

**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	<b>RM6008/CCT861</b>
From	Defence Digital located at MOD Corsham, Corsham, Wiltshire, SN13 9NR on behalf of the Secretary of State for Defence <b>("CUSTOMER")</b>
To	McKinsey & Company, Inc. United Kingdom; registered office address: 251 Little Falls Drive, Wilmington, Delaware De19808, USA; company number FC012665; place of business is The Post Building, 100 Museum Street, London, WC1A 1PB, UK <b>("SUPPLIER")</b>
Date	07/02/2020 <b>("DATE")</b>

### SECTION B

#### 1. CALL OFF CONTRACT PERIOD

1.1.	<b>Commencement Date:</b> 01 November 2019
1.2.	<b>Expiry Date:</b>  End date of Initial Period: <b>31<sup>st</sup> March 2019</b>  End date of Extension Period: <b>N/A</b>  Minimum written notice to Supplier in respect of extension: <b>N/A</b>

#### 2. SERVICES

2.1	<b>Services required:</b>  The Customer has a requirement for the provision of external support to organisational design and restructuring of Defence Digital Service Delivery and Operations, as part of the wider work on a new Digital and IT operating model and Defence Digital Strategic Workforce Plan.  The Customer requirement is that is to build on proposals and plans developed under the ISS 'Fully Fit For the Future' initiative launched by the previous ISS Chief Executive Officer and my 'ISS Reset' programme. The aim of the work is to provide the foundation for a transformed delivery organisation, which delivers Defence ICT projects, services and
-----	--

operations more efficiently and effectively than at present and plays its full part in the Digital transformation of Defence.

The specific requirements are for the external support to:

**Requirement 1 – SDO Baseline**

This deliverable reflects the production, validation and assurance of a 'baseline', i.e., a list of resources (Crown Servant, Military, MAS), employed at SDO as of July 2019 (excluding 'vacancies' or positions registered / being recruited for, but not filled). The baseline should accumulate the following data: job title, grade, type of employee (part time / full time), directorate, 1\* area, team name, and function. Based on the experience with this deliverable, the Supplier will also provide insights on potential further validation needed by the Authority to maintain this baseline.

**Requirement 2 – Support the development of a new organisational design for Defence Digital SDO, including potential workforce efficiencies, with specific deliverables as follows:**

**2.1 Base Services Organisational Design**

This deliverable reflects the review and refresh as required of previous work on End-to-End Service Ownership for Base Services, conducted in November 2018. Subject to the Authority providing the necessary support and guidance, the Supplier is expected to complete a refinement, including:

- i) Mapping of roles to individual resources as some roles will have to be created or changed as part of the service ownership rollout;
- ii) Development of a communications plan to gain buy-in from leadership and communicate changes to the lower levels of the organisation; and

**2.2 Organisational Design for Portfolio, Programme and Project Management ("P3M")**

This deliverable includes the following sub-deliverables:

- i) Definition of the P3M professionalisation strategy for the Authority, as well as implications for split of P3M resources into Crown Servants and Contractors in the short and long term;
- ii) A top-down estimation (including a supporting model and any other artefacts necessary) of P3M resources by role required in the long-term. The Supplier is expected to conduct this work on the basis of a review of the existing portfolio of projects and programmes, classification of that portfolio into archetypes based on scoring of projects / programmes along a set of dimensions, and the estimation of resources required per archetype (all at the role level). The Supplier is advised to leverage existing role definitions as much as possible.
- iii) Recommendation for implementation roadmap, including next steps to be carried out to implement the P3M strategy in the short and long term

**2.3 Enterprise Project Management Office ("EPMO")**

This deliverable includes the following sub-deliverables:

- i) Codification of the current EPMO accountabilities

- ii) Definition of the “To-Be” organisation structure for EPMO to the level of CEO-4
- iii) Estimation of resources required in the long-term “To-Be” state for the EPMO teams to discharge the accountabilities defined above, including both efficiencies identified as part of the organisation structure re-design and additional resources required to discharge new accountabilities
- iv) Recommendation for implementation roadmap, including next steps to be carried out to implement the “To-Be” EPMO state

## 2.4 Finance Organisational Design

This deliverable includes the following sub-deliverables:

- i) Codification of the current Finance accountabilities
- ii) Definition of “To-Be” accountabilities and organisation structure of the Central Finance team, Finance teams within Delivery areas and Centres of Excellence to the CEO-3 level. This work is expected to dock into the previous work on “Fully Fit for the Future” with regards to “Run vs. Change” and “Cost Transparency”
- iii) Estimation of resources required in the long-term “To-Be” state for the Finance function to carry out SDO-related activities
- iv) Definition of new accountabilities to be introduced at the Defence Digital level (beyond SDO) and resources required; includes identification of linkages between SDO and DD Finance
- v) Recommendation for implementation roadmap, including next steps to be carried out to implement the “To-Be” Finance state

**Requirement 3** – Identify an optimum high-level resourcing model for SDO with specific deliverables as follows:

- 3.1 Identify best practices and construct a high-level approach for the overall resourcing model (across functions) for delivery of new major projects
- 3.2 Identify best practices and construct a high-level approach for decisions on the target ‘Contractor’ vs. ‘Crown Servant’ split of P3M resources in the future
- 3.3 Work with Head of Function to propose approaches to resource different Project Delivery job families across SDO
- 3.4 Identify opportunities to shift resourcing to a ‘buy-as-a-service’ model and estimate headcount reductions to be achieved through this approach.

**Requirement 4** – Identify and document a methodology that can be deployed across all SDO business areas to enable the restructuring of the organisation, with specific deliverables:

- 4.1 Development of a handbook outlining the approach for organisation re-design, including a list of activities to be carried out, questions to consider, sample workplan and average resources required to complete the organisational re-design for any given area of the business
- 4.2 Stakeholder engagement and stress testing of the handbook with several 1\* delivery teams

**Requirement 5** – Ensure close coordination with the wider work on the overall Digital and IT and DD operating model and the DD Strategic Workforce Plan, with specific deliverables as follows:

- 5.1 Close engagement (one weekly update call) with the team leading the work on Digital and IT DD Operating Model and DD Strategic Workforce Plan (including Authority and Supplier leads, if any)
- 5.2 Sharing of materials with the team leading the work on Digital and IT DD Operating model and DD Strategic Workforce plan regularly as required to ensure that work is progressed according to workplan

**Requirement 6** – SDO Reset

6.1 Support the Authority and SDO Executive Director with the definition of a transformation programme (“SDO Reset”). Specific deliverables:

- i) Programme overview, including definition of strategic intent
- ii) Breakdown of the programme into specific pillars of targeted outcomes, with underlying interventions
- iii) Programme costings for each pillar and each underlying intervention
- iv) Support for the Authority and Head of Finance with the translation of the programme costings into ABC 20/21 submission

6.2 Support the Authority, SDO Executive Director and the Command Group with the development and presentation of various stakeholder engagement materials as they relate to SDO Reset. Specific deliverables include:

- i) Briefings for MOD CIO and his Senior Leadership Team Board
- ii) Briefings for Strategic Command Board
- iii) Briefings for the 4\* Commander of StratCom
- iv) Briefings for Director General – Finance
- v) Briefings for Chief of Defence Staff and Vice Chief of Defence Staff

**Requirement 7** – Organisation and support of SDO Senior Leadership Offsite(s) and support to Command Group weekly sessions as required to present progress on the above requirements and enable senior decision-making as needed.

**Requirement 8** - Support promoting and embedding existing ‘Run vs Change’ and ‘Cost Transparency’ management information so that it is understood by and accessible to stakeholders within and outside Defence Digital, and hence exploited to the maximum extent possible. This includes development of a dashboard for Management Boards and linkages into core data and design of presentation material for Defence and FLC level usage.

**Delivery Schedule:**

Requirement 1	
---------------	--

Requirement 2	[REDACTED] - [REDACTED]
Requirement 3	[REDACTED]
Requirement 4	[REDACTED]
Requirement 5	[REDACTED] - [REDACTED]
Requirement 6	[REDACTED]
Requirement 7	[REDACTED]
Requirement 8	[REDACTED]
<p>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.</p>	

### 3. PROJECT PLAN

<b>3.1.</b>	<b>Project Plan:</b> Not applied.
-------------	--------------------------------------

### 4. CONTRACT PERFORMANCE

<b>4.1.</b>	<b>Standards:</b> 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; Cyber Risk Level has been assessed as Low, assessed under RAR-9X4S8X2B.
<b>4.2</b>	<b>Service Levels/Service Credits:</b> Not applied
<b>4.3</b>	<b>Critical Service Level Failure:</b> Not applied
<b>4.4</b>	<b>Performance Monitoring:</b> Not applied
<b>4.5</b>	<b>Period for providing Rectification Plan:</b> In Clause 39.2.1(a) of the Call Off Terms

### 5. PERSONNEL

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

## 6. PAYMENT

6.1	<p><b>Call Off Contract Charges</b> (including any applicable discount(s), but excluding VAT):</p> <p>This Call-Off shall have a maximum price of £1.875m (ex VAT)</p> <p>Subject to deliver against the requirements set out in the Services, payment milestones shall be:</p> <p>██████████</p> <p>██████████</p> <p>██████████</p> <p>██████████</p> <p>██████████</p>
6.2	<p><b>Payment terms/profile:</b></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&amp;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><b>Reimbursable Expenses:</b></p> <p>Not permitted</p>
6.4	<p><b>Customer billing address</b> (paragraph 7.6 of Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing)):</p> <p>██████████ Defence Digital, Spur B1, Bldg 405, MOD Corsham, Westwells Road, Wiltshire, SN13 9NR</p>
6.5	<p><b>Call Off Contract Charges fixed for</b> (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><b>Supplier periodic assessment of Call Off Contract Charges</b> (paragraph 9.2 of Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing)) will be carried out on:</p> <p><b>N/A</b> of each Call Off Contract Year during the Call off Contract Period</p>
6.7	<p><b>Supplier request for increase in the Call Off Contract Charges</b> (paragraph 10 of Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing)):</p> <p>Not Permitted</p>

## 7. LIABILITY AND INSURANCE

<b>7.1</b>	<b>Estimated Year 1 Call Off Contract Charges:</b> The sum of £1,875,000 (ex VAT)
<b>7.2</b>	<b>Supplier's limitation of Liability</b> (Clause 37.2.1 of the Call Off Terms); The sum equivalent to 125% of the estimated Year 1 Call Off Contract Charges shall apply.
<b>7.3</b>	<b>Insurance</b> (Clause 38.3 of the Call Off Terms): <ul style="list-style-type: none"><li>• A minimum insurance period of 6 years following the expiration or Ending of this Call-Off Contract</li><li>• 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 £1,000,000 for each individual claim or any higher limit the Buyer requires (and as required by Law)</li><li>• employers' liability insurance with a minimum limit of £5,000,000 or any higher minimum limit required by Law</li></ul>

## 8. TERMINATION AND EXIT

<b>8.1</b>	<b>Termination on material Default</b> (Clause 42.2 of the Call Off Terms): In Clause 42.2.1(c) of the Call Off Terms
<b>8.2</b>	<b>Termination without cause notice period</b> (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
<b>8.3</b>	<b>Undisputed Sums Limit:</b> In Clause 43.1.1 of the Call Off Terms
<b>8.4</b>	<b>Exit Management:</b> Not applied

## 9. SUPPLIER INFORMATION

<b>9.1</b>	<b>Supplier's inspection of Sites, Customer Property and Customer Assets:</b> Not Applied
<b>9.2</b>	<b>Commercially Sensitive Information:</b> Contract Pricing Contract specific terms The Supplier's Call-Off Tenders The Supplier's personal data Any Supplier Tools

## 10. OTHER CALL OFF REQUIREMENTS

10.1	<b>Recitals</b> (in preamble to the Call Off Terms): Recital A
10.2	<b>Call Off Guarantee (Clause 4 of the Call Off Terms):</b> Not required
10.3	<b>Security:</b> Paragraphs 1 to 5 of Call Off Schedule 7 (Security) shall apply.
10.4	<b>ICT Policy:</b> To be provided by the Customer before the Commencement Date
10.6	<b>Business Continuity &amp; Disaster Recovery:</b> Not applied <b>Disaster Period:</b> For the purpose of the definition of “Disaster” in Call Off Schedule 1 (Definitions) the “Disaster Period” shall be <b>Not used</b> .
10.7	<b>NOT USED</b>
10.8	<b>Protection of Customer Data</b> (Clause 35.2.3 of the Call Off Terms): Not applied
10.9	<b>Notices</b> (Clause 56.6 of the Call Off Terms): Customer’s postal address and email address: ██████████, Defence Digital Commercial, ██████████, MOD Corsham, Corsham, Wiltshire, SN13 9NR.  Email: ██████████  Supplier’s postal address and email address: McKinsey & Company, Inc. United Kingdom The Post Building, 100 Museum Street, London, WC1A 1PB  Email: ██████████
10.10	<b>Transparency Reports</b> In Call Off Schedule 13 (Transparency Reports)
10.11	<b>Alternative and/or Additional Clauses from Call Off Schedule 14 and if required, any Customer alternative pricing mechanism:</b> 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)
<b>10.12</b>	<b>Call Off Tender:</b> In Schedule 16 (Call Off Tender) Not applied.
<b>10.13</b>	<b>Publicity and Branding (Clause 36.3.2 of the Call Off Terms)</b> Not applied.
<b>10.14</b>	<b>Staff Transfer</b> Annex to Schedule 10, List of Notified Sub-Contractors (Call Off Tender).
<b>10.15</b>	<b>Processing Data</b> The Parties agree and acknowledge that it is not necessary for the Supplier to receive or gain access to any Personal Data from the Customer in relation to this Call-Off Contract.
<b>10.16</b>	<b>MOD DEFCONs and DEFFORM</b>  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	