

1. FRAMEWORK SCHEDULE 4: LETTER OF APPOINTMENT AND CALL-OFF TERMS

Part 1: Letter of Appointment

Dear Sirs

Letter of Appointment

This letter of Appointment is issued in accordance with the provisions of the Framework Agreement (RM3796) between CCS and the Agency dated 16/01/2017.

Capitalised terms and expressions used in this letter have the same meanings as in the Call-Off Terms unless the context otherwise requires.

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| Order Number: | CCCO19A38 (700008456) |
| From: | The Ministry of Defence ("Client") |
| To: | M&C Saatchi ("Agent") |

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| Effective Date: | Monday 11 th November 2019 |
| Expiry Date: | End date of Initial Period 31 st October 2021 End date of Maximum Extension Period 31 st October 2022 Minimum written notice to Agency in respect of extension: 3 month |

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| Relevant Lot: | Lot 1 (Specialist Consultancy). |
| Services required: | Set out in Section 2 (Services offered) and refined by: the Client's Brief attached at Annex A and the Agency's Proposal attached at Annex B; and Agency's Pricing Schedule at Annex C. |
| Statement of Work | The Parties may enter into such Statements of Work as are agreed between the Parties under Clause 1.2 |

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| Key Individuals: | For the Client: REDACTED |
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| | For the Agency: REDACTED |
| Guarantor(s) | N/A |

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| Call Off Contract Charges (including any applicable discount(s), but excluding VAT): | <p>Please see Annex C – Pricing Schedule for full breakdown of payment.</p> <p>All rates are inclusive of all expenses and exclusive of VAT. Rates will be held firm for the whole Contract period and any extension to it.</p> <p>The maximum contract value (Milestones 1 and 2 of the work) is £108,000.00 (Ex VAT, Inc Travel & Expenses).</p> <p>The budget for the entire contract is £240,000.00. (Ex VAT, Inc Travel & Expenses).</p> <p>Payment and invoicing will be provided based on an invoicing schedule agreed with the authority and the agency.</p> <p>Payment can only be made following satisfactory delivery of pre-agreed certified products and deliverables.</p> <p>Before payment can be considered, each invoice must include a detailed elemental breakdown of work completed and the associated costs.</p> |
| Liability | Agency Liability: see clause 18.3 of Call Off Contract Client Liability: see clause 18.5 of Call Off Contract |
| Insurance Requirements | In line with the Framework Terms & Conditions |
| Client billing address for invoicing: | Payment will be made following delivery and acceptance by MoD of each of the milestones in Phase I and monthly during Phase II, via the MoD CP&F system. |

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| GDPR | Call-Off Schedule 8 (Authorised Processing Template) |
| Alternative and/or additional provisions: | Please see CALL OFF SCHEDULE [7]: MOD DEFCONs AND DEFFORMs within the call off terms & conditions for additional MoD specific T&Cs. |

FORMATION OF CALL OFF CONTRACT

BY SIGNING AND RETURNING THIS LETTER OF APPOINTMENT (which may be done by electronic means) the Agency agrees to enter a Call-Off Contract with the Client to provide the Services in accordance with the terms of this letter and the Call-Off Terms.

The Parties hereby acknowledge and agree that they have read this letter and the Call-Off Terms. The Parties hereby acknowledge and agree that this Call-Off Contract shall be formed when the Client acknowledges (which may be done by electronic means) the receipt of the signed copy of this letter from the Agency within two (2) Working Days from such receipt.

For and on behalf of the Agency:

Name and Title: **REDACTED**

Signature: **REDACTED**

Date:

For and on behalf of the Client:

Name and Title: **REDACTED**

Signature: **REDACTED**

Date:

ANNEX A

1. DEFINITIONS

| Expression or Acronym | Definition |
|-----------------------|--|
| MoD | means Ministry of Defence. |
| SP | means Service Personnel. |
| SF | means Service Families. |
| The Offer | means a relevant selection of the full range of remunerative and non-remunerative benefits offered to SP and SF |
| The Ask | means the range of tasks and flexibility that SP are required to deliver in return for benefits available to them via 'The Offer.' |

2. SCOPE OF REQUIREMENT

2.1 Phase I (in FY19/20) – **Core Element (defined output):**

- 2.1.1 Increase the MoD's understanding of 'industry best practice' in personalised communication using examples of personalised communications campaigns which have proved successful.
- 2.1.2 Help the Client to better understanding its people by providing data segmentation options, supporting the Client in conducting in-house data segmentation for personal data security reasons.
- 2.1.3 Develop and deliver pilot scheme & workshops to gain feedback.
- 2.1.4 Develop and deliver potential communication strategies – (written / digital media, including appropriate wording and graphics, understand cohort priorities).
- 2.1.5 Develop project benefits realisation metrics.
- 2.1.6 Produce a sample communication mock-up for senior stakeholders to demonstrate concept.
- 2.1.7 Propose potential avenues & assist the Client to draft business case(s) for further investment for development.

2.2 Phase II (in FY20/21) – **Development (call-off basis).** Tasks dependent on Phase I yet likely to include:

- 2.2.1 Additional ideas as developed through Phase I and in response to pilot group feedback & single service requirements.
- 2.2.2 Deliver highest priority communications in cohorts such as:
 - 2.2.2.1 On submitting notice to terminate.

- 2.2.2.2 Tool to facilitate benefits discussions with leaders & line managers.
- 2.2.2.3 Targeting cohorts with retention challenges.
- 2.2.2.4 Where data analytics identifies individuals are more likely to leave.
- 2.2.3 Propose further potential avenues of development & assist the MoD to draft business case(s) for further investment and the permanent establishment of the capability if proven successful.
- 2.3 Phase III (Beyond FY21 – **Potential Avenues**, subject to successful business cases & contract) may include the development of:
 - 2.3.1 Routine communications with all Service Personnel (eg Pay Award).
 - 2.3.2 Combining all communications strategies within a single programme, with;
 - 2.3.3 Advanced communications tools (eg social media); and a
 - 2.3.4 Benefits App and alignment with a paperless HR system.
- 2.4 In the event the work delivered under Phases I and II leads the Client to commission Phase III, the exact scope will be agreed with the appointed Agency.
- 2.5 Throughout the contract:
 - 2.5.1 Agile project management methodologies will be employed, with the Agency outlining proposed work timescales, resource and methodologies to meet the requirement, and the Client agreeing sprints and Programme Increments (PIs).
 - 2.5.2 Regular reviews (at least fortnightly) will be conducted to confirm direction of travel, level of effort and expected outputs, for the Client to authorise next steps and endorse work conducted so far. Some may form meetings but the Agency will provide a brief written summary in all circumstances.
 - 2.5.3 A Single Point of Contact is required from the Agency for duration of the contract to provide continuity and coordinate Agency outputs and briefings.
 - 2.5.4 The principle will be to empower and train specific Defence staff to conduct data analysis, building a long-term capability in-house.
 - 2.5.5 Mutually agreed programme of delivery within fixed MoD Financial Year billing constraints.
 - 2.5.6 Proposals for additional development are welcome but ‘chargeable’ business case development time may only take place with the express authorisation of the Client.

3. THE REQUIREMENT –

3.1 Phase 1 – FY 2019/20

| F/Y | Item | Description |
|----------------|-------|--|
| By 19/12/19 | 6.1.1 | <p>Increase the MoD's understanding of 'industry best practice' in personalised communication using examples of personalised communications campaigns which have proved successful by:</p> <ul style="list-style-type: none"> • Demonstrating successes of other public, private or third sector organisations in segmented communications. • Explaining (succinctly in writing) strategies for targeting cohorts of populations and how this could be achieved. • Outlining the impact of using different messaging (language, topics etc) on behaviour. |
| | 6.1.2 | <p>Help the Client to better understand its people by providing data segmentation options, supporting the Client in conducting in-house data segmentation for personal data security reasons by:</p> <ul style="list-style-type: none"> • Working with Client Data Analysts to establish population segments which may be targeted for bespoke communications. • Exploring identifiable characteristics in existing data sets and probable motivational traits (with data shortfalls) which will shape potential cohorts. • Recording assumptions and data sources for future repeat data segmentation. |
| By 26/03/20 | 6.1.3 | <p>Develop and deliver pilot scheme & workshops to gain feedback by:</p> <ul style="list-style-type: none"> • Selecting, with the project team, a trial cohort and run a pilot communication exercise to demonstrate improvement in understanding of 'The Offer' and understand its impact on morale and retention intentions. |
| | 6.1.4 | <p>Develop and deliver potential communication strategies – (written / digital media, including appropriate wording and graphics, understand cohort priorities) by:</p> <ul style="list-style-type: none"> • Producing a matrix of potential communications strategies against population cohorts. |

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| | | <ul style="list-style-type: none"> • Demonstrating how technology can better communicate on a personal basis. • Delivering examples to demonstrate concept for testing. |
| | 6.1.5 | Develop project benefits realisation metrics with the Client by: <ul style="list-style-type: none"> • Advising on methods of measuring the effectiveness of different communications with different populations for the Client to measure effectiveness. |
| | 6.1.6 | Produce a sample communication mock-up for senior stakeholders to demonstrate concept by: <ul style="list-style-type: none"> • Having understood preferred communication methods of the cohort, producing example messaging to educate reader in the benefits value of 'The Offer' balanced with 'The Ask'. • Using knowledge about senior decision makers, demonstrating the concept of personalised messaging. |
| As arise but by 31/03/20 | 6.1.7 | Propose potential avenues & assist the Client to draft business case(s) for further investment for development by: <ul style="list-style-type: none"> • Developing a project plan for Year 2 to attract additional development funding and for longer-term capability development for potential scenarios where bespoke communications would be beneficial. • Expanding potential options to attract additional investment to exploit technology longer-term - initially with challenging cohorts but potentially including whole force, proactive responses to indicators and warnings / trends / target areas. |

3.2 Phase 2 – FY 2020/21. Details of the requirement will be developed along the principles of agile project management to deliver the outputs in 5.2 – as agreed with The Client, on an hourly call-off basis.

4. KEY MILESTONES

4.1 The Potential Provider should note the following project milestones as per the paragraphs above, against which the Client will measure the quality of delivery:

| Milestone | Description | Timeframe |
|-----------|---|----------------|
| 1 | Programme Increment 1: 6.1.1 & 2 and as much of 3 & 4 as possible. | By 19 Dec 2019 |

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| 2 | Programme Increment 2: Any remaining elements of 6.1.3 & 4. 6.1.5, 6 & 7. | By 26 Mar 2020 |
| 3 | Content of Programme Increment 3: (as agreed in previous PI). | By 25 Jun 2020 |
| 4 | Content of Programme Increment 4: (as agreed in previous PI). | By 24 Sep 2020 |
| 5 | Content of Programme Increment 5: (as agreed in previous PI). | By 17 Dec 2020 |
| 6 | Content of Programme Increment 6: (as agreed in previous PI). | By 25 Mar 2021 |

4.2 Milestones 1 & 2 above have an available budget of up to a maximum of £108,000.00 (Ex. VAT). However, the Client seeks best value for money and does not expect bidders to seek to utilise this budget unnecessarily.

5. AUTHORITY'S RESPONSIBILITIES

5.1 To provide access and a safe working environment, so that the Agency's approved representatives can complete tasks.

6. CONTINUOUS IMPROVEMENT

6.1 The Agency will be expected to continually improve the way in which the required Services are to be delivered throughout the Contract duration.

6.2 The Agency will be expected to present new ways of working to the Client during the duration of the Contract.

6.3 Changes to the way in which the services are to be delivered must be brought to the Client's attention and agreed prior to any changes being implemented.

7. PRICE

7.1 Prices are to be submitted by completing and returning a copy of Attachment 4 Price Schedule.

7.2 All prices MUST be inclusive of all expenses and exclude VAT.

7.3 Prices are to remain valid for 30 working days following the deadline for receipt of tenders.

8. STAFF AND CUSTOMER SERVICE

8.1 The Client requires the Agency to provide a sufficient level of resource throughout the duration of the Contract in order to consistently deliver a quality service to all Parties. Contact should be possible during normal office working hours.

8.2 Agency staff assigned to the Contract are to have the relevant qualifications and experience to deliver the Contract.

8.3 The Agency shall ensure that staff understand the project's vision and objectives and that they will provide excellent customer service to the Client throughout the duration of the Contract.

9. SECURITY REQUIREMENTS

9.1 Agency representatives who do not hold MoD security accreditation must be escorted by an MoD pass holder at all times on MoD premises. Visits to MoD sites can only take place by prior arrangement, at mutually agreeable times. Therefore regular Agency representatives assigned to the project may be required to gain SC clearance at nil cost to the Client. Visits to MoD establishments outside Whitehall may be required on numerous occasions to interview Service Personnel.

9.2 MoD may require visitors to submit to security search.

10. PAYMENT

10.1 Upon award of the Contract, the Agency will be sent an introductory email advising of the need to register with Exostar in order for payment to be processed through MOD's Commercial Procurement and Finance System (CP&F).

10.2 Payment will be made following delivery and acceptance by MoD of each of the milestones in Phase I and monthly during Phase II, via the MoD CP&F system.

11. LOCATION

11.1 The location of the Services can be carried out at the Agency's premises at **REDACTED**, and at relevant MoD establishments, by mutual agreement **REDACTED**

ANNEX B
Agency Proposal
REDACTED

ANNEX C
Agency Pricing Schedule
REDACTED

Part 2: Call-Off Terms

As per Terms and Conditions document.