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File Ref: PO6862

Your Ref:

Date: 9 August 2017

Contract Amendment No: 1

CONTRACT FOR: Land: Enhancing Governance for Economic Development (LEGEND) Central Land Support Team

CONTRACT NUMBER: PO 6862

With reference to the contractual letter dated 13 April 2015 whereby your firm was engaged to complete the Terms of Reference, as per Section 3 for the above programme, I confirm that the UK Government wishes to make the following amendments to the letter of 13 April 2015:

Section 1 Form of Contract

4. Financial Limit

Delete: "Payments under this Contract shall not, in any circumstances, exceed £6,777,311 exclusive of any Government tax, if applicable (the "Financial Limit")" and **Insert:** "Payments under this Contract shall not, in any circumstances, exceed £6,793,491.22 exclusive of any government tax, if applicable (the "Financial Limit")"

Section 3 Terms of Reference

Insert Addendum to Terms of Reference (as per attached)

Section 4 Special Conditions

1.1 **Delete** "The Contract Officer is: _____, Department for International Development, Telephone: 01355 843 631" and **Insert:** "The Contract Officer is: _____, Department for International Development, Telephone: 01355 843 693"

1.2 **Delete:** "The Project Officer is: _____, Department for International Development, Telephone: 020 7023 0955" and **Insert:** "The Project Officer is: _____, Department for International Development, Telephone: _____"

3. Key Personnel

Delete: "The following of the Supplier's Personnel cannot be substituted by the Supplier without DFID's prior written consent:

Insert: "The following of the Supplier's Personnel cannot be substituted by the Supplier without DFID's prior written consent:

4. Sub-Contractors

Delete: “The Supplier has DFID’s consent to appoint the following sub-contractors:

The Institute for Poverty, Land and Agrarian Studies (*PLAAS*)

The Institute of Development Studies (IDS)”

Insert: “The Supplier has DFID’s consent to appoint the following sub-contractors:

International Food Policy Research Institute (IFPRI)”

10. Break points

Insert: Break Point and Milestone Payment System Review

The contract will be subject to an additional break point on 30 April 2018. Continuation after this point will be based on satisfactory performance and progress of the Supplier against the specific Outputs.

The hybrid payment system and KPIs will be subject to a review after two full quarters, during Q11, to ensure the governance arrangements and milestone payments are working efficiently and effectively.

12. Price and Payment

Insert:

Governance arrangements for new milestones and KPIs

This contract amendment will introduce a hybrid payments system that includes three types of milestone related payment:

- a) **Payment of Actual Inputs:** outputs where the Supplier will be paid on the basis of actual input costs incurred in producing the output, once the milestone criteria have been met and approved by DFID;
- b) **100% output-based payment:** outputs where the Supplier will be paid 100% of the predetermined output cost as stated in the **Proforma** once the milestone criteria have been met and approved by DFID;
- c) **90% output-based payment; 10% on KPI score:** outputs where the Supplier will be paid 90% of the predetermined output cost as stated in the Proforma once the milestone criteria have been met and approved by DFID, and the balance of 10% (or part thereof) will be paid if DFID agrees that the performance criteria set out in the Key Performance Indicators (KPIs) have been met.

The revised Proforma also includes a distinction between ‘**Fixed**’ and ‘**Flexible**’ KM outputs. Fixed KM outputs are outputs that have been planned and costed for the remainder of the contract. ‘Flexible’ outputs are outputs that will be defined and agreed on a rolling, 6-monthly basis with actual output costs allocated out of the earmarked funding pool as set out in the Proforma.

Flexible outputs will be planned and agreed as follows:

- The KM team will hold their quarterly meetings one month before the end of the previous quarter.
- Quarterly meetings in advance of odd-numbered quarters (i.e. Q11, Q13, Q15 and Q17) will include the draft workplan for the following two quarters as a standing agenda item. This will cover proposed flexible KM products, estimated effort and timings. This will be quality assured and sent to DFID for approval.
- Once approved in principle by DFID, the KM team will draft TORs for the proposed flexible KM products, to be sent to DFID by the start of the quarter based on an agreed TOR format. This will include (i) the overall purpose of the output and link to CLST logframe outputs and outcomes and relevant CLST engagement strategies, (ii) the target audience and how the outputs aims to influence how they think, feel or act; (ii) detail on deliverables and activities; (iv) detailed costing; (v) acceptance criteria and MOV.

Example timeline for Q11/Q12 (Nov 17 – Apr 18)

- *KM Q11 meeting held late Sept. 17 with proposed flexible KM products*



- Topics QA'd by KPMG and sent to DFID for 01/10/17
- DFID reviews and sends approval by 15/10/17
- KM team provides draft TORs to DFID for Q11/Q12 products by 01/11/17

26. Milestone Payment Basis

Delete 26.1. Insert:

- 26.1 Where the relevant milestone is achieved in its final form and has met the Milestone Assessment Criteria set out in Proforma 4, the Supplier shall submit invoices for the full amount, actual costs or performance related payment of the total milestone indicated in Proforma 4 for the relevant milestone or as agreed in a TOR for flexible payments.

Insert: DFID will reimburse quarterly advance payments that the Supplier makes to Challenge Fund grantees even if the grantees fail to deliver key milestone results, providing DFID has agreed in advance and in writing to this payment method for the grantee in question and KPMG can demonstrate it has not been negligent in performing its fund management responsibilities.

Following discussion with DFID it has been agreed to review the assumptions around the Project reporting with a view to free up resources to add to the flexible pool. KPMG is prepared to shift up to 20 days of Matthew Glanville's time that is currently associated with Quarterly Reporting to the flexible pool from the 1st December assuming that the current level and expectations about quarterly reporting are not subject to significant change. The impact of any significant change in reporting requirements would be discussed between the SRO and KPMG. The mechanism for this change contractually would be the 6 monthly resetting of the milestones.

Section 5 Schedule of Prices

Delete Section 5 – Schedule of Prices Summary (April 2015) and Insert Section 5 – Schedule of Prices Summary (July 2017) as attached.

Delete Proforma 1 (Fees and Inputs) and Proforma 4 (Milestone Payment Schedule) details (April 2015) and Insert Proforma 1 (Fees and Inputs) and Proforma 4 (Milestone Payment Schedule) details (July 2017) as attached.

2. These amendments relate to (a) an increase of £16,180.22 to the Fund value, with no other costs impacted, (b) an addendum to the Terms of Reference (c) updates to Section 4 Special Conditions and (d) updated pro forma 1 & 4 details.
3. Please confirm in writing by signing and returning one copy of this letter, within **15 working days** of the date of signature on behalf of DFID that you accept the amendment[s] set out herein.
4. Please note the provision in the contractual letter that the financial limit of the UK Government's liability to the Supplier under this engagement shall not exceed the sum specified unless the amount of any such excess has been agreed by the Department for International Development in writing before the Supplier takes any action which might result in the financial limit being exceeded.

For and on behalf of the
Secretary of State
for International Development

Name:

Position:

Signature:

Date:

For and on behalf of

Name:

Signature:

Date:

Enc

CB11 (March 2014)

Updated Documents

1. Addendum to Terms of Reference



2.

1. Addendum to Terms of Reference

A. Adjustments to TOR

Section 3 – Terms of Reference

The purpose of this contract amendment is to create more flexibility and responsiveness so relevant outputs can be designed or adapted to meet changing needs and respond to changing circumstances. While the main objectives and some of the required KM outputs set out in the original TOR remain valid, there is a need to adjust or repurpose some of these outputs to ensure the programme continues to work towards the main objectives and to responds to DFID's requirements. The introduction of the 'Flexible' KM output component will enable DFID, the Supplier and downstream partners to define priorities and deliverables on a rolling basis (being reset every 6 months). Given this approach it is difficult at this stage to adjust the TORs systematically and specify exactly what the outputs or deliverables are likely to be as these will be defined and agreed in output-specific TOR. The revised Proforma clarifies which outputs set out in the original TOR will continue as planned as 'Fixed' outputs, and which may be adjusted or repurposed under the 'Flexible' output pool.

For **Fixed** elements, the following significant adjustments to the original TOR have been agreed:

A) Knowledge Management – Knowledge Management and Sharing

Output (i) DFID portfolio review: this will continue each year but the scope may be expanded to include other donor funded programmes in focus countries or specific thematic reviews.

Output (iii) Land programme and policy bulletin: quarterly, maximum 5 page bulletin with main articles agreed a minimum of 2 months before publication deadline.

B) Knowledge Management – Programme scoping, design and implementation support

Outputs i)-iv): the scope of these outputs to be expanded to include pre-scoping demand creation or other strategic policy support work as well as support to relevant Centrally Managed Programmes (CMPs) and instruments.

Knowledge Management – Outputs – page 2

Includes Land evidence updates

C) Partner and Own-programme Management – Partner Management

Purpose: the Supplier will support, not manage key elements of DFID's relations with other LEGEND partners as required

Outputs i)-v): in light of the change in the purpose above and associated change in the CLST role and function in relation to other LEGEND grant partners, the outputs i)-v) are no longer valid. The CLST will provide support reviewing LEGEND grant partner reports and ensuring coherence in logframes within the scope of the allocated time set aside in the revised proforma.

Contract Timing – page 10 – paragraph 3

Includes wording on the timing of the partner management component. This is now out of date as additional partners are now part of LEGEND and the partner contract timings included in this section do not include current contract extensions.

Annex A – Draft structure of the LEGEND Challenge Fund – page 14

6. Level of support available – *Contract limits and rounds for grantees do not reflect eventual fund structure*

7. Timing and implementation period – *timing does not reflect delayed start to the challenge fund. Some projects will also require support for 30 months.*



Department
for International
Development

