

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_61451_030				
Extension?	N	DPEL Ref.	Not Applicable		
Business Area	Defra Group Property - Build				
Programme / Project	BLDSTR21-010 (Build Project Reference)				
Senior Responsible Officer	[REDACTED]				
Supplier	Methods Business & Technology Ltd (Methods)				
Title	Strategic Outline Case – EA Strategic Depot Programme				
Short description	Development of a Strategic Outline Case (SOC) for the provision of up to 10 x Depots (or structures within depots) with an initial focus on the provision of a Tier 3 Principal Depot in the Selby district of North Yorkshire				
Engagement start / end date	Proposed start date 03/05/2022	Proposed end date 22/07/2022			
Funding source (CDEL/RDEL)	RDEL				
Consultancy Spend approval reference					
Expected costs 21/22	£0				
Expected costs 22/23	£74,310				
Expected costs 23/24	£0				
Dept. PO reference					
Lot #	Lot 3				
Version #	0.5				



Approval of Project Engagement Letter

By signing and returning this cover note, **Defra Group Property (Build)** accepts the contents of this Project Engagement Letter as being the services required and agrees for **Methods** 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

Supplier	Business Area	Defra Group Commercial
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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

Supplier contact: [REDACTED]

Business Area contact: [REDACTED]

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.

1. Background

The Environment Agency's depot strategy sets out principles and standards so they can:-

- respond to incidents in a professional way;
- be modern, world leading asset managers;
- be efficient, effective and achieve value for money;
- go about their work in the most sustainable way and;
- ensure that people have a fantastic place to work where they are healthy, safe and well.

They need the right infrastructure so they can achieve their organisation's aims.

The Environment Agency has identified the need for work to be undertaken to create up to 10 new modern Tier 3 and Tier 2 Depots with initial priority given to a new *flagship* depot, preferably near to Riccall, in the district of Selby, North Yorkshire. The work undertaken at Selby along with the design and fit-out will help define the work at the other 9 sites (the scale of which will alter)

Tier 3 principal depots provide:-

- support to other local depot needs
- storage of national temporary Flood and Coastal Risk Management (FCRM) assets;
- storage for plant
- space for filling and storing large quantities of sandbags for onward deployment;
- space and facilities for incident response and field based training;
- people resource to manage the above points effectively.

Tier 2 depots predominantly provide accommodation for operational staff and significant amounts of operational equipment. Some local depots may be situated alongside operational assets such as flood risk structures or water transfer schemes. Other local depots may be an annex of an area office.

2. Statement of services

Objectives and outcomes to be achieved

- Production of a Strategic Outline Case (SOC) for future investment in infrastructure required to deliver up to 10 new Depots around the country – The locations for which and broad scope of works having already been identified.
- The SOC should be prepared in tandem with an Outline Business Case being developed "in house" for the provision of a Tier 3 depot near to Riccall, in the district of Selby, North Yorkshire. Selby Riccall is one of the 10 new depots.
- The SOC needs to be presented in a format to be agreed with Defra in line with standard templates used by the Environment Agency, the likely approval route for any future spend.
- Any future spend [REDACTED] with individual projects costing [REDACTED] identified within the SOC is likely to be scrutinised and approved at the highest levels within the Environment Agency (and possibly Defra) as such The SOC needs to demonstrate that the desired outcomes are feasible and the investment



represents value for money. i.e. providing a robust means to test the demand / need and benefit of investment

Scope

The scope of the SOC is the provision of a further 10 modern depots, 1 tier 3 at Selby Riccall and 9 further depots, likely to be Tier 2 predominantly providing accommodation for operational staff and significant amounts of operational equipment. The designs and fit out will be heavily influenced and guided by the development of the Tier 3 depot in the Selby district of North Yorkshire. A more precise description of the broad requirements of these depots is illustrated in the Environment Agency's Depot Strategy (dated 2018) and will be further built upon during the Discovery Phase of the proposed works to be undertaken by Methods.

Assumptions and dependencies

- Access to key Environment Agency and Defra Stakeholders to provide & assess information, and understand key considerations for inclusion within the SOC
- Access to all key data sources required to support the development of the SOC
- Access to programme subject matter expertise to provide expert input
- Wider project support throughout the work duration for the purposes of knowledge transfer though this work package will have dedicated project support, provided by Defra Group Property [REDACTED]
- Clear guidance on required formats for product delivery are provided

Risk management

Risk management shall form a core component of project governance during the SOC development, reporting and seeking mitigations for risks as they arise. At this time known risks correlate with the assumptions and dependencies identified above.

Deliverables

Production of a Strategic Outline Case

Deliverable	Success Criteria	Milestone / Date	Owner (who in the delivery team?)
Project Stage A - Discovery			
Discovery findings	<p>Clearly articulate findings of rapid discovery analysis that clarifies scope and identifies / secures existing capabilities / resources in Defra / The Environment Agency to support delivery (e.g. technical specialists, policy and strategy advisers)</p> <p>Articulates any known gaps</p>	23/05/2022	<p>Business Case Lead</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>



Deliverable	Success Criteria	Milestone / Date	Owner (who in the delivery team?)
Project Stage B (additional stages can be added)			
Strategic Outline Case	Clearly articulated, logically structured (in a prescribed format) that, once completed, will meet the needs of key Defra and Environment Agency stakeholders to demonstrate the case for up to 10 Depots	Iterative drafts available throughout delivery timeline. Final draft 14/07/2022 Handover 22/07/2022	Business Case Lead [REDACTED]
Internal Capability Development Outcomes			
Knowledge Transfer Log	Existing delivery team (Defra Project Manager) has necessary working knowledge of the delivery product (SOC) to continue with delivery internally	22/07/2022	Business Case Lead [REDACTED]
Social Value Outcomes			
None expected for this work	Not applicable	Not applicable	Not applicable

Limitations on scope and change control

Business Area / Supplier to supplement with any additional areas, as deemed appropriate.

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

Provide details of the agreed team members including their roles and responsibilities during the project.

Role (link to stage/s resource will work on)	Grade	Daily rate	# of days	Cost
Business Case Lead	Managing Consultant	[REDACTED]	[REDACTED]	[REDACTED]
Senior Business Analyst	Senior Consultant / SEO	[REDACTED]	[REDACTED]	[REDACTED]



Department
for Environment
Food & Rural Affairs

Role (link to stage/s resource will work on)	Grade	Daily rate	# of days	Cost
Assurance Lead	Managing Consultant	■	■	■
Total				£74,310

Total resource Total days* Engagement Length**	■
<small>*Total days worked across all resources</small> <small>**Total working days in engagement</small>	

Business Area's team

Principal Contact

■ is effectively available full time to support delivery of this product and will be the primary contact between Methods and the business (Defra and the Environment Agency). ■ will facilitate contact and communication with other stakeholders as well as dealing with day to day matters arising.

■

■

Can provide technical support on requirements the Environment Agency will want to deliver at new Tier 3 Principal depots

Other contacts that are likely to provide information or facilitate the gathering of key data

■ – can help provide the insight into Defra's property strategy

■ can provide commercial property advice to sponsorship and policy functions and act as a liaison with other property functions across Government

Escalation route

■ reports into, and is overall responsible for this work

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 £74,310, inclusive of expenses and excluding VAT.

Provide costs for any particular stages to the engagement.

Stage	Cost	Due (link to milestone dates)
Mid Point Review		DD/MM/YY
Completion of initial discovery activity clarifying scope and known gaps. Progress on track with development of Strategic Outline Case (monitored through drafting to date)	██████	10/06/2022
Assignment Completion		
Completion of all deliverables set out in the DPEL. SOC and Knowledge Transfer complete.	██████	22/07/2022
Expenses		
N/A	£	
Grand total	£74,310	

Business Area considerations:

- Are the costs and fees appropriate (costs linked to deliverables, rates and drive value for money)?

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

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;
- The business area, through the principal contact, will work closely and will require a minimum weekly progress report. All new risks to delivery should be reported immediately or as soon practicable

Key Performance Indicators

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

KPI	KPI Requirement	Description	Reporting Frequency	Who Measures	Method of Measurement	Performance Target

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

Non-disclosure agreements

The overarching MCF2 framework include NDAs.

It is expected that this work will be undertaken under the NDA as part of the Defra Consulting Framework. Any additional NDA agreements will need to be assessed and agreed separately

6. Exit management

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

Knowledge Transfer:

Specific transfer outcomes will be tracked through regular reporting and evaluated through a review of completed knowledge transfer logs and reports, including sign off from individual knowledge recipients

The skills and expertise transferred back to the internal Defra team will help improve efficiency and effectiveness, and provide a framework to deliver future strategic projects

The supplier will provide: All documents, reports, excel files, presentations

The supplier will delete: any commercially information that is not required to be kept

The supplier will prepare a handover note of any outstanding issues

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. [REDACTED]
2. Request Form completed by Business Area and submitted to DgC at:
[REDACTED]
3. The form is reviewed by the 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"> ▪ DPEL agreed ▪ DPEL signed: Supplier, Dept and CO ▪ Purchase Order number 	<ul style="list-style-type: none"> ▪ Work can start ▪ Supplier can invoice for work

