

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_61548_015		
Extension?	No	DPEL Ref.	
Business Area	Defra Group Corporate Services		
Programme / Project	Group Corporate Services (GCS) Strategic Partnership		
Senior Responsible Officer			
Supplier	KPMG LLP ("KPMG")		
Title	GCS Strategic Transformation Partner		
Short description	<p>Defra GCS is navigating a complex transformation landscape, with the acceleration of the Synergy Programme and a series of departmental change projects and programmes underway.</p> <p>To deliver the required outcomes for Synergy and other priority projects and programmes, Defra GCS needs access to a team of skilled individuals with a range of experience. Synergy is evolving, and therefore Defra will need to be agile and flexible to respond to the demands of the programme.</p> <p>Building on previous engagement to support Synergy readiness at Defra, KPMG will support GCS, including the Strategy, Partnerships and Operations directorate, and functions including Finance, HR and Commercial.</p> <p>The delivery model will be collaborative, with teams of blended resource from KPMG and Defra to build capability within Defra GCS for the longer-term.</p> <p>In this context, with the need for flexibility, two initial work packages (WP) are needed:</p> <ul style="list-style-type: none"> • WP1: Synergy@Defra Programme Management & Governance • WP2: Functional Synergy Enablement Delivery Support 		
Engagement start / end date	26/08/2024	31/03/2025	
Funding source (CDEL/RDEL)	RDEL		
Consultancy Spend approval reference	TBA		
Expected costs 24/25	£1,152,412.28 excl. VAT		



Dept. PO reference	TBA
Lot #	2
Version #	0.1

Approval of Project Engagement Letter

By signing and returning this document, Defra accepts the contents of this Defra Project Engagement Letter (DPEL) and agrees for KPMG to provide the Services in accordance with the overarching MCF2 RM6008 call off contract (Lot 2- Ref: 28595 entered into by Defra and Supplier dated 25 June 2021 and signed extension dated 24 May 2024) (the 'Call Off Contract') and confirms the availability of funding to pay for the Services.

Recognising the need for flexibility, this document provides indicative scopes, deliverables, and maximum fees for this financial year (FY24/25) as requested by Defra Group Consulting Board.

The Parties shall from time to time agree on a series of Statements of Work (SOWs) to document specific tasks, timescales, and fees under this DPEL in accordance with section 2 of this DPEL. Agreement of each SOW will be subject to satisfactory completion of KPMG's internal procedures to evaluate prospective engagements.

Each SOW is subject to and incorporates the terms of this DPEL and the Call Off Contract.

Subject to Clause 37.1 (Unlimited Liability) of the MCF2 call off terms, the Supplier's total aggregate liability, in respect of all Losses incurred by the Customer under or in connection with this DPEL and all SOWs entered into pursuant to this DPEL shall in no event exceed a sum equal to 125% of the Call Off Contract Charges payable in connection with the aggregate fees paid pursuant to this DPEL and the SOWs.

Signatures

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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

General Instructions

The DPEL describes the services required and provided. When completing the DPEL 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

Defra GCS is navigating a complex transformation landscape, with the Synergy Programme accelerating and a series of departmental projects and programmes delivering change underway.

Defra has a strong but small team of committed individuals but does not have all the capability and capacity needed. Therefore, to deliver the required outcomes for Synergy and other priority projects and programmes, Defra GCS needs access to a team of skilled individuals with a range of experience. In common with other departments in the Synergy cluster, Defra need its own Corporate Services strategic delivery partner to augment these skills and help deliver the programme.

KPMG has supported GCS on its transformation journey for the last four years, including supporting the Next Wave Programme and a Corporate Services assessment, as well as working with the Synergy@Defra programme team since January this year.

2. Statement of services

Objectives and outcomes to be achieved

The indicative objectives and outcomes for each of the work packages identified are listed below. Detailed Statements of Work (SOWs) will be agreed ahead of commencing each piece of work. These SOWs will take the same format agreed with Defra Commercial and will be signed by KPMG and Defra Leads prior to commencing work.

To drive value for money and build capability within Defra GCS for the longer-term, the delivery model will be collaborative with teams of blended resource from KPMG and Defra and an accountable lead from the Defra GCS leadership required to deliver the objectives and outcomes.

WP1: Synergy@Defra Programme Management & Governance

WP1 will include a combination of two core components, with the outcome of providing capabilities and skills that Defra do not currently have but that are critical for delivering complex change across a large portfolio:

- 1) **Programme Governance:** The objective of this workstream is to provide expertise to ensure that the Synergy@Defra team can effectively manage the levels of coordination required to run this large, cross-functional programme, which also impacts on Defra's ALBs (Arms Length Bodies). It must represent Defra's interest in a cross-departmental programme that has contractual commitments to an industry Systems Integrator (SI). The outcome of the Governance element is to establish an evolving framework to ensure that Defra governance remains agile through Synergy design and implementation phases.
- 2) **Portfolio Planning:** The objective of this workstream is to create a clear portfolio plan that connects that Synergy SI implementation plan with the Defra functional and ALB delivery and

enabling plans to ensure end to end cohesion. The outcome will be clear cross functional and pan-ALB dependency and prioritisation management, both of which will significantly reduce the delivery risks. This workstream may also support the identification of priority activities for the “Task & Finish” Sprints described in WP2 below. It is noted that this is a priority role for which Defra is intending to recruit; however an external resource is required in the meantime while the recruitment process is underway. The external resource will accelerate the upskilling of the new Defra hire by providing established processes, tools and methodologies.

WP2: Functional Synergy Enablement Delivery Support

The Finance, Commercial and HR functions require flexible cross-functional provision of skilled resources to deliver critical enabling activities to ensure the department is ready for Synergy and to help deliver benefits early. This will be achieved through Multi-disciplinary ‘Task and Finish’ sprints, with the objective of this workstream to provide specialist capability into functional teams, as required, to respond to the design and readiness requirements of Synergy as they arise and in an agile manner. For example, completing further research into the implications of adhering to Synergy design on policy and creating an action plan for convergence to this policy.

Scope

A summary of the scope for each work package is provided below. A detailed SOW will be drafted and agreed for each work package ahead of commencing work.

WP1: Synergy@Defra Programme Management & Governance

- 1) **Programme Governance:** Implementing an approach to enable Synergy design decisions to be taken, providing coherence between the Synergy Programme, Synergy@Defra Programme Team, Finance, HR, Commercial, DDTS and ALBs.
 - The Governance arrangements will need to be evolved and adapted in response to the changing core Synergy planning and controls.
 - Governance artefacts such as decision logs will be provided and maintained.
 - Upskilling and knowledge transfer to Defra programme staff
 - Communication and briefing across Defra, aligned with the wider change management plan.
- 2) **Portfolio Planning:** Provide a single holistic, comprehensive, Synergy@Defra Programme/Portfolio plan to provide coherence across the Finance, HR, Commercial, DDTS and ALBs. Ensure this plan is baselined, monitored and updated through Governance in line with the emerging SI Implementation plan. The following high-level delivery plan will be followed:
 - Sept – Oct: Engage with the functions and ALBs to document in a common format all existing and planned work related to shared services. Understand and document the Synergy@Defra delivery needs based on analysis of the Common Foundational Design and SI Implementation Plan.
 - Nov: Working closely with representative stakeholders to create draft, prioritised, and sequenced roadmaps for the functions, including DDTS, to enable a holistic single portfolio view across Defra to support key resource decision making.
 - Dec: It is assumed that the Defra recruitment to fill this role will be completed by this time and that a short period of handover will be completed in December.

WP2: Functional Synergy Enablement Delivery Support

Multi-disciplinary ‘Task and Finish’ sprints: The scope relates specifically to functional requirements from the Synergy programme, which requires SME expertise but where Defra may not be able to secure all necessary resource in the short-term due to the demands of Synergy design workshops and BAU activities. Resource will be deployed in a blended team across Defra and KPMG to undertake investigatory work to understand the impact of the design and readiness asks of the Synergy programme that may relate to people, process, data, policy, governance, and technology



change. Provide recommendations and action plans to ensure that Defra is prepared for Synergy implementation.

Sprints may be identified and mobilised through the ongoing portfolio planning process, prompted by Synergy design workshops/commissions. An example of an early sprint may include the Attendance Management Policy refresh. Two 'sprint squads' each comprising of approx. 2.5 FTE with functional business analysis, user research, and functional expertise is assumed to be required from mid-October 2024 (once the initial portfolio planning is developed) to the end of March 2025. The user research resource will be provided by Defra and functional business analysis resource provided by KPMG.

A project plan and outputs for each sprint will be agreed with the work package lead prior to commencing work.

Assumptions and dependencies

- Defra leads will be assigned for each workstream and accountable for signing off the deliverables of each work package, as below:
 - [REDACTED]
 - [REDACTED]
- Detailed project plans, including responsibilities and accountabilities of the KPMG and Defra team members, will be agreed between Defra and KPMG leads for each piece of work prior to the engagement commencing.
- Defra will ensure that stakeholders are informed of the work and the importance of their role in supporting its success. This will also help to guarantee that stakeholders are aware of tight timescales and therefore can be made available as required.
- Defra will be able to respond quickly to requests for information/data. The supplier assume we will have access to necessary documentation and Defra representatives as required to complete our work to the required timescale.
- Defra will provide administrative support to help ensure that we can rapidly organise meetings and workshops with stakeholders within Defra and the in-scope ALBs as required.
- There will be clear ownership from a senior Defra member of the relevant team(s) who will lead the overall work, provide clear guidance on stakeholder engagement, drive decision making and if needed act as a point of escalation to ensure the work remains on track.
- We will hold meetings and workshops using Microsoft Teams. Where necessary information will be exchanged via email to named KPMG email accounts with any deemed sensitive attachments being password protected. Only information required for this project will be exchanged. This will not include any personal or potentially directly sensitive commercial information.
- Any changes to scope of work will be addressed via a Defra change process.
- KPMG to provide weekly updates to Defra on the status of the commission.
- KPMG will bring approaches to this engagement which will include tools and techniques that are complementary to the Defra GCS change management approach.
- For the Programme Governance and Portfolio Planning there will be a heavy dependency on the timing and quality of information, policies and plans from the core Synergy Programmes.
- For Multi-disciplinary 'Task and Finish' sprints specifically: Full time- dedicated user research resource will be provided by Defra for each squad.



Risk management

- Risks will be managed in weekly management meetings between KPMG and Defra, with a risk and issues log being maintained. Where applicable and per SRO guidance, risks will be triaged to the relevant governance forums at Defra (e.g. GCS Transformation Board).
- For each of the workstreams, weekly project updates will be provided to the project leads, and [REDACTED] will be updated weekly on a portfolio basis to:
 - Review work completed in the previous week
 - Discuss and agree work to be completed in the current week
 - Review decisions required by Defra
 - Review issues and risks
 - Review progress to date
 - Review milestone readiness/achievement
 - Review financials and spend against planned progress
 - Agree any course correction required

Deliverables

Individual SOWs will be agreed for each piece of work, and these will contain specific detail relating to deliverables. The SOWs will all require approval by the SRO [REDACTED] and be shared with relevant commercial colleagues, with specific approval arrangements for deliverables detailed in the individual SOWs.

A summary of the proposed deliverables to be included in each SOW is laid out below, although these will be subject to confirmation in the individual SOWs:

WP1: Synergy@Defra Programme Management & Governance

Synergy at Defra Programme Management: This will include two core components that will continually be updated and iterated in response to the evolving programme needs:

- 1) Documented governance artefacts and processes
- 2) Synergy@Defra portfolio plan

WP2: Functional Synergy Enablement Delivery Support

Multi-disciplinary 'Task and Finish' sprints: The nature and form of the deliverables for each sprint will be agreed with the work package lead prior to starting work depending on the sprint's nature and jointly delivered by the KPMG and Defra teams; however, an indicative description of the deliverables is provided below.

- An updated policy document (or other output) for the agreed task.
- A Defra-branded summary report per sprint, detailing activities undertaken/research conducted, findings and any recommendations for further activities required.

Deliverable	Success Criteria	Milestone / Date	Owner (who in the delivery team?)
WP1: Synergy@Defra Programme Management & Governance			
Documented set of governance processes – first iteration	[REDACTED]	[REDACTED]	[REDACTED]



Deliverable	Success Criteria	Milestone / Date	Owner (who in the delivery team?)
Synergy@Defra portfolio plan			
WP2: Functional Synergy Enablement Delivery Support			
'Task and Finish' Output Reports		TBD in SOW	
Social Value Outcomes			
N/A – this is covered within the Framework Agreement			

Limitations on scope and change control

The value of each item of work will not exceed the total cost outlined in the SOW.

Unless instructions to the Supplier are later amended in writing, the work undertaken will be restricted to that set out in the SOW. In providing the services detailed above, the Supplier will be acting in reliance on information provided by the Business Area.

The SOW 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 the SRO, [REDACTED]

3. Delivery team

The Services provided under this DPEL will be based on a time and materials approach. The rates provided below are set by the Framework Agreement with Defra Group.

The total ceiling costs for the Services to be provided under this DPEL up to 31st March 2025 will be £1,152,412.28 excl. VAT. Each SOW will include a table like below, which the Parties may amend prior to signature of the SOW based on the detailed scope, resources and fees that are agreed for each SOW. The table will use the current Framework Rates and clearly set out the number of days and rates for each package of work to ensure comprehensive tracking and compliance with the overall budget envelope.

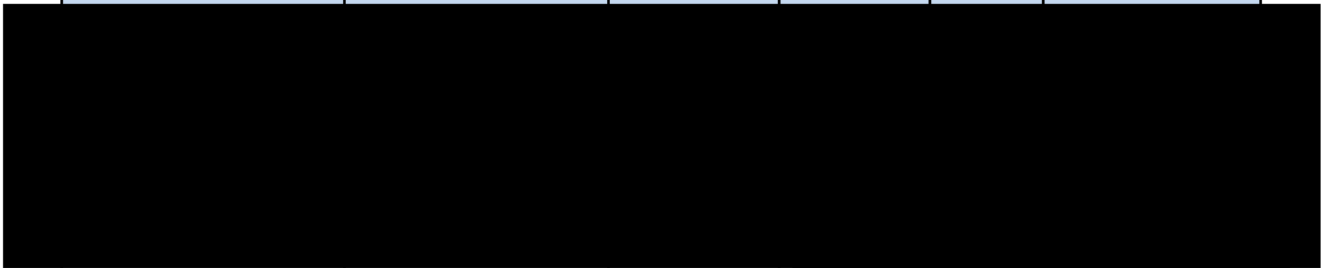
Work Package 1:

Name	Role (link to stage/s resource will work on)	Grade	Daily rate excl. VAT	# of days	Cost
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Department
for Environment
Food & Rural Affairs

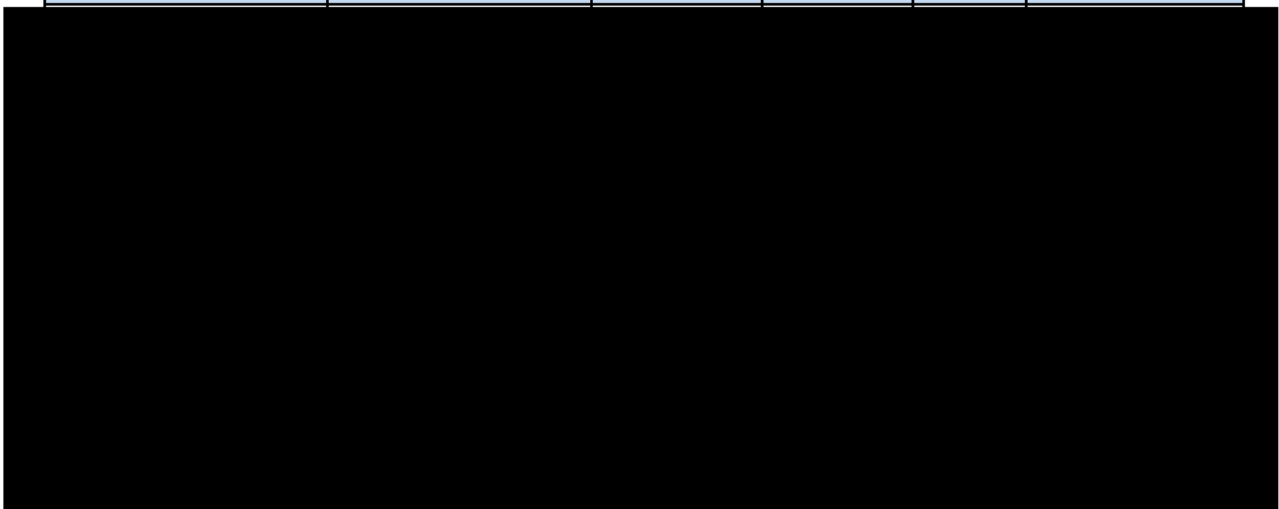
Name	Role (link to stage/s resource will work on)	Grade	Daily rate excl. VAT	# of days	Cost
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Work Package 2:

Name	Role (link to stage/s resource will work on)	Grade	Daily rate excl. VAT	# of days	Cost
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				Totals	

Total resource	Total days* Engagement Length**	
*Total days worked across all resources **Total working days in engagement		

Business Area's team

The Business Area team will be defined within each respective SOW for the work identified.

4. Fees

Defra Group will pay the Supplier for Services provided in accordance with the relevant SOW. The total fees for the scope of the work detailed in this DPEL and in subsequent SOWs will be no more than £1,152,412.28 excl. VAT to 31 March 2025, inclusive of expenses and excluding VAT.

The use of SOWs to define Deliverables for each targeted package of support will ensure that value for money is achieved.

Defra Group Commercial will collate the Deliverables, cost, and timescales from each SOW to ensure that the specialist support provided is aligned to the approved scope, that total expenditure remains within the overall envelope, and that milestone delivery dates are met. This will be supported by robust monthly reporting by KPMG.

The below table will be used in each SOW to provide costs for any particular stages to the engagement.

Stage	Cost	Due (link to milestone dates)
A		DD/MM/YY
No specific stages are defined for this DPEL – to be managed through SOWs which will be aligned to key milestones.		
Expenses		
None expected and only in accordance with the expenses statement below		
Grand total		

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. Such expenses are likely to include travel to Defra sites across the UK. The base location for work carried out under this agreement will be London. If appropriate, permissible expenses to be charged will be defined and agreed per each SOW.

Payment

The Supplier should invoice fees monthly in arrears. Defra Group will pay fees monthly on confirmation from the Business Area that the Services have been provided in accordance with the SOW. 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

- [REDACTED], or an agreed deputy, must approve each individual SOW.
- Each SOW will define the governance and reporting arrangements for each project (in-line with standard Programme and GCS governance).
- Risks and progress against outcomes, milestones and Deliverables will be managed in weekly management meetings between the SRO and KPMG, and monthly meetings with Defra Group Commercial.



- Changes to the scope, outcomes, milestones, Deliverables or cost of each SOW shall be documented, and then presented to the SRO, or an agreed deputy, for approval.
- The notice period to terminate each SOW will match the notice period of this DPEL as specified in section 6.

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 the supplier's consultants;

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
	To be defined in individual SOWs					

Feedback and satisfaction

The Business Area and Supplier will agree regular reporting intervals relating to each SOW.

As defined above, KPMG will hold weekly management meetings with [REDACTED] SRO, and a monthly contract review meeting with [REDACTED] and commercial representatives to ensure Value for Money and ongoing alignment with existing and emerging priorities within Defra.

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

Not Applicable

6. Exit management

The agreed actions and deliverables by the Supplier for when this DPEL expires are as follows:

To be agreed as part of individual SOWs which are expected to cover the following:



- Knowledge Transfer Plan which defines the skills and knowledge to be transferred over to nominated Defra Group staff at the completion of the SOW scope and outcomes.
- All formal Deliverables of each SOW to be signed off by the appropriate nominated individuals from the Defra Group.
- All Deliverables and assets to be delivered using software/applications accessible to Defra Group staff and handed over to nominated Defra Group staff.
- Knowledge transfer handover session(s) as agreed for each SOW to ensure that nominated staff can access and maintain assets and deliverables on an ongoing basis.
- End of project retrospective / lessons learned session to discuss achievements and learnings from across teams.
- Final handover email / document summarising the completion of all deliverables and how these can be accessed.

Notice period

The nature of these engagements requires that Defra Group has 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:
[REDACTED]
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

