

## Defra Group Management Consultancy Framework: Project Engagement Letter

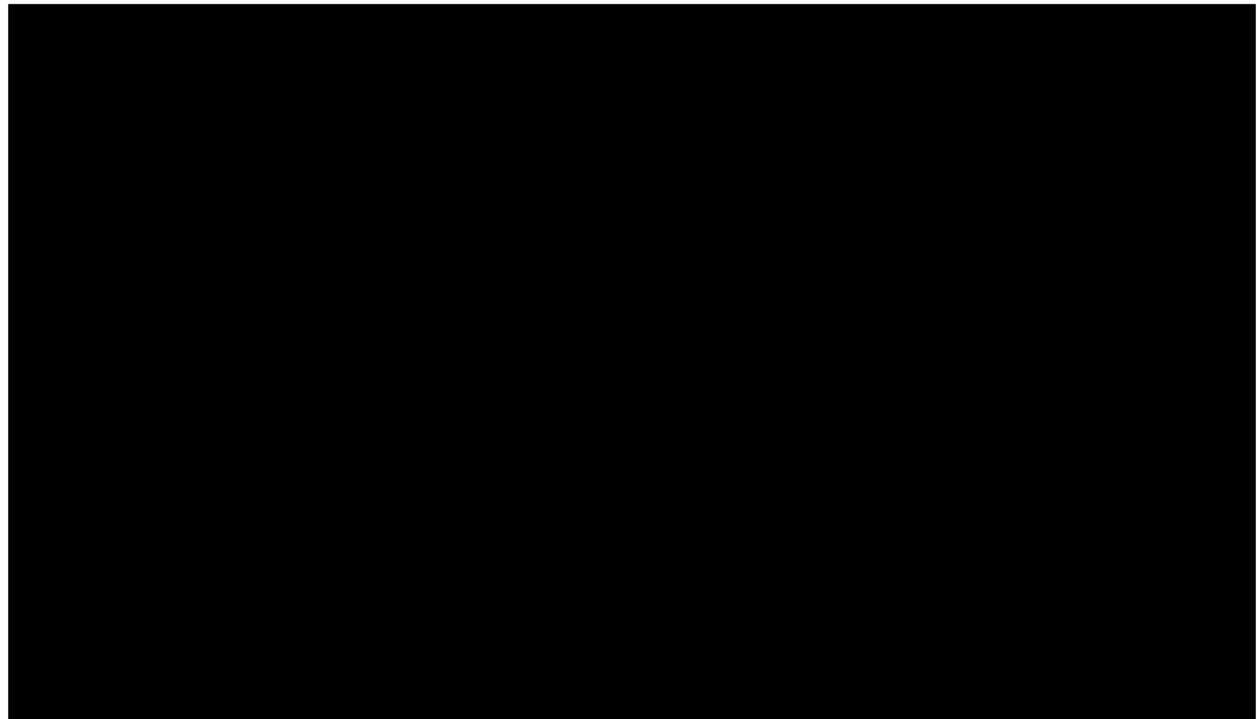
Completed forms and any queries should be directed to Defra Group Commercial at

Engagement details			
Engagement ref #	DPEL_61539_025		
Extension?	No	DPEL Ref.	DPEL_61539_025
Business Area	Environment Agency (EA)		
Programme / Project	EA Knowledge Asset Strategy and operational efficiency discovery		
Senior Responsible Officer	[REDACTED]		
Supplier	Deloitte LLP ("Deloitte")		
Title	Operational efficiency review of environmental monitoring at the Environment Agency		
Short description	<p>The Supplier will gather existing information on potential environmental monitoring operational efficiencies (technologies, activities, and cost), building on the insights from a previous project on the application of waste-water sampling techniques. The work will be divided into three tasks, with a detailed breakdown in Statement of service below</p> <p>The purpose of this work is to review the Environment Agency (EA) requirements and attempt to identify potential opportunities to drive efficiencies in the short term (1-2 years), identify any already known pinch points to the adoption of an outcome based framework and support the EA to make future choices in relation to any future EA business cases which can help deliver the EA medium/long terms ambitions.</p>		
Engagement start / end date	28/11/2022	17/02/2023	
Funding source	Environment Agency Grant-in-Aid (in-year operational revenue budget)		
Expected costs 22/23	£98,500		
Expected costs 22/23	n/a		
Expected costs 23/24	n/a		
Dept. PO reference	TBC		
Lot #	Lot 1 (Strategic Consultancy)		
Version #	V1.0		

### Approval of Project Engagement Letter



By signing and returning this cover note, Environment Agency Commercial Team accepts the contents of this Project Engagement Letter as being the services required and agrees for Deloitte LLP to provide the services in accordance with the agreed Supplier Proposal under the overarching contract (Lot 1 - Ref 28595), with Defra Group and confirms the availability of funding to support recharge for the services.



Supplier engages with Business Area to complete. Once agreed, Supplier signs front page and sends to Business Area

Business Area signs front page and sends to DgC

On approval, DgC signs and returns copy to Business Area and Supplier



## 1. Background

The Environment Agency's (EA) environmental monitoring programme gathers the evidence to inform a wide range of decisions that the organisation and others take on how to protect, maintain and improve the environment and how to effectively manage flood and drought risk.

Over recent years there have been significant innovation and advances in technology which may offer value and efficiency opportunities for environmental monitoring, particularly in the use of eDNA, continuous monitoring and the use of earth observation within specific areas.

The output from this initial evaluation will:

- Collate appropriate & relevant existing information to support any future EA business case development and to further inform choices for how these efficiencies could be implemented in practice and any potential or known barriers or blockers;
- Enable discussions and help inform decisions with the broader monitoring community for how these insights could be taken forward to deliver environmental, funding and investment outcomes;
- The outputs will further support activities for the EA, so it can better manage their knowledge assets

## 2. Statement of services

### Objectives and outcomes to be achieved

The Supplier will provide the services to undertake this project under the 3 distinct 'Tasks' described below:

#### **Task 1: Explore the short-term (0-to-2 year) potential of using eDNA, continuous monitoring and earth observation data.**

##### Objectives

- To identify opportunity hotspots that can increase operational efficiency in the 0-to-2 year time horizon whilst also contributing to the EA's wider strategic objectives;
- To facilitate and engage Environment Agency to gather information and perspectives on potential opportunities, baseline costs, potential efficiencies and any potential blockers.

Outcomes: Engage internal subject matter experts to ascertain a baseline understanding, indicative costs and operational requirements for mandated environmental monitoring and identify any opportunities for improvement.

#### **Task 2: Assess the issues that have prevented the adoption of an outcome-based approach to commissioning environmental monitoring, as was recommended by the Strategic Review of Monitoring.**

##### Objectives

- To facilitate and engage Environment Agency to gather existing information and perspectives from internal subject matter experts to better understand the issues that have prevented adoption.

Outcomes: Provide a collated view of areas of potential intervention to facilitate the adoption of the outcome-based framework and thereby address key challenges and legacy issues which are hypothesised to exist and which may surface during discussions.

**Task 3: Build on the previous use case identification for medium/longer term application of waste-water eDNA sampling techniques for UK Plc and the EA.**

**Objectives**

- Use existing information and any insights gathered in Task 1 & Task 2 (e.g., financial information on activity costs/ and relevant performance and efficiency data, how environmental monitoring is commissioned and dependencies and blockers which are hindering EA's ability to achieve its stated ambitions) to further explore previously identified use-cases and indicative cost savings for application of the waste-water eDNA sampling techniques;
- Build on this existing information to gather insights (From EA Staff / Other Environmental Regulators / external stakeholders) and explore the potential of medium and longer term technologies / techniques that:
  - (a) enable the EA to deliver on their mandate
  - (b) can yield operational efficiencies for the EA

**Note:** The list of stakeholders will be agreed with the client as part of the Task 1.

- Research and pre-existing insight analyses to support future prioritisation on use cases previously identified.
- Consolidate understanding into areas of high potential which requires further investigation and present potential next step in the progression of activities to deliver EA's ambition.

**Outcomes**

- Provide additional insights and explore opportunities through engagement with EA stakeholders to secure support and endorsement for information that could inform future business case development;
- Further support the validation process of high-level efficiencies and benefits outlined in the previous waste-water discovery report (resource savings, enhanced quality of service and knowledge attainment) through comparison with baseline EA conditions;
- Provision of any additional existing evidence and insights to support and inform the broader E&B 'Water Management Strategy' being developed.

## Scope

### **General**

The Environment Agency will establish a steering group that will provide leadership of this piece of work and a list of key staff who will be involved in each Task.

It is envisaged that each line of inquiry will be run as sprints which may not be linear. During each sprint the Supplier will work collaboratively with the EA team to conduct the following tasks and activities:

**Task 1** – Explore the potential of using eDNA, continuous monitoring, earth observation data by:

- Investigating and collating the most promising technologies that could be adopted in a 1 – 2 year timeframe and which could impact the following areas of focus:
  - replace our traditional biological monitoring including fish (eDNA)
  - reduce the costs of laboratory analysis and support the provision of real time data for incidents (Continuous Monitoring)
  - enable us to use a targeted approach for environmental monitoring at medium/high risk locations (earth observation)
- Providing an initial mapping of the environmental monitoring areas which could receive the highest benefits by using these novel technologies and the degree of efficiency which could be delivered.
- Reviewing any potential known 'issues' or implications to the deployment of those technologies with articulation of the scale of impact to the EA and UK plc.
  - what's are the key issues that are hindering the EA from successful implementation as per EA experts?
  - what's the potential range of expected impact of each of the identified issues?

**Task 2** - Review the known pinch points that have prevented the adoption of an outcome-based approach to commissioning environmental monitoring, as originally advocated by the Strategic Review of Monitoring

- The Environment Agency will provide information produced by the Strategic Review of Monitoring that sets out the key roles and their respective functions.
- The Supplier will engage the identified key contacts (as nominated by EA steering group) from each of agreed upon functions to collate individuals and shared perspectives on the barriers to adoption of the outcome-based approach and identify potential routes to the fulfillment of the commissioning environmental monitoring.

**Task 3** - Bring together the information gained from the from Tasks 1 & 2 together with the outputs of the previous use case for the application of the waste-water eDNA sampling techniques for UK Plc and the EA. The insights on how environmental monitoring is commissioned / activity costs will enable the exploration of the potential of medium/longer term technologies / techniques. The detailed scope will be validated and finalised at the end of Task 2.



### Assumptions and dependencies

- Supplier will be responsible for managing and overseeing input (academic and industrial) from their wider delivery team (consisting of a pre-agreed teaming from AECOM and/or Cranfield university);
- The Supplier, including wider delivery team, have both the required expertise and the means to resource this project within the short timescales agreed;
- The EA will ensure that the necessary resources are made available to the Supplier in a timely manner and will provide all reasonable input and guidance as required;
- The EA project leads will provide the Supplier with access to Other Environmental Regulators and third-party stakeholders (e.g., academics, industry specialists) as deemed appropriate for involvement in the agreed scope of work (e.g., attending some of the working sessions)
- The work will be conducted remotely. If this changes and expenses to travel outside London are incurred, they will be agreed in advance where they are additional to the stated cost.

## Deliverables

During the course of this DPEL, Supplier will provide the following Deliverables:

Note: it is likely that the various tasks may be carried out in parallel to each other due to overlap in EA stakeholders and their availability

### Initiation

- Agreed scope / work-plan / ways of working that is presented during regular project management calls
- Finalised key individuals list to steer & input

### Task 1

- Deliver 1 Working session to identify technologies / activities / costs
- Deliver 1 Working session to identify % range of potential efficiencies
- Identify and document any issues and assess the scale of impacts into single “source of truth”
- Produce analysis and deliver interim findings to EA
- Produce PowerPoint Report of interim findings

### Task 2

(Note: For high level planning purposes however, it is likely this would be carried out in parallel to other tasks)

- Facilitate conversations with identified key contacts from each of identified groups to capture their perspectives on why they have not adopted an outcome-based approach and provide a collated account on all anonymous responses
- Present interim findings via working conversations with EA
- Produce EA branded PowerPoint Report of findings

### Task 3





- The final scope and deliverables for Task 3 will be validated and finalised with the EA once the outcomes of the Task 1 & 2 are achieved and the areas for more in-depth studies are identified. Supplier will perform the work under Task 3 based on the same approach and methodologies and agreed under this DPEL for the Task 1 & 2 and will provide a more in-depth study on the identified areas as a result of the Task 1 & 2 that will require further research and analysis of workforce and strategical value and costs to the EA.
- Deliver 1 Working session to further validate the initial view on previously identified potential use-cases and associated cost savings for application of the waste-water eDNA sampling techniques, based on insight gathered during Task 1 & Task 2.
- Deliver 1 Working session to consolidated expert views of medium and longer term technologies / techniques that have been adopted successfully in other organisations, which are also applicable to the EA context and could yield operational efficiencies for the EA
- Present interim findings via working conversations with EA
- Produce EA branded PowerPoint Report of findings

**Indicative work plan with key milestones and activities (Note: For high level planning purposes it is likely certain activities in Task 1 and 2 would be carried out/delivered in parallel, depending on the progress on each milestone)**

## Work plan

	28-Nov	05-Dec	12-Dec	19-Dec	26-Dec	02-Jan	09-Jan	16-Jan	23-Jan	30-Jan	06-Feb	13-Feb
	Week 1	Week 2	Week 3				Week 4	Week 5	Week 6	Week 7	Week 8	
<b>Milestones</b>												
Task 1 - Discovery & high level study												
Task 2 - Analysis and Focused Deep dive												
Task 3 - Analysis and Focused Deep dive												
<b>PMO - Client engagement and risk management</b>												
Project Steerco + Weekly meetings												



Deliverable	Success Criteria	Milestone / Date	Owner (who in the delivery team?)
<b>Project Initiation</b>			
Project plan and agreed ways of working document	<ul style="list-style-type: none"> <li>Agreed scope and work-plan</li> <li>Agreed ways of working and project governance</li> </ul>	By 2 <sup>nd</sup> December 2022	
<b>Task 1</b>			
Task 1 report write-up	<ul style="list-style-type: none"> <li>Consolidate findings and produce PowerPoint style report including (specific technologies, activities these will impact, cost and % range of potential efficiencies associated, and scale of impact of any issues.</li> <li>EA Working Group to collate activity-based costs</li> </ul>	By 16 <sup>th</sup> December 2022	
<b>Task 2</b>			
Task 2 report write-up	<ul style="list-style-type: none"> <li>Consolidate findings and produce PowerPoint style Report on barriers and pain points to adoption of outcome-based approach</li> <li>EA Working Group to collate perspectives on an outcome-based approach</li> </ul>	By 20 <sup>th</sup> January 2023	
<b>Task 3</b>			
Task 3 report write-up	<ul style="list-style-type: none"> <li>Consolidate findings and produce PowerPoint style Report collating insight on cost savings and efficiency gains from selected use cases and any medium/longer term value and efficiency gains from selected technologies/</li> </ul>	By 10 <sup>th</sup> February 2023	

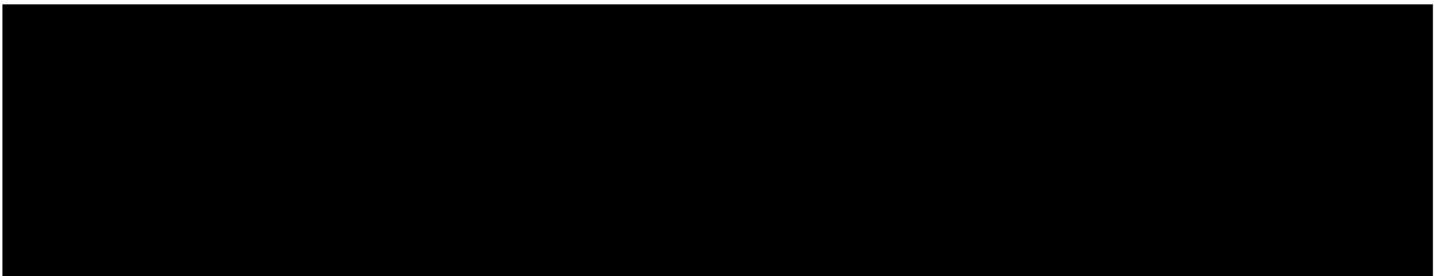
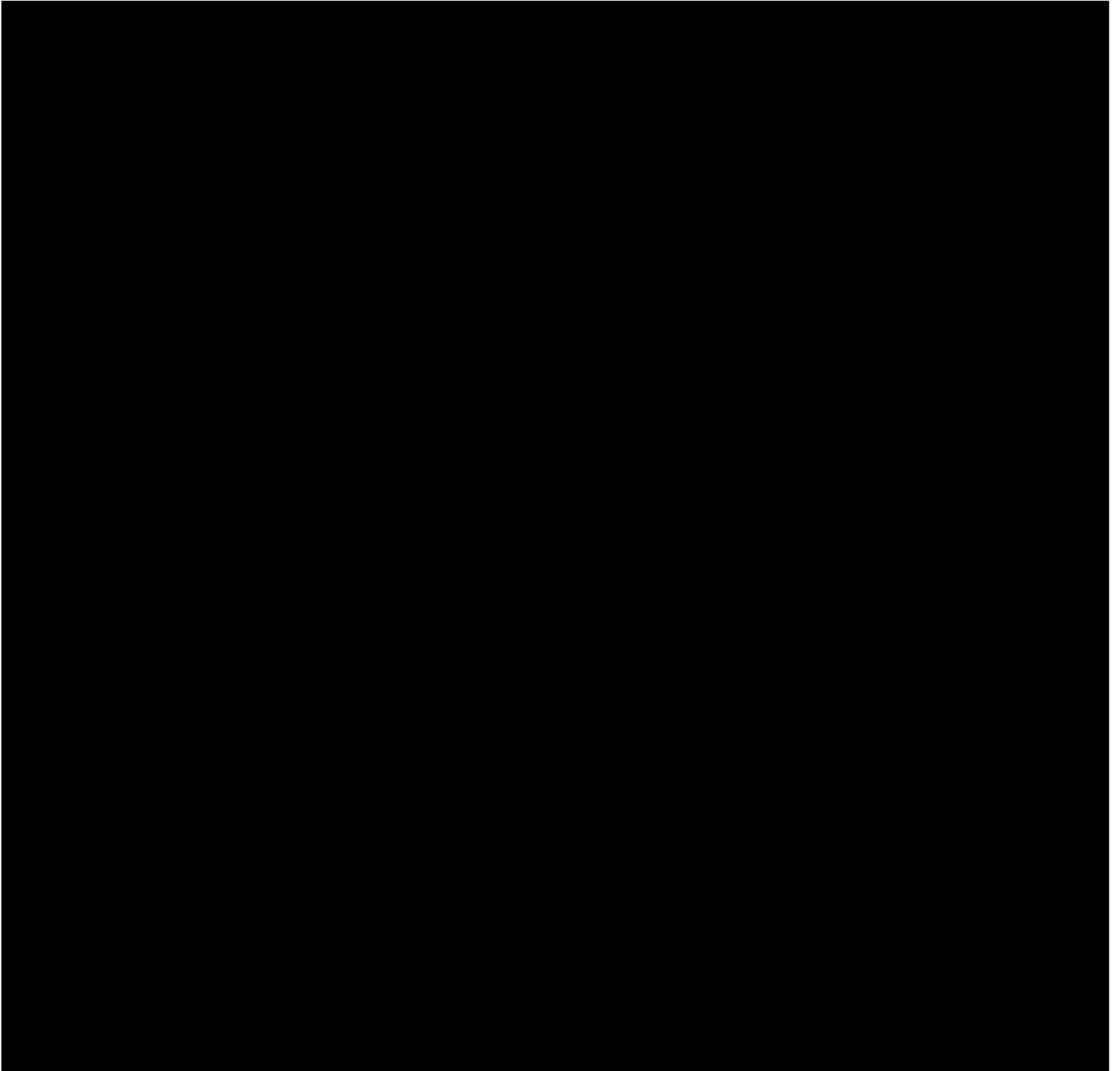
Deliverable	Success Criteria	Milestone / Date	Owner (who in the delivery team?)
	techniques adopted across different organisation and context		
<b>Internal Capability Development Outcomes</b>			
Improved high-level understanding of where additional value and improvements in environmental monitoring	<ul style="list-style-type: none"> <li>Supports internal decision making on whether to undertake further work to explore other applications and markets for this knowledge asset</li> </ul>	By 10 <sup>th</sup> February 2023	EA Commercial Team / Chief Scientific Office / Defra
Improved understanding and working knowledge of methodologies used to scope and assess value and efficiencies for knowledge assets	<ul style="list-style-type: none"> <li>Support objectives of EA Funding &amp; Investment Plan</li> </ul>	By 10 <sup>th</sup> February 2023	EA Commercial Team / EA Future Funding
Improved understanding of what the road to deliver on EA ambitions looks like	<ul style="list-style-type: none"> <li>Supports internal decision making to understand what a potential transformation of the EA's operational basis may look like and what are the tasks to deliver</li> </ul>	By 10 <sup>th</sup> February 2023	EA Commercial Team / EA Future Funding
Formal knowledge transfer to the EA to enable more efficient operations to occur	<ul style="list-style-type: none"> <li>Supports internal conversations of the way that the EA approaches its statutory remit and the way it conducts its mandated operations</li> </ul>	By 10 <sup>th</sup> February 2023	EA Commercial Team / EA Future Funding
<b>Social Value Outcomes</b>			
n/a for this project due to scope and timescales			

### 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 approval by DgC.

### 3. Delivery team



**Business Area's team**

Outline Business Area staff allocated to support delivery team in completing the engagement including names, roles, responsibilities and any dependencies / scope they will deliver.				
Business Area	Name	Role (link to stage/s resource will work on)	Responsibilities / Scope	Estimate of days
EA Steering Group	[REDACTED]	Deputy Director	<ul style="list-style-type: none"> <li>Oversight of work</li> </ul>	n/a
	[REDACTED]	Director		
	[REDACTED]	Manager		
	[REDACTED]	Manager		
	[REDACTED]	Manager		
EA Working Group	[REDACTED]	Project Manager	<ul style="list-style-type: none"> <li>Provide input and information to the project</li> </ul>	n/a
	[REDACTED]	Manager		
	[REDACTED]			
	[REDACTED]			
	[REDACTED]			
	[REDACTED]			
	[REDACTED]			
	[REDACTED]			

## 4. 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 up to £98,500, excluding VAT.

Provide costs for any particular stages to the engagement.



## Expenses statement

Defra Group overarching contract rates include expenses for any travel to/from any UK location defined by the Business Area as the base office for the work. Only expenses for travel at the Business Area's request from this base can be charged. If appropriate, define permissible expenses to be charged.

## Payment

The Supplier should invoice fees monthly in arrears. Defra Group will reimburse fees monthly on confirmation of approval of work delivered by the Business Area. The Supplier will keep an accurate record of time spent by staff in providing the services and provide this information and supporting narrative, if requested.

## 5. Governance and reporting

**Governance:** Given the relatively small scale and short timeframe for completing this work, parties have established light touch governance to manage delivery. A project working group has been established which includes members of the Supplier 'Delivery Team' and Client 'Business Area's team'. It is planned for this group to meet once a week with the purpose of reviewing progress and providing project assurance against agreed outcomes and outputs. This group will be coordinated and chaired by the Supplier, with support from the EA project manager.

**Internal reporting:** The piece of work is being delivered for the EA National Office, Future Funding Directorate. Andy Wilkinson (Deputy Director, Future Funding) and Sue Longstone (Operations





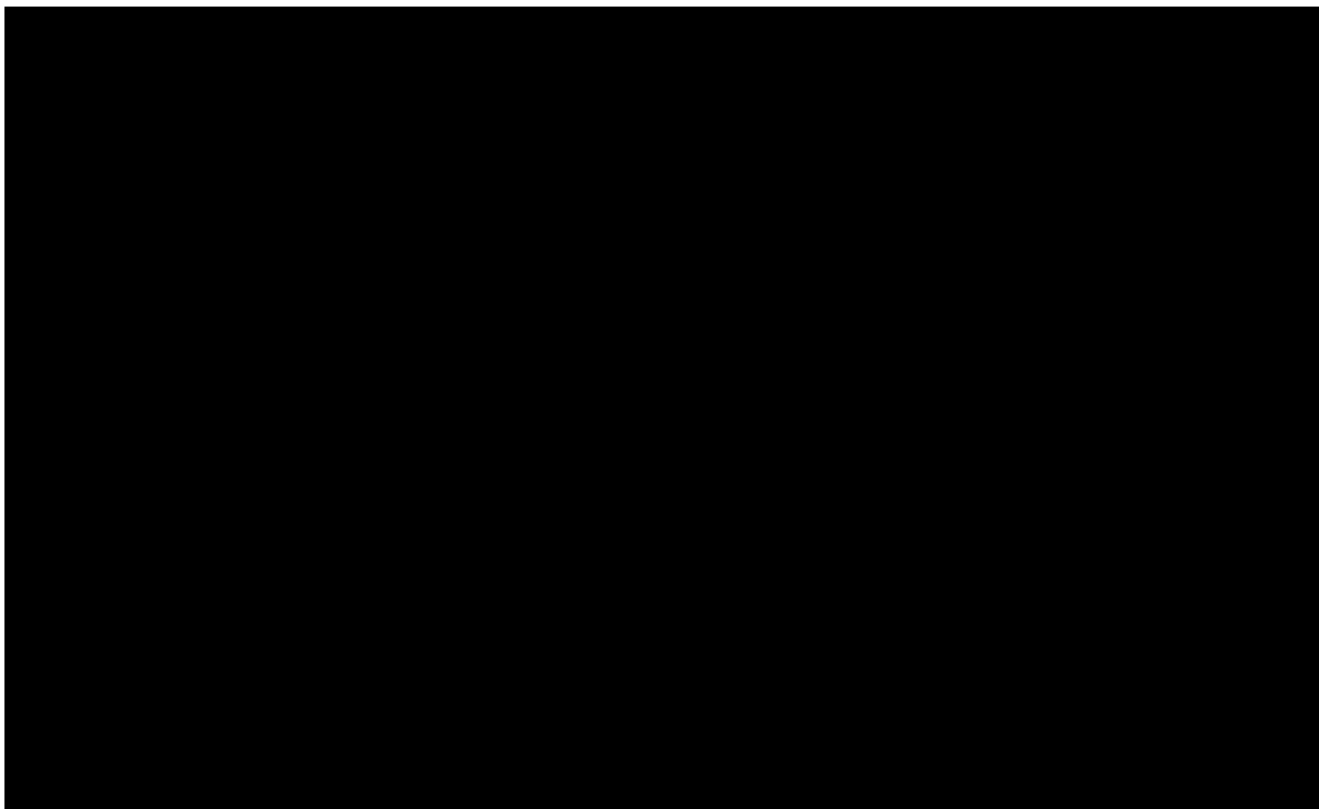
Director) are acting as Project Executives. Overall responsibility for the scope and management of this work will be undertaken by the EA 'Business Area Team, as set out in section 3. When appropriate, support will be provided by technical and expert staff within our Future Funding / National Operations who will be involved in shaping and quality assuring the outputs / findings.

As part of the Call-Off Contract, the Supplier and Business Area agree to provide reporting on the following:

- Completion of the time tracker on a monthly basis, to track days worked by our consultants;
- Weekly progress update against the agreed activities and deliverables

### **Key Performance Indicators**

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



### **Feedback and satisfaction**

A project working group has been established which includes members of the supplier 'Delivery Team' and client 'Business Area's team' and which is planned to meet once a week. This working group will provide the required reporting intervals to support delivery of this project and project assurance. (See section 5).

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 of the engagement will be arranged where the Business Area rates the services provided.

## Non-disclosure agreements

It is not expected that there will be a need for any additional NDA's for this project. The overarching MCF2 framework include NDAs.

## 6. Exit management

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

It is expected that a short review will be undertaken between the Business Area's Team, Supplier and associated delivery partners nearing completion of this work to review the report/write-up of final outputs.

Following this review and agreement of final outputs a project sign-off will be given. See above for the project's KPIs

## Notice period

The nature of these engagements require 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.

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 £100k or DgC Corporate Services Delivery Board if under £100k.
2. Request Form completed by Business Area and submitted to DgC at:  
[REDACTED]
3. [REDACTED] DgC team around which resource route is most appropriate (e.g. Lots 1/2/3) and may request additional information/edits from the Business Area if required.
4. 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
5. A Project Engagement Letter is completed by the Business Area with input from the Supplier (with supporting proposals as appropriate) and then finally agreed between the two parties, including evidence of all required approvals either being in place or being progressed (e.g. PO) and forwarded to the DgC for review by the Consultancy Governance Board (CGB). Approval states are:

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

