



Department
for Environment
Food & Rural Affairs

Defra Group Management Consultancy Call off Contract: Defra Project Engagement Letter (DPEL)

Project Delivery Partner (Lot 3)

Completed forms and any queries should be directed to Defra Group Commercial (DgC) at

[REDACTED] Please do not complete this form until you have liaised with DgC, and they have allocated you a lot to access consultancy services including a DPEL reference number.

Engagement details		
DPEL Reference Number	DPEL_61541_133	
Local Client Reference	N/A	
Extension?	N	
Business Area	Environment Agency: FCRM	
Programme / Project	DADI: Strategic File Management	
Senior Responsible Officer	[REDACTED]	
Supplier	Methods Business & Digital Technology	
Title	Business Change Management for SFM Project	
Short description	Obtaining expertise in business change management for transformational project.	
Engagement start / end date	Proposed start date 28/10/2024	Proposed end date 07/04/2025
If an extension	N	
Expected costs 23/24		
Expected costs 24/25	£71,542.50	
Expected costs 25/26		
Base location	Remote	
Version #	V1	
Version Date	10/10/2024	



By signing and returning this cover note, Defra accepts the contents of this Project Engagement Letter as being the services required and agrees for Methods Business and Digital Technology to provide the services in accordance with the agreed Supplier Proposal under the overarching contract (Lot 3 - Ref 28595), with Defra Group and confirms the availability of funding to support recharge for the services.

Signatures		
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General Instructions

The Engagement Letter describes the services required and provided. When completing the Engagement Letter establish the context, explain why external support is required and distinguish between the objectives, outcomes, scope, and deliverables. The rationale behind the costs should be made evident in the Fees section.
The Business Area considerations are guidance notes for the customer to support their evaluation of the Engagement Letter.

The Engagement will be a fully contracted out service therefore the off-payroll legislation will not apply. A true service will have the following characteristics:

- Delivery is fully outsourced to the supplier, who will have full responsibility for delivering the outcome and the risk of non-delivery sits with the supplier.
- The team is not embedded within your organisation but is engaged, directed, and controlled entirely by the supplier.

It is your responsibility to determine whether your Engagement represents a supply of an outsourced managed service or a supply of resource. The reality of working arrangements should be considered and not just contractual terms.



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1. Background

The Environment Agency (EA) is embarking on the Strategic File Management (SFM) project, aimed at delivering a centralised solution for managing asset management (AM) files throughout their lifecycle. The current file management system is fragmented, with no single repository or standardised processes to manage AM files. Over 80% of the identified issues are related to processes rather than technology, underscoring the need for a comprehensive change management approach to facilitate successful adoption of the SFM solution.

To achieve this, the EA requires the support of change management expertise to help develop and execute a robust change management plan, focusing on engaging stakeholders, aligning business case development, and supporting the creation of a costed and structured change plan that aligns with the overall project objectives and benefit realisation plans.

2. Statement of services

Objectives and outcomes to be achieved

The Methods Business Change and Transformation team will employ a collaborative approach, working closely with the EA project team and stakeholders. The engagement will include workshops, meetings, and regular check-ins to ensure alignment and progress against the plan and outlined deliverables.

Objectives:

1. To develop a change management plan that supports the SFM project, ensuring that process improvements are effectively implemented across the EA.
2. To provide change expertise in supporting the development of key change elements within the Outline Business Case (OBC) and Full Business Case (FBC), focusing on capability building, stakeholder engagement, and business process improvements.
3. To enhance stakeholder engagement at all levels, including senior leaders, community groups, and across different business units.
4. To create a comprehensive communication and engagement plan to support change adoption.
5. To align change management efforts with EA's strategic goals, and ensure adherence to best practices and standards, including ISO 19650.
6. To ensure the right changes related to people and processes are carried out within the business to facilitate the successful implementation of the SFM solution.



Scope

- Lead engagement with relevant stakeholders and ensure this work is professionally planned and executed, and that change management principles are applied.
- Define the gap between the 'as is' and where the project needs the business to be to ensure successful implementation of the SFM solution (extensive analysis and mapping of the current processes has already been carried out as part of the SFM project and will be available).
- Identify where and why there may be resistance to change and develop ways to tackle this.
- Develop and execute a Change Management Plan along with other relevant plans (detailed in deliverables below) establishing a clear roadmap to ensure the necessary business change occurs.
- Provide strategic input and guidance on business case development from a change perspective, focusing on both capability building and technology adoption.
- Support the facilitation of workshops and meetings with stakeholders to gather feedback, address concerns, and build consensus on the SFM solution.
- Monitor and report on engagement activities, ensuring alignment with project objectives.
- Perform change impact assessments to identify areas of resistance, readiness, and potential risks.
- Develop mitigation strategies to address identified risks and barriers to change.

Assumptions and Dependencies

- All PPM service delivery will be aligned with central Defra portfolio directorate standards and also EA FCRM expectations and approaches where defined and appropriate.
- Methods staff will have access to key stakeholders who are required to deliver the work, who will engage meaningfully and promptly to provide information to support the outcomes. Including to but not limited to Portfolio Manager, Programme Manager and Outcome Delivery Board owner.
- Relevant stakeholders will engage with pre and post workshop self-assessments.
- All relevant stakeholders will be available as necessary for the purposes of knowledge transfer and the transfer of responsibilities and that key topics of interest will be identified and communicated to Methods team for this purpose.
- Leadership across the programme is aligned in approach and thinking, working in a constructive manner to support the engagements.
- Methods staff will have access to all key required data sources to conduct desk-based reviews within the required time so not to impact Methods' delivery windows.
- Agreed formats for product delivery will be agreed upfront prior to creation.
- Methods staff will be given appropriate access to IT systems as may be required for the purposes of extracting relevant information to support delivery of the outcomes for the duration of the contract.
- Any significant changes to the agreed scope will require a Change Control Notice (CCN).



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- Further detail on assumptions and dependencies will be included in the Service Definition Document.
- The project has a Business Process Analyst already on the team who can carry out process mapping as required.
- The project has a detailed stakeholder register and has carried out interest/influence analysis.

Risk management

Two layers of risk management shall be considered during this engagement:

- Risk to the service provided by Methods to the Client. These risks shall be recorded and mitigated by Methods staff and communicated to the named Point of Contact either through the regular governance structure or on an ad-hoc basis should a critical risk be raised.
- Risk to the projects which the Methods team are supporting the Client to deliver will be managed through project-level risk processes via the Project Manager. Mitigations will be jointly developed.

A Methods Service Delivery level risk register will be produced as part of the SDD which will be shared with DADI so that all identified risks can be mitigated/managed appropriately.

3. Deliverables

Project Delivery

Deliverable	Date	Success Criteria	Linked outcome
Service Definition Document (SDD)		Document reviewed and signed off by SRO (or delegate), confirming that the defined service meets Programme requirements and timescales, and is aligned with and supports the DPEL outcomes.	
Change Management Plan		Approved by EA Programme Board; aligns with OBC/FBC; addresses key process improvements.	1, 2, 5, 6
Communication Plan		Plan is approved by key project stakeholders; effectively supports engagement and communication goals.	3,4
Training Plan		Training needs identified; training plan developed; training resources identified. Approval from key project stakeholders.	1, 2, 6
Change Impact Assessments		Impact analysis completed; mitigation strategies validated; stakeholder feedback indicates understanding and preparedness.	1, 6

Change Readiness Assessment		Assessment report completed; recommendations approved and actioned by stakeholders.	3, 6
Risk Management Plan		Risks identified; mitigation strategies in place; risk register regularly updated and monitored.	1, 5, 6
Resistance Management Plan		Resistance points identified; strategies in place; change plan updated accordingly.	3, 6
Performance Metrics & KPIs		KPIs and metrics defined; baseline measurements established.	2, 5, 6
Business Case Change Support		Contributions to OBC and FBC are reviewed and accepted by key project stakeholder; change elements are effectively integrated and justified.	2, 3, 5

Internal Capability Development Outcomes

Deliverable	Date	Support on content	Linked outcome
Business Change Knowledge Transfer		Knowledge transfer needs to be identified, monitored, and planned for throughout delivery period. Evidence of growing capability systematically and proportionately in line with Programme needs and specifically related to associated tools and information.	1, 2, 3, 4

Limitations on scope and change control

Unless instructions to the Supplier are later amended in writing, the work undertaken will be restricted to that set out above. In providing the services detailed above, the Supplier will be acting in reliance on information provided by the Business Area.

The Project Engagement Letter is the agreed contract of work between the Defra Group Business Area and the Supplier and can be varied under the change control process. Any changes to timescales, scope and costs will require consultation with DgC and subsequent relevant approvals.



4. Delivery management

Supplier Delivery Team

The outcomes-based nature of consultancy services provided through Lot 3 (Ref 28595) dictates that the Supplier retains responsibility and authority to provide the delivery team required to meet the contracted outcomes. The Business Area team should manage any performance concerns directly with the Supplier Team in the first instance with escalation, where necessary, through Defra Group Commercial.

The actual resources used in the delivery may be greater or less than that on which the price is based as the work is undertaken at the Supplier's risk. Should factors materialise that impact successful delivery, through factors outside the Supplier's control that warrant an alteration to time or cost, a change control will be made to this document as well as to the Service Definition Document (SDD).

The SDD is the first standard deliverable used to manage the project and provides the delivery team structure alongside more detail on governance, plan and success criteria.

Business Area's Team

No members of the current team will be directly allocated to support delivery. Candidates for knowledge transfer will be identified on an ongoing basis as appropriate.



5. Fees

Defra Group will reimburse the Supplier for approved work done according to the table below. The total fees for the scope of work detailed in this Engagement Letter will be £71,542.50, exclusive of expenses and excluding VAT.

This total represents the agreed fixed price of the Supplier for the successful delivery of the contracted outcomes. The fees are based on the expected delivery team using the set framework rates. DgC review the resources and rates as part of commercial due diligence and sign-off.

Stage	Due (link to milestone dates)	Cost
		Total: £71,542.50
A provision of up to 10% of the total value of the project resource cost has been included. This expense provision covers travel, accommodation and subsistence to non-base locations, in line with the Client Department's Travel and Subsistence policy. Note: Expenses to the base location as determined for each individual assignment should be included in the rates. Expenses to other locations will be paid in line with the Client Departments Travel and Subsistence policy and must be approved in advance.		
Grand total		£71,542.50



Payment

The Supplier should invoice at project stage milestones set out in section 4. Defra Group will reimburse fees on confirmation of approval of work delivered by the Business Area.

6. Governance and reporting

Business Area to outline governance and report requirements relevant to the Engagement through Key Performance Indicators below:

Key Performance Indicators

Business Area and Supplier to agree any specific key performance indicators related to this specific project engagement.

KPI	Description	Reporting Frequency	Who Measures	Method of Measurement	Performance Target
#1	All project artefacts are up to date for in scope projects, specifically including RAID logs, project plans and board reporting.	Monthly	Delivery team	Routine reporting	100% up to date and accurate

Feedback and satisfaction

Business Area and Supplier to agree regular reporting intervals for the duration of the engagement. Defra Group reserves the right to hold review meetings during the assignment, discussing what went well, opportunities for improvement on future assignments and similar. This will incorporate any 'Show and Tell' documentation or transferable products that have been produced. A post-engagement quality review must be completed as part of the Engagement sign-off. DgC will contact the Business Area to arrange this and share the feedback with the supplier on a bi-monthly basis.

Non-disclosure agreements

The overarching MCF2 framework includes NDAs.

7. Exit management

The agreed actions and deliverables by the Supplier for when the contract ends are as follows:

Handover of all operational Project and Programme documentation and data held in Project Portal. Plus effective knowledge transfer to Defra staff including Project handover briefs – written and oral.



Notice period

The nature of these engagements requires that Defra Group have the ability to terminate an engagement with notice. Defra Group's termination rights for this engagement are marked below.

The minimum notice period for termination is 5 working days regardless of engagement duration.

Supplier Engagement Process

1. Business Area identifies a potential need for delivery support, initiates a conversation with DgC, confirms which approvals are required for an engagement to occur, e.g. Consultancy Governance Board if over £120k or DgC Corporate Services Delivery Board if under £120k.
2. If over £120k the Spend Control Form must be completed by Business Area and submitted to DgC at:
[REDACTED]
3. Lot / Supplier is selected and briefed on the request by DgC, then introduced to the requesting Business Area for further discussion and confirmation of work to be delivered.
4. A Project Engagement Letter is completed by the Business Area with input from the Supplier (with supporting proposals as appropriate) and support from DgC and then finally agreed between the two parties, including evidence of all required approvals either being in place or being progressed. Approval states are:

Approval state	Definition	Permissions
Full approval	<ul style="list-style-type: none">▪ DPEL agreed▪ DPEL signed: Supplier, Dept and DgC▪ Purchase Order number	<ul style="list-style-type: none">▪ Work can start▪ Supplier can invoice for work