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1. INTRODUCTION

- 1.1 This service description sets out the requirements for a piece of high-level support work to the Major Projects Authority within the Cabinet Office (The Authority) and the Ministry of Defence.

2. PURPOSE

- 2.1 To provide consultancy support for the Astute and T26 programmes on the development of their contract/programme management functions, with particular emphasis on their supplier management capability in Barrow and on the Clyde.

3. BACKGROUND TO THE AUTHORITY

- 3.1 The Major Projects Authority (MPA) within the Cabinet Office (The Authority) is charged with supporting departments to deliver their most complex and high-risk projects. The Government's Major Projects Portfolio (GMPP) currently spans 19 departments, 199 projects and has a whole life cost of £488bn. The Authority provides central assurance over projects and its reviews inform Treasury funding approval decisions.

4. BACKGROUND TO REQUIREMENT/OVERVIEW OF REQUIREMENT

- 4.1 While the programme stage and context differs, both the Astute and T26 programmes are currently considering the design of their client functions, in particular in terms of the approach and presence required to face into key suppliers in Barrow, on the Clyde, and, potentially, in Raynesway. It is therefore considered worthwhile to undertake a linked piece of scoping work to understand the key issues and options that should be investigated further in each case.

- 4.2 The specific context and issues that should be considered in each case are as follows.

Astute

- 4.3 The programme to manufacture 7 Astute-class submarines is approximately at its mid-point, with approval announced in 1997, and the first boat (HMS Astute) launched in 2007. Boat 3 was launched in 2015. Following a number of well-publicised programme challenges, the relationship between the MoD and its Tier 1 suppliers has been evolving.

- 4.4 *Redacted at request of client*

- 4.5 Longer-term options for the management of the submarine supply base are currently being assessed as part of the planning for the delivery of the Successor class, and there is already a 40-person MoD team in place in Barrow. The focus of the thinking on Astute under this project should therefore be on steps that can be taken at this point in time to evolve the existing approach, rather than to undertake a more radical overhaul of supplier management arrangements.

- 4.6 Key issues to be considered will need to include:

- Options for the composition and role of the new CDMT in Barrow, and its interaction with the rest of the team in Barrow and the project team in Abbey Wood;
- The way in which suppliers are held to account by MoD in Barrow;
- *Redacted at request of client;*
- *Redacted at request of client; and*

- *Redacted at request of client*

The T26 programme

- 4.7 The T26 programme is entering a key phase of transition from programme planning to delivery. This requires the organisational evolution of the MoD team in order to be able to undertake the next phase of the process, with a particular emphasis on the required contract and supplier management capability.
- 4.8 Unlike the Astute programme, there is therefore the opportunity to consider from a broader perspective the design and development of new client capability for this project. The work on T26 should therefore set out:
- Key issues and options for organisational design of client management function, including the options for the structure of the client management function on the Clyde and its relationship to the project team in Abbey Wood; and
 - Benchmarking of the capability requirement, in the context of the current envisaged approach to contract management on T26.

5. SCOPE OF REQUIREMENT

- 5.1 This project will be undertaken in two phases:

Phase one

- 5.2 The first phase of work will focus on the Astute programme, and be completed by the end of December 2015.
- 5.3 Whilst the Authority is open to alternative proposals, the following are anticipated as the main project outputs for the first phase of work:
- Key lessons from experience, including a summary of client structures and strategies in other relevant projects;
 - A succinct paper on recommended options and considerations for the Astute programme client management arrangements, specifically in Barrow;
 - Delivery of a workshop with MoD staff in Barrow; and
 - Delivery of an output workshop with the Astute programmes in Abbey Wood (and, potentially, one or two other concluding sessions with programme leadership in Abbey Wood or London).
- 5.4 This terms of reference is not looking for a detailed piece of organisational design work. The Authority is looking for key insights into issues and options that can subsequently be taken further by the programme teams. The focus should therefore be on high-quality input and challenge, shared largely through conversation with programme leadership, rather than weighty written outputs.
- 5.5 There will be particular interest in insights and challenge rooted in a broad range of relevant experience.

Phase two

5.6 There will be the option to extend the contract for a second phase of work, focused on the T26 programme, to be undertaken in 2016. This work will only be undertaken subject to agreement between both parties.

5.7 The detailed design of the scope of requirements for phase two will be undertaken prior to agreement on this second phase.

6. PROCESS

6.1 The Authority is open to proposals as to how the work for phase one should be undertaken. However, the Authority envisages the following as a 'straw man' for the project process for the first phase.

- Preliminary workshop with project leadership, to consider lessons from experience and to agree the focus of work;
- More detailed review and investigation work;
- 1-day Barrow workshop;
- Final workshop, to discuss key insights and issues; and
- Final outputs delivered.

7. TIMING

7.1 The requirements set out above for phase one will be completed by 31st December, 2015.

7.2 The detailed timeframe for phase two will be defined prior to agreement to proceed with phase two of the project.

8. SERVICE LEVELS AND PERFORMANCE

8.1 The Authority will measure the quality of the Supplier's delivery by:

- The quality of the insights offered into the issues;
- The applicability and relevance of the recommendations to the particular context; and
- The effective communication of key insights to senior programme leadership.

9. LOCATION

9.1 The location of the Services will be carried out at Abbey Wood, Bristol; in Barrow; and at the offices of the contractors.

10. SECURITY REQUIREMENTS

10.1 Owing to the military and commercial sensitivity of the arrangements, the contractor will need to demonstrate that they meet with the following requirements:

- The contractor must be willing to obtain SC level security clearance for all individuals working on this project on award of the contract;
- The contractor will need to demonstrate how they intend to handle classified documentation; and
- The contractor will need to demonstrate how they intend to manage any potential conflicts of interest with the Tier 1 suppliers for the Astute and T26 programmes.

11. BUDGET

- 11.1 A capped value of £66,500 is available for this project, inclusive of expenses and exclusive of VAT.
- 11.2 A capped value of £25,000 is available for phase one of this project.
- 11.3 Up to a capped value of £41,500 is available for phase two of the project, subject to agreement to proceed with phase two.