

Defra Group Management Consultancy Framework: Project Engagement Letter

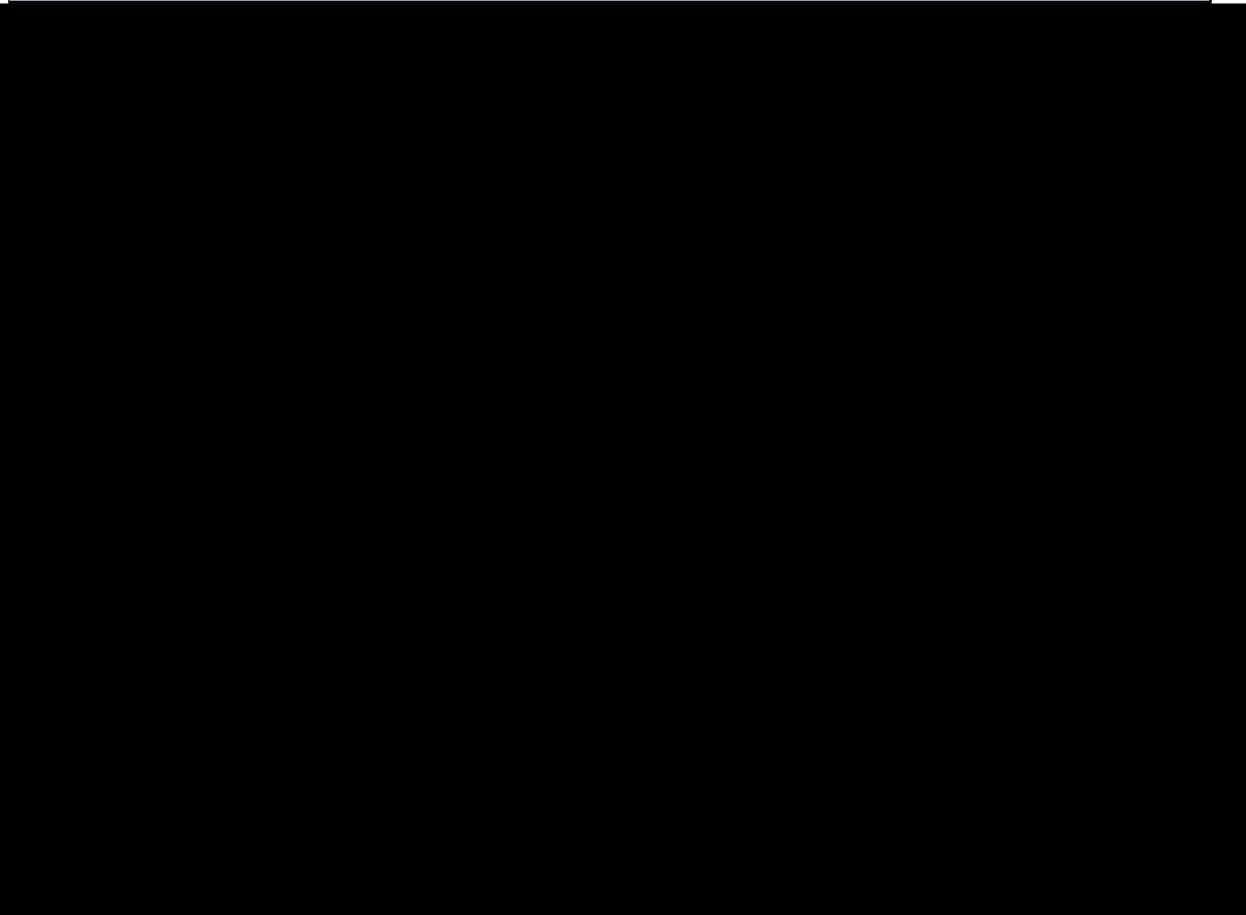
Completed forms and any queries should be directed to Defra Group Commercial at

Engagement details			
Engagement ref #	DPEL_61541_059		
Extension?	N	DPEL Ref.	
Business Area	Environment Agency		
Programme / Project	EA - Accelerating Capital & Revenue Delivery		
Senior Responsible Officer			
Supplier	Methods Business & Technology Ltd (Methods)		
Title	Programme Maturity Development.		
Short description	This DPEL will provide the EA Accelerating Capital & Revenue Delivery Programme with overall PPM support to build a viable Programme service which controls and manages overall spend across the programme in a structured and supported framework. Focused on benefits and outcomes to build and effective PMO and benefits led service to prioritise key activities to increase maturity and to ensure the workstream mix delivers the correct change outcomes for the programme.		
Engagement start / end date	Proposed start date 03/01/23	Proposed end date 12/05/23	
Funding source (CDEL/RDEL)	EA (RDEL)		
Consultancy Spend approval reference			
Expected costs 21/22	£0		
Expected costs 22/23	£313,410		
Expected costs 23/24	£0		
Dept. PO reference			
Lot #	Lot 3		
Version #	V1.0		

Approval of Project Engagement Letter

By signing and returning this cover note, **Defra and Environment Agency** 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



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 Capital Spend Programme covers £5bn of Capital funding, with an approximate £1m annual spend across its change initiatives.

As the programme grows and internal / external pressures increase, transformational activity is required to build resilience in the programme to provide robust governance, direction and build capability and capacity.

Through enabling Operational change via a Transformational Change Programme, early activity has been undertaken to define workstreams, overall approach desired outcomes over the short to medium period (6+ months).

The aim is to have a refocused prioritised change-controlled environment in which to manage multiple change initiatives amongst competing pressures (resourcing, cost, timescales, change control).

Given the delivery of the above outcomes, this DPEL sets out the high-level delivery objectives, providing foundations for the EA Accelerating Capital & Revenue Delivery Programme (ACRD). Outcomes and a proposed resource profile have been developed and agreed in conjunction with senior EA staff.

2. Statement of services

Objectives and outcomes to be achieved

Engagement is to provide the EA with a Portfolio Management Service Design, covering a number of workstreams to deliver enhanced maturity of approach including benefits management, planning, governance and business case development.

All services are to be provided for a period of 6 months between January and May 2023

Outcome focused and built-in knowledge transfer mechanisms to increase maturity of the service and build capability.

Service Definition Document (SDD)

Working document developed and agreed between the Business Area and Methods once initial data and stakeholder mapping is complete, detailing product descriptions with quality criteria, plan and project governance. This is subject to regular review through checkpoint meetings as part of ensuring delivery progress is in line with agreed DPEL requirements and outcomes. Also contains service description for client communication to wider stakeholders. See template in appendix A.

Services outcomes as follows:

WP1 - Visioning and Change Management Service

- Define strategic aims & Business Objectives of the Programme and long-term vision.
- Provide a strategic anchor for follow-on benefits management services delivered through WP2.

WP2 - Benefits Management Service

- Workshop(s) to establish a single source of the truth for the portfolio providing a line of sight between its vision and the activity to deliver it.
- Establishing and maintaining core benefits management artefacts sequentially and proportionately, including:
 - Programme benefits map(s)
 - Benefits management strategy setting out how benefits management processes should be applied to optimise benefits
 - Benefits profiles for prioritised end benefits
 - Benefits realisation plan
 - Plans and establishes self-sufficiency and capability in internal EA team to take forward core benefits management activity

WP3 - Business Case Development Service

- Produce the Strategic Outline Case for the Transformation Programme, adhering to the 5-case model, engaging stakeholders and regular review points to aid production.

WP4 - Portfolio Planning Service

- Overarching Portfolio plan drafted and implemented with existing client team inc. Pipeline.
- Programme planning service design and implementation that identifies and maintains sequence of critical Programme activity.
- Proportionate programme plans developed and communicated effectively.
- Developed in line with appropriate standards and delivery methodologies most closely coupled with needs of project and capabilities of delivery team(s) – e.g. agile/ waterfall/ mixed model
- Interdependencies mapped across the Programme and lead into wider Portfolio plan
- Prioritisation and Onboarding, setting projects up for success.

WP5 – Portfolio Governance and Maturity

- Providing guidance, challenge and independent oversight on the development on current, interim and target operating models for the PMO, to ensure alignment with and enhancement of service to programmes and incorporation of industry standard, knowledge and expertise into the work.

Executive Awareness

- Engagement to relevant forums at Executive level within Defra (Inv. Committee etc.) at agreed key points throughout the DPEL timeline to build awareness (as required) and gain buy-in to approach.

Knowledge transfer and transition to steady state internal team.

Scope

The scope of this work is limited to the activities agreed for EA within this DPEL as outlined below unless modified through formal change control processes.

Handover activity will occur to any incoming contingent labour resource, rather than specific knowledge transfer activity and/or ongoing training.

Contingent labour resources are responsible for further knowledge transfer / handover / training to EA staff

Assumptions and dependencies

Assumptions

- That Methods staff will have access to key stakeholders who will engage meaningfully and promptly to provide information to support the outcomes.
- That Methods staff will have access to all key data sources as may be required to support the development of the deliverables and assess progress against the outcomes
- That clear guidance on required formats for product delivery will be provided to Methods staff.
- Methods staff will be given appropriate access to IT systems as may be required for the purposes of extracting relevant information, storing, and managing working documents and for any other legitimate purpose as may be necessary for the length of the contract.
- That all relevant stakeholders will be available as necessary for the purposes of knowledge transfer and the transfer of responsibilities, and that key topics of interest will be identified and communicated to the Methods team for this purpose.

Dependencies

- VMOST activity will be undertaken at pace, agreement with EA to provide timely sessions and staff availability to allow this to be completed in line with outlined DPEL milestone dates.
- Transfer of responsibility (for PMO services) is dependent on there being EA staff in place, with the capabilities to own their particular service and with sufficient time throughout the length of the engagement
- Strong leadership of the Programme to ensure capacity and capability is built and staff are receptive to Methods knowledge transfer, coaching and able to undertake PMO activities as required for their role.

Risk management

Two layers of risk management shall be considered during this engagement:



- Risk to the service provided by Methods to the Client. These risks shall be recorded and mitigated by Methods staff and communicated to the named Point of Contact either through the regular governance structure or on an ad-hoc basis should a critical risk be raised.
- Risk to the projects which the Methods team are supporting the Client to deliver will be managed through project level risk processes via the PMO. Mitigations will be jointly developed

Key risks to the service delivery already identified include:

- Risk of failure to recruit or otherwise resource personnel to receive knowledge transfer and development to achieve this deliverable results in changes required to the DPEL agreed objectives and outcomes.
- Risk of a lack of agreement, leadership and ownership across the Programme causes inconsistent approaches which can delay and/or hamper the ability to deliver the DPEL objectives and outcomes.
- Risk of insufficient collaboration which can hamper the ability to deliver both the DPEL and the wider objectives and outcomes.
- Risk of Methods' recommendations regarding documentation, processes, meeting cadence etc. not being accepted by the programme which means there is a limited ability to ensure a productive project delivery environment.

A Methods Service Delivery level risk register will be produced as part of the SDD which will be shared with EA so that all identified risks can be mitigated/managed appropriately.

Deliverables

Deliverable	Success Criteria	Milestone / Date (possibly sooner)	Owner (who in the delivery team?)
WP1 - Visioning and Change Management Service			
Vision, Missions Statement and Objectives Statement	Clearly articulated vision and objectives negotiated with senior leaders and approved by SRO. Builds upon outputs of well planned and structured workshop(s) with focused attention from key senior stakeholders on development of vision – 'postcard from the future' state for EA transformation. Draws out agreed articulation of the priority objectives of EA transformation	12/01/2023	VMOST Lead



	Provides a foundation upon which to establish effective, anchored benefits management activity		
Portfolio Mgt. as a service	<p>Sets out Portfolio design and approach, transitional & practical activities to move to a state of readiness to deploy a Portfolio approach.</p> <p>Portfolio Office components required and overall service offer detailed.</p> <p>Sets out Portfolio Office maturity reqs. and core recommendations</p> <p>Provides clear linkages between maturity and knowledge transfer plans.</p> <p>Evidence of activity to enhance maturity in line with planning.</p>	Throughout delivery timeline	Engagement Lead
WP2 - Benefits Management Service			
Outline Benefits Management Scaffold	<p>Sets out the purpose and value of effective benefits management for the programme.</p> <p>Defines the specific benefit types that the programme should seek to achieve to contribute to delivery of the vision.</p>	20/01/2023	Benefits Lead
Benefits Map	<p>Builds upon well planned and structured workshop(s) that provide a platform for senior stakeholders to articulate the priority improvements that must be delivered to achieve EA transformation objectives.</p> <p>Provides the strategic line of sight between the vision and objective statements to the activity that will enable EA to achieve them.</p> <p>Distinguishes between enabling activities, business changes, outcomes and benefits.</p>	27/01/2023	Benefits Lead
Benefits Profiles	<p>For each priority benefit profile assess the availability of the following detail and contain where practicable:</p> <ul style="list-style-type: none"> ▪ Owner ▪ Description ▪ Category ▪ Risks ▪ Dependencies ▪ Leading and lagging indicators, baseline & targets where available and appropriate 	Iterative development until 31/03/2023	Benefits Lead
Benefits Plan	<p>Rolls up priority benefits profiles into single benefits realisation plan.</p> <p>Articulates the known business changes that must be embedded to optimise the benefits of transformation</p>	05/05/2023	Benefits Lead
WP3 - Business Case Development Service			



Strategic Outline Case Development	Clearly articulates a compelling case for EA transformation	10/03/2023 (final version)	Business Case Lead
	Engages key stakeholders to shape its content	17/02/2023 (draft version checkpoint)	
	Reviews progress iteratively and inks in with other workstreams to draw its content		
	In line with Better Business Case Treasury standards and the five cases		
	Appraises delivery options and identifies preferred options		
	Provides senior management and stakeholders with a good understanding of the robustness of the proposal and the future direction of travel		
WP4 - Portfolio Planning Service			
Overarching Portfolio plan	Clear alignment to vision, objectives, and the practical activities to achieve them	05/05/2023 To link into Benefits outputs	Planning Lead
	Clear alignment with the benefits management service and artefacts	Multiple iterations prior to this date	
	Drafted and implemented with existing client team inc. Pipeline	will be made available.	
	Clearly identifies interdependencies		
Programme planning service	Proportionate programme plans developed and communicated effectively	Programme Plans for baselining 31/03/2022	Planning Lead
	Identifies and maintains sequence of critical Programme activity.	Iterative development	
	Developed in line with appropriate standards and delivery methodologies	throughout delivery timeline, feeding into portfolio governance as required	
	Defines the critical path and prioritises key project delivery		
		Handover versions 05/05/2023	
WP5 – Portfolio Governance and Maturity			
Critical Friend Analytical support.	Targeted support to Portfolio and cross-PPM maturity and implementation, aiding thinking, approach, delivery options to support effectiveness. Workshops and sessions to build capabilities and understanding.	Throughout delivery timeline	Across Methods Lead Roles
WP6 - Assignment Delivery Management			
Service Definition Document (SDD)	Document reviewed and signed off by SRO (or delegate), confirming that the defined service meets projects requirements. is	11/01/2023	Delivery Manager



	aligned with and supports the DPEL outcomes.		
Knowledge Transfer Plan and Log	<p>Detailed knowledge transfer plan and log setting out:</p> <ul style="list-style-type: none"> areas of capability upon which to focus support named recipients tailored approach based upon user learning needs/style evidence of completion: Knowledge transfer and transition to steady state internal team. 	Throughout delivery timeline	Delivery Manager

Limitations on scope and change control

Unless instructions to the Supplier are later amended in writing and approved by change control, the work undertaken will be restricted to that set out above. In providing the services detailed above, the Supplier will be reliant 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

The SDD will provide further detail of each of the services to be provided.

SERVICE	Potential Roles / (Grade equivalent)	Approx days	Daily Rate	Fees
Portfolio Design & Approach for Implementation / Maturity / Engagement Lead	Director			
Business Case Lead	Managing Consultant			
Benefits Lead	Managing Consultant			
V MOST Lead	Managing Consultant			
Planning Lead	Managing Consultant			
Benefits / Change Mgt. / Planning Support	Senior Consultant			
Methods - Delivery Mgt.	Senior Consultant			
Methods - Delivery Assurance.	Managing Consultant			
			Total	£313,410



Total resource	Total days* Engagement Length**	391/91
*Total days worked across all resources **Total working days in engagement		4.30

Business Area's team

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 £313,410, inclusive of expenses and excluding VAT.

Stage	Cost	Due (link to milestone dates)
February Checkpoint Review		DD/MM/YY
Completion of the following Deliverables: <ul style="list-style-type: none"> Service Definition Document (SDD) Vision, Missions Statement and Objectives Statement Outline Benefits Management Scaffold Benefits Map Demonstrable progress against: <ul style="list-style-type: none"> Strategic Outline Case Knowledge transfer log 		06/02/2022
March Checkpoint Review		
Completion of the following Deliverables: <ul style="list-style-type: none"> Strategic Outline Case Demonstrable progress against: <ul style="list-style-type: none"> Benefits Profiling Knowledge Transfer planning and delivery 		13/03/2022
April Checkpoint Review		
Completion of the following Deliverables: <ul style="list-style-type: none"> Benefits Profiles Programme Plans Demonstrable progress against: <ul style="list-style-type: none"> Benefits Planning Overarching Portfolio plan Portfolio Governance and Maturity: Critical Friend support 		10/04/2022

Stage	Cost	Due (link to milestone dates)
<ul style="list-style-type: none"> Knowledge Transfer planning and delivery 		
Completion		
Completion of all deliverables and successful outcomes as set out in this DPEL and finalisation of all knowledge transfer activity		12/05/2023
Expenses		
Where travel outside London (or agreed base location) is required, further Purchase Order cover will be agreed to reimburse at the conclusion of the work, in line with Defra expense policy.	-	-
Grand total	£313,410	

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
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1.	Availability of Methods	A named delivery contact or delegate will be available to the client for discussions within and outside of DPEL content during working hours.	Ongoing for duration of DPEL	SRO or delegate, with Methods Assurance	Escalation from client team if expected behaviour is not demonstrated	Measured against DPEL & Methods Lot3 agreement.
2.	Regular checkpoints provided by Methods	Weekly reporting to ascertain delivery progress, key risks/concerns	Weekly	SRO with Methods Assurance	Regular project meetings	Measured against DPEL deliverables.
3	Delivery of agreed deliverables	<p>Baselined plans detail agreed delivery dates.</p> <p>These will not be exceeded above agreed tolerance without agreement between all parties</p>	Weekly	SRO or delegate, with Methods Assurance	Regular project meetings	Measured against DPEL deliverables.

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. 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