



# Guidance on the Digital Transformation Flexible Fund (DTFF)

This document provides potential applicants with information about the eligibility, criteria, and application process for the Digital Transformation Flexible Fund.

**Mar 2025**

# DTFF Summary

- DTFF seeks to address the financial barriers small and micro businesses face when seeking to digitally transform, by establishing a capital grant fund to support investment in capital equipment (hardware, software/bespoke system development) critical to their strategic digital transformation ambitions.
- DTFF capital investments are wholly in the 'innovation arena' and will enable business transformation rather than 'digitisation' of existing business models or operations.
- In keeping with this innovation or transformational focus, the DTFF will be based on the following advanced digital technologies/tools:
  - Smart technologies/smart environments, the Internet of Things (IoT) and simulation;
  - Process automation via robotics/cobotics, additive manufacturing;
  - Big-data and analytics;
  - Immersive Technologies (AR/VR/MR/Haptics);
  - Artificial intelligence and machine learning; and
  - Horizontal and vertical system integration, distributed ledger systems/blockchain technologies.
- DTFF will enable the purchasing of capital equipment and/or resources for 'off the shelf' software solutions and/or bespoke system development. Where possible the emphasis should be on 'off the shelf' software solutions rather than bespoke system development, to ensure greater likelihood of downstream support/maintenance for the funded companies.
- DTFF will not cover the on-going revenue costs of leasing software, nor any ongoing maintenance/update costs, which should be borne by the applicant on an ongoing basis and will be detailed within funding agreements.
- DTFF will be open to small and micro businesses from all sectors (with the exception of primary agriculture, forestry and fisheries) that are VAT registered and with a 12-month minimum trading history.
- Funding is available between £5,000 - £20,000 ex VAT for an investment project.
- Funding awarded will be up to 70% of the total value of an investment project.
- Applicants must match fund a minimum of 30% of funding for the investment project. This must be evidenced through supporting bank statements.
- All capital investments funded from DTFF must be aligned to a Digital Transformation Plan within the application form.
- Successful applicants claim the value of the funding awarded after they have paid for the project in full.

### **Applicants must be:**

- Based in Northern Ireland and within 1 of the 11 Council areas;
- A small (10-49 employees) or micro business (1-9 employees);
- VAT Registered (VAT exempt businesses trading above the VAT threshold can apply);
- Trading for at least twelve months;
- Have a Digital Transformation Plan or equivalent to complete the application form; and
- Developing a project centered on one or more of the six advanced digital technologies funded by the DTFF.

The Programme is open to all sectors with the exception of primary agriculture, forestry and fisheries.

Retrospective applications are ineligible. Businesses are unable to claim for any expenditure incurred before a funding agreement is signed.

**It is highly recommended that all Applicants attend the Pre-Application Briefing sessions prior to submitting an Expression of Interest. These will be hosted in each Council area.**

**DTFF c/o Newry, Mourne and Down District Council reserve the right to change these terms and conditions.**

## Contents

|   |           |
|---|-----------|
| <b>About the Digital Transformation Flexible Fund .....</b> | <b>5</b>  |
| <b>What is Digital Transformation? .....</b>                | <b>5</b>  |
| <b>How much grant is available? .....</b>                   | <b>6</b>  |
| <b>Funding Calls.....</b>                                   | <b>6</b>  |
| <b>Eligibility and Investment Types .....</b>               | <b>8</b>  |
| <b>Geographic Eligibility .....</b>                         | <b>11</b> |
| <b>Financial Viability.....</b>                             | <b>12</b> |
| <b>How to Apply.....</b>                                    | <b>13</b> |
| <b>Stage 1: Pre-Application Briefings.....</b>              | <b>14</b> |
| <b>Stage 2: Expression of Interest .....</b>                | <b>14</b> |
| <b>Stage 3: Application and Procurement.....</b>            | <b>15</b> |
| <b>Stage 4: Application Assessment.....</b>                 | <b>16</b> |
| <b>Stage 5: Letter of Offer .....</b>                       | <b>16</b> |
| <b>Stage 6: Making a Claim .....</b>                        | <b>17</b> |
| <b>Contacting us: .....</b>                                 | <b>18</b> |
| <b>Appendix A – Digital Transformation Plan .....</b>       | <b>19</b> |
| <b>Appendix B – Procurement and Quotations .....</b>        | <b>20</b> |
| <b>Appendix C – Procurement Templates .....</b>             | <b>24</b> |
| <b>Appendix D – Document Retention .....</b>                | <b>25</b> |

## About the Digital Transformation Flexible Fund

The Digital Transformation Flexible Fund (DTFF) is a demand led grant scheme aimed at establishing a Northern Ireland wide fund to stimulate digital innovation. It seeks to address the financial barriers to the adoption of advanced digital technologies as a means to achieve business transformation amongst small and micro businesses.

The rationale for the DTFF as a financial intervention/stimulus for smaller organisations to invest in advanced digital technologies as part of their overall digital transformation plans is as follows:

- The need to tackle the productivity challenge in NI;
- The need to increase the proportion of 'innovation-active' businesses in NI;
- The need to respond to the global COVID19 Pandemic and support economic recovery; and
- The need to drive digital inclination amongst small and micro businesses across NI (by removing barriers for small/microenterprises, driving inclusive growth, right across NI, including within rural communities).

DTFF is a 3-year programme running from October 2023 to October 2026. It will provide up to £7.5 million of funding for businesses to invest in advanced digital technologies.

The Digital Transformation Flexible Fund (DTFF) is delivered by all local authorities in Northern Ireland under the Full Fibre Northern Ireland Consortium (FFNI) and supported by Invest NI. The project is part funded by the NI Executive, UK Government, Department of Agriculture, Environment and Rural Affairs (DAERA) and all local authorities in Northern Ireland.

## What is Digital Transformation?

### Definition:

Digital transformation will look different for every company, it can be hard to pinpoint a definition that applies to all. However, in general terms, we define digital transformation as the integration of emerging digital technology into areas of a business which result in a fundamental change to how the business operates and how they deliver value to customers.

The DTFF capital investment is positioned to build digital innovation into the wider enterprise strategy, rather than seeking to encourage implementation of various digital tools on a 'technology-based initiative' level.

## How much grant is available?

- Funding is available between £5,000 - £20,000 (ex VAT) for an investment project.
- Funding awarded will be worth up to 70% of the total value (ex VAT) of an investment project.
- All DTFF supported projects require a matched co-investment from Applicant Companies at a minimum of 30% of the overall project costs.

## Funding Calls

DTFF funding calls will open in tranches throughout the year. These will be published on the DTFF website ([www.dtff.co.uk](http://www.dtff.co.uk)) and through social media announcements. Interested parties are recommended to sign up to the DTFF Ezine also to be informed on call opening dates.

### Anticipated Funding windows are:

| Funding Call | Funding window |
|--------------|----------------|
| 1            | November 2023  |
| 2            | March 2024     |
| 3            | June 2024      |
| 4            | March 2025     |
| 5            | June 2025      |
| 6            | September 2025 |
| 7            | March 2026     |

The above dates are indicative and may be subject to change.

The DTFF programme is a **competitive process** (rather than first come first served) where applications are scored according to:

- The potential for digital transformation of the applicant/business as a result of the investment project;
- The potential economic impact in terms of increasing turnover and creating good quality and sustainable jobs for the business; and
- The business performance improvements that are likely to result from the investment, including increased productivity and scalability of the business.

**DTFF reserve the right to close funding calls earlier, if necessary, due to the volume of applications received.**

It is important to note that the grant funding levels are effectively the minimum and maximum of funding levels that could be awarded to a successful company. However, whilst these are the funding caps, they are not applicant project caps, with potential for businesses to deliver projects of greater financial scale, in which circumstances their financial contribution would exceed the match funding requirements of 30%.

|                        | Minimum Fund | Maximum Fund          |
|------------------------|--------------|-----------------------|
| Funded Value           | £5,000       | £20,000               |
| Total Project Value    | £7,142.86    | Minimum of £28,571.43 |
| Match funding required | £2,142.86    | £8,571.43             |

- The minimum value of funding available to applicants is £5,000 ex VAT (minimum total project value £7,142.86).
- The maximum funding available is £20,000 ex VAT with a minimum total project value of £28,571.43.
- There is no upper limit to the total project value, but maximum funding remains at £20,000 ex VAT.

**Please note:** The agreed funding will be provided once applicants have paid their chosen supplier the full amount for their agreed investment and made a successful claim to DTFF with supporting information.

# Eligibility and Investment Types

## Eligible Investment Types

DTFF will enable the purchasing of capital equipment and/or resources for 'off the shelf' software solutions and/or bespoke system development, based on the following advanced digital technologies/tools:

1. Smart technologies/smart environments, the Internet of Things (IoT) and simulation;
2. Process automation via robotics/cobotics, additive manufacturing;
3. Big-data and analytics;
4. Immersive technologies (AR/VR/MR/Haptics);
5. Artificial intelligence and machine learning; and
6. Horizontal and vertical system integration, distributed ledger systems/blockchain technologies.

**DTFF will not cover the on-going revenue costs of leasing software nor any ongoing maintenance, update or training costs, which should be borne by the applicant.**

It is important that applicants describe the purpose for which the acquired asset or investment will be used in the application form and how it will benefit their business performance. All capital investments funded from the DTFF must be aligned to a Digital Transformation Plan.

## Ineligible Investment Types

DTFF will **not** facilitate capital investment in the following which could be viewed more as 'digitisation of existing operations', rather than **digital innovation/transformation**:

- Website and e-commerce development,
- Social media strategies,
- Mobile marketing, paid advertising, blogging and content creation,
- Search engine optimisation,
- Purchase of IT equipment,
- Customer relationship management and,
- Non-industrial 3-D printing.

This list is not exhaustive and the DTFF Operations Team have the discretion to omit costs if deemed ineligible and/or not within scope of the project.



## Eligibility Criteria

Businesses wishing to access the Digital Transformation Flexible Fund must be:

- Based in Northern Ireland and operate within 1 of the 11 Council areas;
- A small or micro business;
- VAT Registered (VAT exempt businesses trading above the VAT threshold can apply);
- Actively trading for a minimum of twelve months;
- Have a Digital Transformation Plan or equivalent;
- Centered on one or more of the six advanced digital technologies; and
- Have not received De Minimis Aid (funding from any national or local public sector scheme) in excess of €300,000 over three consecutive fiscal years.

**The Programme is open to all sectors with the exception of primary agriculture, forestry and fisheries\*.**

\*Since 2021, significant work has been undertaken to consider the need for Digital Transformation within small and micro-businesses. As part of the mapping exercise, the Department for Agriculture, Environment and Rural Affairs (DAERA) considered provision for financial support to stimulate digital innovation within primary agriculture, forestry and fisheries. Various opportunities to support these sectors were identified, including the Farm Business Improvement Scheme and The Maritime Fisheries Fund NI, for example, whilst others were being considered subject to changes to legislation being granted. This informed the decision to exclude these three areas from the DTFF fund.

### Micro and Small Business Employee Headcount

The headcount includes full-time, part-time, temporary and seasonal staff. It includes employees, owner-managers, partners and directors engaged in a regular activity in the business but excludes apprentices and employees on maternal or parental leave.

The headcount is measured in terms of full-time equivalent (FTE) people. Anyone who worked full-time during the entire year counts as one FTE. Part-time staff, seasonal workers or those who did not work the full year are converted to FTE based on the number of hours they worked.

A part-time worker is someone who works fewer hours than a full-time worker. There is no specific number of hours that makes someone full or part-time, but a full-time worker will typically work 35 hours or more per week.

### What happens if my business goes temporarily over the threshold?

There is a 'two-year' rule that recognises some businesses might exceed the thresholds temporarily during an exceptional year and/or in volatile markets. If a business exceeds a threshold during the year in question, you should consider the size of the business over the two previous years as well. Looking at all three years, you should only consider the business too big if it has exceeded the threshold for two consecutive years.

This rule does **not** apply where a business exceeds the threshold due to a merger or acquisition as this is not typically temporary.

Therefore, it is up to a business to determine the number of FTE's based on the above guidance. If your calculations exceed the threshold, consideration will be given based on the size of business over the previous two years.

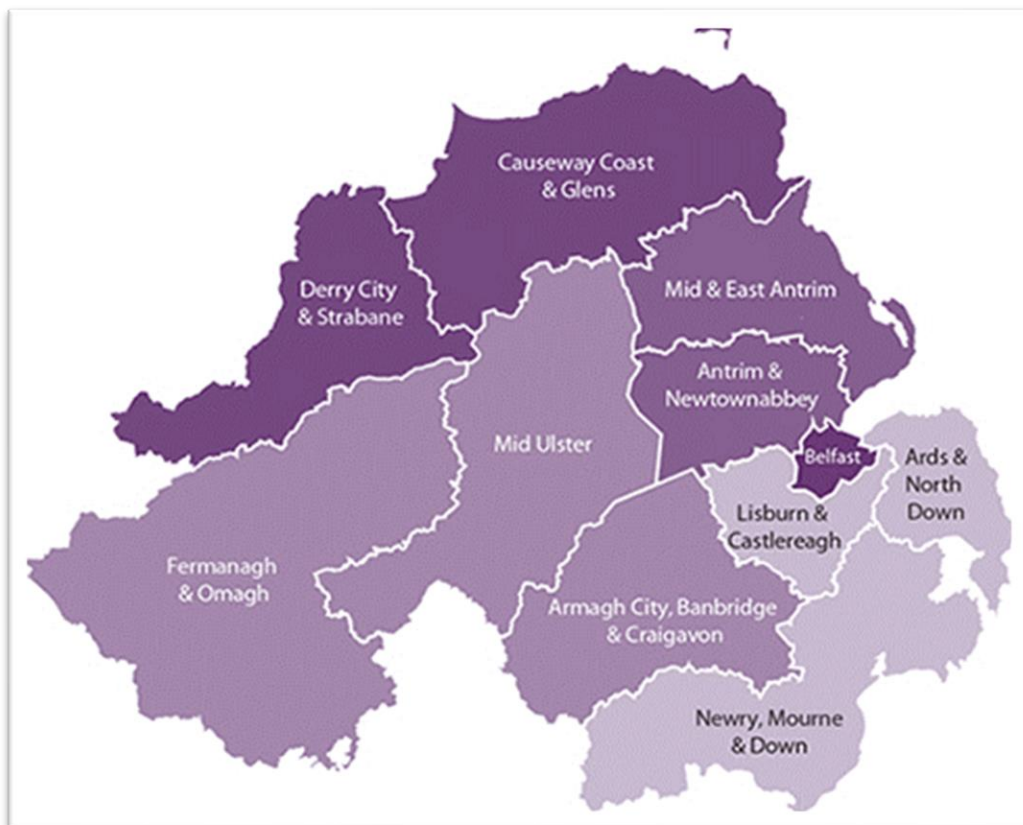
### **Other conditions relating to the funding include:**

- Funding cannot be used to pay VAT.
- Funding will only be provided for the purchasing of capital equipment (hardware, software/bespoke system development) and/or resources for 'off the shelf' software solutions and/or bespoke system development.
- Where a business is VAT exempt and is above the turnover threshold for VAT registration, they will be permitted to apply for DTFF. Certified evidence must be provided to verify exemption status.
- Where possible the emphasis should be on 'off the shelf' software solutions rather than bespoke system development, to ensure greater likelihood of downstream support/maintenance for the funded companies.
- Subscription costs are not eligible for funding due to HMRC classifying subscription costs as revenue.
- DTFF will not cover the on-going revenue costs of leasing software nor any ongoing maintenance, update or training costs, which should be borne by the applicant on an ongoing basis and will be detailed within funding agreements.
- Only one application, per business, per financial year, will be considered. Applicants who have previously applied for and received funding in a previous financial year may apply again for a new project up to a maximum of two funded projects over the lifetime of the fund.
- As DTFF is bound by EU rules on ownership/linked companies if the smaller company is owned by the same owners i.e., a parent company, the linkage between the operations would be seen as the companies being linked, and therefore would be ineligible for DTFF.
- Applications will not be accepted for projects which have received funding previously or has applied for additional project financing, whereby the DTFF evaluation of the project is still ongoing.
- Applicants will be given a 16-week timeframe to complete their investment, from the point of Letter of Offer. After this time, DTFF reserves the right to cancel the funding award (this will not apply in exceptional circumstances where a delay is beyond the control of the applicant, e.g., where a supplier has failed to complete the work).
- Applications can be for either one technology solution or a bundle of solutions so long as the project is within the grant cap. Nevertheless, two written quotations will be required for each solution / item of equipment.
- DTFF reserves the right to cancel a funding award, once issued to an applicant, if we suspect fraud has been committed in any aspect of applying for funding.
- There is no automatic right granted to applicants or to appeal the decision about a funding application. However, applicants can submit an alternative digital transformation project for consideration if they have been unsuccessful (limited to one re-submission per applicant), providing the funding call period(s) have not concluded.

## Geographic Eligibility

Applicants applying for funding must be based within Northern Ireland and within one of the Local Government Districts (LGD) i.e., have their headquarters or main operation centre within one of the following local authority districts:

- Antrim and Newtownabbey Borough Council
- Ards and North Down Borough Council
- Armagh City, Banbridge and Craigavon Borough Council
- Belfast City Council
- Causeway Coast and Glens Borough Council
- Derry City and Strabane District Council
- Fermanagh and Omagh District Council
- Lisburn and Castlereagh City Council
- Mid and East Antrim Borough Council
- Mid Ulster District Council
- Newry, Mourne and Down District Council



**Geographic eligibility** can also be ascertained by establishing whether the business pays its business rates to any of the local authority districts illustrated above (if it pays business rates).

In instances where an applicant business has its head office elsewhere, geographic eligibility will be determined by establishing whether the impact from the investment project benefits the Northern Ireland economy.

Similarly, businesses that are based in the eligible area, but which operate outside of it, will need to demonstrate how the investment benefits their operations within the area i.e., creates jobs or develops capacity in their operations based in the local area.

## Economic Impact

Applicants applying for funding will need to outline in the Application Form and Digital Transformation Plan how their investment will generate a positive economic impact. The common types of economic impact that may result from an investment in digital technology include:

- Potential for jobs to be created
- Increase in turnover
- Increase in profitability
- Increase in efficiency

Applicants will be asked to identify and quantify the potential impact of their investment as part of the investment appraisal and application process.

## Financial Viability

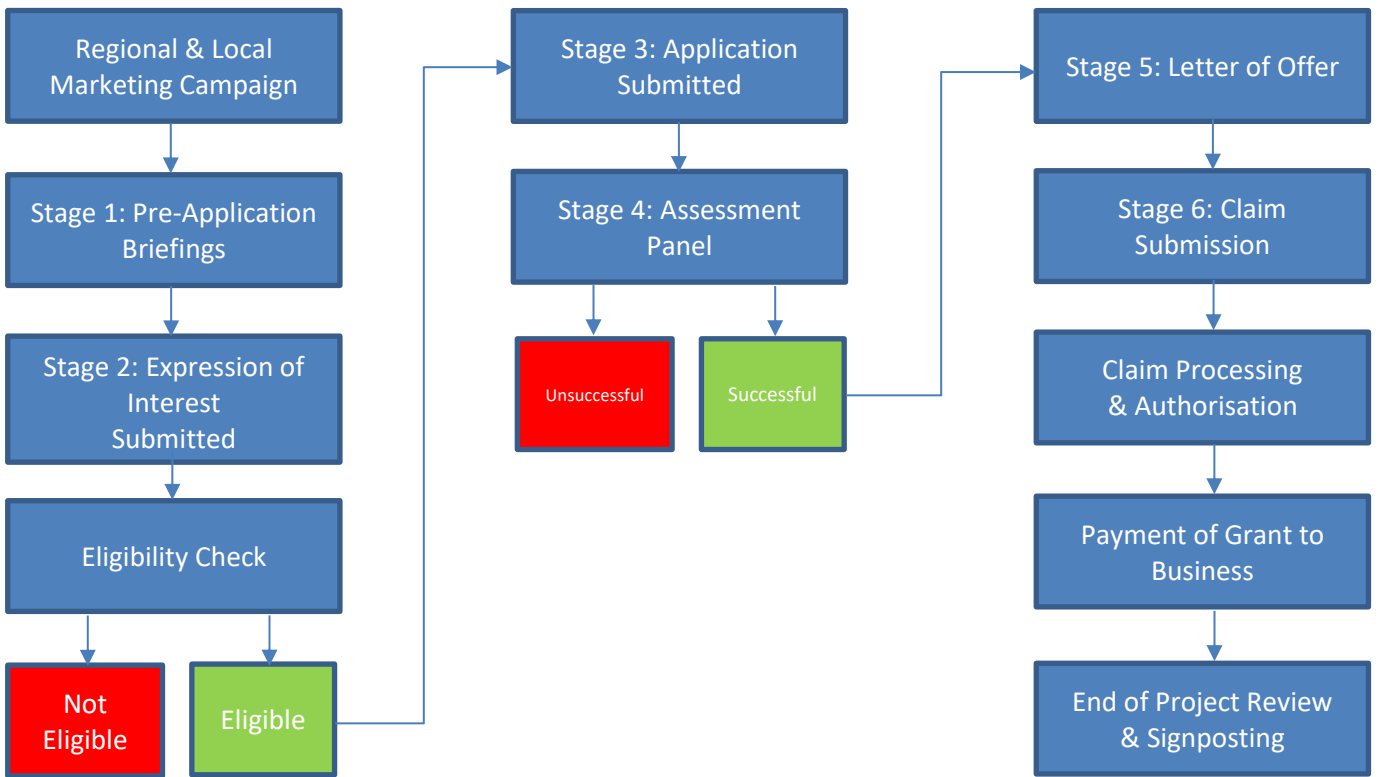
Regulations are in place to ensure that businesses which are supported under the DTTF programme are financially viable enterprises. At the point of application, all applicants for DTFF will need to confirm that the business is **not in difficulty** as defined under the State Aid rules, the definition of which includes the following criteria:

- That more than half of its capital has not disappeared because of accumulated losses.
- That the business is not subject to collective insolvency proceedings, and that it does not fulfil the criteria under UK law for being placed in collective insolvency proceedings at the request of its creditors.
- That the business has not received rescue aid and has not yet reimbursed the loan or terminated the guarantee or has not received restructuring aid and is still subject to a restructuring plan.

All applicants will need to declare that the business is not in financial difficulty as defined by the above statements. The DTFF Operations Team may carry out financial scrutiny of an applicant's business to ensure they meet these requirements.

# How to Apply

The flow chart below illustrates the grant process and steps to obtain funding through the DTFF programme.



## Stage 1: Pre-Application Briefings

Applicants are recommended to attend a pre-application briefing which will describe the aims of the DTFF, and steps required to apply for funding. Dates will be published on the DTFF website, social media and through each local Council marketing channels.

The person attending a pre-application briefing **must be a person with authority\*** who can submit an Expression of Interest form, Application Form and sign the Letter of Offer.

*\*For the purposes of DTFF, a person with authority is the business owner if a sole trader; one of the partners if operating as a business partnership; or one of the directors if operating as a legal entity registered with Companies House.*

## Stage 2: Expression of Interest

An Expression of Interest form then needs to be completed online via: [www.dtff.co.uk](http://www.dtff.co.uk).

Expressions of Interest must be completed by the owner or authorised business manager employed by the business, under the **legally registered name of the business** (as registered with Companies House and **not under their trading name**).

On receiving your Expression of Interest, the DTFF Operations Team will assess it to confirm if your business is in principle for our support.

**Once an online Expression of Interest form is submitted to the DTFF Operations Team it will be checked for eligibility, using a variety of sources, including:**

1. That the applicant is a small/microbusiness or a social enterprise and is VAT registered.
2. That the applicant is actively trading (i.e., receiving sales income) for at least twelve months (earned income only, i.e., excluding grant income or funding from a parent organisation, evidenced by 12 months bank statements).
3. That the project is not operating within the primary agriculture, forestry and fisheries sector.
4. That the project has or is working towards a Digital Transformation Plan or equivalent.

At this stage, if an applicant is **ineligible** for DTFF, they will be informed by email, with the reasons for this decision. They may also be provided with further information about alternative funding schemes and signposted to these. Applicants can submit another application for future calls should their circumstances change.

**Refer to Appendix A for more information on the Digital Transformation Plan.**

## Stage 3: Application and Procurement

After an Expression of Interest, if the applicant is eligible to apply, they will be issued with a decision in principle email and requested that they submit additional information to support their application. Access will be granted to the Applicant Portal on the DTFF website.

Applications must be completed in full and returned along with any documentary evidence required by the closing date as stipulated by the DTFF Operations Team. No late submissions will be accepted under any circumstances.

### Supporting documentation required:

1. Evidence within the application form demonstrating alignment with a Digital Transformation Plan.  
This is to demonstrate that the project is centered on one or more of the six advanced digital technologies that are the focus of the DTFF,
2. Specification of equipment to be funded (Annex A),
3. Two quotations that have been obtained from relevant supplier(s), with quotations attached, including details of the supplier that has been selected and the reason/justification for the preference (Annex B),
4. A declaration on State Aid / Subsidy previously received by the business,
5. Evidence of ability to match fund the project (minimum 30% contribution), trading duration and VAT status demonstrated through Bank Statements.

### Refer to Appendix B for more information on the Quotation phase.

### Important:

- Government departments are required to ensure that grant funding, used for the procurement of goods/services is spent in accordance with procurement law.
- Applicants should **not** purchase any capital equipment/resources until you have accepted a Letter of Offer and received authorisation to proceed.
- Applicants source all quotations at their own risk – only the cost of the equipment will be funded once successful.
- Any decision in principle should not be taken as an indication that the project will be awarded grant aid.

## Stage 4: Application Assessment

**This is a competitive process and applications will be scored by an Assessment Panel according to the following criteria:**

- a) Potential for Digital Transformation,
- b) Potential economic impact in terms of creating good quality and sustainable jobs,
- c) Potential impact on overall business performance, improvements due to the investment,
- d) Shows direct and quantifiable business benefits.

It is important to demonstrate value for money and that projects maximise the return on investment. Proposed projects will be reviewed and appraised by the DTFF Assessment Panel.

## Stage 5: Letter of Offer

### Successful Applicants

If all information requested in Stage 2 and 3 is provided and verified, applicants will be provided with a Letter of Offer. This will be sent to the applicant for signature to confirm their acceptance of the terms and conditions of the grant funding, which will include:

- Completion of an Innovate NI Innovation Assessment in order to draw down DTFF funding.
- The supply and retention of purchase evidence and original documentation, including receipts, invoices and bank statements showing payments.
- Evidence of the economic impact data relating to the investment (collected after 6 and 12 months).

### Unsuccessful Applicants

Unsuccessful applicants will be notified about the outcome of their appraisal and the reasons for this decision. They will also be notified of other forms of support and assistance that they may be able to access. Applicants will have the opportunity to reapply for DTFF funding in a later tranche of funding if desired.

There is no right of appeal granted to applicants under this scheme.



## Stage 6: Making a Claim

Applicants will have **16 weeks** to purchase equipment from the Letter of Offer issue date.

- Grant Aid shall be paid **in arrears** on receipt of a properly completed official claim form and signed Letter of Offer. No other types of claim form will be accepted.
- Applicants will need to provide the DTFF Operations Team with **certified copies** of the evidence i.e., receipts from their supplier and a bank statements showing the expenditure (retaining all original documentation as agreed in the Funding Agreement). Payment Transaction receipts cannot be accepted.
- If suppliers are paid using a credit card, a certified credit card statement will be required, showing payment to the supplier, plus a certified redacted business bank statement showing full payment to the credit provider.
- Suppliers **cannot** be paid in cash.
- The DTFF team will then validate all the documentary evidence and issue payment to the value of the funding to an agreed payment method (via electronic BACs payment). Payment will only be made for evidenced eligible expenditure.
- If the DTFF team suspects fraud has been committed, the application will be deemed ineligible, and the funding award will be cancelled.
- Quotations in Euros will be calculated at the point of Letter of Offer. Applicants need to bear in mind that exchange rates will fluctuate. The DTFF Operations Team will use [www.xe.com](http://www.xe.com) to determine the exchange rate when the Letter of Offer is created.

Payment will **not** be awarded for any expenditure incurred before the Letter of Offer (LoO) issue date. There shall be no obligation on the DTFF Operations Team to make payment in respect of claims which are received after the agreed date for submission of the Claim Form.

Any assets purchased with grant funding, will need to be recorded on an **Asset Register**. Information about the asset, including its value, serial number etc. will be recorded by a member of the DTFF team.

After 6 and 12 months, from the issue of the payment, the DTFF Operations Team will contact the applicant to request details of the impact/outputs resulting from the investment project. Site visits may also be conducted by a member of the DTFF Operations Team or local Council representative.

**The estimated time from receiving an Expression of Interest form from an applicant to issuing the grant will depend upon several factors, including eligibility, the applicant's ability to collect the evidence required and their supplier's ability to deliver the solution. Nevertheless, average grant processing timescales are likely to be around 36 weeks.**

DTFF reserves the right to alter this guidance for future calls.

## Contacting us:

For enquiries on the Digital Transformation Flexible Fund, please contact:

**E:** [dtff@nmandd.org](mailto:dtff@nmandd.org)

**W:** [www.dtff.co.uk](http://www.dtff.co.uk)

## Appendix A – Digital Transformation Plan

All capital investments through the DTFF will be required to be aligned to a Digital Transformation Plan. The purpose of this plan is to demonstrate that a business has thought through the digital transformation they are seeking to make, its relevance to the business and the expected benefits they are aiming to achieve.

As part of the Application Form, applicants **must** complete Section 2: Digital Transformation Plan. It will be this section of the online Application Form that will be assessed and scored by an Evaluation Panel. A word version of the Digital Transformation Plan will be made available allowing you to draft a response.

The Digital Transformation Plan will consist of the following questions for scoring:

|                   |  |                  |
|-------------------|--|------------------|
| <b>Criteria 1</b> | How will the proposed investment contribute to Digital Transformation within your business?  | Weighting of 40% |
|                   | <i>Explain why the project is being undertaken and what is hoped to be achieved initially and in the longer term e.g. five years from now. Discuss the likely consequences of not proceeding with the project.</i>   |                  |
|                   | (Max 4000 characters)  |                  |
| <b>Criteria 2</b> | Summarise the economic outputs and/or benefits that are likely to be delivered from the proposed investment.   | Weighting of 40% |
|                   | <i>Explain how the project will increase turnover or allow your business to develop new products or services. Will funding the project lead to the development of new roles within the organisation and if so, identify what the new roles are likely to be.</i> |                  |
|                   | (Max 4000 characters)  |                  |
| <b>Criteria 3</b> | Summarise the business performance improvements that are likely to be delivered from the proposed investment.  | Weighting of 20% |
|                   | <i>Explain how the project will increase productivity and scalability of your business.</i>  |                  |
|                   | (Max 4000 characters)  |                  |

**Please Note:** It is the responsibility of applicants to develop this Digital Transformation Plan independently or with support from complementary programme interventions. The DTFF Operations Team **will not** assist in the development of these plans.

## Appendix B – Procurement and Quotations

### Preparing a Specification

You are required to issue a detailed written specification of the goods to be procured to potential suppliers. Specifications should be unambiguous and include a clear statement of requirements.

### The following requirements apply:

- The specification must include all the information needed for the eligible goods to be procured to complete the project. When preparing the written specification, it is important that the following are considered in detail:

**Goods/Items** – name of the item, number required, size or specifications for the item, any attachments necessary for operation etc.

The suppliers of goods/items must be able to quality assure such items and the specification document should include an element to cover the quality of the product. The need for accreditation should be considered and if required, a reputable third-party certification body must provide this.

- The specification must be sufficiently detailed to allow for a fair comparison of costs on a like to like basis.
- When considering delivery dates and/or work start and end dates, you must account for the project application and assessment process to ensure that realistic timescales are provided to potential suppliers.
- The **same** specification must be sent to all suppliers asked to quote.
- All quotations received must match the specification issued to be deemed eligible for the DTFF grant.

## Quotations

You are required to provide **two** quotations for every item included in your application and provide the DTFF Operations Team with supporting evidence of quotations sought. This is as follows:

- Annex A: Detailed written specification issued to suppliers,
- Certified quotations completed by suppliers and returned to applicant.

Where you have been unable to provide two like-for-like quotes, please explain the reasons why. You will need to show that the quotes you are providing demonstrate value for money and the items are fit for the purpose of the project.

If you are unable to provide two quotes, we may not be able to include the item in the grant offer if you are unable to demonstrate value for money.

The DTFF Operations Team will check quotations submitted with several of the suppliers. Fraudulent documentation will result in the disallowance of an application for financial assistance, and you may be debarred from future calls.

### **The following requirements apply. All quotes must:**

- Be independent of each other (i.e., from different suppliers that trade as standalone business entities that are not linked through shared ownership);
- Be independent of the applicant;
- Be comparable (e.g., of same or similar specification);
- Include a detailed and itemised breakdown of costs;
- Be dated within the last six months and still valid;
- Issued directly to the grant applicant / business (equipment to be delivered to applicants address);
- Detail the supplier's address, telephone number and contact details;
- Give the VAT number (if the supplier is VAT registered and VAT is charged on the quote); and
- Show the supplier's company registration number (if they are a limited company).

Catalogue listings are allowed as set out in the guidance, applicants must send direct references to the catalogue listing, and they must include:

- A screenshot with the date on which it was obtained;
- Item description and the price;
- Name of the company or catalogue; and
- Page number or link to webpage.

## Value for money

In order to demonstrate value for money, it is expected that applicants use the most economically advantageous quotation of each item to demonstrate best value on the market for the project item. To ensure that the quotations are assessed fairly and accurately, applicants are required to complete and return the following to the DTFF Operations Team:

- Annex B: Quotation Receipt

If your preferred supplier is not the cheapest, please explain why. We may not be able to accept the cost of your preferred supplier, and this may reduce the grant for the item to the cheapest quote. The following are **not** acceptable reasons for using a more expensive quote:

- the location of the supplier;
- the fact that the applicant has bought from a supplier before; or
- any offers the supplier makes to the applicant about future service or maintenance of equipment.

## Independent quotes

The quotes you provide should be from businesses / individuals who are independent from your business and you. If any of them are not, the relationship must be declared to the DTFF Operations Team prior to any procurement activity.

If you are proposing to use a supplier that is connected to you or your business in any way and the quote is accepted, the total cost permissible for this item may be reduced when the grant is calculated. You will also be required to sign a declaration to the effect that:

- Competitors quotations will not be shared with the quoting family member; and
- You will strictly adhere to the procurement requirements as set out in this Applicant Guidance.

Failure to comply with this requirement will deem the procurement process as ineligible.

## Second-hand items

Second-hand equipment will be reviewed on a case-by-case basis.

## Supplier Notification

It is at an applicant's discretion to notify suppliers about the outcome of their quotation submissions prior to receiving correspondence from DTFF.

## Procurement templates

At the decision in principle stage the DTFF Operations Team will issue templates to assist with the procurement and quotation stage (Appendix C).

**Noncompliance with the procurement guidance will result in the disallowance of all or part of any subsequent grant offer.**

# Appendix C – Procurement Templates

## Annex A: Sample Specification to be issued to Suppliers

[If eligible you will be granted access to this document via the DTFF Applicant Portal. Microsoft Word document]

## Annex B: Quotation Receipt

[If eligible you will be granted access to this document via the DTFF Applicant Portal. Microsoft Excel document]



## Appendix D – Document Retention

Applicants will be required to retain all documentary evidence of the support received, and to provide certified copies of this evidence to the DTFF Operations Team to claim the DTFF grant and to retain originals which must be available for inspection by an auditor.

Records must be kept for 3 years after the last aid is granted. For DTFF projects, the last aid may not be granted until November 2025 meaning that documents will need to be retained until 2027. In the event that an applicant's business ceases trading within this period, documentation must be passed to the DTFF Operations Team to retain.

Evidence to be retained includes:

- Signed Letter of Offer (LoO);
- Any agreement between an applicant and supplier detailing the type of item(s) being provided, the timescale for delivery and the total cost (including VAT);
- The original invoice(s) from supplier;
- The bank statement(s) showing payment of the item(s) from an applicant to supplier;
- Procurement evidence.