

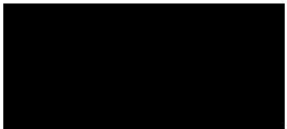

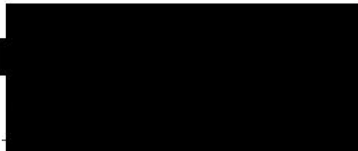








Defra Group Management Consultancy Framework: Project Engagement Letter

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

Engagement details			
Engagement ref #	DPEL_61540_014		
Extension?	N	DPEL Ref.	
Business Area	Marine Management Organisation (MMO)		
Programme / Project	Programme: Marine Natural Capital and Ecosystem Assessment (mNCEA); Project: Decision-making for a thriving marine environment		
Senior Responsible Officer	[REDACTED]		
Supplier	Service Provider: Eunomia Research and Consulting Limited Supplier: McKinsey & Company, Inc. United Kingdom		
Title	Decision-making database development and analysis [MMO1404]		
Short description	To take our Excel decision-making database and develop into a more functional and easily explorable database where analyses can be undertaken of the information held. Software used will all need to be compatible with software MMO have access to.		
Engagement start / end date	Proposed start date 25/10/2023	Proposed end date 31/03/2024	
Funding source	RDEL – DEFRA Funding transfer to MMO		
Expected costs 21/22	£0		
Expected costs 22/23	£0		
Expected costs 23/24	£65,000 (excluding VAT)		
Dept. PO reference	TBC		
Lot #	Lot 1		
Version #	0.1		

Approval of Project Engagement Letter

By signing and returning this cover note, Marine Management Organisation accepts the contents of this Project Engagement Letter as being the services required and agrees for Eunomia as McKinsey & Company, Inc. United Kingdom's subcontractor to provide the services in accordance with the agreed Supplier Proposal under the overarching contract (Lot 1 - 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>	  <i>Signature</i>
For and on behalf of McKinsey & Company, Inc. United Kingdom  	For and on behalf of MMO  	Defra Group Commercial   
24 October 2023	25 th October 2023	26 th October 2023
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 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 MMO has a key role in delivering a thriving marine environment for England because it has key decision-making functions (MMO Story 2020). Preliminary work undertaken by the MMO indicates a range of decision-making contexts where there is high or medium potential for natural capital (NC) considerations to be added into decision-making and a high or medium likelihood that this will lead to better decisions being made. MMO are currently delivering a project for Defra to build on this preliminary work and to fully investigate and communicate how and when/where taking a NC approach in decision-making could lead to better outcomes for a thriving marine environment. The core aim of this project is to explore decision-making that affects and depends on marine NC and to highlight where there are gaps and opportunities in the current decision-making system, leading to an initial prioritisation of contexts where including a better understanding and sight of NC could lead to implementation of decisions that achieve those needed outcomes.

In FY22/23, MMO worked with our colleagues and ALB partners to map out decisions that affect the marine environment, selecting those that are key in terms of implications for achieving a thriving marine environment at different scales. Decisions included those taken in marine conservation and protected area designation and management, marine planning, licensing, fisheries management, for nationally significant infrastructure projects, in coastal development and coastal hazard management, for waste management and pollution control and for grants and funding affecting marine management. For every decision identified, we have mapped out who is involved as decision maker, advisor, if stakeholders are engaged and how, if there is a consultation and who is consulted and what evidence is considered. We have assessed decisions in terms of their relative importance at different scales and evaluated how NC is considered in the decisions being made, highlighting where there are opportunities for further consideration of impacts on NC assets or services. Information is mapped out in an Excel database and has been reviewed and amended with relevant decision makers and advisors. Infographics and a prioritisation tool were the major Outputs at the end of that FY, helping to illustrate what the database can tell us.

In FY 23/24, we are in the Development phase of this project, where we are building on the decision mapping and focusing on key areas to identify what is needed to actually implement change in any of the key decision contexts identified. The purpose of the year 2 decision mapping work is to further develop and analyse the decision mapping undertaken in year 1 and to show what we can learn from this. This will include producing the final version of the decision-mapping database with a user-friendly guide and completing analysis of the decision-mapping database information to produce useful insights into the ways in which decisions affect the marine system (the environment, its dependent sectors and communities) and how/where a NCA shows the greatest potential to improve decision-making for a thriving marine environment.

External support from contractors is required to help deliver the greatest impact from our work this year. Contractors will make use of our current work and focus on further development on the Excel

data tables collated to develop a more powerful, searchable database where simple queries and analyses can be undertaken using software held by MMO and preferably with the Microsoft Office 365 suite. This will allow for insights to be drawn from the data held and for the work to lead to a more complete understanding of the decision-making landscape in England that affects the marine environment.

2. Statement of services

Objectives and outcomes to be achieved

Project Aim

The purpose of this work is to develop and analyse the decision mapping work on decisions that have an influence on the marine environment. The aims are to: provide a user-friendly, functioning decision-mapping database with a user-friendly guide on how to use it; carry out exploration and analysis of the decision-mapping database and produce a report on the analysis and what it shows; produce a set of recommendations based on the results of the analysis for further work to do in Year 3 (FY24/25).

Objectives

We are seeking contractors to deliver a number of specific tasks (set out below) to help deliver the greatest impact from our work this year. Contractors will make use of our current work to ensure our decision-mapping database is developed and formatted in a consistent, user-friendly way that is compatible with MMO systems. The database is currently in the form of a large Excel database that we will be continuing to add to in 2023.

1. A functioning decision-making database that allows for live updating and exploration of decision mapping data (compatible with MMO systems).
2. A user-friendly guide on how to use the decision-mapping database.
3. Exploration and analysis of the decision mapping data. Suggest might cover some or all of the following: links between decisions and policy outcomes; barriers to a NCA; linked decisions affecting different outcomes; role of decision makers and advisors.
4. Report on the analysis, including what was done and what it shows.
5. A set of recommendations based on the results of the data analysis for what should be done in FY24/25 (we will also be engaging with partners regarding what our priorities are for FY24/25).

Scope

The milestones and deliverables required from this work are set out in the Deliverables section below.

All work on this project must be completed by 31st March 2024, including responding to feedback on final drafts of the three deliverables as set out in the Deliverables section below. Any changes to dates for Milestones and Deliverables must be agreed in the Inception meeting.

Contractors will make use of an Excel database containing decisions that affect the marine system, organised by major categories of decision-making (e.g. conservation, licensing, fisheries management). This database will be shared with the contractors under the confidentiality agreement of the contract. Updates to the database will be made as the project progresses; ways of working to avoid any issues regarding this will be discussed and agreed in the inception meeting.

MMO and the supplier will meet regularly to ensure the project stays on track. Over the first month meetings will be weekly to ensure that there is the level of engagement required to keep the work on track. Frequency of meetings following this will be agreed in the inception meeting but will be a

minimum of twice monthly (online via MS Teams). Key individuals from the supplier's team and the MMO team will meet to review progress against milestones, report risks and issues, and to forward plan. The supplier will produce short minutes focused on actions and agreed changes to delivery.

The MMO team will provide feedback on the submitted Milestones within 7 working days, with the exception of the Inception report, which we will provide feedback on within 2 working days.

Assumptions and dependencies

Project Support: The MMO team will provide the Excel decision-making database as the underpinning resource required. This will continue to be developed over the duration of the project, but the contractor will be able to work with the database in draft on the initial tasks. The MMO mNCEA team will work with the supplier to define a range of database requirements and to co-develop a set of ideal analyse and queries that could be run through the database. The MMO mNCEA team will provide project support in the form of time with the team.

Requirements:

Skills/experience required from contractor and staff:

- must be experienced and highly competent at working with Excel databases, formatting them for development into searchable and interactive analysable higher-spec database tools.
- must have some experience analysing decision-making and governance around this.
- ideally will have experience working on projects relevant to management of the marine environment, but this is not essential.

Assumptions:

- All key MMO mNCEA project team members are available and have the necessary skills and knowledge to provide project support.
- The contractor and staff have the skills required to complete the work to a high standard.
- The set deadlines for milestones are achievable.

Dependencies:

- The deadlines for outputs to Defra from the wider project work being completed by the MMO team are dependent on the work produced here. This work must be completed by the end of March following the schedule set out in the Fees section. Work dependent on the outcomes of this will also begin in April 2024.

Deliverables

Deliverables and milestones

Project will include the following:

- **Milestone 1:** Inception meeting [WC 16.10.23 via Microsoft Teams] with the MMO mNCEA team
- **Milestone 2:** Submit short report detailing agreements made at inception for sign off by both parties. This will be delivered 3 working days after the inception meeting by the contractors. MMO team will respond within 2 working days.
- **Milestone 3:** Initial database design solution following exploration and scoping meetings with MMO team. To include scope for analysis to explore some key priority issues.
- **Milestone 4:** Set of analyses to explore in scope of project agreed. Suggest covering some or all of the following: links between decisions and policy outcomes; barriers NCA; linked decisions affecting different outcomes; role of decision makers and advisors.

- **Deliverable 1:** Deliver a functioning decision mapping database that allows for live updating and exploration of decision mapping data and is compatible with MMO systems, accompanied by a short user-friendly guide to the decision-mapping database.
- **Deliverable 2:** Deliver report on analysis of the decision mapping data and what it shows. Format to be agreed, PowerPoint presentation preferable.
- **Deliverable 3:** Provide a high-level PowerPoint presentation with an overview of all the work completed in Deliverables 1 & 2 and a succinct set of recommendations on work to pursue with the database and further analysis of it in FY24/25.
- **Milestone 5:** Respond to any feedback and final changes needed on Deliverables 1-3.

Timetable

This project will run for a maximum of 6 months and initial Deliverable deadlines are suggested below.

Deliverable	Success Criteria	Milestone / Date	Owner (who in the delivery team?)
Project Stage A			
Deliverable 1: Deliver a functioning decision mapping database that allows for live updating and exploration of decision mapping data and is compatible with MMO systems, accompanied by a short user-friendly guide to the decision-mapping database.		19 th January 2024	
Deliverable 2: Deliver report on analysis of the decision mapping data and what it shows. Format to be agreed, PowerPoint presentation preferable.		2 nd February 2024	
Deliverable 3: Provide a high-level PowerPoint presentation with an overview of all the work completed in Deliverables 1 & 2 and a succinct set of recommendations on work to pursue with the database and further analysis of it in FY24/25.		23 rd February 2024	
Milestone 5: Respond to any feedback and final changes needed on Deliverables 1-3.		22 nd March 2024	

Deliverable	Success Criteria	Milestone / Date	Owner (who in the delivery team?)
Project Stage B (additional stages can be added)			
Internal Capability Development Outcomes			
Social Value Outcomes			

Limitations on scope and change control

Business Area / Supplier to supplement with any additional areas, as deemed appropriate.

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.

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

Total resource <div> <div>Total days*</div> <div>Engagement Length**</div> </div>	
<div> <div>*Total days worked across all resources</div> <div>**Total working days in engagement</div> </div>	

Business Area's team

Name	Role	Responsibility
[REDACTED]	SRO	Senior Responsible Owner for overall project. Will attend milestones/deliverables meetings and other meetings as required.
[REDACTED]	Technical Lead	Technical specialist with knowledge of the database and can provide steer to the service provider. Will attend regular project meetings.
[REDACTED]	Project Lead	Ensures the project is running to time and that governance is being followed. Will attend regular project meetings.

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 £65,000, inclusive of expenses and excluding VAT.

Stage	Cost	Due (link to milestone dates)
A		DD/MM/YY
Milestone 2: Submit short report detailing agreements made at inception for sign off by both parties. This will be delivered 3 working days after the inception meeting by the contractors. MMO team will respond within 2 working days.	£10,000	27 October 2023
Deliverable 1: Deliver a functioning decision mapping database that allows for live updating and exploration of decision mapping data and is compatible with MMO systems, accompanied by a short user-friendly guide to the decision-mapping database.	£25,000	19 January 2024
Milestone 5: Respond to any feedback and final changes needed on Deliverables 1-3.	£30,000	22 March 2024
Expenses		
Included in fees	£0	
Grand total	£65,000	

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. Eunomia will keep an accurate record

of time spent by Eunomia 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, the Supplier and Business Area agree to provide reporting on the following:

Meeting Frequency & Communications

- Weekly MS Teams Meetings – till 22nd November 2023
- Regular meetings (frequency TBC) – 22nd November 2023 – 31st March 2024
- Supplier will produce short minutes focused on actions and agreed changes to delivery.
- The MMO team will provide feedback on the submitted Milestones within 5 working days, with the exception of the Inception report, which we will provide feedback on within 2 working days
- All periods of leave that will affect project progress should be declared. The MMO team will be unavailable for 7-10 days over the Christmas period.

Risks/Issues Register

- The risks & issues register will be held by the MMO. Any relevant supplier risks/issues should be shared with the MMO and added to the register.

Changes to project scope

- Any changes to the project scope will be controlled by formal contractual change notes.

Key Performance Indicators

KPI	KPI Requirement	Description	Reporting Frequency	Who Measures	Method of Measurement	Performance Target
Inception Meeting	Minutes and actions are recorded by service provider, agreed and signed off.	Inception meeting (online) with MMO mNCEA project team and service provider.	Once	MMO	Minutes and actions recorded in meeting will be circulated to MMO mNCEA project team and service provider for sign off.	Minutes will be circulated and signed off on or before the next working day following the meeting
Inception report	Inception report produced by service provider and agreed by MMO PM with any clarifications made as requested.	Report recording any clarification of, or changes to, the project details and/or timeline as outlined under the project specification and the contractor proposed documents.	Once	MMO	Report will be circulated to MMO mNCEA project team and service provider.	Report will be produced and circulated to MMO mNCEA team within 3 working days of inception meeting. MMO will respond within 2 working days of this and service provider must finalise incorporating feedback within one working day of receiving this feedback.
Initial database design	Initial database design solution following exploration and scoping meetings with MMO team.	Service provider to provide an Initial database design solution and talk the MMO team through the design and the rationale.	Once	MMO	Initial database design will be circulated to MMO for review and acceptance signed off by the department's project lead, [REDACTED]	Initial database design solution by w/c 13 Nov 2023 with MMO responding within 5 working days of initial design.
Set of analyses to explore in scope of project agreed	Service provider to produce a set of analyses to explore with MMO and set up a workshop to discuss.	Analyses could include some or all of the following: links between decisions and policy outcomes; barriers NCA; linked decisions affecting different outcomes; role of decision makers and advisors.	Once	MMO	Set of analyses has been agreed, workshop completed and signed off by the department's project lead, [REDACTED]	Set of analyses to be provided by w/c 4 Dec 2023 with MMO responding within 5 working days and workshop to take place w/c 11 Dec.

Functioning decision mapping database	Service provider delivers a functioning decision mapping database that is compatible with MMO systems, accompanied by a short user-friendly guide and demonstration.	The database should allow for live updating and exploration of decision mapping data.	Once	MMO	Test of the functioning database by MMO prior to sign off the department's [REDACTED]	Functioning database by 19 th Jan 2024. MMO to user test the database within 5 working days and feedback to service provider.
Report on analysis of the decision mapping data	Service provider to provide a PowerPoint report on the analysis of the decision mapping data.	Deliver a PowerPoint report on the analysis of the data and what it shows.	Once	MMO	PowerPoint report is accepted and signed off the department's project lead, [REDACTED]	Report to be submitted by 2 Feb 2024 and MMO feedback within 5 working days
High-level PowerPoint presentation and succinct set of recommendations	Service provider to provide a high-level PowerPoint presentation with an overview of all the work completed in Deliverables 1 & 2	The presentation should include a succinct set of recommendations on work to pursue with the database and further analysis of it in FY24/25	Once	MMO	PowerPoint report is accepted and signed off the department's project lead, [REDACTED]	Report to be submitted by 23 Feb 2024 and MMO feedback within 5 working days
Feedback and final changes needed on Deliverables 1-3.	Service provider will respond to any feedback on Deliverables 1-3 and implement changes as necessary for final approval	MMO will have provided feedback to the Service provider for Deliverables 1-3 and responses to the feedback will be required to enable final changes to be implemented.	Once	MMO	All final changes will be reviewed and approved by MMO and signed off the department's project lead, [REDACTED]	All final changes to be agreed and completed by 22 March 2024, in response to feedback given at the end at the end of each deliverable.
Regular progress meeting minutes	Supplier will produce short minutes focused on progress updates, planned work, actions and agreed changes to delivery	Regular online meetings (MS Teams) between MMO and service provider, providing progress updates and planned work, and any actions arising from the meetings.	Weekly/ Fortnightly	MMO	Minutes and actions recorded in meeting will be circulated to MMO mNCEA project team and service provider	Minutes will be circulated on or before the next working day following the meeting

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.

6. Exit management

The agreed actions and deliverables by the Supplier for when the contract ends are as follows:

The supplier will transfer the final database and all associated documentation (user guide etc) to the MMO mNCEA team. The supplier will also provide a 1-2 hr session to the team on how the database is to be used and how to update the content.

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:
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

