



**UK Research
and Innovation**

Ove Arup & Partners Limited

8 Fitzroy Street

London

W1T 4BJ

Attn: FOIA Section 40 Personal Info

By email to: FOIA Section 40 Personal Information

Date: 12 October 2023

Our ref: UKRI-1800_011

Dear Sirs,

Award of call-off Contract for the supply of Services to undertake a NERC review of MGO as defined in Annex 1 under framework agreement dated 27 June 2022 made between Ove Arup & Partners Limited (the “Supplier”) and United Kingdom Research and Innovation (“UKRI”) (the “Agreement”)

As you know, the Agreement anticipates that UKRI may from time to time agree call-off contracts with you.

This letter (“**Contract Award Letter**”) sets out the basis on which we propose to award a call-off contract to you. By signing and returning this Contract Award Letter on behalf of the Supplier, you will be entering into a call-off contract on its terms and conditions (which is a “**Contract**” for the purposes of the Agreement).

The Contract is made under the Agreement and the entirety of the Agreement’s provisions and Schedules are hereby incorporated in the Contract in full. Without limiting the incorporated provisions, all terms in the Contract shall have the meanings given in the Agreement unless otherwise provided. In the event of any conflict between the provisions of the Agreement and those of the Contract, the provisions of the Contract will prevail.

The Contract and the Agreement are the entire basis on which UKRI proposes to contract with the Supplier. Please do not attach any Supplier terms and conditions to this Award Letter as they will not be accepted by UKRI and may delay conclusion of the Contract.

For the purposes of the Contract, UKRI and the Supplier agree as follows:

Term

1 Contract Commencement Date: 16th October 2023

2 Contract Expiry Date: 31st January 2024

Description of Goods and/or Services

3 The Goods and/or Services to be delivered are as per Specification in Annex 1.

4 The Specification of the Goods and/or Services to be delivered, and any applicable Deliverables, is as set out in the Annex to this Contract Award Letter.

Charges & Payment

5 The Charges for the Goods and/or Services shall be as set out in Annex 2 of this Contract Award Letter.

Special Terms and Conditions

NOT USED

Notices, Liaison and Key Personnel

- 6 The address for notices of the Parties shall be as set out in the Agreement.
- 7 The Key Personnel shall be as set out in Schedule 4 of the Agreement [and shall also include the following individuals:

Key Personnel	Role in the performance of this contract
FOIA Section 40 Personal Information	Contract Manager
FOIA Section 40 Personal Information	NERC Sustainability lead
FOIA Section 40 Personal Information	Senior Consultant, Maritime, Arup
FOIA Section 40 Personal Information	Framework Director
FOIA Section 40 Personal Information	Framework Manager
FOIA Section 40 Personal Information	Framework PMO
FOIA Section 40 Personal Information	Call-Off Director
FOIA Section 40 Personal Information	Call-Off Manager

- 8 For general liaison your contact will continue to be FOIA Section 40 Personal Information or, in their absence, FOIA Section 40 Personal Information
- 9 Disputes shall be escalated for resolution as set out in the Agreement.

We thank you for your co-operation to date, and look forward to forging a successful working relationship resulting in a smooth and successful supply of the Goods and/or Services. Please confirm your acceptance of the award of this Agreement by signing and returning the enclosed copy of this letter to FOIA Section 40 Personal Information. No other form of acknowledgement will be accepted. Please remember to quote the reference number above in any future communications relating to this contract.

Yours faithfully,

Signed for and on behalf of **United Kingdom** **FOIA Section 40 Personal Information**

Signature:



Name:

FOIA Section 40 Personal Information

Position:

Commercial Business Partner

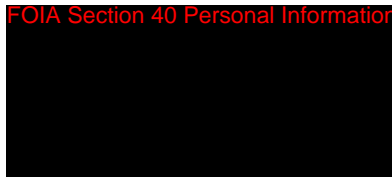
Date:

12 October 2023

We accept the terms set out in this Contract Award Letter

Signed for and on behalf of **Ove Arup** **FOIA Section 40 Personal Information**

Signature:



Name:

FOIA Section 40 Personal Information

Position:

Director

Date:

12/10/23

Annex 1 – The specification

Background:

Organisation: UK Research and Innovation is an entity that brings together nine partners to create an independent organisation with a strong voice for research and innovation, and a vision to ensure the UK maintain is world-leading position in research and innovation. More information can be found at www.ukri.org.

About NERC

The Natural Environment Research Council (NERC) is the largest funder of environmental science in the UK. We invest £300 million each year in research, training and innovation through UK universities and research centres. Our scientists study and monitor the whole planet from pole to pole, from deep Earth and oceans to upper atmosphere and space. Through collaboration with scientific partners, business and policy-makers, our science supports sustainable economic growth and improves public wellbeing. Our Headquarters in Swindon provides the corporate policy, planning and administrative focus for NERC.

NERC (alongside all UKRI partners) has committed to reach net zero operational carbon emissions by 2040. In addition, NERC has set two science informed interim carbon targets from the 17/18 baseline – 40% by 2025, 70% by 2035.

Over 72% of NERC's operational carbon emissions arise from fuel consumptions of its three research ships:

- RRS Sir David Attenborough – operated by British Antarctic Survey (BAS)
- RRS James Cook – operated by the National Oceanography Centre (NOC)
- RRS Discovery – operated by the National Oceanography Centre (NOC)

NERC has an established carbon pathway programme of which there is a dedicated marine work package focused on reducing marine carbon emissions while maintaining marine scientific capability – world leading science in a low carbon way. The low carbon fuel Hydrotreated Vegetable Oil (HVO) is being trailed in all three ships over July 2023 – May 2024. Low carbon fuels have the potential to contribute to NERC's first interim carbon target. The trials are exploring the technical impact of this fuel on the vessel performance, availability, cost implication and potential for carbon reduction. Careful consideration is also being given to the sustainability credentials of the HVO.

At present NERC does not have a clear picture of the environmental impact and source location of the Marine Gas Oil (MGO) it burns for propulsion of its ships. This picture is important to compare the trial outcomes against and to ensure informed decision making on any future fuel policy for the ships.

Note that HVO is a drop in fuel. This means it can be blended with MGO and burnt as a mixed fuel. The NERC fuel trials are based on an MGO/HVO blend.

Scope of work:

The supplier is to develop a clear holistic understanding of the environmental, cost and wider social impact of the MGO we currently procure for burnt in the research vessels. The scope does not include MGO use on our polar research bases. The focus for this assessment is the last 12 months and future outlook. This is a desk-based exercise involving interviews with relevant stakeholders (including ship operators and NERC staff at centres and head office) and document review.

The assessment is to answer the following questions

- How much MGO did NERC procure for marine use in the last 12 months and for what cost?
- Where does NERC currently procure MGO for marine use from (suppliers and registered country)?
- What are the principal 'countries of origin' for the fuel
 - where is it bunkered?
- What are the principal countries where the fuel is processed?
- What is the carbon impact of using this fuel to NERC (including well to tank)?
- What is the wider impact of using this fuel (e.g. NO_x, SO_x, ppm)?
- How does engine performance and endurance of running on MGO; compare to HVO or a HVO blend?
- What is the current and likely future cost of using MGO to NERC based on published and cited insight reports?
- What risks are there associated with continued MGO use?
- What opportunities are there associated with continued MGO use?
- What sustainability certification exists for MGO?
- What wider relevant considerations should NERC consider when assessing continued MGO use e.g. tax considerations, insight on future environmental restrictions?

Desired outcomes:

A summary report capturing the answers to the above with associated evidence base in word format – no more than 10 pages plus any additional annexes. An executive summary in PowerPoint format.

NERC can:

- Make an informed decision on the next steps following HVO trials.
- To enable comparison to HVO:
 - o Understand the carbon impact of its current use of MGO including the impact on NERC carbon pathway and targets
 - o Understand the wider environmental impact of its current use of MGO – NO_x, Sox, ppm
 - o Understand the source location of MGO and key processing locations
 - o Understand the future likely costs of MGO if used as the sole or blended (50:50) fuel type for the ships
 - o Understand the wider risks and opportunities associated with MGO use inc. reputational
- Support decision making on the 5-year outlook for the ships

Timings:

Works to be completed by end January 2024

Costing:

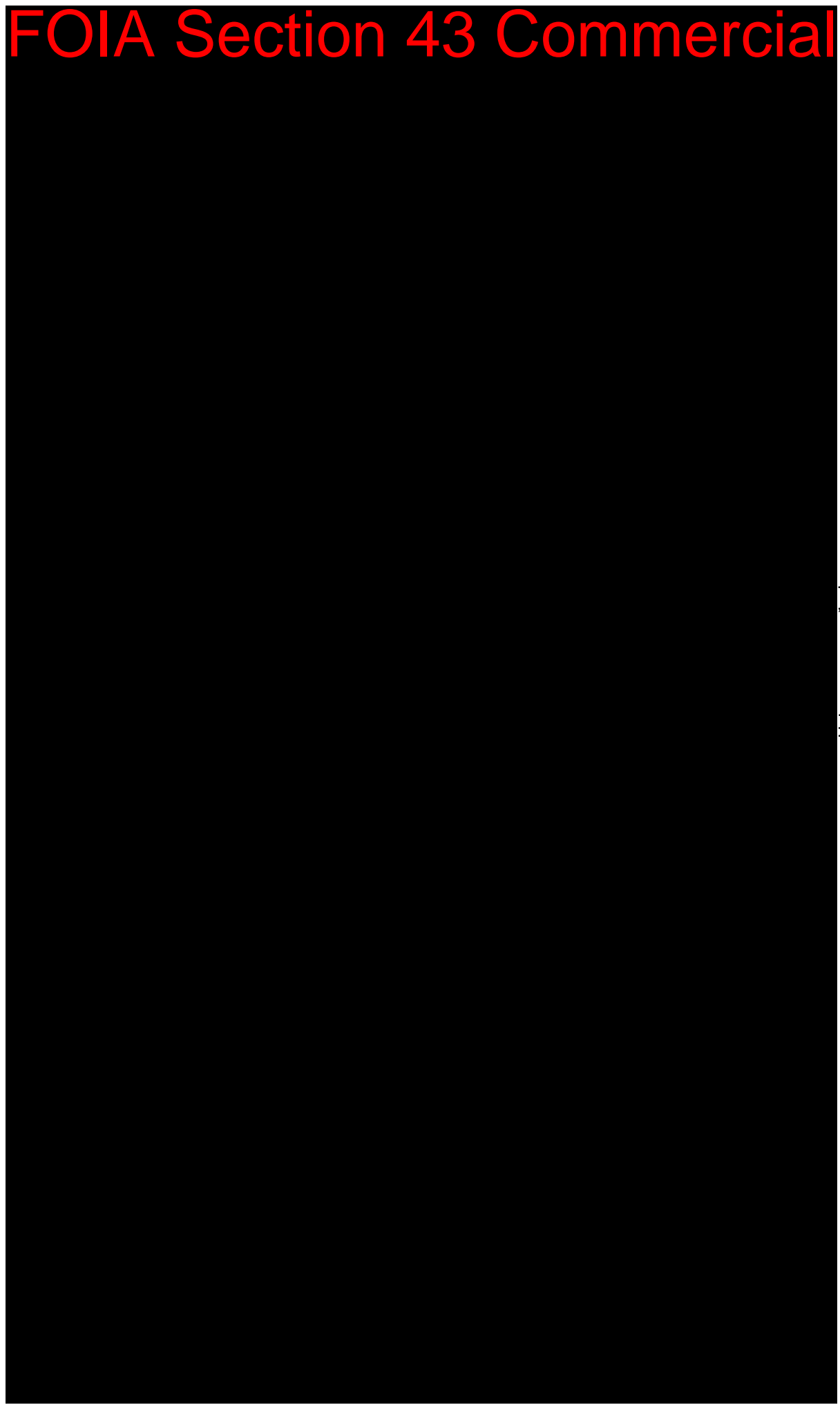
The supplier is to allow 4-6 weeks (1FTE) for completion of this activity and is to split the fee proposal as follows:

- Undertaking stakeholder interviews - virtual
- Desk based review
- Report generation and presentation – virtual
- Bi-weekly customer liaison meetings

Arup proposal

Arup's proposal is reproduced below for consistency with previous discussions, however minor amendments have been made in red to keep consistent with Annex 2. For the avoidance of doubt, Annex 2 takes precedence where there are any conflicts.

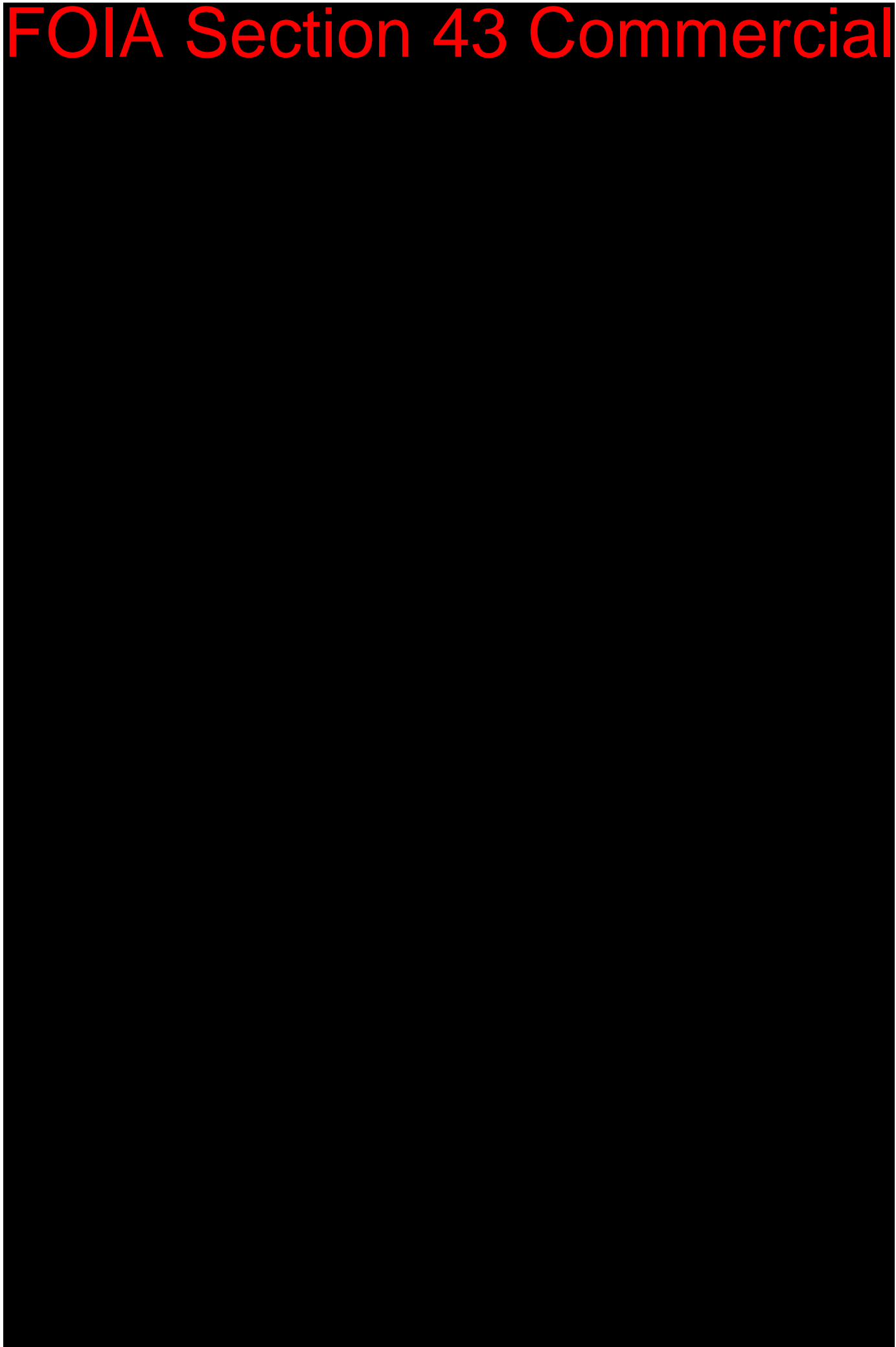
FOIA Section 43 Commercial



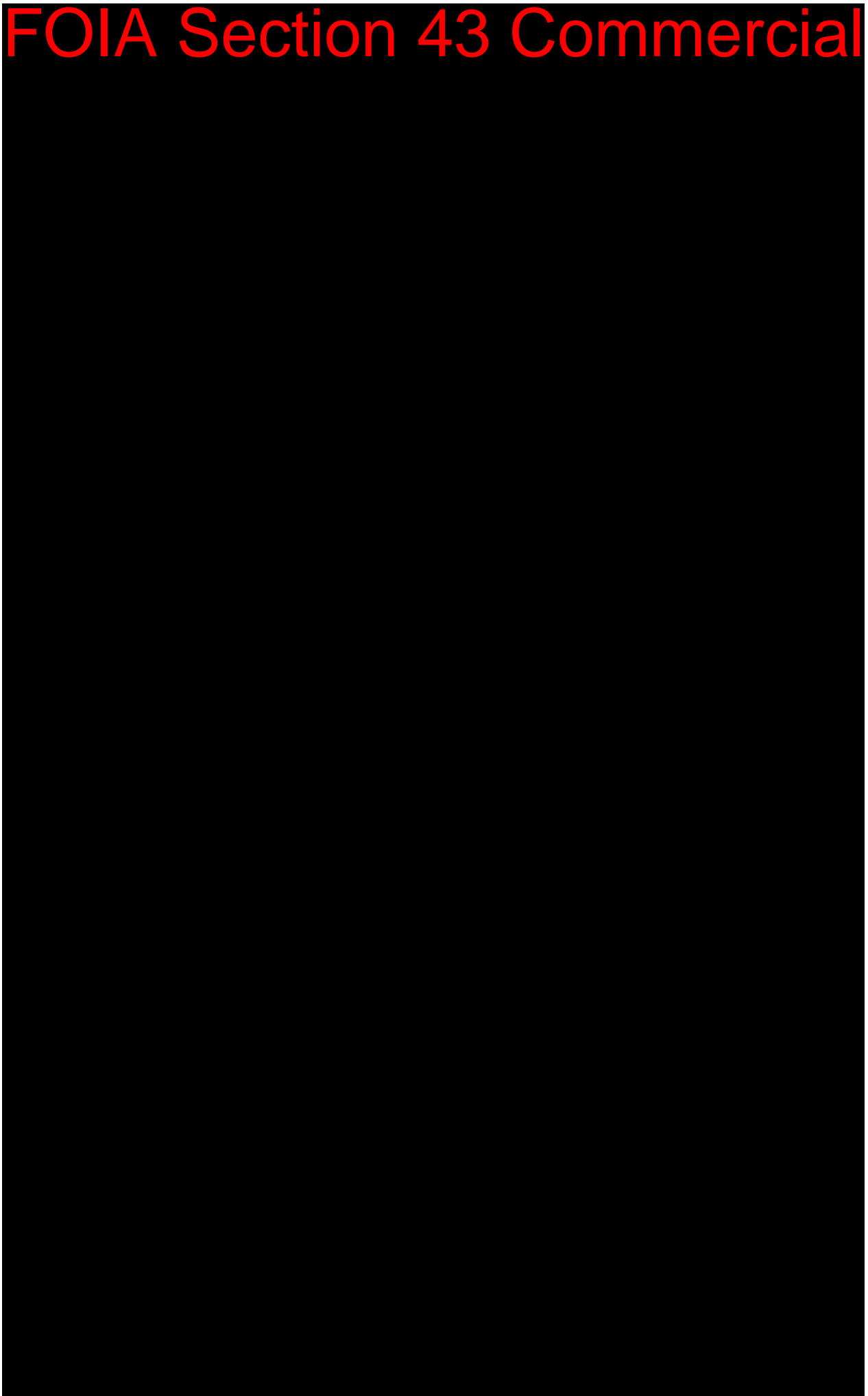
FOIA Section 43 Commercial

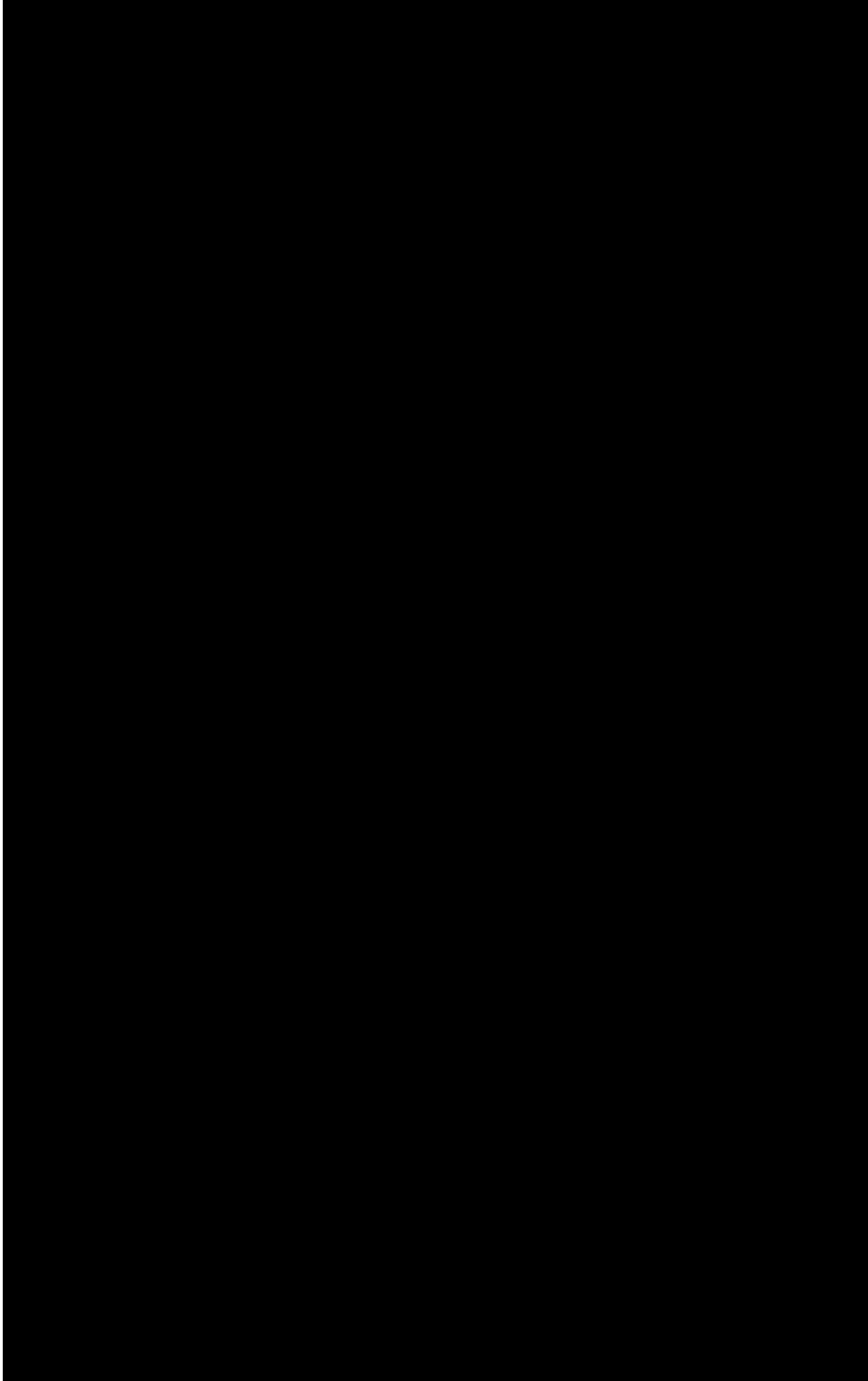


FOIA Section 43 Commercial

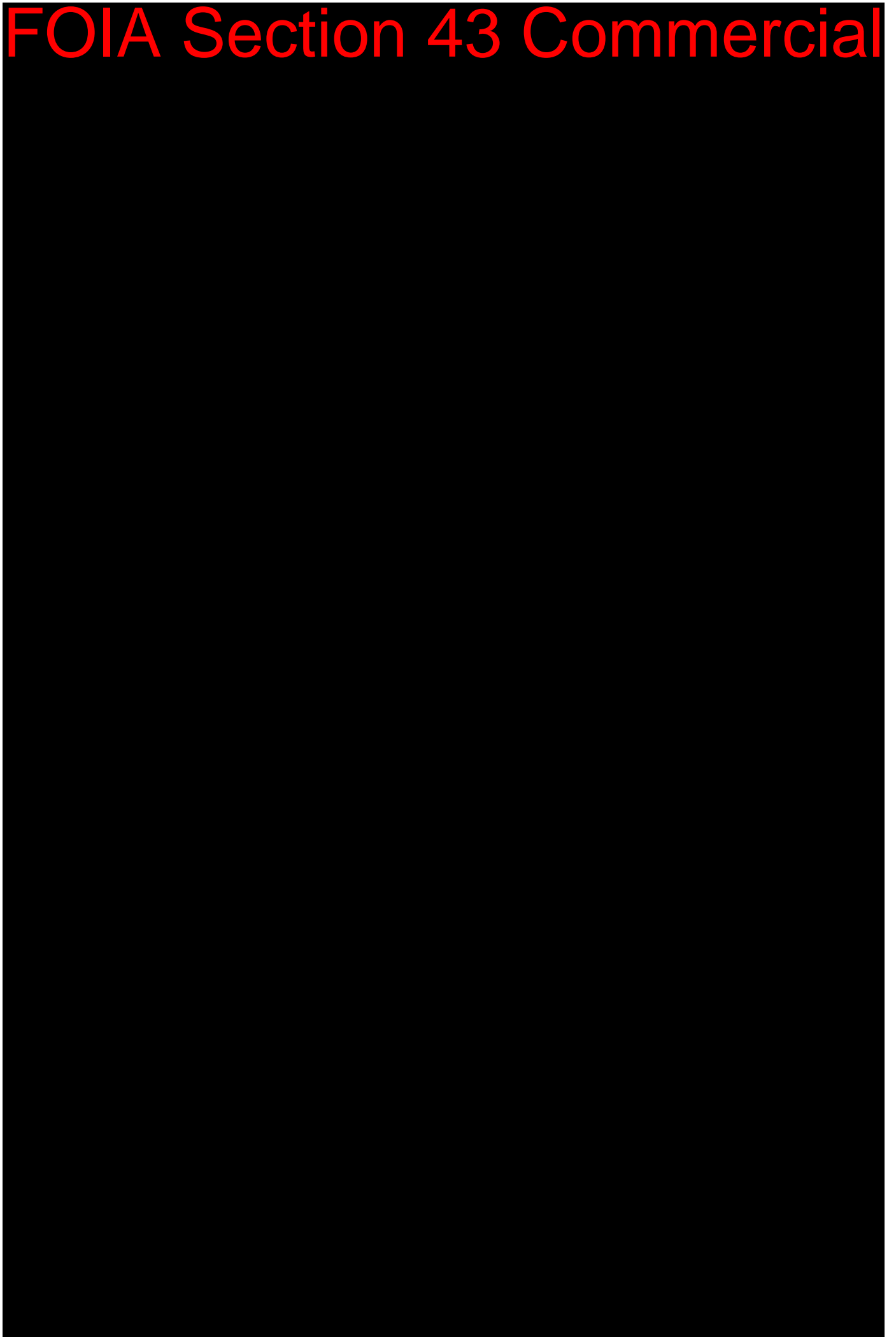


FOIA Section 43 Commercial





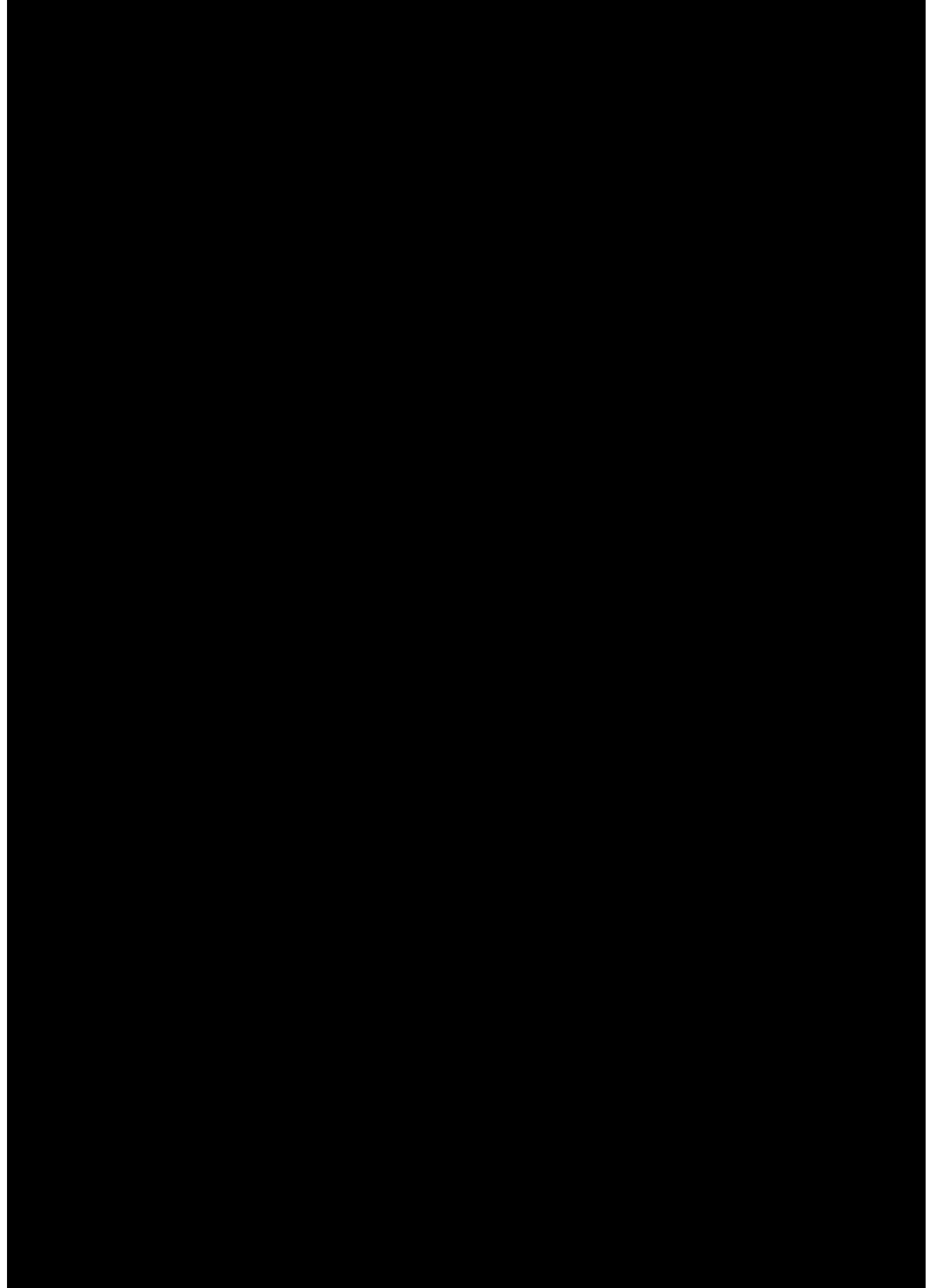
FOIA Section 43 Commercial



FOIA Section 43 Commercial

FOIA Section 43 Commercial

FOIA Section 40 Personal Information



FOIA Section 43 Commercial

FOIA Section 43 Commercial

its
ate
his

int,
RC.

s to
ry.

FOIA Section 43 Commercial



FOIA Section 43 Commercial

TOTAL £ 16,660.00

Notes

1. All fees are quoted exclusive of taxes, duties, fees, levies and other impositions including withholding tax, VAT, and similar taxes, which will be recovered at cost.
2. Resource time may potentially be subject to changes, but TOTAL above to be treated as a 'not to exceed budget' without prior agreement from UKRI.
3. Sub-consultant rates include sub-contractor mark-up, as detailed in Framework Agreement Price Schedule.
4. Invoices to be submitted monthly.
5. The notes presented in the proposal above in Annex 1 - Arup Proposal also apply.