

Crown Commercial Service

Call Off Order Form for Management Consultancy Services

PART 1 – CALL OFF ORDER FORM

SECTION A

This Call Off Order Form is issued in accordance with the provisions of the Framework Agreement for the provision of **Lot 3: Complex And Transformation Consultancy Services** dated **04 September 2018**.

The Supplier agrees to supply the Services specified below on and subject to the terms of this Call Off Contract.

For the avoidance of doubt this Call Off Contract consists of the terms set out in this Template Call Off Order Form and the Call Off Terms.

Order Number	RM6008/CCT848
From	Defence Digital located at MOD Corsham, Corsham, Wiltshire, SN13 9NR on behalf of the Secretary of State for Defence ("CUSTOMER")
To	KPMG LLP, 15 Canada Square, London, E14 5GL Company number: OC301540 ("SUPPLIER")
Date	23/01/2020 ("DATE")

SECTION B

1. CALL OFF CONTRACT PERIOD

1.1.	Commencement Date: 01 October 2019
1.2.	Expiry Date: End date of Initial Period: 31st March 2020 End date of Extension Period: 30th September 2020 Minimum written notice to Supplier in respect of extension: 5 Working days

2. SERVICES

2.1	Services required: The Customer is seeing to leverage previous work: Customer at the Heart 2017 and 2018, to create a plan for how to embed Customer at the Heart and the Customer personas into daily work of Defence Digital. In achieving the above outcome, the following work package sets out the high-level requirement: <u>Customer Experience</u> 1. Personas: defined and developed
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- Identifying where segmentation and personas should feature across Service Delivery and Operations business processes including high value action areas to realise maximum benefit and improve the customer Experience
- A review of the different customer segments and personas across Service Delivery and Operations End to End Service Provision from Demand to Decommissioning
- Creating a common set of personas by Service to be embedded within the Defence Digital operating Model

Output: Interim Report within 4 weeks detailing outcome of bullet 1. Final report detailing the Segmentation and Personas of Service Delivery and Operations Customers agreed and underpinning analysis.

2. Implementation plan to detail where personas should feature in the Service Delivery & Operations processes to improve the Customer Experience. This will be linked to journey mapping and the plan will include how to design future experiences using customer centric tools.
 - Define the SD&O Customer Lifecycle including the opportunities for operating model improvement including; people, process, technology and data
 - Delivering a plan to realise and embed changes
 - A hand over to the appropriate Defence Digital lead for implementation

Output: Documented SD&O Customer lifecycle with prioritised list of opportunities, with a high-level implementation plan to realise benefits.

Strategic Supplier Management

The Customer requirement is to support the programme of work to deliver the largest single element of the outline Digital and IT Transformation efficiency on behalf of the Defence Digital senior Commercial leadership. The work will involve a fundamental review of the current Defence ICT portfolio, with recommendations on both efficiency opportunities and on potential improvements to governance and reporting, in order to support the effective delivery of the future programme and efficiencies, specifically:

1. Contract analysis: understanding the Defence ICT contractual landscape and contract/project values, and developing a financial and operational baseline;
2. Identifying opportunities: identifying, quantifying and refining efficiency opportunities, undertaking 'deep dive' analytics and developing the underpinning benefits; and supporting rapid decision-making;
3. Support to negotiations: developing potential negotiation strategies, options and data packs and (potentially) supporting initial external negotiations; and
4. Implementation advice: advising on how the outcome of negotiations should be captured and locked into contracts, and on mechanisms for ensuring that savings are delivered and monitored.
5. Savings methodology defined & documented for ISS. Define a savings methodology based on industry best practice, which has been aligned with

Finance, the Business, and Commercial which outlines the principles on how spend will be baselined, recognised and realised.

6. Savings methodology communication & governance approach. Define an approach to governance to track benefits and savings in line with the new savings methodology based on both best practice and current MoD processes. Develop a communications strategy for implementation.

Transformation Programme Office (TPO)

The Customer has a requirement for a Defence Digital (DD) Transformation Programme Officer (TPO) to act as the 'hub' of the programme, including:

1. Provide a repository for all programme-related content to function as a single source of the truth and a 'front door' for programme enquiries
2. Monitor and control of the projects to ensure on time delivery, and manage dependencies (both internal and external to the programme)
3. Support to programme governance to ensure an effective management and reporting of the programme and timely communications and stakeholder engagement
4. Manage programme-wide risks in order to prioritise effort in the right areas
5. Track financials including costs and timely delivery of benefits to enable ongoing assurance of value for money
6. Ensure that all projects operate using a common set of standards and tools to drive consistency and high-quality delivery
7. Identify and support the management of inter-dependencies with other Transformation initiatives, both within Defence Digital and in the TLBs.

Operating Model/Workforce Redesign & Transformation

1. HLB Operating Model link to the broader DD and Defence Operating Model
2. Determine and operationalise the critical high-level processes to underpin the implementation of the operating model (Demand Management, Delivery Assurance and Functional Resource Management)
3. Create next level blueprint of Defence Digital workforce plan and target organisation structure
4. Integrate the current 'people programme' activity within the overall workforce implementation plan
5. Stakeholder engagement (internal and external)
6. Communications and engagement material to support the above
7. Drive forward and document the alignment with ISS Reset (and development of its operating model) into the overarching operating model
8. Support Programme management of the Operating model workstream
9. Provide oversight and tracking for pan-Directorate operating model changes and activities via the hopper

The specific deliverables for each aspect of the above requirement will be agreed with the Customer as part of the product assurance process. The Customer and the Supplier shall agree the scope of each deliverable from time-to-time and reflect such agreement in an Assurance of Work Package deliverables form which shall set out, as a minimum, the work to be delivered, the timescale and the cost.

3. PROJECT PLAN

3.1.	Project Plan: Not applied.
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4. CONTRACT PERFORMANCE

4.1.	Standards: Def Stan 05-061 Part 1, Issue 6 – Quality Assurance Procedural Requirements – Concessions; Def Stan 05-061 Part 4, Issue 3 – Quality Assurance Procedural Requirements – Contracting Working Parties; [REDACTED]
4.2	Service Levels/Service Credits: Not applied
4.3	Critical Service Level Failure: Not applied
4.4	Performance Monitoring: Not applied
4.5	Period for providing Rectification Plan: In Clause 39.2.1(a) of the Call Off Terms

5. PERSONNEL

5.1	Key Personnel: Not applied
5.2	Relevant Convictions (Clause 28.2 of the Call Off Terms): Not applied

6. PAYMENT

6.1	<p>Call Off Contract Charges (including any applicable discount(s), but excluding VAT):</p> <p>This Call-Off shall have a maximum price of £3.270m (ex VAT), established as:</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>The applicable Call-Off Contract Charges for each deliverable will be as agreed between the Customer and Supplier at the identification of such deliverable.</p> <p>The following rate card shall apply when calculating the charges for each deliverable.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="width: 50%; text-align: center;">Grade</th> <th style="width: 50%; text-align: center;">Daily Rate (£)</th> </tr> </thead> </table>	Grade	Daily Rate (£)
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	<table border="1"> <tr> <td>Partner / Managing Director</td> <td>██████████</td> </tr> <tr> <td>Managing Consultant / Associate Director/ Director</td> <td>██████████</td> </tr> <tr> <td>Principal Consultant</td> <td>██████████</td> </tr> <tr> <td>Senior Consultant / Manager</td> <td>██████████</td> </tr> <tr> <td>Consultant</td> <td>██████████</td> </tr> <tr> <td>Junior Consultant</td> <td>██████████</td> </tr> </table>	Partner / Managing Director	██████████	Managing Consultant / Associate Director/ Director	██████████	Principal Consultant	██████████	Senior Consultant / Manager	██████████	Consultant	██████████	Junior Consultant	██████████
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6.2	<p>Payment terms/profile:</p> <p>Payment will be made by electronic transfer and prior to submitting any claims for payment the Contractor will be required to register their details (Supplier on-boarding) on the Contracting, Purchasing and Finance (CP&F) electronic procurement tool.</p> <p>Invoices are to be submitted following acceptance of the deliverables agreed between the Customer and the Supplier as part of the product assurance process set out at Para 2.1 of this Call-Off Form. The Customer will consider and verify such Invoice in a timely fashion.</p>												
6.3	<p>Reimbursable Expenses:</p> <p>Not permitted</p>												
6.4	<p>Customer billing address (paragraph 7.6 of Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing)):</p> <p>██████████, Defence Digital Transformation, MOD Corsham, Westwells Road, Wiltshire, SN13 9NR</p>												
6.5	<p>Call Off Contract Charges fixed for (paragraph 8.2 of Schedule 3 (Call Off Contract Charges, Payment and Invoicing)):</p> <p>1 Call Off Contract Years from the Call Off Commencement Date</p>												
6.6	<p>Supplier periodic assessment of Call Off Contract Charges (paragraph 9.2 of Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing)) will be carried out on:</p> <p>N/A of each Call Off Contract Year during the Call off Contract Period</p>												
6.7	<p>Supplier request for increase in the Call Off Contract Charges (paragraph 10 of Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing)):</p> <p>Not Permitted</p>												

7. LIABILITY AND INSURANCE

7.1	<p>Estimated Year 1 Call Off Contract Charges:</p> <p>The sum of £3,270,000 (ex VAT)</p>
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7.2	Supplier's limitation of Liability (Clause 37.2.1 of the Call Off Terms); The sum equivalent to [REDACTED] Call Off Contract Charges shall apply.
7.3	Insurance (Clause 38.3 of the Call Off Terms): <ul style="list-style-type: none"> • A minimum insurance period of 6 years following the expiration or Ending of this Call-Off Contract • professional indemnity insurance cover to be held by the Supplier and by any agent, Subcontractor or consultant involved in the supply of the Services. This professional indemnity insurance cover will have a minimum limit of indemnity of [REDACTED] for each individual claim or any higher limit the Buyer requires (and as required by Law) • employers' liability insurance with a minimum limit of [REDACTED] or any higher minimum limit required by Law

8. TERMINATION AND EXIT

8.1	Termination on material Default (Clause 42.2 of the Call Off Terms): In Clause 42.2.1(c) of the Call Off Terms
8.2	Termination without cause notice period (Clause 42.7 of the Call Off Terms): The period of thirty (30) Working Days in Clause 42.7 shall be amended to thirty (30) Days
8.3	Undisputed Sums Limit: In Clause 43.1.1 of the Call Off Terms
8.4	Exit Management: Not applied

9. SUPPLIER INFORMATION

9.1	Supplier's inspection of Sites, Customer Property and Customer Assets: Not Applied
9.2	Commercially Sensitive Information: Contract Pricing Contract specific terms

10. OTHER CALL OFF REQUIREMENTS

10.1	Recitals (in preamble to the Call Off Terms): Recital A
10.2	Call Off Guarantee (Clause 4 of the Call Off Terms): Not required
10.3	Security:

	Paragraphs 1 to 5 of Call Off Schedule 7 (Security) shall apply.
10.4	ICT Policy: To be provided by the Customer before the Commencement Date
10.6	Business Continuity & Disaster Recovery: Not applied Disaster Period: For the purpose of the definition of “Disaster” in Call Off Schedule 1 (Definitions) the “Disaster Period” shall be Not used .
10.7	NOT USED
10.8	Protection of Customer Data (Clause 35.2.3 of the Call Off Terms): Not applied
10.9	Notices (Clause 56.6 of the Call Off Terms): Customer’s postal address and email address: [REDACTED] Defence Digital Commercial, [REDACTED], MOD Corsham, Corsham, Wiltshire, SN13 9NR. Email: [REDACTED] Supplier’s postal address and email address: [REDACTED] KPMG LLP, 15 Canada Square, London, E14 5GL Email: [REDACTED]
10.10	Transparency Reports In Call Off Schedule 13 (Transparency Reports)
10.11	Alternative and/or Additional Clauses from Call Off Schedule 14 and if required, any Customer alternative pricing mechanism: Paragraph 5.1 of Call Off Schedule 14 (Alternative and/or Additional Clauses) Paragraph 7 of Call Off Schedule 14 (Alternative and/or Additional Clauses) <u>Audit Independence</u> The Supplier may terminate this Call Off Contract upon such period of written notice as is reasonable in the circumstances if there is a change of law, rule, regulation or professional standard or circumstances arise that would prejudice the Supplier's ability to comply with applicable auditor independence requirements provided that the Supplier shall use reasonable endeavours to mitigate the impact of any such

	circumstances and seek a work-around solution with the Customer, prior to issuing any notice of termination.
10.12	Call Off Tender: In Schedule 16 (Call Off Tender) Not applied.
10.13	Publicity and Branding (Clause 36.3.2 of the Call Off Terms) Not applied.
10.14	Staff Transfer Annex to Schedule 10, List of Notified Sub-Contractors (Call Off Tender).
10.15	Processing Data Call Off Schedule 17
10.16	MOD DEFCONs and DEFFORM DEFFORM 10 (07/18) – Acceptance of Offer of Contract DEFFORM 10b (03/14) – Acceptance of Offer of Amendment To Contract DEFFORM 111 (05/19) – Appendix - Addresses And Other Information 

FORMATION OF CALL OFF CONTRACT

BY SIGNING AND RETURNING THIS CALL OFF ORDER FORM (which may be done by electronic means) the Supplier agrees to enter a Call Off Contract with the Customer to provide the Services in accordance with the terms Call Off Order Form and the Call Off Terms.

The Parties hereby acknowledge and agree that they have read the Call Off Order Form and the Call Off Terms and by signing below agree to be bound by this Call Off Contract.

In accordance with paragraph 7 of Framework Schedule 5 (Call Off Procedure), the Parties hereby acknowledge and agree that this Call Off Contract shall be formed when the Customer acknowledges (which may be done by electronic means) the receipt of the signed copy of the Call Off Order Form from the Supplier within two (2) Working Days from such receipt.

For and on behalf of the Supplier:

Name and Title	
Signature	
Date	

For and on behalf of the Customer:

Name and Title	
Signature	
Date	