



Defra Group Management Consultancy Framework: Project Engagement Letter

Completed forms and any queries should be directed to Defra Group Commercial at DgCConsultancy@defra.gov.uk.

Engagement details			
Engagement ref #	DPEL_61541_012		
Extension?	N	DPEL Ref.	N/A
Business Area	Environmental Quality		
Programme / Project	Collections and Packaging Reforms		
Senior Responsible Officer			
Supplier	Methods Business and Digital Technology Ltd ('Methods')		
Title	CPR Delivery		
Short description	Provision of PPM managed services to the CPR Programme ('the Programme')		
Engagement start/end date	Proposed start date 19 th January 2022		Proposed end date 27 th May 2022
Funding source	DgC Consultancy services		
Expected costs 21/22	£382,500		
Expected costs 22/23	£341,800		
Expected costs 23/24	£0		
Dept. PO reference	To follow		
Lot #	Lot 3		
Version #	0.5		



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Approval of Project Engagement Letter

By signing and returning this cover note, the Collection and Packaging Reform Team accepts the contents of this Project Engagement Letter as being the services required and agrees for Methods to provide the services per 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		
Supplier	Business Area	Defra Group Commercial
By: _____ <i>Signature</i>	By: _____ <i>Signature</i>	By: _____ <i>Signature</i>
or and on behalf of Methods Head of Change Delivery	For and on behalf of Environmental Quality SRO	Defra Group Commercial Senior Category Officer for Professional Services (Consultancy)
Date	Date	Date
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:

Business Area Contact:



1. Background

The Collection and Packaging Reforms ('CPR') Programme consists of three interdependent reforms to the waste system: Extended Producer Responsibility for packaging ('EPR'), Deposit Return Scheme for Drinks Containers ('DRS') and Consistency in Recycling Collections ('Consistency'). CPR also has close links to a further Defra Digital project – Waste Tracking. The Strategic Outline Business Case for the programme was approved in April 2021. The programme costs, including costs to industry (non-government cost) is in the region of £1.2bn a year.

The programme has tight timelines for delivery across all three projects and the programme team are under resourced, with a lack of PPM and PMO capability/capacity compared to other GMPP programmes in Defra. The programme requires immediate programme consultancy and delivery capability to establish an effective programme delivery environment. This will include establishing key programme documentation and processes to be utilised to assure the ongoing delivery once the service is transitioned to permanent employees.

CPR has recently (November 2021) been designated part of the Major Government Programme Portfolio (GMPP) and needs to 'scale up' its delivery capability. There is a particular need to mobilise at pace to pass a Gateway 0 assessment slated for April/May 2022 and to meet the programmes delivery timelines.

This urgent consultancy support is vital to the success of the programme. This support will be underpinned by a structured knowledge transfer framework which meets requirements set out in the Defra consultancy framework, providing delivery capabilities to the programme. Consequences for not engaging the consultancy delivery and support will mean that commitments to deliver the projects may not be realised particularly within the tight timescales identified, the capacity of the current team and insufficient GMPP capability and experience.

The consultancy support will be separated in to three separate phases of work as set out below. Defra offers no guarantee that Phase 1 Part B or Phase 2 will proceed, and Methods shall not be entitled to any recompense if Defra, in its sole discretion, decides not to proceed with these phases of the commission. :

- **Phase 1 Part A: Discovery (to be completed in Q4 financial year 2021-2022)**

Subject to all necessary approvals being in place, Phase 1 Part A shall commence on 19 January 2022 (or as soon as possible thereafter) and be complete within 5 weeks of this commencement date. During the Discovery Phase senior consultants shall be provided by Methods to:

- Review the programme management document and procedures currently used by the Programme.
- Identify the further resources required from Methods if Defra elect to proceed with Phases 1B and 2 of this commission and begin early work on critical items.
- Identify the programme and deliverables to be provided as part of Phases 1B and 2.

It is anticipated that the Discovery Phase shall be completed remotely with any necessary meetings taking place on Microsoft Teams.

The key deliverables from the Discovery Phase will be:

1. A work package initiation document explaining how this agreement will operate in practice (further detail below)



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2. Project definition document (further detail below)
3. Projects Dossier (further detail below)
4. Summary of programme plans ((further detail below)
5. A report documenting an agreed programme management plan together with costed proposals for Phase 1 Part B and Phase 2. This Report shall be presented to Defra at a Workshop ("the Discovery Workshop") to be held within 5 weeks of the commencement date. The Workshop shall be held on Teams.
6. Begin work on critical and urgent tasks as outlined by CPR Programme team.

Defra shall review the report and shall, at its sole discretion, notify Methods if it wants to proceed with all or part of Phase 1 B within 2 working days of the Discovery Workshop. Such notification to be in writing and shall confirm the programme, resources and deliverables for Phase 1 Part B. At the CPR Team's request immediate evaluation meetings pertaining to the consultancy team and progress may be held to review ongoing arrangements and changes if at all required.

- **Phase 1 Part B: (to be completed in Q4 financial year 2021-2022)**

Subject to Defra electing to proceed with Phase 1 B this shall commence on the date of written notification from Defra and shall end on 31 March 2022 (the end of the financial year). The programme and deliverables shall be as agreed in the written notification.

By no later than 18 March 2022 Defra, at its sole discretion, shall notify Methods if it wants to proceed with all or part of Phase 2. Such notification shall be in writing and shall confirm that programme, resources and deliverables for Part 2. If Defra does not notify Methods that it wants to proceed the commission shall end on 31 March 2022.

Phase 1B will focus on to design and building the necessary strategies, structures and artefacts to ensure delivery success. Details will be agreed as part of Discovery phase 1a

- **Phase 2 (to commence in April 2022 and be complete in the financial year 2022/2023)**

Phase 2 will continue to build and embed the programme structure to ensure delivery success which will be measured by successful completion of the IPA Gate 0 review. The focus of this phase will be knowledge transfer to civil servants as they are recruited to take forward the programme. Details will be agreed as part of Discovery phase 1a

Subject to Defra electing to proceed Phase 2 shall commence on 1 April 2022 and shall end on 27 May 2022 (unless extended at the discretion of Defra by notice in writing). The programme and deliverables shall be as agreed in the written notification.

Should consultancy support not be received, CPR's Delivery confidence will remain Red and delivery dates will be unachievable. In addition:

- The programme will lack an assured critical path
- Risks will continue to materialise with no appropriate management
- Governance will lack effectiveness
- Stakeholders will not be engaged with appropriately

The impacts of this would therefore include:

- Reputational damage to Defra and wider Government
- Significant further delivery costs to Defra due to longer delays to the delivery dates



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- Consequences for not engaging the consultancy delivery and support will mean that commitments to deliver the projects may not be realised particularly within the tight timescales identified, the capacity of the current team and insufficient GMPP capability and experience.

2. Statement of services

Objectives and outcomes to be achieved

To achieve the CPR stated outcomes, there is a requirement for consultancy support.

The Discovery Phase shall have the following main objectives;

- Review of current Programme by senior consultants
- Identifying what resources (team time and documentation) will be required to complete the further phases of work
- Identifying approach and plan for further consultancy phases, to deliver the further objectives required from the support
- Beginning resource management strategy and support for recruiting permanent civil servants

The overall objectives from the remaining phases of the consultancy support work, will be:

- To support and enhance current delivery activity by providing project management and PMO capability
- To develop the RAID management, planning, stakeholder analysis and governance as well as the controls, processes and assurance needed for Major Government Programme delivery
- To develop a fully integrated project and programme plans with robust timelines for delivery
- To support the transition to permanent employees in the programme moving forward

The above work must be conducted and produced to Defra Portfolio standards

Additional outcomes of this work will include the transfer of knowledge of these processes to the permanent CPR Team.



Scope

The scope of the engagement is to provide PMO support.

The Discovery Phase will focus on senior consultants working towards ensuring that the following phases of support (which will utilise a larger number of consultants undertaking specialist tasks and roles), are undertaken effectively successfully deliver the required outcomes.

- Work package Initiation Document - findings from the Discovery Phase
- Summary of existing plans and proposed programme planning activities
- High level Programme Management Office process outline for a GMPP designated programme
- Initial PDD Including processes for Governance, Reporting, Risk Management and Change Control
- High level RAID logs
- High level Stakeholder Analysis

Producing a report on who the stakeholders and their roles in the CPR programme, with a strategy on their involvement for CPR

For all phases of the consultancy support, the consultants will be primarily required to support the project delivery tasks outlined below;

Integrated Programme Plan

Establish fully featured and integrated Project plans and Programme Plan, (aligned to requirements of the Functional Standard, Portfolio Offices and ePMO)

RAIDD

Ensure RAIDD logs are populated and maintained. Demonstrating that the required outputs and outcomes can be delivered at an acceptable level of risk.

- Documented Risk management process
- Documented Change Management Process

Stakeholder Analysis

Producing a report on who the stakeholders and their roles in the CPR programme, with a strategy on their involvement for CPR

Comms Strategy

Development of a Comms strategy, which will be important for the successful compliance of both the public and businesses to the reforms

Helping recruitment of permanent Civil Servants – wrap around support.

Develop team structure, job descriptions, roles etc.

Specific preparation work on the CPR programme's Target Operating Models (TOMs) is out of scope for this project/support request. Early draft versions of the TOMs for Consistency and DRS are in development by the project teams and the planning work (to be undertaken by the consultants) will support this.

Benefits realisation is a core part of delivering a successful programme and the programme definition activities will take this into account to ensure that the relevant strategies and frameworks are positioned, but specific benefits management activities (such as identification, planning and measurement of benefits) have not been commissioned as part of this work.



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Assumptions and dependencies

This support work is aligned with CPRs first IPA Gate 0 review.

All work should be aligned to the Defra Portfolio Planning standards details of which will be provided to Methods.

Success of this consultancy support will be dependent on the consultants working with the CPR and Portfolio Teams to complete the required deliverables and transfer knowledge.

Immediate availability of existing artefacts to inform the Programme Definition Document is available, such as SOBC, OBCs/PID's and Requirements Catalogues for each of the specific projects.

Immediate availability of current worked through Theory of Change outputs to outline interim programme deliverables (tranche delivery structures) for each of projects,

Programme Definition Document provided in phase 1a will be a first iteration that will require development through phase 1b and 2 to meet the requirements of the IPA gate review.

Risk management

The Programme is high profile and both DRS and EPR for packaging were manifesto commitments. They are also included in the Resource and Waste Strategy for England. Because of this, it has the potential to cause reputational damage to both Defra and Ministers if its objectives are not met effectively and on-time. The Programmes Risk Potential Assessment classifies the project risk as 'High'.

The top 3 risks to the programme (as reported to ExCo in November 2021), are;

Risk	Impact	Mitigating Action
1 Insufficient resource and funding to deliver the Collection and Packaging reforms to current timelines and scope.	High	Work is being undertaken to identify the resourcing needs to ensure programme delivery. Short-term consultancy likely to be utilised and then permanent resource brought in.
2 The timeline for CPR delivery is threatened by having no agreed critical path (including inter-project dependencies) clearly identified & current assumptions leave limited tolerance for delay.	High	Renewed focus on planning, given SR outcome & policy decisions, engagement with industry & existing schemes, mapping out the critical path, identify dependencies & potential blockers.

The consultancy support will directly address Risk 1, 2 and 3, as detailed above, and assist the Programme on its route back to a Green Delivery Confidence over the longer term.

Risk management issues relating to the consultancy support includes;

- Time factor – the consultancy team has ~4.5 months to provide the required support as described in this Statement of Services (across all three phases of support), with little-to-no contingency period for the delay of the deliverables



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- CPR Team Alliance – the permanent CPR and Defra Portfolio teams and the consultancy team will need to efficiently engage with each other to maximize the benefits of this support period, at the risk of underperforming during this time and reducing the value for money of this service.
- Project Complexity – the Programme is complex and this is reflected in the recent IPA GMPP Tier A classification. This risks the consultancy team's ability to establish thorough and effective protocols and plans during their limited time supporting the programme.

To help mitigate these potential risks, the Programme will undertake the following actions;

- Support, management and day-to-day supervision of the Consultants will be provided by the CPR Delivery Team.
- Clear channels of communication will be established during the Discovery Phase, through which the Consultants will be required to contact Programme team members.
- To maximize deliverables and impact of the consultancy support during this short time period, a primary task for the Consultants during the Discovery phase will be to produce a plan for the effective delivery of Phase 1b and Phase 2 (including details of required resources and timeframes for CPR team engagement).

Deliverables

Deliverable	Success Criteria	Milestone / Date	Owner (who in the delivery team?)
Project workstream: Discovery Phase			
Work package initiation document: Governance, responsibilities, deliverables and deadlines etc for this assignment, plan for the other phases.	Deliverables captured Clear roles and responsibilities Defra groups' evaluation	2 weeks after support start	Programme Manager
Programme Definition document: Describes objectives, programme roles and responsibilities, programme management plan including, governance design, procedures for managing RAID, summary of risks, summary of Projects dossier, stakeholder summary.	Containing the elements of MSP programme brief, plus Vision statement, proposed governance structures, controls and high-level plan Defra groups' evaluation.	23/02/2022	Programme Manager
Programme plan summary Consolidated view of existing plans and activities required to develop an appropriate integrated programme plan	Defra groups' evaluation.		Programme Manager
Projects Dossier: Full list of existing projects to deliver the blueprint, identified workstreams	Consensus across Defra teams and stakeholders that scope is accurate.	23/02/2022	Programme Manager



and dependencies. Identification of potential gaps and further development work required.	Defra groups' evaluation.		
Communications and engagement: With the CPR/Defra teams and other stakeholders about the ongoing work, outputs and changes. Any workshops needed to gather requirements etc.	Effective scheduling Sufficient attendance Positive feedback from the Defra team – people feel informed at all levels.	23/02/2022	Programme Manager
Produce proposals for further phases of work, with agreement of requirements from Programme team.	Defra groups' evaluation.	23/02/2022	Programme Manager
Initiate work on critical deliverables as necessary	Agreed with Defra programme team	23/02/2022	Programme Manager
Project workstream: Phase 1 and Phase 2 - NOTE: To be confirmed during Discover			
The deliverables will be determined in Phase 1 Part A and confirmed in the written notification from Defra asking Methods to commence Phase 1 Part B			
The deliverables will be determined in Phase 1 Part A and confirmed in the written notification from Defra asking Methods to commence Phase 2			
Internal Capability Development Outcomes			
Following detailed knowledge transfer, the team will run the delivery internally in full.	Completion of Knowledge Transfer report Support onboarding of new permanent civil servants (towards ends of consultancy support) by conducting handovers	27/05/2022	
Social Value Outcomes			

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.

The table below has been populated on the basis of the known resources and costs for the Discovery Phase and the anticipated resources and costs for Phase 1 Part B and Phase 2.

The total cost for the Discovery Phase is £98,045.



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Total resource Total days* Engagement Length** *Total days worked across all resources **Total working days in engagement	964.5/88=10.96
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Business Area's team

Outline Business Area staff allocated to support delivery team in completing the engagement including names, roles, responsibilities and any dependencies/scope they will deliver.

We will be working with the established Defra CPR programme team, key stakeholders (including Environment Agency and Devolved Administrations) and the Defra Portfolio Directorate.

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 a maximum of £724,300 inclusive of expenses and excluding VAT.

The costs for the Discovery Phase are provided together with the anticipated costs for Phase 1 Part B and Phase 2. These costs will be confirmed prior to these Phases commencing. Overall costs will not exceed the maximum figure of £724,300.

Phase	Cost	Due (link to milestone dates)
Discovery Phase		DD/MM/YY
The deliverables as outlined as part of the Discovery Phase in Section 2. Statement of Services.	£98,045	23/02/2022
Phase 1 Part B		
Estimated costs	£ 284,455	31/03/2022
Phase 2		
Estimated costs.	£ 341,800	27/05/2022
Expenses		
Not applicable.	£0	
Grand total	£724,300	

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

Business Area to outline governance and report requirements.

As part of the Call-Off Contract, Methods agree to provide reporting on the following:

- Completion of the time tracker on a two-weekly basis, to track days worked by consultants;
- Progress of the deliverables, expressed as a % complete and a comment on any potential barriers to completion on time and budget, reported on a fortnightly basis

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
1.	Delivery Review	Progress review against deliverables	Monthly	SRO, Defra Portfolio Office and Methods Assurance	Report	Measured against PEL

Feedback and satisfaction

Business Area and Supplier to agree regular reporting and evaluation 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.

Methods and Business area will evaluate the consultancy resources required to produce the above deliverables as and when needed and may result in a change in project team.

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 monthly 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 improve the efficiency and effectiveness, and provide a framework to deliver the CPR delivery project.

The supplier will provide:

- Programme documentation to support the definition and delivery and implementation of the Programme: including all agreed deliverables including Programme support documentation and controls including reporting, RAID management, comms and stakeholder strategies, programme integration and governance;
- Communications and stakeholder management documentation for the implementation programme;
- All relevant documents, reports, excel files, presentations
- Delete any commercially sensitive information held that is related to this work by a time/date set by CPR programme team
- Prepare a handover note of any outstanding issues
- In the event of a failure to deliver a particular outcome within the established timeframe for the support, the supplier will provide details of the specific issues that may have prevented the timely delivery of this. They will also provide an explanation of mitigating actions that were taken ahead of the consultancy support finishing, to avoid this failure.

Notice period

The nature of these engagements require that Defra Group can 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.



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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:
DgCConsultancy@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

