-COMMERCIAL TERMS AND CONDITIONS OF CONTRACT FOR SERVICES

(including Hire, Lease and Facilities Management)

1. Definitions and Interpretation

(1) In these terms and conditions of contract for services (“Conditions”):

“**Annex 1**” means the Annex 1 (Processing, Personal Data and Data Subjects) attached to the Authority’s specification of requirements which forms part of this Contract;

“**Arising Intellectual Property**” means the Intellectual Property Rights which are created as a result of the Contractor’s performance of the Services;

“**Authority**” means the Secretary of State for Business, Energy and Industrial Strategy, acting as part of the Crown;

“**Authority’s Premises**” means land or buildings owned or occupied by the Authority;

“**Background Intellectual Property**” means Intellectual Property Rights owned, controlled or used by either of the Parties at the date of this Contract or which shall at any time thereafter become so owned, controlled or used otherwise than as a result of the performance of the Services under this Contract;

“**Confidential Information**”:

means all information obtained by the Contractor from the Authority or any other department or office of Her Majesty's Government relating to and connected with the Contract and the Services; but

does not include the Contract itself and the provisions of the Contract where, or to the extent that, the Authority publishes them by virtue of Condition 41;

“**Contract**” means the agreement concluded between the Authority and the Contractor for the supply of Services, including without limitation these Conditions (to the extent that they

are not expressly excluded or modified), all specifications, plans, drawings and other documents which are incorporated into the agreement;

“Contract Period” means the period from the date of this Contract to the date of expiry of this Contract set out in the DPF41 Contract offer letter or such earlier date as this Contract is terminated in accordance with its terms;

“Contract” Year means a period of 12 consecutive months starting on the date of this Contract and each anniversary thereafter;

“Contractor” means the person who agrees to supply the Services and includes any person to whom all or part of the Contractor’s obligations are assigned pursuant to Condition 4;

“Contractor Personnel” means all directors, officers, employees, agents, consultants and contractors of the Contractor and/or of any subcontractor engaged in the performance of its obligations under this Contract, pursuant to Condition 4;

“Contracts Finder” means the Government’s publishing portal for public sector procurement opportunities;

“Charges” means the price agreed in respect of the Services, excluding Value Added Tax;

“Data Controller” shall have the same meaning as given in the Data Protection Legislation; UK GDPR;

“Data Loss Event” means any event that results, or may result, in unauthorised access to Personal Data held by the Contractor under this Contract and/or actual or potential loss and/or alteration and/or destruction of Personal Data in breach of this Contract, including any Personal Data Breach;

“Data Protection Legislation” means (i) the UK General Data Protection Regulation (GDPR)(Regulation (EU) 2016/679), the Law Enforcement Directive (LED) (Directive (EU) 2016/680) and any applicable national implementing Laws as amended from time to time; (ii) the Data Protection Act 2018 to the extent that it relates to processing of personal data and privacy; (iii) all applicable Law about the processing of personal data and privacy;

“Data Processor” shall have the same meaning as given in the Data Protection Legislation; UK GDPR;

“Data Protection Impact Assessment” means an assessment by the Data Controller of the impact of the envisaged processing on the protection of Personal Data;

“Data Protection Officer” shall have the same meaning as given in the UK GDPR; Data Protection Legislation;

“Data Subject” shall have the same meaning as given in the Data Protection Legislation;

“Data Subject Request” means a request made by, or on behalf of, a Data Subject in accordance with rights granted pursuant to the Data Protection Legislation to access their Personal Data;

“Government Property” means anything issued or otherwise furnished in connection with the Contract by or on behalf of the Authority, including but not limited to documents, papers, data issued in electronic form and other materials;

“Intellectual Property Rights” means patents, trade-marks, service marks, design rights (whether registrable or not), applications for any of those rights, copyright, database rights, trade or business names and other similar rights or obligations, whether registrable or not, in any country, including but not limited to, the United Kingdom;

“Law” means any legal provision the Contractor must comply with including any law, statute, subordinate legislation within the meaning of section 21(1) of the Interpretation Act 1978, bye-law, enforceable right within the meaning of section 2 of the European Communities Act 1972 (as implemented into UK law, by virtue of the European Union (Withdrawal Agreement) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020)), regulation, order, mandatory guidance or code of practice, judgment of a relevant court of law, or directives or requirements of any regulatory body;

“MI Reporting Template” means the document (included as an annex to the DPF41 Contract offer letter) as amended in accordance with Condition 42;

“Party” means a Party to this Contract, and “Parties” shall mean both of them;

“Personal Data” shall have the same meaning as given in the Data Protection Legislation; UK GDPR;

“Personal Data Breach” shall have the same meaning as given in the Data Protection Legislation; UK GDPR;

“Protective Measures” means any appropriate technical and organisational measures which may include: pseudonymising and encrypting Personal Data, ensuring confidentiality, integrity, availability and resilience of systems and services, ensuring that availability of and access to Personal Data can be restored in a timely manner after an incident, and regularly assessing and evaluating the effectiveness of the such measures adopted by it;

“Purchase Order” means the document so described by the Authority to purchase the Services which makes reference to the Conditions;

“Services” means the services to be supplied under the Contract;

“SME” means an enterprise falling within the category of micro, small and medium-sized enterprises defined by the Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises;

“Sub-Processor” means any third Party appointed to process Personal Data on behalf of the Contractor related to this Contract;

“UK GDPR” means the General Data Protection Regulation (EU) 2016/679 as retained into UK law by virtue of the Data Protection, Privacy and Electronics Communications (Amendments etc) (EU Exit) Regulations 2019;

“VCSE” means a non-governmental organisation that is value-driven and which principally reinvests its surpluses to further social, environmental or cultural objectives.

“Working Day” means any day other than a Saturday, Sunday or public holiday in England and Wales.

(2) The interpretation and construction of the Contract shall be subject to the following provisions:

a reference to any statute, enactment, order, regulation or similar instrument shall be construed as a reference to the statute, enactment, order, regulation or instrument as subsequently amended or re-enacted;

the headings in these Conditions are for ease of reference only and shall not affect the interpretation or construction of the Contract;

references to “person”, where the context allows, includes a corporation or an unincorporated association.

2. Acts by the Authority

Any decision, act or thing which the Authority is required or authorised to take or do under the Contract may be taken or done by any person authorised, either expressly or impliedly, by the Authority to take or do that decision, act or thing.

3. Service of Notices and Communications

Any notice or other communication that either party gives under the Contract shall be made in writing and given either by hand, first class recorded postal delivery or facsimile

transmission. Notice given by hand shall be effective immediately, notice given by recorded postal delivery shall be effective two Working Days after the date of posting, notice given by facsimile transmission shall be effective the Working Day after receipt by the notifying party of a transmission slip showing that the transmission has succeeded.

4. Assignment and Subcontracting

- (1) The Contractor shall not give, bargain, sell, assign, subcontract or otherwise dispose of the Contract or any part thereof without the previous agreement in writing of the Authority.
- (2) The Contractor shall not use the services of self-employed individuals in connection with the Contract without the previous agreement in writing of the Authority.
- (3) If the Contractor uses a subcontractor for the purpose of performing the Services or any part of it, the Contractor shall include in the relevant contract a provision which requires the Contractor to pay for those goods or services within 30 days of the Contractor receiving a correct invoice from the subcontractor.
- (4) The Contractor shall be responsible for the acts and omissions of his subcontractors as though they were his own.
- (5) The Authority shall be entitled to assign any or all of its rights under the Contract to any contracting authority as defined in Regulation 2(1) of the Public Services Contracts Regulations 2006, provided that such assignment shall not materially increase the burden of the Contractor's obligations under the Contract.
- (6) Where the Authority notifies the Contractor that it estimates the Charges payable under this Contract are due to exceed £5 million in one or more Contract Years the Contractor shall:

subject to Condition 4(9), advertise on Contracts Finder all subcontract opportunities arising from or in connection with the provision of the Goods and/or Services and/or Works above a minimum threshold of £25,000 that arise during the Contract Period;

within 90 days of awarding a subcontract to a subcontractor, update the notice on Contracts Finder with details of the successful subcontractor;

monitor the number, type and value of the subcontract opportunities placed on Contracts Finder advertised and awarded in its supply chain during the Contract Period;

provide reports on the information in Condition 4(6)(c) to the Authority in the format and frequency as reasonably specified by the Authority; and

promote Contracts Finder to its Contractors and encourage those organisations to register on Contracts Finder.

(7) Each advert referred to in Condition 4(6)(a) above shall provide a full and detailed description of the subcontract opportunity with each of the mandatory fields being completed on Contracts Finder by the Contractor.

(8) The obligation in Condition 4(6)(a) shall only apply in respect of subcontract opportunities arising after the contract award date.

(9) Notwithstanding Condition 4(6), the Contracting Authority may, by giving its prior written approval, agree that a subcontract opportunity is not required to be advertised on Contracts Finder.

5. Entire Agreement

The Contract constitutes the entire agreement and understanding between the parties and supersedes all prior written and oral representations, agreements or understandings between them relating to the subject matter of the Contract provided that neither party excludes liability for fraudulent misrepresentations upon which the other party has relied.

6. Waiver

(1) The failure by either party to exercise any right or remedy shall not constitute a waiver of that right or remedy.

(2) No waiver shall be effective unless it is communicated to the other party in writing.

(3) A waiver of any right or remedy arising from a breach of the Contract shall not constitute a waiver of any right or remedy arising from any other breach of the Contract.

7. Severability

If any Condition, clause or provision of the Contract not being of a fundamental nature is held to be unlawful, invalid or unenforceable by a court or tribunal in any proceedings relating to the Contract, the validity or enforceability of the remainder of the Contract shall not be affected. If the court finds invalid a provision so fundamental as to prevent the accomplishment of the purpose of the Contract, the parties shall immediately commence negotiations in good faith to remedy the invalidity.

8. Confidentiality

(1) The Contractor agrees not to disclose any Confidential Information to any third party without the prior written consent of the Authority. To the extent that it is necessary for the Contractor to disclose Confidential Information to its staff, agents and subcontractors, the Contractor shall ensure that such staff, agents and subcontractors are subject to the same obligations as the Contractor in respect of all Confidential Information.

(2) Condition 8(1) shall not apply to information which:

is or becomes public knowledge (otherwise than by breach of these Conditions or a breach of an obligation of confidentiality);

is in the possession of the Contractor, without restriction as to its disclosure, before receiving it from the Authority or any other department or office of Her Majesty's Government;

is required by law to be disclosed; was independently developed by the Contractor without access to the Confidential Information.

(3) The obligations contained in this Condition shall continue to apply after the expiry or termination of the Contract.

(4) The Contractor shall not handle or examine any document or thing bearing a Government security classification of “Confidential”, “Secret” or “Top Secret” other than in a Government establishment and the Contractor shall not remove any such document or thing from such Government establishment without the prior written consent of the Authority.

(5) The Contractor shall not communicate with representatives of the general or technical press, radio, television or other communications media, with regard to the Contract, unless previously agreed in writing with the Authority.

(6) Except with the prior consent in writing of the Authority, the Contractor shall not make use of the Contract or any Confidential Information otherwise than for the purposes of carrying out the Services.

9 Freedom of Information

(1) The Contractor acknowledges that the Authority is subject to the requirements of the Freedom of Information Act 2000 (“FOIA”) and the Environmental Information Regulations SI 2004 No. 3391 (“EIR”) and shall assist and cooperate with the Authority, at the Contractor’s expense, to enable the Authority to comply with these information disclosure requirements.

(2) In this Condition:-

“**Information**” has the meaning ascribed to it in section 84 of the FOIA;

“**Request for Information**” has the meaning ascribed to it in section 8 of the FOIA, or any apparent request for information under the FOIA or EIR.

(3) The Contractor shall (and shall procure that its subcontractors shall):-

Transfer any Request for Information to the Authority as soon as practicable after receipt and in any event within two Working Days;

Provide the Authority with a copy of all Information in its possession or power in the form that the Authority requires within five Working Days (or such other period as the Authority may specify) of the Authority requesting that Information;

Provide all necessary assistance as reasonably requested by the Authority to enable it to respond to a Request for Information within the time for compliance set out in section 10 of the FOIA or regulation 5 of the EIR.

(4) The Authority shall be responsible for determining, at its absolute discretion, whether any Information:-

is exempt from disclosure in accordance with the provisions of the FOIA or the EIR;

is to be disclosed in response to a Request for Information.

In no event shall the Contractor respond directly to a Request of Information unless expressly authorised to do so in writing by the Authority.

(5) The Contractor acknowledges that the Authority may, acting in accordance with the Secretary of State for Constitutional Affairs’ Code of Practice on the discharge of public authorities’ functions under Part 1 of the FOIA (issued under section 45 of the FOIA in November 2004), be obliged under the FOIA or the EIR to disclose Information unless an exemption applies. The Authority may at its discretion consult the Contractor with regard to whether the FOIA applies to the Information and whether an exemption applies.

(6) The Contractor shall ensure that all Information produced in the course of the Contract or relating to the Contract is retained for disclosure and shall permit the Authority to inspect such records as requested from time to time.

(7) The Contractor acknowledges that any lists or schedules provided by it outlining information it deems confidential or commercially sensitive are of indicative value only and that the Authority may nevertheless be obliged to disclose information which the Contractor considers confidential in accordance with Conditions 9(4) and (5).

10. Amendments and Variations

Subject to Condition 18(7) no amendment or variation to the terms of the Contract shall be valid unless previously agreed in writing between the Authority and the Contractor.

11. Invoices and Payment

- (1) The Contractor shall submit invoices at times or intervals agreed by the Authority in the Contract or otherwise. The Contractor shall ensure that any invoice it submits sets out the Authority's Purchase Order or contract number, the Charges and, where not all of the Services have been completed, the relevant part of the Charges with an appropriate breakdown of time worked, the part of the Services (if all the Services have not been completed) and period to which the invoice relates, and its confirmation that the Services (or relevant part of the Services referred to on the invoice) have been fully performed.
- (2) In consideration of the provision of the Services by the Contractor, the Authority shall pay the Charges after receiving a correctly submitted invoice as set out in Condition 11(1). Such payment shall normally be made within 30 days of receipt of the correctly submitted invoice.
- (3) The Contractor shall not be entitled to charge for the provision of any services that are not part of the Services agreed within the Contract, unless the Contract has been properly varied in advance in accordance with Condition 10.
- (4) The Authority may reduce payment in respect of any Services that the Contractor has either failed to provide or has provided inadequately, without prejudice to any other rights or remedies of the Authority.
- (5) If the Contractor believes that payment for a correctly submitted invoice is overdue, he should, in the first instance, speak to the named contact on the face of the Contract. In the event that the problem is not resolved to his satisfaction, he should write to the Head of Procurement at the Department for Business, Energy and Industrial Strategy setting out his case. The Head of Procurement shall ensure that the complaint is dealt with by an official who is independent of the main contact and that the Contractor is not treated adversely in future for having made a complaint.
- (6) For the purpose of calculating any statutory interest under the Late Payment of Commercial Debts (Interest) Act 1998, the relevant date for the payment of the debt shall be deemed to be the last day of a period of 30 days commencing on the day when the Authority received the invoice, or, if the Contractor had not completed the Services (or the part of the Services to which the invoice relates) before submitting the invoice, the last day of a period of 30 days commencing on the day when the Contractor completed the Services, (or the part of the Services to which the invoice relates).

12. Accounts

- (1) The Contractor shall keep full and proper accounts, records and vouchers relating to all expenditure reimbursed by the Authority and all payments made by the Authority in respect of the Services.
- (2) The Contractor shall permit the Authority acting by its officers, servants and agents or independent auditor on request and at all reasonable times to examine all accounts, records and vouchers at the offices of the Contractor or at such other places as the Authority shall direct, and to take copies of such accounts, records and vouchers and the Contractor shall provide the Authority or its independent auditor with such explanations relating to that expenditure as the Authority may request.
- (3) The Contractor shall ensure that the said accounts, records and vouchers are available for a period of six years after termination or expiry of the Contract.

13. Recovery of Sums Due

- (1) Whenever under the Contract any sum of money shall be recoverable from or payable by the Contractor, such sum may be deducted from any amount then due, or which at any time thereafter may become due, to the Contractor under this Contract or any other agreement or arrangement with the Authority or with any other department or office of Her Majesty's Government.
- (2) Any over-payment by the Authority to the Contractor whether in respect of the Charges or Value Added Tax shall be a sum of money recoverable from the Contractor pursuant to Condition 13(1) above or otherwise.

14. Value Added Tax

- (1) The Authority shall pay to the Contractor, in addition to the Charges, a sum equal to the Value Added Tax chargeable on the value of the Services provided in accordance with the Contract.
- (2) Any invoice or other request for payment of monies due to the Contractor under the Contract shall, if he is a taxable person, be in the same form and contain the same information as if the same were a tax invoice for the purposes of Regulations made under the Value Added Tax Act 1994.
- (3) The Contractor shall, if so requested by the Authority, furnish such information as may reasonably be required by the Authority relating to the amount of Value Added Tax chargeable on the Services.

15. Provision of Services

(1) The Contractor shall provide the Services in accordance with and as specified in the Contract to the satisfaction of the Authority acting reasonably. The Authority shall have the power to inspect and examine the performance of the Services at the Authority's Premises at any reasonable time or, provided that the Authority gives reasonable notice to the Contractor, at any other premises where any part of the Services is being performed.

(2) If the Authority informs the Contractor that the Authority considers any part of the Services to be inadequate or in any way differing from the Contract, and this is other than as a result of default or negligence on the part of the Authority, the Contractor shall at his own expense re-schedule and perform the work correctly within such reasonable time as may be specified by the Authority.

(3) The Authority may at any time demand that the Contractor suspend the provision of the Services. If the Authority exercises such right to suspend the provision of the Services or any part of them, or if the Contractor is delayed in proceeding with the provision of the Services by the Authority (otherwise than as a consequence of a breach of the Contract, or a breach of duty or fault or negligence on the part of the Contractor), the Authority shall be responsible for loss incurred by the Contractor as a result of such suspension or delay. Subject to the Contractor taking reasonable steps to mitigate its loss, the Contractor will be able to recover from the Authority under this Condition only for those losses which:

were reasonably foreseeable by the Authority as arising as a direct result of the suspension or delay; and

relate to the cost of any commitments entered into by the Contractor which cannot be met as a result of the suspension or delay and in respect of which the Contractor cannot obtain a refund (where the Contractor has already paid in relation to the commitment) or is obliged to pay (where the Contractor has not already paid in relation to the commitment).

The provisions of this Condition shall not apply where the reason for the suspension of the Services arises from circumstances beyond the control of the Authority.

(4) If the performance of the Contract by the Contractor is delayed by reason of any act on the part of the Authority or by industrial dispute (other than by an industrial dispute occurring within the Contractor's or its subcontractor's organisation) or any other cause which the Contractor could not have prevented then the Contractor shall be allowed a reasonable extension of time for completion. For the purposes of this Condition, the Contractor shall be deemed to have been able to prevent causes of delay that are within the reasonable control of the Contractor's staff, agents and subcontractors.

(5) The Contractor shall provide the Services, including in relation to commencing the provision of the Services, within the time agreed or on a specified date.

(6) The Contractor warrants that it shall provide the Services with all due skill, care and diligence, and in accordance with good industry practice and legal requirements.

(7) Without prejudice to the provision of Condition 13(1), the Contractor shall reimburse the Authority for all reasonable costs incurred by the Authority which have arisen as a direct consequence of the Contractor's delay in the performance of the Contract which the Contractor had failed to remedy after being given reasonable notice by the Authority.

16. Progress Report

(1) Where formal progress reports are required by the Contract, the Contractor shall render such reports at such time and in such form as may be specified by the Authority, or as otherwise agreed between the Contractor and the Authority.

(2) The submission and acceptance of progress reports shall not prejudice any rights of the Authority under the Contract.

17. Contractor's Personnel

(1) The Authority reserves the right to refuse to admit to the Authority's Premises any person employed by the Contractor or its subcontractors, whose admission would be undesirable in the opinion of the Authority.

(2) If and when requested by the Authority, the Contractor shall provide a list of the names and addresses of all persons who may at any time require admission in connection with the performance of the Services to the Authority's Premises, specifying the role in which each such person is concerned with the Contractor and giving such other particulars as the Authority may require.

(3) If and when requested by the Authority, the Contractor shall procure from each person identified by the request, a signed statement that he understands that the Official Secrets Acts 1911 to 1989 applies to him both during the carrying out and after expiry or termination of the Contract and that he will comply with the provisions of those Acts in so far as they apply to the work he is performing under the Contract.

(4) If and when requested by the Authority the Contractor agrees that it will submit any person employed by the Contractor or its subcontractors to the Authority's security vetting procedure. The Contractor further agrees that any individual who refuses to submit to such vetting procedure or does not attain the clearance it affords will not carry out any work on the Contract which the Authority certifies as suitable only for people who have passed its security vetting procedure.

(5) If the Contractor fails to comply with paragraph (2) (3) or (4) of this Condition and the Authority decides that such failure is prejudicial to its interests, the Authority may

immediately terminate the Contract by notice in writing to the Contractor, provided that such termination shall be without prejudice to any accrued rights of, or to any rights that shall accrue thereafter to, the Authority.

18. Indemnities and Insurance

- (1) The Contractor shall hold harmless and indemnify the Authority on demand from and against all claims, demands, proceedings, actions, damages, costs (including legal costs), expenses and any other liabilities arising from claims made by the Authority's staff or agents, or by third parties, in respect of any death or personal injury, or loss or destruction of or damage to property, or any other loss, destruction or damage, including but not limited to financial losses which are caused by the breach of contract or breach of duty (whether in negligence, tort, statute or otherwise) of the Contractor, its employees, agents or subcontractors.
- (2) The Contractor shall be liable to the Authority for any loss, damage, destruction, injury or expense (and including but not limited to loss or destruction of or damage to the Authority's property, which includes data) arising from the Contractor's breach of contract or duty (whether arising in negligence, tort, statute or otherwise).
- (3) The Contractor shall procure, with a reputable insurance company, a policy or policies of insurance providing an adequate level of cover in respect of all risks which may be incurred by the Contractor in respect of the indemnities provided under the Contract, which in any event shall not be less than £1,000,000, and shall at the request of the Authority produce the relevant policy or policies together with receipt or other evidence of payment of the latest premium due there under.
- (4) Nothing in these Conditions nor in any part of the Contract shall impose any liability on any member of the staff of the Authority or its representatives in their personal capacity.
- (5) The Contractor shall indemnify the Authority against all proceedings, actions, claims, demands, costs (including legal costs), charges, expenses and any other liabilities arising from or incurred by reason of any infringement or alleged infringement of any third party's Intellectual Property Rights used by or on behalf of the Contractor for the purpose of the Contract, providing that any such infringement or alleged infringement is not knowingly caused by, or contributed to, by any act of the Authority.
- (6) The Authority shall indemnify the Contractor against all proceedings, actions, claims, demands, costs (including legal costs), charges, expenses and any other liabilities arising from or incurred by reason of any infringement or alleged infringement of any third party's Intellectual Property Rights used at the request of the Authority by the Contractor in the course of providing the Services, providing that any such infringement or alleged infringement is not knowingly caused by, or contributed to by, any act of the Contractor.

(7) Except in relation to death or personal injury as referred to in Condition 18(1), and subject to Conditions 18(5) and 31(16) the amount of liability under this clause shall be for £4m or twice the contract value whichever is greater for Phase 2.

19 Termination for Insolvency or Change of Control

(1) The Contractor shall notify the Authority in writing immediately upon the occurrence of any of the following events:

where the Contractor is an individual, if a petition is presented for his bankruptcy, or he makes any composition or arrangement with or for the benefit of creditors, or makes any conveyance or assignment for the benefit of creditors, or if an administrator is appointed to manage his affairs; or

where the Contractor is not an individual but is a firm or a number of persons acting together, if any event in Condition 19(1)(a) or (c) occurs in respect of any partner in the firm or any of those persons, or if a petition is presented for the Contractor to be wound up as an unregistered company; or

where the Contractor is a company or limited liability partnership, if the company or limited liability partnership enters administration or passes a resolution to wind up or the court makes an administration order or a winding-up order, or the company makes a composition or arrangement with its creditors, or an administrative receiver, receiver or manager is appointed by a creditor or by the court, or possession is taken of any of its property under the terms of a floating charge; or

the Contractor undergoes a change of control, where “control” is interpreted in accordance with Section 1124 of the Corporation Tax Act 2010.

(2) After receipt of the notice under paragraph (1) above or earlier discovery by the Authority of the occurrence of any of the events described in that paragraph, the Authority may, by notice in writing to the Contractor, terminate the Contract with immediate effect without compensation to the Contractor and without prejudice to any right or action or remedy which may accrue to the Authority thereafter. The Authority’s right to terminate the Contract under Condition 19(1)(d) will exist until the end of a period of three months starting from receipt of the notice provided by the Contractor pursuant to Condition 19(1), or such other period as is agreed by the parties.

20. Termination for Breach of Contract

If either party commits a material breach of the Contract which is either not capable of remedy, or, if it is capable of remedy, he fails to remedy such breach within 28 days of being notified by the other party in writing to do so, that other party shall be entitled to terminate the Contract with immediate effect by notice in writing to the party that

committed the material breach and without prejudice to any other rights or remedies of either party in respect of the breach concerned or any other breach of the Contract.

21. Cancellation

- (1) The Authority shall be entitled to terminate the Contract, or to terminate the provision of any part of the Services, by giving to the Contractor not less than 28 Working Days' notice in writing to that effect. Once it has given such notice, the Authority may extend the period of notice at any time before it expires, subject to agreement on the level of Services to be provided by the Contractor during the period of extension.
- (2) On termination of the Contract in accordance with Conditions 19, 20 or 21, the Contractor may submit an invoice, in accordance with Condition 11(1), for Services properly carried out by the Contractor prior to the date of termination, where payment has not already been made by the Authority. On receipt of a correctly submitted invoice, the Authority shall make payment in accordance with Condition 11.
- (3) On termination of the Contract in accordance with Conditions 19, 20 or 21, the Contractor may submit an invoice submitted by any subcontractor, in accordance with Condition 11(1), for Services properly carried out by the subcontractor prior to the date of termination, where payment has not already been made by the Authority. On receipt of a correctly received invoice, the Authority shall make payment of the Charges in accordance with Condition 11.

22. Dispute Resolution

- (1) The parties shall attempt in good faith to negotiate a settlement to any dispute between them arising out of or in connection with the Contract.
- (2) If the parties cannot resolve the dispute pursuant to paragraph (1) of this Condition, the dispute may, by agreement between the parties, be referred to mediation pursuant to paragraph (4) of this Condition.
- (3) The performance of the Services shall not cease or be delayed by the reference of a dispute to mediation pursuant to paragraph (2) of this Condition.
- (4) If the parties agree to refer the dispute to mediation:

in order to determine the person who shall mediate the dispute (the “Mediator”) the parties shall by agreement choose a neutral adviser or mediator from one of the dispute resolution providers listed by the Government Procurement Service on its website or in its printed guidance on dispute resolution within 30 days after agreeing to refer the dispute to mediation;

the parties shall within 14 days of the appointment of the Mediator meet with him in order to agree a programme for the exchange of all relevant information and the structure to be adopted for negotiations to be held. If considered appropriate, the parties may at any stage seek assistance from the Government Procurement Service to provide guidance on a suitable procedure;

unless otherwise agreed, all negotiations connected with the dispute and any settlement agreement relating to it shall be conducted in confidence and without prejudice to the rights of the parties in any future proceedings;

if the parties reach agreement on the resolution of the dispute within 60 days of the Mediator being appointed, or such longer period as may be agreed between the parties, the agreement shall be reduced to writing and shall be binding on the parties once it is signed by both the Authority and the Contractor;

failing agreement within 60 days of the Mediator being appointed, or such longer period as may be agreed between the parties, either of the parties may invite the Mediator to provide a non-binding but informative opinion in writing. Such an opinion shall be provided on a without prejudice basis and shall not be used in evidence in any proceedings relating to the Contract without the prior written consent of both parties.

(5) If the parties do not agree to refer the dispute to mediation, or if the parties fail to reach agreement as to who shall mediate the dispute pursuant to Condition 22(4)(a) or if they fail to reach agreement in the structured negotiations within 60 days of the Mediator being appointed or such longer period as may be agreed by the parties, then any dispute or difference between them may be referred to the courts.

23. Bribery and corruption

(1) The Contractor shall not, and shall ensure that its staff, subcontractors and agents do not:

offer or promise, to any person employed by or on behalf of the Authority any financial or other advantage as an inducement or reward for the improper performance of a function or activity, or for showing or not showing favour or disfavour to any person in relation to this Contract or any other contract with the Authority;

agree to receive or accept any financial or other advantage as an inducement or reward for any improper performance of a function or activity in relation to this Contract or any other contract with the Authority; or

enter into the Contract or any other contract with the Authority or any other department or office of Her Majesty's Government in connection with which commission has been paid, or agreed to be paid by him or on his behalf, or to his knowledge, unless, before the

Contract is made, particulars of any such commission and the terms and conditions of any agreement for the payment thereof, have been disclosed in writing to any person duly authorised by the Authority to act as its representative for the purpose of this Condition.

Nothing contained in this Condition shall prevent the Contractor paying such commission or bonuses to his own staff in accordance with their agreed contracts of employment.

(2) Any breach of this Condition by the Contractor, or by any person employed or engaged by him or acting on his behalf (whether with or without his knowledge), or any act or omission by the Contractor, or by such other person, in contravention of the Bribery Act 2010 or any other anti-corruption law, in relation to this Contract or any other contract with the Authority, shall entitle the Authority to terminate the Contract with immediate effect by notice in writing and to recover from the Contractor the amount of any loss resulting from such termination and the amount of the value of any such gift, consideration or commission as the Authority shall think fit.

(3) Where the Contract has been terminated under paragraph (2) of this Condition, there shall be deemed to be a failure to commence the provision of the Services, enabling the Authority to terminate the Contract with immediate effect and the Authority will not be obliged to pay the Charges.

(4) In any dispute, difference or question arising in respect of:

the interpretation of this Condition (except so far as the same may relate to the amount recoverable from the Contractor under paragraph (2) of this Condition in respect of any loss resulting from such determination of the Contract); or

the right of the Authority to determine the Contract; or

the amount or value of any gift, consideration or commission,

the decision of the Authority shall be final and conclusive.

24. Official Secrets

The Contractor's attention is drawn to the provisions of the Official Secrets Acts 1911 to 1989. The Contractor shall take all reasonable steps by display of notices or by other appropriate means to ensure that all persons employed in connection with the Contract have notice that these statutory provisions apply to them and will continue so to apply after the expiry or earlier termination of the Contract.

25. Special Provisions

In the case of any conflict or inconsistency between these general Conditions and any specific terms of the Contract, the latter shall prevail.

26. Conflict of Interest

(1) The Contractor shall ensure that there is no conflict of interest as to be likely to prejudice his independence and objectivity in performing the Contract and undertakes that upon becoming aware of any such conflict of interest during the performance of the Contract (whether the conflict existed before the award of the Contract or arises during its performance) he shall immediately notify the Authority in writing of the same, giving particulars of its nature and the circumstances in which it exists or arises and shall furnish such further information as the Authority may reasonably require.

(2) Where the Authority is of the opinion that the conflict of interest notified to it under paragraph (1) above is capable of being avoided or removed, the Authority may require the Contractor to take such steps as will, in its opinion, avoid, or as the case may be, remove the conflict and:

if the Contractor fails to comply with the Authority's requirements in this respect; or

if, in the opinion of the Authority, it is not possible to remove the conflict,

the Authority may terminate the Contract immediately and recover from the Contractor the amount of any loss resulting from such termination.

(3) Notwithstanding Condition 26(2), where the Authority is of the opinion that the conflict of interest which existed at the time of the award of the Contract could have been discovered with the application by the Contractor of due diligence and ought to have been disclosed as required by the tender documents pertaining to it, the Authority may terminate the Contract immediately for breach of a fundamental condition and, without prejudice to any other rights, recover from the Contractor the amount of any loss resulting from such termination.

27. Intellectual Property Rights

(1) Subject to Condition 27(4), all Background Intellectual Property used or supplied under this Contract in connection with the Services shall remain the property of the Party introducing the same and nothing contained in this Contract or any licence agreement pertaining or pursuant to the Contractor's performance of the Services shall affect the rights of either Party in its Background Intellectual Property.

(2) Subject to Conditions 27(3) and 28(5), any Arising Intellectual Property shall belong to the Contractor.

(3) The Contractor hereby grants to the Authority a worldwide, irrevocable, royalty-free, non-exclusive licence at no cost to the Authority, together with the right to grant sublicences, to use or publish any Arising Intellectual Property, Data, results, outcomes or conclusions which are created as part of the Services, for its non-commercial purposes.

(4) The Contractor hereby grants to the Authority a worldwide, irrevocable, royalty-free, non-exclusive licence at no cost to the Authority, to use any Background Intellectual Property used in the performance of the Services, that is essential to the functioning and use of the Arising Intellectual Property for its non-commercial purposes.

(5) The Contractor shall procure for the Authority any worldwide, irrevocable, royalty-free licence, at no cost to the Authority, from any third party, to use any Intellectual Property Rights that are essential to the functioning and use of the Arising Intellectual Property for its non-commercial purposes.

(6) Under clauses 27(3), 27(4) and 27(5) the Authority shall only grant sublicences to third parties if, after five years from the date of this Contract, the Arising Intellectual Property has not been commercially exploited by the Contractor, or the Contractor has established a monopoly position.

28. Exploitation of Intellectual Property

(1) The Contractor shall inform the Authority of any Arising Intellectual Property, Data, results, outcomes or conclusions which are created in performing the Services and which are capable of exploitation whether patentable or not.

(2) The Contractor shall, as appropriate, devise, publish, implement and maintain procedures for the management of Arising Intellectual Property and in particular, but without limitation, shall use its best endeavours to ensure that:

the Data which constitutes Arising Intellectual Property is identified, recorded and carefully distinguished from the outputs of other research;

prior to any publication of materials created in the course of performing the Services, patentable inventions comprised within the Arising Intellectual Property are identified, duly considered for patentability and, where it is reasonable so to do, patent applications in respect thereof are filed at the British or European Patent Office; and

all such patent applications are diligently executed having regard to all relevant circumstances.

(3) The Contractor shall permit the Authority to monitor the operation and effectiveness of the Contractor's procedures for the management of Intellectual Property Rights in such a way as the Authority considers reasonably necessary.

(4) Consistent with the good management of Intellectual Property Rights and the continued agreement of the Authority, the Contractor shall use its best endeavours to:

promote the dissemination of the Arising Intellectual Property; and

once the Contractor has performed the Services to the satisfaction of the Authority, commercially exploit any Arising Intellectual Property to generate either capital or revenue or both.

(5) If, within five years of its creation, any Arising Intellectual Property has not been commercially exploited by the Contractor the Contractor shall if requested by the Authority assign the Arising Intellectual Property to the Authority.

(6) The Contractor shall not transfer ownership of the Arising Intellectual Property without the consent of the Authority for ten years from the creation of that Arising Intellectual Property.

(7) If, within five years of its creation, any Arising Intellectual Property has not been commercially exploited by the Contractor or the Contractor has established a monopoly position, the Authority may require the Contractor to license the Arising Intellectual Property to third parties nominated by the Authority. Should the Authority choose to exercise its discretion under this clause, it will notify the Contractor in accordance with clause 3.

29. Rights of Third Parties

It is not intended that the Contract, either expressly or by implication, shall confer any benefit on any person who is not a party to the Contract and accordingly the Contracts (Rights of Third Parties) Act 1999 shall not apply.

30. Government Property

(1) All Government Property shall remain the property of the Authority and shall be used in the execution of the Contract and for no other purpose whatsoever except with the prior agreement in writing of the Authority.

(2) All Government Property shall be deemed to be in good condition when received by or on behalf of the Contractor unless he notifies the Authority to the contrary within 14 days or such other time as is specified in the Contract.

(3) The Contractor undertakes to return any and all Government Property on completion of the Contract or on any earlier request by the Authority.

(4) The Contractor shall, except as otherwise provided for in the Contract, repair or replace or, at the option of the Authority, pay compensation for all loss, destruction or damage occurring to any Government Property caused or sustained by the Contractor, or by his servants, agents or subcontractors, whether or not arising from his or their performance of the Contract and wherever occurring, provided that if the loss, destruction or damage occurs at the Authority's Premises or any other Government premises, this

Condition shall not apply to the extent that the Contractor is able to show that any such loss, destruction or damage was not caused or contributed to by his negligence or default or the neglect or default of his servants, agents, or subcontractors.

(5) Where the Government Property comprises data issued in electronic form to the Contractor (including Personal Data) the Contractor shall not store, copy, disclose or use such electronic data except as necessary for the performance by the Contractor of its obligations under the Contract (including its obligation to back up electronic data as provided in Condition 30(6) below) or as otherwise expressly authorised in writing by the Authority.

(6) The Contractor shall perform secure back ups of all such electronic data in its possession and shall ensure that an up to date back up copy is securely stored at a site other than that where any original copies of such electronic data are being stored.

(7) The Contractor shall, and shall procure that its subcontractors, agents and personnel, shall observe best practice when handling or in possession of any such electronic data. By way of example if the Contractor removes any such data or information from a Government establishment, or is sent such data or information by the Authority it shall ensure that the data and any equipment on which it is stored or is otherwise being processed is kept secure at all times. The Contractor shall impress on any of its subcontractors, agents and personnel who are required to handle or have possession of such electronic data that they must safeguard it all times, and shall not place it in jeopardy for example by leaving it unattended in a vehicle or on public transport or by transmitting or posting it by insecure means.

(8) If at any time the Contractor suspects or has reason to believe that such electronic data has or may become corrupted, lost, destroyed, altered (other than to the extent that the Contractor alters it by lawful processing in accordance with its obligations under this contract) or so degraded as a result of the Contractor's default so as to be unusable then the Contractor shall notify the Authority immediately and inform the Authority of the remedial action the Contractor proposes to take.

(9) The Contractor shall indemnify the Authority against all claims and proceedings, and all costs and expenses incurred in connection therewith arising from the corruption, loss, destruction, alteration (other than by lawful processing permitted by this Contract) or degradation of electronic data which claims would not have arisen but for some act, omission, misrepresentation or negligence on the part of the Contractor or subcontractors, agents and personnel and hold it harmless against all costs, losses and liability whatsoever incurred by it arising out of any action or inaction on its part in relation to any of its obligations as set out in this Contract which results in such corruption, loss or degradation.

31. Data Protection

- (1) The Parties acknowledge that for the purposes of the Data Protection Legislation, the Authority is the Data Controller and the Contractor is the Data Processor. The only processing that the Contractor is authorised to do is listed in Annex 1 by the Authority and may not be determined by the Contractor.
- (2) The Contractor shall notify the Authority immediately if it considers that any of the Authority's instructions infringe the Data Protection Legislation.
- (3) The Contractor shall provide all reasonable assistance to the Authority in the preparation of any Data Protection Impact Assessment prior to commencing any processing. Such assistance may, at the discretion of the Authority, include:
 - (a) a systematic description of the envisaged processing operations and the purpose of the processing;
 - (b) an assessment of the necessity and proportionality of the processing operations in relation to the Services;
 - (c) an assessment of the risks to the rights and freedoms of Data Subjects; and
 - (d) the measures envisaged to address the risks, including safeguards, security measures and mechanisms to ensure the protection of Personal Data.
- (4) The Contractor shall, in relation to any Personal Data processed in connection with its obligations under this Contract:
 - (a) process that Personal Data only in accordance with Annex 1, unless the Contractor is required to do otherwise by Law. If it is so required the Contractor shall promptly notify the Authority before processing the Personal Data unless prohibited by Law;
 - (b) ensure that it has in place Protective Measures, as appropriate to protect against a Data Loss Event, which the Authority may reasonably reject (but failure to reject shall not amount to approval by the Authority of the adequacy of the Protective Measures), having taken account of the:
 - (i) nature of the data to be protected;
 - (ii) harm that might result from a Data Loss Event;
 - (iii) state of technological development; and
 - (iv) cost of implementing any measures;

The review and approval of the Protective Measures by the Authority shall not relieve the Contractor of its obligations under Data Protection Legislation, and the Contractor acknowledges that it is solely responsible for determining whether such Protective Measures are sufficient for it to have met its obligations under the Data Protection Legislation.

(c) ensure that:

(i) the Contractor Personnel do not process Personal Data except in accordance with this Contract and in particular Annex 1;

(ii) it takes all reasonable steps to ensure the reliability and integrity of any Contractor Personnel who have access to the Personal Data and ensure that they:

(A) are aware of and comply with the Contractor's duties under this clause;

(B) are subject to appropriate confidentiality undertakings with the Contractor or any Sub-Processor;

(C) are informed of the confidential nature of the Personal Data and do not publish, disclose or divulge any of the Personal Data to any third Party unless directed in writing to do so by the Authority or as otherwise permitted by this Contract; and

(D) have undergone adequate training in the use, care, protection and handling of Personal Data.

(d) not transfer Personal Data outside of the UK unless the prior written consent of the Authority has been obtained and provided the following conditions are fulfilled:-

(i) the Authority or the Contractor has provided appropriate safeguards in relation to the transfer in accordance with guidance issued by the UK Government or body appointed by the Government and approved by the Authority;

(ii) the Data Subject has enforceable rights and effective legal remedies;

(iii) the Contractor complies with its obligations under the Data Protection Legislation by providing an adequate level of protection to any Personal Data that is transferred (or, if it is not so bound, uses its best endeavours to assist the Authority in meeting its obligations); and

(iv) the Contractor complies with any reasonable instructions notified to it in advance by the Authority with respect to the processing of the Personal Data.

(5) Subject to clause (6), the Contractor shall notify the Authority immediately if it:

- (a) receives a Data Subject Request (or purported Data Subject Request);
 - (b) receives a request to rectify, block or erase any Personal Data;
 - (c) receives any other request, complaint or communication relating to either Party's obligations under the Data Protection Legislation;
 - (d) receives any communication from the Information Commissioner or any other regulatory authority in connection with Personal Data processed under this Contract;
 - (e) receives a request from any third Party for disclosure of Personal Data where compliance with such request is required or purported to be required by Law; or
 - (f) becomes aware of a Data Loss Event.
- (6) The Contractor's obligation to notify under clause (5) shall include the provision of further information to the Authority in phases, as details become available.
- (7) Taking into account the nature of the processing, the Contractor shall provide the Authority with full assistance in relation to either Party's obligations under Data Protection Legislation and any complaint, communication or request made under clause (5) (and insofar as possible within the timescales reasonably required by the Authority) including by promptly providing:
- (a) the Authority with full details and copies of the complaint, communication or request;
 - (b) such assistance as is reasonably requested by the Authority to enable the Authority to comply with a Data Subject Request within the relevant timescales set out in the Data Protection Legislation;
 - (c) the Authority, at its request, with any Personal Data it holds in relation to a Data Subject;
 - (d) assistance as requested by the Authority following any Data Loss Event;
 - (e) assistance as requested by the Authority with respect to any request from the Information Commissioner's Office, or any consultation by the Authority with the Information Commissioner's Office.
- (8) The Contractor shall maintain complete and accurate records and information to demonstrate its compliance with this clause. This requirement does not apply where the Contractor employs fewer than 250 staff, unless:
- (a) the Authority determines that the processing is not occasional;

- (b) the Authority determines the processing includes special categories of data as referred to in Article 9(1) of the UK GDPR or Personal Data relating to criminal convictions and offences referred to in Article 10 of the UK GDPR; and
- (c) the Authority determines that the processing is likely to result in a risk to the rights and freedoms of Data Subjects.
- (9) The Contractor shall allow for audits of its Data Processing activity by the Authority or the Authority's designated auditor.
- (10) The Contractor shall designate a Data Protection Officer if required by the Data Protection Legislation.
- (11) Before allowing any Sub-Processor to process any Personal Data related to this Contract, the Contractor must:
- (a) notify the Authority in writing of the intended Sub-Processor and processing;
 - (b) obtain the written consent of the Authority;
 - (c) enter into a written agreement with the Sub-Processor which give effect to the terms set out in this Condition 31 such that they apply to the Sub-Processor; and
 - (d) provide the Authority with such information regarding the Sub-Processor as the Authority may reasonably require.
- (12) The Contractor shall remain fully liable for all acts or omissions of any of its Sub-Processors.
- (13) The Authority may, at any time on not less than 30 Working Days' notice, revise this clause by replacing it with any applicable controller to processor standard clauses or similar terms forming part of an applicable certification scheme (which shall apply when incorporated by attachment to this Contract).
- (14) The Parties agree to take account of any guidance issued by the Information Commissioner's Office. The Authority may on not less than 30 Working Days' notice to the Contractor amend this Contract to ensure that it complies with any guidance issued by the Information Commissioner's Office.
- (15) If the Contractor fails to comply with any provision of this Condition 31, the Authority may terminate the Contract immediately in which event the provisions of Condition 20 shall apply.

(16) The Contractor shall indemnify and keep indemnified the Authority against all claims and proceedings, and all costs and expenses incurred by it in connection therewith, made or brought against the Authority by any person in respect of the Data Protection Legislation or equivalent applicable legislation in any other country which claims would not have arisen but for some act, omission, misrepresentation or negligence on the part of the Contractor, its sub-contractors and/or and Sub-Processors and hold it harmless against all costs, fines, losses and liability whatsoever incurred by it arising out of any action or inaction on its part in relation to any of its obligations as set out in this Contract which results in the Authority being in breach of its obligations under the Data Protection Legislation or equivalent applicable legislation in any other country.

(17) Upon expiry or earlier termination of this Contract for whatever reason, the Contractor shall, unless otherwise specified in Annex 1, or required by Law, immediately cease any processing of the Personal Data on the Authority's behalf and at the written direction of the Authority:

(a) provide the Authority with a complete and uncorrupted version of the Personal Data in electronic form (or such other format as reasonably required by the Authority); and

(b) delete the Personal Data (and any copies of it) including from any computers, storage devices and storage media that are to be retained by the Contractor after the expiry of the Contract. The Contractor will certify to the Authority that it has completed such deletion.

(19) Where the Contractor is required to collect any Personal Data on behalf of the Authority, it shall ensure that it provides the relevant Data Subjects from whom the Personal Data are collected with a privacy notice in a form to be agreed with the Authority.

32. Payment of taxes: income tax and NICs

(1) Where the Contractor is liable to be taxed in the UK in respect of consideration received under the Contract, the Contractor shall at all times comply with the Income Tax (Earnings and Pensions) Act 2003 and all other statutes and regulations relating to income tax in respect of that consideration.

(2) Where the Contractor is liable to National Insurance Contributions (NICs) in respect of consideration received under the Contract, the Contractor shall at all times comply with the Social Security Contributions and Benefits Act 1992 and all other statutes and regulations relating to NICs in respect of that consideration.

(3) The Authority may, at any time during the term of the Contract, require the Contractor to provide information to demonstrate that:

the Contractor has complied with paragraphs (1) and (2) above; or

the Contractor or its staff are not liable to the relevant taxes.

(4) A request under paragraph (3) above may specify the information which the Contractor must provide and a reasonable deadline for response.

(5) The Authority may supply any information which it receives under paragraph (3) to the Commissioners of Her Majesty's Revenue and Customs for the purpose of the collection and management of revenue for which they are responsible.

(6) The Contractor shall ensure that any subcontractors (including consultants) and agents engaged by the Contractor for the purpose of the Services are engaged on, and comply with, conditions equivalent to those in paragraphs (1) to (5) above and this paragraph (6), and the Contractor shall, on request, provide the Authority with evidence to satisfy the Authority that the Contractor has done so. Those conditions shall provide both the Contractor and the Authority with the right to require the subcontractor or agent to provide information to them equivalent to paragraph (3), and the Contractor shall obtain that information where requested by the Authority.

(7) The Authority may terminate the Contract with immediate effect by notice in writing where:

the Contractor does not comply with any requirement of this Condition 32; or

the Contractor's subcontractors or agents do not comply with the conditions imposed on them under paragraph (6) above.

(8) In particular (but without limitation), the Authority may terminate the Contract under paragraph (7) above:

in the case of a request under paragraph (3):

the Contractor fails to provide information in response to the request within the deadline specified; or

the Contractor provides information which is inadequate to demonstrate how the Contractor or (where relevant) its subcontractors and agents have complied with the conditions set out or referred to in paragraphs (1) to (6);

or

the Authority receives information which demonstrates, to its reasonable satisfaction, that the Contractor, its subcontractors or agents, are not complying with those conditions.

33. Payment of taxes: Occasions of Tax Non-compliance

(1) This Condition 33 applies where the consideration payable by the Contractor under the Contract equals or exceeds £5,000,000 (five million pounds).

(2) The Contractor represents and warrants that it has notified the Authority in writing of any Occasions of Tax Non-Compliance or any litigation that it is involved in that is in connection with any Occasions of Tax Non Compliance.

(3) If, at any point during the term of the Contract, an Occasion of Tax Non-Compliance occurs, the Contractor shall:

notify the Authority in writing of such fact within 5 Working Days of its occurrence; and promptly provide to the Authority:

details of the steps which the Contractor is taking to address the Occasion of Tax Non-Compliance and to prevent the same from recurring, together with any mitigating factors that it considers relevant; and

such other information in relation to the Occasion of Tax Non-Compliance as the Authority may reasonably require.

(4) In the event that:

the warranty given by the Contractor pursuant to paragraph (2) of this Condition is materially untrue;

the Contractor commits a material breach of its obligation to notify the Authority of any Occasion of Tax Non-Compliance as required by paragraph (3) of this Condition; or

the Contractor fails to provide details of proposed mitigating factors which, in the reasonable opinion of the Authority, are acceptable,

the Authority may terminate the Contract with immediate effect by notice in writing.

(5) In this Condition 33, "Occasion of Tax Non-Compliance" means:

any tax return of the Contractor submitted to a Relevant Tax Authority on or after 1 October 2012 is found on or after 1 April 2013 to be incorrect as a result of:

a Relevant Tax Authority successfully challenging the Contractor under the General Anti-Abuse Rule or the Halifax Abuse Principle or under any tax rules or legislation that have an effect equivalent or similar to the General Anti-Abuse Rule or the Halifax Abuse Principle;

the failure of an avoidance scheme which the Contractor was involved in, and which was, or should have been, notified to a Relevant Tax Authority under the DOTAS or any equivalent or similar regime;

and/or

any tax return of the Contractor submitted to a Relevant Tax Authority on or after 1 October 2012 gives rise, on or after 1 April 2013, to a criminal conviction in any jurisdiction

for tax related offences which is not spent at the commencement of the Contract or to a penalty for civil fraud or evasion.

(6) For the purpose of paragraph (5):

“DOTAS” means the Disclosure of Tax Avoidance Schemes rules which require a promoter of tax schemes to tell HM Revenue & Customs of any specified notifiable arrangements or proposals and to provide prescribed information on those arrangements or proposals within set time limits as contained in Part 7 of the Finance Act 2004 and in secondary legislation made under vires contained in Part 7 of the Finance Act 2004 and as extended to National Insurance Contributions by the National Insurance Contributions (Application of Part 7 of the Finance Act 2004) Regulations 2012, SI 2012/1868 made under s.132A Social Security Administration Act 1992;

“General Anti-Abuse Rule” means:

the legislation in Part 5 of the Finance Act 2013; and

any future legislation introduced into Parliament to counteract tax advantages arising from abusive arrangements to avoid national insurance contributions;

“Halifax Abuse Principle” means the principle explained in the CJEU Case C-255/02 Halifax and others; and

“Relevant Tax Authority” means HM Revenue & Customs, or, if applicable, a tax authority in the jurisdiction in which the Contractor is established.

34. Equality and non-discrimination

(1) The Contractor shall not unlawfully discriminate within the meaning and scope of the Equality Act 2010 and any other anti-discrimination legislation in relation to the provision of the Services or otherwise and shall take all reasonable steps to ensure that its staff, subcontractors and agents do not do so.

(2) The Contractor shall comply with the Authority’s equality scheme as published on the Authority’s website, and shall take all reasonable steps to ensure that its staff, subcontractors and agents do so.

(3) The Authority may (without prejudice to its other rights under the Contract) terminate the Contract with immediate effect by notice in writing where the Contractor fails (or the Contractor’s staff, subcontractors or agents fail) to comply with paragraphs (1) or (2) of this Condition.

35. Welsh Language Act

The Contractor shall for the term of the Contract comply with the principles of the Authority's Welsh Language Scheme.

36. Sustainable Procurement

- (1) The Contractor shall comply in all material respects with all applicable environmental laws and regulations in force from time to time in relation to the Services. Without prejudice to the generality of the foregoing, the Contractor shall promptly provide all such information regarding the environmental impact of the Services as may reasonably be requested by the Authority.
- (2) The Contractor shall meet all reasonable requests by the Authority for information evidencing compliance with the provisions of this Clause by the Contractor.
- (3) All written outputs, including reports, produced in connection with the Contract shall (unless otherwise specified) be produced on recycled paper containing at least 80% post consumer waste and used on both sides where appropriate.

37. Other Legislation

The Contractor shall, and shall procure that its subcontractors, agents and personnel, comply with all other applicable law.

38. Contractor Status

Nothing in the Contract shall create or be construed as creating a partnership, joint venture, a contract of employment or relationship of employer and employee, or a relationship of principal and agent between the Authority and the Contractor.

39. Transfer of Services

- (1) Where the Authority intends to continue with services equivalent to any or all of the Services after termination or expiry of the Contract, either by performing them itself or by the appointment of a replacement contractor, the Contractor shall (both during the term of the Contract and, where relevant, after its expiry or termination):

provide all information reasonably requested to allow the Authority to conduct the procurement for any replacement services; and

use all reasonable endeavours to ensure that the transition is undertaken with the minimum of disruption to the Authority.

- (2) Without prejudice to the generality of paragraph (1) of this Condition, the Contractor shall, at times and intervals reasonably specified by the Authority, provide the Authority

(for the benefit of the Authority, any replacement Contractor and any economic operator bidding to provide the replacement services) such information as the Authority may reasonably require relating to the application or potential application of the Transfer of Undertakings (Protection of Employment) Regulations 2006 including the provision of employee liability information.

(3) Without prejudice to the generality of paragraph (1) of this Condition, the contractor shall co-operate fully during the transition period and provide full access to all data, documents, manuals, working instructions, reports and any information, whether held in electronic or written form, which the Authority considers necessary.

40. Law and Jurisdiction

The Contract shall be governed by and construed in accordance with English Law and shall be subject to the exclusive jurisdiction of the courts of England and Wales.

41. Transparency

(1) In order to comply with the Government's policy on transparency in the areas of procurement and contracts, the Authority will, subject to Conditions 41(2) and (3), publish the Contract and the tender documents issued by the Authority which led to its creation on a designated web site.

(2) The entire Contract and all the tender documents issued by the Authority will be published on that web site save where the Authority, in its absolute discretion, considers that the relevant documents, or their contents, would be exempt from disclosure in accordance with the provisions of the Freedom of Information Act 2000.

(3) Where the Authority considers that any such exemption applies, the Authority will redact the relevant documents to the extent that the Authority considers the redaction is necessary to remove or obscure the relevant material, and those documents will be published on the designated web site subject to those redactions.

(4) Where the Parties later agree changes to the contract, the Authority will publish those changes, and will consider any redaction, on the same basis.

(5) In Condition 41(1) the expression "tender documents" means the advertisement issued by the Authority seeking expressions of interest, the pre-qualification questionnaire and the invitation to tender and the contract includes the Contractor's proposal.

42. Monitoring and Management Information

(1) Where requested by the Authority, the Contractor shall supply to the Authority and/or to the Cabinet Office such information relating to the Services and to the

Contractor's management and performance of the Contract as they may reasonably require.

(2) The information referred to in Condition 42(1) may include, but is not limited to, the following: Line Item Amount, Invoice Line Description, Invoice Line Number, Currency Code, Order Date, VAT Inclusion Flag, VAT Rate, List Price, Number of Items, Unit of Purchase Quantity, Price per Unit, Contractor Service Code, Service description and/or name, UNSPSC Code, Taxonomy Code and/or Name, Geographical, Project Code, Project description, Project Start Date, Project Delivery Date (Estimate and Actual), Total project cost and Project Stage. The information may also, without limitation, include information relating to the capability of the Contractor (and any key subcontractor) to continue to perform the Contract (including information on matters referred to in regulations 23 to 27 of the Public Contracts Regulations 2006).

(3) The information referred to in Condition 42(1) shall be supplied in such form and within such timescales as the Authority or the Cabinet Office may reasonably require.

(4) The Contractor agrees that the Authority may provide the Cabinet Office, any other government department or agency or any other person or entity referred to in Condition 43(2) (Information Confidential to the Contractor), with information obtained under this Condition 42 and any other information relating to the Services procured and any payments made under the Contract.

(5) Upon receipt of the information supplied by the Contractor in response to a request under Condition 42(1) or receipt of information provided by the Authority to the Cabinet Office under Condition 42(4) the Contractor hereby consents to the Cabinet Office (acting through the Government Procurement Service):

storing and analysing the information and producing statistics; and

sharing the information or any statistics produced using the information, with any person or entity referred to in Condition 43(2).

(6) The Authority may make changes to the type of information which the Contractor is required to supply and shall give the Contractor at least one calendar month's written notice of any such changes.

(7) Where the Authority notifies the Contractor that it estimates the Charges payable under this Contract are due to exceed £5 million in one or more Contract Years the Contractor agrees and acknowledges that it shall, in addition to any other management information requirements set out in this Contract, at no charge, provide such timely, full, accurate and complete SME management information (MI) reports to the Authority as the Authority shall require which incorporate the data described in the MI Reporting Template which is:

the total contract revenue received directly on a specific contract;

the total value of subcontracted revenues under the contract (including revenues for non-SMEs/non-VCSEs); and

the total value of subcontracted revenues to SMEs and VCSEs.

(8) The SME management information reports referred to in Condition 42(7) shall be provided in the correct format as required by the MI Reporting Template and any guidance issued by the Authority from time to time. The Contractor shall use the initial MI Reporting Template, and which may be changed from time to time (including the data required and/or format) by the Authority by issuing a replacement version. The Authority shall give at least thirty (30) days' notice in writing of any such change and shall specify the date from which it must be used.

(9) The Contractor further agrees and acknowledges that it may not make any amendment to the current MI Reporting Template without the prior written approval of the Authority.

43. Information confidential to the Contractor

(1) Unless agreed expressly by both parties in writing, in a confidentiality agreement identifying the relevant information, information obtained by the Authority from the Contractor shall not constitute confidential information relating to the Contractor.

(2) Where any information held by the Authority does constitute confidential information relating to the Contractor, the Authority shall nonetheless have the right to disclose that information:

on a confidential basis to any other government department or agency for any proper purpose of the Authority or of that department or agency;

to Parliament and Parliamentary Committees or if required by any Parliamentary reporting requirement;

to the extent that the Authority (acting reasonably) deems disclosure necessary or appropriate in the course of carrying out its public functions;

on a confidential basis to a professional adviser, consultant, Contractor or other person engaged by any of the entities described in sub-paragraph a) (including any benchmarking organisation) for any purpose relating to or connected with the Contract or the Services;

on a confidential basis for the purpose of the exercise of its rights under the Contract; or

on a confidential basis to a proposed successor body in connection with any assignment, novation or disposal of any of its rights, obligations or liabilities under the Contract.

(3) For the purpose of paragraph (2) of this Condition, references to disclosure on a confidential basis mean disclosure subject to a confidentiality agreement.

Annex 1 Data Protection

The Contractor will be compliant with the Data Protection Legislation as defined in the terms and conditions applying to this Invitation to Tender. A guide to the UK General Data Protection Regulation published by the Information Commissioner’s Office, can be found [here](#).

Where the Contractor is a Data Processor, the following section MUST be included.

The only processing that the Contractor is authorised to do is listed in Annex 1 by BEIS, “the Authority” and may not be determined by the Contractor.

Annex 1: Processing, Personal Data and Data Subjects

(1) The contact details of the Authority’s Data Protection Officer are:

BEIS Data Protection Officer
Department for Business, Energy and Industrial Strategy
1 Victoria Street
London
SW1H 0ET

Email: dataprotection@beis.gov.uk

(2) The contact details of the Contractor’s Data Protection Officer (or if not applicable, details of the person responsible for data protection in the organisation) are: **[To be completed by the Contractor]**

(3) The Contractor shall comply with any further written instructions with respect to processing by the Authority.

(4) Any such further instructions shall be incorporated into this Annex 1.

Description	Details
Data Protection Legislation	The UK GDPR and any applicable national implementing Laws as amended from time to time; or the DPA 2018 to the extent that it relates to Processing of personal data and privacy; or all applicable Law about the Processing of personal data and privacy

UK General Data Protection Regulation (UK GDPR)	The retained EU law version of the General Data Protection Regulation (Regulation (EU) 2016/679) as transposed into UK Law by the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2019.
Subject matter of the processing	<p>The processing is needed in order to ensure that the Contractor can effectively deliver the contract to provide the Low Carbon Hydrogen Supply 2 Competition.</p> <p>The processing of names and business contact details of staff of both the Authority and the Contractor will be necessary to deliver the services exchanged during the course of the Contract, and to undertake contract and performance management.</p> <p>The Contract itself will include the names and business contact details of staff of both the Authority and the Contractor involved in managing the Contract.</p>
Duration of the processing	Processing will take place from 9 August 2021 for the duration of the Contract. The Contract will end on 31 March 2025.
Nature and purposes of the processing	<p>The nature of the processing will include collection, recording, organisation, structuring, storage, consultation, use, dissemination or otherwise making available, restriction, erasure or destruction of data etc.</p> <p>Processing takes place for the purposes of research etc purposes to provide the Low Carbon Hydrogen Supply 2 Competition.</p> <p>The nature of processing will include the storage and use of names and business contact details of staff of both the Authority and the Contractor as necessary to deliver the services and to undertake contract and performance management. The Contract itself will include the names and business contact details of staff of both the Authority and the Contractor involved in managing the Contract.</p>

<p>Type of Personal Data</p>	<p>Types of Personal Data the Contractor will process includes, but is not limited to, names, business telephone numbers and email addresses, office location and position of staff of both the Authority and the Contractor as necessary to deliver the services and to undertake contract and performance management. The Contract itself will include the names and business contact details of staff of both the Authority and the Contractor involved in managing the Contract.</p>
<p>Categories of Data Subject</p>	<p>Types of categories of Data Subject includes, but is not limited to, staff of the Authority and the Contractor, including where those employees are named within the Contract itself or involved within contract management, members of the public, workers in particular industry, applicants or users of a particular service etc.</p>
<p>Plan for return and destruction of the data once the processing is complete</p> <p>UNLESS requirement under UK GDPR to preserve that type of data</p>	<p>The Personal Data will be retained by the Contractor for a 3 year (36 month) retention period, following which</p> <p>The Contractor will provide the Authority with a complete and uncorrupted version of the Personal Data in electronic form (or such other format as reasonably required by the Authority) and erase from any computers, storage devices and storage media that are to be retained by the Contractor after the expiry of the Contract and the Contractor retention period. The Contractor will certify to the Authority that it has completed such deletion.</p> <p>Where Personal Data is contained within the Contract documentation, this will be retained in line with the Department’s privacy notice found within the Invitation to Tender.</p>

Annex 2 – Expenses, including Travel and Subsistence

Please find the BEIS expenses guidance below:



BEIS Expenses
Policy.pdf

