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External Contracts Guidance

November 2024, V1.0

**AGRI-FOOD   
& BIOSCIENCES   
INSTITUTE**



External Contracts Guidance



This guidance seeks to ensure the appropriate governance of external contracts undertaken by AFBI which incorporates Commercial and Grant funded contracts in line with managing Public Money NI (MPMNI).



Document Information

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| --- | --- | --- | --- | --- |
| **Author:** | **Research Support Office** | | **Equality Screening**  **Performed** | No |
| **Ref:**  **CM ref:** | AFBI POL \*\*/\*\* | | **Equality Screening**  **Result** |  |
|  | | | | |
| **Version** | **Date of issue** | **Reason for issue** | | |
| Version 1.0 | November 24 | First draft of guidance | | |
| Version 1.0 | January 25 | Reviewed and Approved by EMT | | |
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Version Control

|  |  |  |
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# Introduction

The Agri-food and Biosciences Institute (AFBI) is a is a multi-disciplinary scientific Institute offering scientific services to a range of stakeholders. AFBI’s key stakeholder is our sponsor Department (DAERA), with the purpose of delivering the Assigned Work Programme (AWP) set out on an annual basis. AFBI also works with other Government Departments, public bodies, universities and research institutes, Agencies and associated bodies in the European Union as well as the agri-food industry. This work sits separately to the AWP and tends to be either analytical and diagnostic services, research and development or scientific training and advice and is categorised as “External Contracts”.

# Scope of Guidance

The purpose of this guidance is to ensure the appropriate governance of this body of work in line with managing Public Money NI (MPMNI).

This guidance documents the process to be followed for all External Contracts.

It will be implemented by all AFBI employees, including agency staff, when engaged in the administration, management and governance of any research contract which falls outside of the AWP and under the External Contracts category.

In the first instance all External Contracts are categorised as either

1. **Commercial** (Full Cost Recovery contracts), or
2. **Grant funded** contracts.

Please note this guidance does not incorporate Commercial Services or Licence Agreements. For guidance on licencing arrangements please contact the AFBI in house solicitor.

It is important to note at this point that regardless of the category of contract, the proposed work must fit into the areas in which AFBI is permitted to operate under the Agriculture Order 2004 as well as aligning to AFBI Science Strategy 2030 and DAERA scientific strategies (PMBs).

For guidance on how to categorise a contract please refer to *External Contracts Project Categorisation Guidance* in appendix A and additionally appendix B for *UKRI/BBSRC Contract Scenarios*.

# Roles & Responsibilities – Pre-Award



## Submission of an application to seek externally funded research work

## 

## The AFBI Contract Manager (CM) is responsible for the preparation of proposals for externally funded research projects in accordance with protocols and SOPs relevant to the work of their Branch.

## 

## As soon as is reasonably possible, following either a research grant call or an external funding opportunity with an external funder, the CM should contact the Research Support Office (RSO) for guidance and assistance and to confirm AFBI’s eligibility and guidance on how best to participate in a specific funding call or tender opportunity.

## 

## In the case of a project involving one or more experiments and/or surveys, the CM should agree the experimental design with Statistics and Data Science Branch (SDS). Consideration should also be given at this point as to whether input will be required from other AFBI professional services. This may include ISB in terms of data management or additional high specification software; Corporate Communications; Estates; or HR throughout the duration of the project.

## 

## In terms of costing a contract the CM should adhere to AFBI’s Costing and Charging Guidance [AFBI Costing and Charging](http://afbi.intranet.nigov.net/sites/afbi-intranet/files/media-files/afbi_costing_and_charging_guidance_feb_22_0.pdf). This note provides guidance for AFBI staff in setting charges for commercial services, including projects carried out under collaborative research arrangements, analytical and diagnostic tests carried out for statutory or commercial reasons, or for providing services such as teaching or technical advice. Additional costing queries should be addressed with the branch Finance Business Partner (FBP) or the RSO if it relates to a specific grant funded call.

## In the case of a Grant Funded project where the projected award is not full cost recovery, the CM should refer to the Directed Research fund policy [DRF Policy Board Approved October 2021](http://afbi.intranet.nigov.net/sites/afbi-intranet/files/media-files/drf_policy_board_approved.pdf), and further guidance can be sought from the RSO.

## The AFBI CM is ultimately responsible for submitting the project request on the AFBI Project Management System. For guidance on how to complete a Project Request please consult the following two links: [Record AF1/23/31899: AFBI PPM CORA User Guide - Multibranch Project Request- External Contracts](contentmanager://record?DB=AI&Type=6&Items=1&[Item1]&URI=153768) or alternatively [Record AF1/23/30993: AFBI PPM CORA User Guide - Single Branch Project Request - External Contracts](contentmanager://record?DB=AI&Type=6&Items=1&[Item1]&URI=146481). The following documents will assist with constructing the proposed contract on the AFBI Project Management system.

* User Guide to adding planned resources: [Record AF1/24/6145: AFBI PPM CORA User Guide - Adding a Planned Resource](contentmanager://record?DB=AI&Type=6&Items=1&[Item1]&URI=179528)
* User guide to Gantt: [Record AF1/24/9342: AFBI PPM CORA User Guide - Gantt Chart](contentmanager://record?DB=AI&Type=6&Items=1&[Item1]&URI=181764)
* User Guide to Risk Register: [Record AF1/24/41202: AFBI PPM CORA User Guide - Risk Register](contentmanager://record?DB=AI&Type=6&Items=1&[Item1]&URI=212970)

In terms of the approval process please see below for high level outline of reviewers/approvers and refer to the Contract Process Map (Appendix C) which lays out the various stages of engagement throughout the process.

## Approval of external funding research requests

All applications for external funding applications must be approved on the AFBI Project Management system before work can commence and are in line with AFBI Finance delegation limits [finance\_delegation\_limits\_august\_2023\_pdf.pdf](http://afbi.intranet.nigov.net/sites/afbi-intranet/files/media-files/finance_delegation_limits_august_2023_pdf.pdf)

For further information on the AFBI Project Management system approval process for external contracts please refer to CORA User Guide 1st and 2nd Review [Record AF1/23/43637: AFBI PPM CORA - Stage Reviews - Review 1 and Review 2 Approvals for External Contracts](contentmanager://record?DB=AI&Type=6&Items=1&[Item1]&URI=166725)

* The Head of Branch is responsible for approving initial applications and for ensuring that the proposed research meets the statutory and regulatory requirements and that the Branch has capacity to undertake the additional work outside of the AWP.
* For work up to the value of £250k - the Head of Division is responsible for approving applications and reviewing the project from a Divisional-wide perspective – advising on any cross-branch research links that may be relevant.
* In terms of Grant Funded projects, the initial review by RSO HOB is to confirm the proposed project is compliant with Directed Research Fund (DRF) policy and confirms AFBI’s eligibility to progress an application to the outlined funder.
* The CEO is responsible for approving work over the £250k threshold as well as ALL Grant Funding incurring a deficit - for which a DRF application must be made per project request through line management to the CEO for assessment/approval.
* The Finance Business Partner’s first stage review of project request will check that commercial projects are break-even/making a surplus (in line with the Costing and Charging Guidance). The second stage review will check that the Budget agrees to the contract/ Letter of Offer.
* A further review is conducted by the RSO to ensure the relevant forms have been completed and the necessary information provided on both Commercial (FCR) and Grant Funded projects.
* Finally, the AFBI solicitor provides approval following review of the contract and/or associated documents, taking into consideration IP and providing assurance of same.

# Roles & Responsibilities – Post-Award

# Managing the contract (scientific reports/meeting contractual milestones etc.)

The CM shall conduct the research in accordance with protocols and standard operating procedures relevant to the work of their Branch.

Progress and final reports shall be provided to the customer as agreed in the contract/grant agreement.

Should the project deviate from the original contract the CM should refer to AFBI’s Costing and Charging policy [AFBI Costing and Charging](http://afbi.intranet.nigov.net/sites/afbi-intranet/files/media-files/afbi_costing_and_charging_guidance_feb_22_0.pdf) and changes should be implemented on AFBI’s project Management System accordingly through the Change Request process for review by the relevant approvers.

# Reimbursement of grant funding

The AFBI RSO, in liaison with the CM, is responsible for completing and submitting claims for grant funding.

The RSO Claims team ensures that the staff time and direct costs reports are acquired for making the claims and that all back up documents required, per the grant agreement, are submitted.

Reimbursement of commercial (full cost recovery) work

Invoicing for full cost recovery work – except Research Service Awards \* – is the responsibility of the Branch.

\**Invoicing of Research Service awards is the responsibility of the RSO where this has been agreed with the branch at the outset- as these require staff time and direct costs reports and back-up documents in the same way as the grant claiming process.*

Post project evaluation

AFBI Finance Business Partners (FBPs) complete the financial information on the AFBI900 closure request for a contract that has reached stage 4 completion on AFBI Project Management System.

The CM is responsible for completing the remainder of the request and having it approved by the Head of Branch.

The CM and FBP should liaise over any financial queries.

Once agreed and approved the AFBI900 should be uploaded to the AFBI Project Management System, for guidance on completing closure report please refer to [Record AF1/25/2992: Closure report - SOP - updated 29.06.20 BMcR - updated 2-7-20 PS](contentmanager://record?DB=AI&Type=6&Items=1&[Item1]&URI=277275) (SOP to be updated).

\**RSO will inform the FBP when this stage has been reached*

# Monitoring and Review

This External Contracts guidance and its associated documentation will be reviewed by AFBI’s Research Support Office on a regular basis, and at least every three years, or following significant changes to AFBI’s internal approval system.

# APPENDIX A – External Contracts Project Categorisation Guidance

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**Guidance on External Research Contracts Project Categories**

1. A summary of revised project categories is presented in Table 1 below. Detailed guidance and examples of the projects which should be included in each category is included in **Annex 1**.
2. This detail should be referred to when entering a Project Request on the AFBI Project Management system if uncertainty remains, please contact with the Research Support Office for further advice.

*Table 1 – Project Categories for 2024/25*

|  |  |  |
| --- | --- | --- |
| **Project Type** | **Sub Type** | **Contract Type (External Contracts only)** |
| External Contracts | Commercial | Commercial Contract |
| Commercial Subcontract |
| Commercial Services |
| Research Subcontract (Including Research Service awards) |
| Postgraduate Studentship |
| Licence |
| Grant Funded | Research Grant |
| Postgraduate Studentship |

***Annex 1 – Guidance on Project Categories for 2024/25***

| **Project Type** | **Sub Type** | **Contract Type (Ext. Contracts only)** | **Description** |
| --- | --- | --- | --- |
| External Contracts | Commercial | Commercial Contract | Full cost recovery research work to be carried out by AFBI for a specific customer (or group of customers). A contract should be in place for the work, which must be reviewed by the AFBI Solicitor before being signed by AFBI. |
| Commercial Subcontract | Full cost recovery research work to be carried out by AFBI, where AFBI's customer is the main contractor.  E.g. a sub-contract with Rothamsted with the over-arching funding coming from a UK Government Department |
| Commercial Services | The provision of standardised commercial services, such as routine testing, which are provided to a range of customers on a demand led basis. Contracts are not in place with individual customers and prices should be based on approved price lists.  E.g. Cattle Health Scheme, GC/MS analyses etc. |
| Research Subcontract | Full cost recovery\* research work to be carried out by AFBI, where AFBI's customer is in receipt of a research grant.  E.g. a sub-contract with an academic institution with the over-arching funding coming from the EU  \**With some exceptions* |
| Postgraduate Studentship | Commercial funding received to fund costs associated with a postgraduate studentship. A contract should be in place for the funding, which must be reviewed by the AFBI Solicitor before being signed by AFBI. |
| Grant Funded | Research Grant | Research Grant project, where AFBI is either the lead or named partner on the Letter of Offer/ Grant agreement.  E.g. Horizon Europe, DfE CASE, DAFM/ DAERA etc.  Note - if AFBI is listed as a “non-funded partner”, this is a commercial subcontract and should be treated in line with the guidance on this project type above. E.g. a sub-contract with QUB as a non-funded partner on BBSRC grant. |
| Postgraduate Studentship | Grant funding received to fund costs associated with a postgraduate studentship. AFBI should be named as the grant recipient on the Letter of Offer/ Grant agreement. |

# APPENDIX B – UKRI/BBSRC Contract Scenarios



# APPENDIX C – Contract Process Map



## APPENDIX D- Glossary of terms

|  |  |
| --- | --- |
| **AWP** | AFBI’s Assigned Work Programme- commissioned by DAERA |
| **External Contracts** | Work undertaken by AFBI which falls outside the remit of the AWP. Not included in this category are E&I projects, Commercial Services or Licence Agreements |
| **UK Research and Innovation (UKRI)** | UK Research and Innovation- is a non-departmental public body sponsored by the Department for Science, Innovation and Technology (DSIT) investing in Research and Innovation |
| **Biotechnology and Biological Sciences Research Council (BBSRC)** | Biotechnology and Biological Sciences Research Council aims is to advance the frontiers of biology and drive towards a healthy, prosperous and sustainable future. |
| **Contract Manager (CM)** | The Contract Manager is the AFBI researcher/staff member responsible for the delivery of a specific contract. |
| **Directed Research Fund (DRF)** | The AFBI Directed Research Fund aims to build and support excellence in science, to develop scientific capacity, to promote innovation and collaboration, and to assist in the drawing down of national and international funds in areas that fall within the policy remit of DAERA and which AFBI considers may yield potential benefits for DAERA and its stakeholders. |
| **Finance Business Partner (FBP)** | AFBI Finance Business Partners are based in the finance branch and are available to assist Divisions with finance-related decision-making. |