**SCHEDULE 2 STATEMENT OF REQUIREMENT for** **Consultancy in Support of Terminating the PFI Contract for the Defence Sixth Form College Welbeck**

**High level Requirement**

1. There is a requirement that the Defence Academy (DefAc) conducts contractual negotiations with Minerva Education and Training Ltd (MET(L)) to terminate the Defence Sixth Form College (DSFC) Private Finance Initiative (PFI) in Q2 2021 when the final cohort of students complete their studies, in line with Secretary of State (SofS) direction. This is a component part of closing the Defence Technical Officer and Engineer Entry Scheme (DTOEES) and replacing it with the new Science Technology Engineering and Mathematics (STEM) Graduate Inflow Scheme (SGIS).

**Length of Contract**

1. This is an output based Contract and in line with Crown Commercial Services Framework policy, shall have a duration of no longer than 9 months. The Contractor must notify the Authority any elements of the work package that are at risk of delay due to Authority stakeholder not engaging, and must be raised at the first opportunity.

**On Site Presence**

1. On site presence will be as required by Business needs.

**Scope of work**

1. Working closely with DefAc, and its legal advisers, PwC (the Supplier) will provide the strategic and transactional advisory

services set out below.

The Supplier will not be providing legal advisory services.

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| **Requirement**  **Task** | **Topic** | **Deliverable(s)** | **Description** | **Anticipated Delivery Period** |
| 1 | Implementation Strategy | * Advice on the options and preferred commercial approach * Project/transition timetable * Support to DefAc in the dialogue with Minerva to agree project timetable and agreed options | * Assist to define DefAc’s objectives and requirements for each of the key workstreams through to September 2021 * Assist DefAc to develop the options and preferred commercial approach to pursuing these objectives with Minerva * Develop a negotiating strategy for key aspects of DefAc’s desired outcome, assessing relevant options and evidencing preferred positions * Develop a proposed project/transaction timetable that is consistent with agreed approach and strategy * Assist DefAc to brief Minerva on its intentions and proposed plan for implementing the requirements of the recent announcement | Continuous activity |
| 2 | Post-July 2021 Site Use Strategy | * Advice on impact of any future option on PFI amendments and implementation strategy * Transition plan | * Assist DefAc consider how potential future options for the site impact the required PFI amendments and the broader agreed implementation strategy * Assist DefAc develop a plan that provides a process for transitioning to the new preferred use of the site, and which aligns with the broader agreed implementation strategy | Continuous activity |
| 3 | Support to negotiations | * Advice on specific negotiation matters for DefAc across key workstreams agreed with Minerva. * Advice on proposals made by Minerva * Advice on arrangements to implement positions agreed with Minerva * Support to DefAc’s negotiations with Minerva | * Assist and advise DefAc in its discussions with Minerva through the period of the commercial negotiations required to achieve DefAc's objectives * Assist DefAc develop position papers and analysis as required on relevant commercial/financial matters to inform the negotiations * Assess commercial and financial proposals made by Minerva (including the quantification of any cost as associated with terminating the contract), and assist DefAc in its response to Minerva * Provide review and support to the development of formal arrangements needed to implement commercial agreements reached with Minerva | Continuous activity |
| 4 | Tax | * Provision of specific tax advice as required | * Provide support on any tax and VAT matters that may arise in the context of agreeing the commercial arrangements between the parties | Scope of support to be agreed upon commencement |
| 5 | Stakeholder Management | * Preparation of supporting papers and presentations * Attendance at stakeholder meetings | • Assist DefAc as required in presenting its strategy, position and the case for proceeding with any agreed arrangements within MoD and to other government stakeholders   * Assist in the preparation of relevant inputs to approvals processes (including Review Notes). | Continuous Activity |
| 6 | Governance | * Attendance at checkpoint meetings | * Dial-in to agreed checkpoint meeting with Authority PM and Project Management Office (PMO) updating on progress against agreed plan * Attend Ad Hoc meetings as required * Prepare briefing papers for internal preparatory meetings to support discussions with Minerva | Continuous Activity |
| 8 | Knowledge Transfer | * Transfer all relevant documentation (to the extent required under the contract) on the completion of work | * Transfer all relevant documentation gathered to PMO * Attend project closure meeting | On Conclusion of Delivery |
| 9 | Finalisation process | * Support MoD in preparing for and executing any debt related breakage arrangements | * Support dry runs, preparation, and close out process for debt related arrangements. | Continuous activity leading up to conclusion of delivery. |

The Supplier requirements as set out in the table above include a number of continuous activities which will follow on from the prior Call off Agreement dated 12th March 2020 (the “Expired Contract”). The Customer agrees that the Supplier holds no responsibility or liability to Customer in relation to the Services above under the Expired Contract.

**Terms and Conditions**

Work will be contracted under the Crown Commercial Service framework MCF2 Lot [4].

**Costs**

Costs will be based using the fee rates from MCF2 Lot 4 being:

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| **Grade** | **Day rate (£)** |
| Partner/Managing Director | \*REDACTED\* |
| Managing Consultant/Associate Director | \*REDACTED\* |
| Principal Consultant | \*REDACTED\* |
| Senior Consultant/Manager | \*REDACTED\* |
| Consultant | \*REDACTED\* |

The above day rates exclude VAT and expenses, which would be charged in line with the arrangements, set out in MCF2 Lot [4].

Work will be charged on a time and materials basis at the above rates. On appointment, DefAc and the Supplier will meet to agree the phasing of work, indicative budgets and arrangements to provide for DefAc with appropriate control over the scope of the Suppliers work and monitoring of the level of costs being incurred.

Subject to any alternative arrangement to be agreed between DefAC and the Supplier, costs will be invoiced on a monthly basis.