

Defra Group Management Consultancy Framework: Project Engagement Letter

Packaging Extended Producer Responsibility

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

Engagement details			
Engagement ref #	DPEL_61547_005		
Extension?	No	DPEL Ref.	
Business Area	Resources and Waste		
Programme / Project	Collection and Packaging Reforms – Extended Producer Responsibility		
Senior Responsible Officer	Redacted: Personal Information.		
Supplier	Deloitte LLP		
Title	Preparation of Target Operating Model		
Short description	TOM		
Engagement start / end date	Proposed start date 17/01/2022	Proposed end date 31/03/2022	
Funding source	Budget allocation in Resources and Waste		
Expected costs 21/22	£150,000		
Expected costs 22/23	£0		
Expected costs 23/24	£0		
Dept. PO reference	TBC once letter agreed		
Lot #	Lot 2		
Version #	Start at 0.1, 1.0 when approved, increment from 1.0 for Change requests		

Approval of Project Engagement Letter

By signing and returning this cover note, Resources and Waste accepts the contents of this Project Engagement Letter as being the services required and agrees for Deloitte 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.

Signatures		
Supplier	Business Area	Defra Group Commercial
<p>By: [Redacted] Redacted: Personal Information.</p> <p>_____ Signature</p>	<p>Please see the embedded email confirming approval</p> <p>[Redacted] Redacted: Personal Information.</p>	<p>By: [Redacted] Redacted: Personal Information.</p> <p>_____ Signature</p>
<p>or and on behalf of Deloitte LLP</p> <p>[Redacted] Redacted: Personal Information.</p> <p>Partner</p>	<p>For and on behalf of Resources and Waste</p> <p>[Redacted] Redacted: Personal Information.</p>	<p>Defra Group Commercial</p> <p>[Redacted] Redacted: Personal Information.</p> <p>Category Officer for Professional Services (Consultancy)</p>
14 January 2022	14 January 2022	14 January 2022
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] Redacted: Personal Information.

Business Area contact: [Redacted] Redacted: Personal Information.

1. Background

In December 2018, the UK Government published the Resources and Waste Strategy, setting out how we will preserve our stock of material resources by minimising waste, promoting resource efficiency, and moving towards a more circular economy. In the Strategy, the UK Government committed to several actions, including the Collection and Packaging Reforms. The Collection and Packaging Reforms comprise three interlinked projects:

- A UK-wide Extended Producer Responsibility Scheme for Packaging (“EPR”).
- A Deposit Return Scheme for drinks containers in England, Wales, and Northern Ireland (“DRS”).
- Consistency in Household and Business Recycling Collections across England (“Consistency”).

The powers to implement the above reforms are provided by the Environment Act 2021.

This procurement relates to Packaging EPR only

EPR will place new requirements on producers including the payment of waste management costs for the packaging they place on the market that is disposed of by households. Producers will also have to meet packaging waste recycling obligations (as under the current producer responsibility system) and in due course obligations in relation to the use of re-usable and refillable packaging. The IT system for producer registration is being developed in house by Defra. There has been considerable work completed with the Defra Data Protection Officer’s Department to identify personal data issues and the outcome of this can be shared.

The obligations of the producers, to register, provide details of the materials placed on the market, and make payments to the Scheme Administrator will be regulated by the Environment Agency and its counterparts in the devolved administrations.

Due to the requirement to establish EPR (including all implementation activities and testing) by 2024 urgent work is needed to understand the skills and resources needed to undertake the role of the Scheme Administrator.

Text redacted due to confidentiality

2. Statement of services

Objectives and outcomes to be achieved

Text redacted due to confidentiality

- | | |
|-----|---|
| 2.5 | Identify the factors for change – such as political change, spending reviews, revised targets and ensure that these are factored into strategy. |
| 2.6 | Comment on the risk register prepared by the Collection and Packaging Team. |
| 2.7 | Comment on the KPIs prepared by the Collection and Packaging Team. |

Scope

The supplier will be requested to undertake the following activities. Due to the programme constraints, as outlined below, we need practical deliverables which will immediately form the basis of our plans and documentation in establishing the Scheme Administrator function.

1. We require the TOM to include the following documents:

- Schedule of Assumptions on which the TOM is based
- Statement of objectives

Text redacted due to confidentiality

- Indicative programme showing all tasks to be completed between the date of OBC approval and 'go live'. This should show links between tasks and the critical path.
- Subject to their being adequate time, comment on the indicative stakeholder management plan as prepared by Defra.
- Subject to their being adequate time, comment on the Schedule of reporting as prepared by Defra. What reports need to be generated by the Scheme Administrator directly and which will be produced by third party bodies procured by the Scheme Administrator. Which are the key reports and what is their frequency?
- Attend a short post project review at the end of the commission to record lessons learned.

2. Other deliverables

- **Initial review workshop**

This workshop will be held on Microsoft Teams.

The workshop is envisaged to focus around a series of themes, including:

- Summary of work undertaken to date
- How the team will work together on completion of the TOM
- Comments on the draft Statement of objectives

- **Presentation workshop**

This workshop will be held on Microsoft Teams

A half day workshop to 'walk' senior manager through the completed TOM

- **Further presentation workshop**

This workshop will be held on Microsoft Teams

A further workshop (estimated length 2 hours) to present key aspects of the TOM to the devolved administrations.

The deliverables shall exclude any consideration or comments on the potential geographic location of the Scheme Administrator. This will be addressed by the Collection and Packaging Team. The deliverables shall also exclude commentary on the Registration system as this is being managed by the IT team within Collection and Packaging.

Programme

The Government has made a commitment that payments to local authorities will be made in the financial year 2024/25. [REDACTED] Text redacted due to confidentiality

Subject to internal approvals we anticipate letting the contract for the TOM on 17 January 2022 and require this to be complete, and the Presentation Workshop held, before the 31 March 2022.

Approach to delivery

To meet the challenging timescale as referred to above we expect the TOM to be delivered in close cooperation with key members of the Collection and Packaging Team so that the work can be revised on an iterative basis. We will make available a key contact to assist in arranging meetings / collecting any required data or reports.

There is a Commercial Lead from Defra group Commercial in the Collection and Packaging team, so details of procurement approaches and timescales is easily accessible.

At the commencement of the commission, we will require a detailed delivery programme and suggest that weekly meetings are held to review progress and identify any obstacles.

All the work can be completed remotely, we do not expect any face to face meetings will be required. The team is dispersed, although there is a large contingent in central London, and we use Microsoft Teams for most communications.

We will organise the initial meetings with:

[REDACTED] Text redacted due to confidentiality

In addition to the above we will arrange regular meetings with representatives from Daera, Scottish Government, and Welsh Government

To understand the skills held by key third party organisations and their expectations we anticipate that meetings will be required. We are constrained on the discussions we can have with third party organisations as, until the Government Response to the Consultation is published (expected to be mid-February 2022), we are unable to discuss issues relating to the establishment of the Scheme Administrator. After the Government Response is published, we will arrange meetings with the following. It is appreciated that this is late in the delivery programme.

- WRAP
- The Department for Levelling Up, Housing and Communities (formerly the Ministry for Housing, Communities and Local Government) in relation to the views and concerns of local authorities
- The Defra Industry Working Group and the Government's Advisory Committee on Packaging

Assumptions and dependencies

Deliverables

Information in relation to points 1-4 above.
Report

Deliverable	Success Criteria	Milestone / Date	Owner (who in the delivery team?)
Project Stage A			
A first complete draft version of the TOM is required for review and comment	Document addressing points above	14 March 2022	Redacted: Personal Information.
The final version of the TOM, taking account of comments made,	Summary of the information collated	31 March 2022	Redacted: Personal Information.
Internal Capability Development Outcomes			
None identified			
Social Value Outcomes			
None identified			

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

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



Name	Role (link to stage/s resource will work on)	Grade	Daily rate (excl. VAT)	# of days	Cost (excl. VAT)
Redacted: Personal Information.	Lead Partner	Partner	Redacted: Personal Information.	1	£ Redacted: Personal Information.
Redacted: Personal Information.	Engagement Director	Director	Redacted: Personal Information.	10	Redacted: Personal Information.
Redacted: Personal Information.	Engagement Manager	Managing Consultant	Redacted: Personal Information.	20	Redacted: Personal Information.
Redacted: Personal Information.	Project Team	Managing Consultant	Redacted: Personal Information.	32	Redacted: Personal Information.
Redacted: Personal Information.	Project Team	Principal Consultant	Redacted: Personal Information.	19	Redacted: Personal Information.

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

Name	Role	Contact details
Redacted: Personal Information.	Commercial manager	Redacted: Personal Information.
Redacted: Personal Information.	Deputy Head, Resources and Waste	Redacted: Personal Information.
Redacted: Personal Information.	Technical manager	Redacted: Personal Information.

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 £150,000 inclusive of expenses and excluding VAT.

Provide costs for any particular stages to the engagement.

Stage	Cost	Due (link to milestone dates)
A		DD/MM/YY
First draft of the TOM	£100,000	14/03/22
B (additional stages can be added)		
Final draft of the TOM and the two Presentation Workshops	£50,000	31/03/22
Expenses		
	£0	
Grand total	£150,000	

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 Supplier to notify the EPR team if any of conflict of interest emerges and explain how this will be managed

Key Performance Indicators

No additional KPIs required.

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

Feedback and satisfaction

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

No additional NDAs required.

6. Exit management

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

None other than the provision of the deliverables listed above

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:
consultancy2@defra.gov.uk
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

