



Defra Group Management Consultancy Framework: Project Engagement Letter

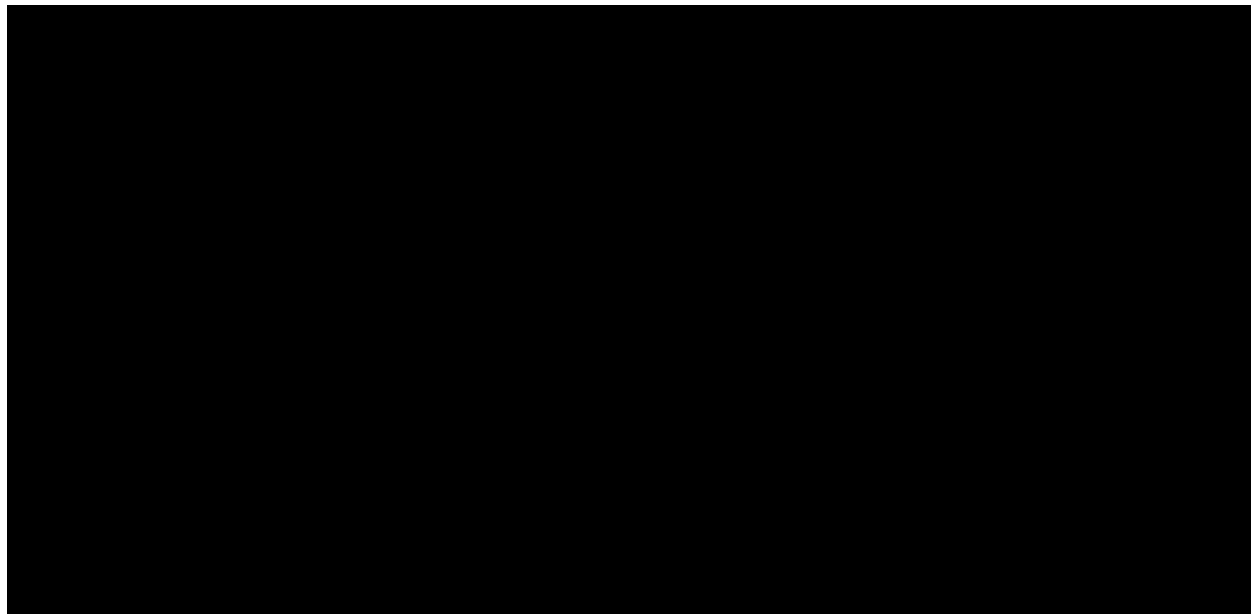
Completed forms and any queries should be directed to Defra Group Commercial at [REDACTED]

Engagement details			
Engagement ref #	DPEL_61540_005		
Extension?	N	DPEL Ref.	N/A
Business Area	Marine Management Organisation (MMO)		
Programme / Project	Marine Natural Capital and Ecosystem Assessment (mNCEA): 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	Visual Outputs support on Decision-making database [MMO1353]		
Short description	The work is to produce visual accessible outputs that allow users to explore the decision-making process for decisions that influence the marine system. The outputs will include (1) infographics showing decision mapping for a range of key decisions affecting the marine environment, its dependent sectors and communities, and (2) the development of a dynamic and interactive decision prioritisation tool that can show key priority decisions for a marine natural capital approach.		
Engagement start / end date	11/01/2023	31 st March 2023	
Funding source (CDEL/RDEL)	RDEL – DEFRA Funding transfer to MMO		
Consultancy Spend approval reference	MMO CEO [REDACTED]		
Expected costs 22/23	£65,000 (exc. VAT)		
Expected costs 23/24	£N/A		
Expected costs 24/25	£N/A		
Dept. PO reference	TBC		
Lot #	Lot 1		
Version #	1.0		

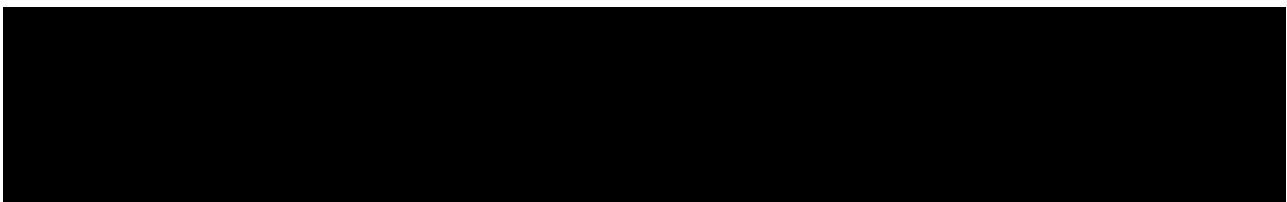


Approval of Project Engagement Letter

By signing and returning this cover note, the 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.



Date: 11.01.2023	Date: 11/01/2023	11th January 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. 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 to develop some visually engaging outputs that can easily be developed from an underlying set of Excel data tables that contain the existing decision-mapping data.

2. Statement of services

Objectives and outcomes to be achieved

Objectives

We are seeking contractors to complete two specific tasks to help deliver the greatest impact from our work this financial year. Contractors will make use of our current work to develop some visually engaging outputs from a set of underlying Excel data tables. These tables include information on key decisions that affect the marine environment, its dependent sectors and communities, covering who is involved and in what ways and what kinds of evidence are used in the decisions being made. Using these Excel tables as a starting point, the Objectives of the project are to:

1. **Design a series of Infographics that act as mapping tool for a range of key decisions**
Design and produce accessible and engaging infographics that help visualise the decision-making context, for a range of decisions that influence the marine environment, its dependent sectors and communities, around England. Work with the MMO mNCEA project team to agree which decisions to feature and why, and to agree the format of the infographics, considering the likely audience for them.
2. **Develop a prioritisation tool:** Using the decision-mapping Excel database developed by the MMO mNCEA project team, develop this further into an interactive tool that interfaces



with the underlying Excel database allowing users to explore the potential for a NC approach to improve decision-making/effect change in key decisions. This interface should allow users to explore evidence and criteria that affect the potential of applying a NC approach around different types of decisions. The aim for this project will be to develop a prototype prioritisation tool and to evidence the use of this across a range of decision contexts.

Outcomes

Two specific deliverables are listed in the Deliverables sections. Completion of these deliverables will directly underpin achievement of mNCEA Programme Outcome 1 'Decision making processes are enhanced by the adoption of natural capital approaches as best practise'. It will also deliver aspects of Outcome 2 ('stakeholders pro-actively enable, sustain and apply marine natural capital approaches') because it will highlight how different stakeholders are currently involved in decision-making that relates to natural capital.

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, including responding to feedback on final drafts of the two deliverables as set out in the Deliverables section below.

There is scope to move the completion date for the infographics (Milestone 5) back into February 2023 if the contractor has resource to work on the prioritisation tool alongside the infographics. The two deliverables are not dependent on each other. 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 to produce the visual outputs and develop the prioritisation



tool. 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 infographics to select under Milestone 2 and to co-develop ideas on what to include on the prioritisation tool (Milestone 4). 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 higher-spec tools.
- must be confident and highly proficient at developing and producing accessible and engaging visual outputs and generating infographics.
- 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.

Risk management

This work is part of a large Defra mNCEA programme of work. There is a risk that if this work falls behind and the outputs are not delivered on time the success of Defra project NC43 will be at risk. The deadlines for outputs to Defra are dependent on the work produced here.

Eunomia as subcontractor to the Supplier to complete a risk register and identify project risk against the risk identified by the PM.

Deliverables

Deliverables and milestones

The tables below set out the Milestones and final Deliverables for the project.

Milestone no.	Milestone description	Completion date
1.	Hold inception meeting with the MMO mNCEA project group and submit short report detailing agreements made at inception for sign off by both parties.	10.01.23
2.	Work with MMO team to define a range of decision contexts to produce infographics	13.01.23
3.	Submit draft prototype of decision-making infographics	10.02.23
4.	Submit initial ideas for decision-making prioritisation tool	10.02.23
5.	Submit final decision-making infographics [Deliverable 1]	03.03.23



6.	Submit decision-making prioritisation tool examples in draft	03.03.23
7.	Complete application of agreed prioritisation tool on a set of example decision areas, and submit this with a short written report on the method and how it can be used, plus recommendations for further work. [Deliverable 2]	17.03.23
8.	Respond to any feedback and final changes needed on the decision-making infographics and prioritisation tool and report.	31.03.23

Deliverable	Success Criteria	Milestone / Date	Owner (who in the delivery team?)
Project Stage A			
Deliverable 1: Finalised set of Infographics	Signed off by the department's project lead [REDACTED]	Milestone 5/ 03/03/2023	[REDACTED]
Deliverable 2: Complete application of agreed prioritisation tool and submit with short written report	Signed off by the department's project lead [REDACTED]	Milestone 7/ 17/03/2023	[REDACTED]
Final changes to both Deliverables following feedback	Signed off by the department's project lead [REDACTED]	Milestone 8/ 31/03/23	[REDACTED]
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.

This work is undertaken at an agreed fixed price of £65,000 excluding VAT.



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.



As per the assumptions and dependencies, it is expected that the MMO will provide support and input to the execution of the tasks in this proposal.

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.

Provide costs for any particular stages to the engagement.



Grand total	£65,000	
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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:

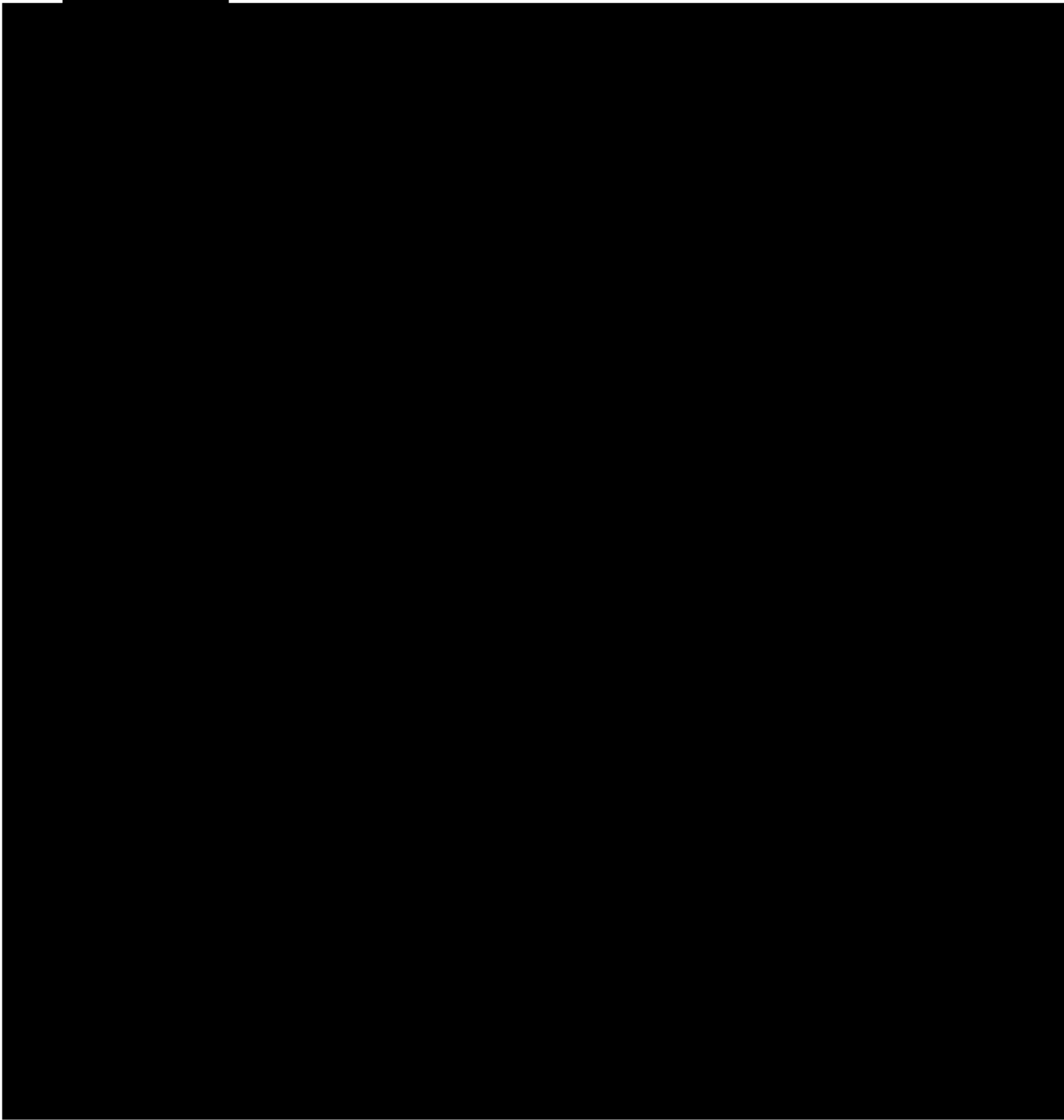
- Eunomia's completion of the time tracker on a monthly basis, to track days worked by Eunomia consultants;
- [Other Business Area reporting requirements to be agreed]

Key Performance Indicators

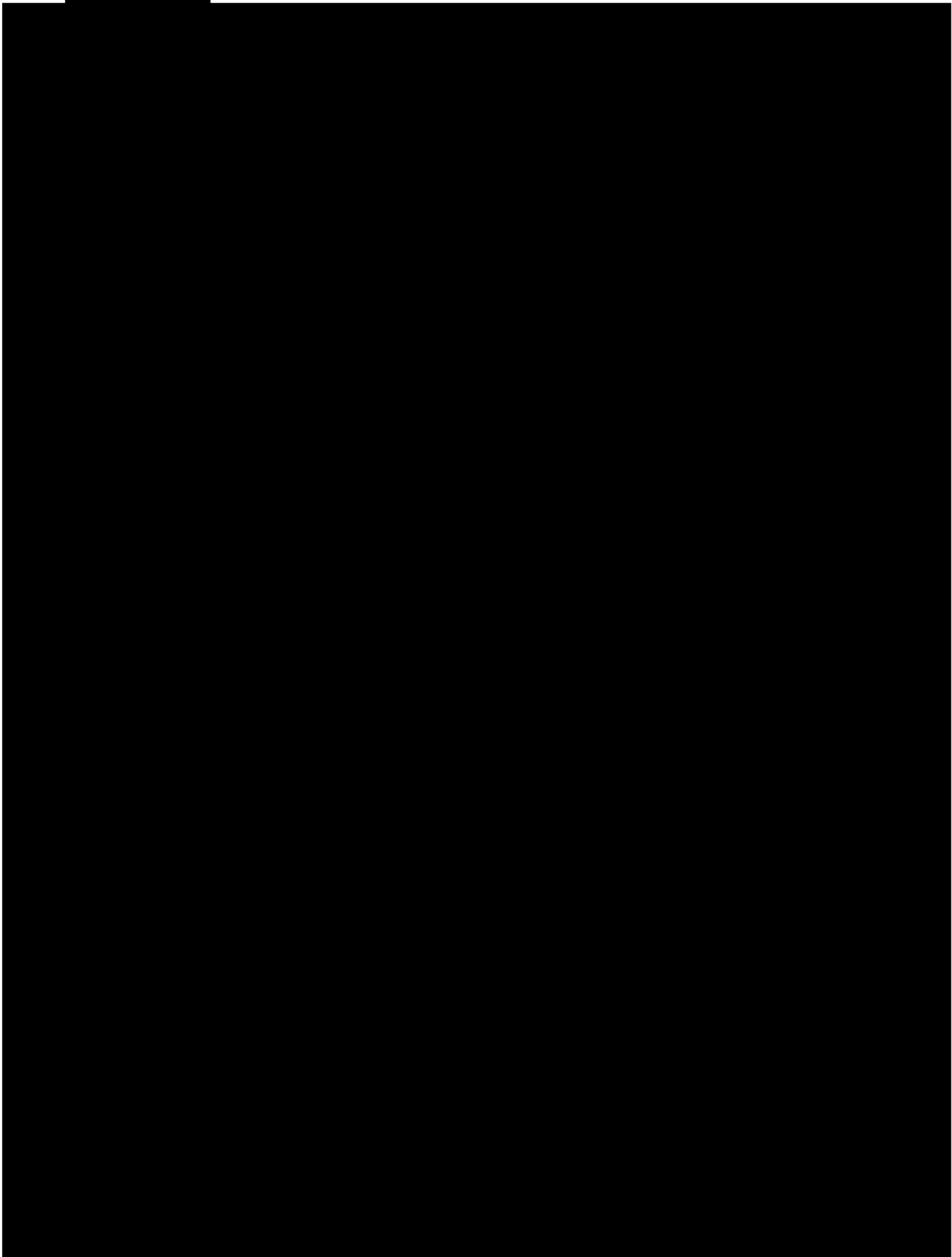
Business Area and Supplier to agree any specific key performance indicators related to this specific project engagement.

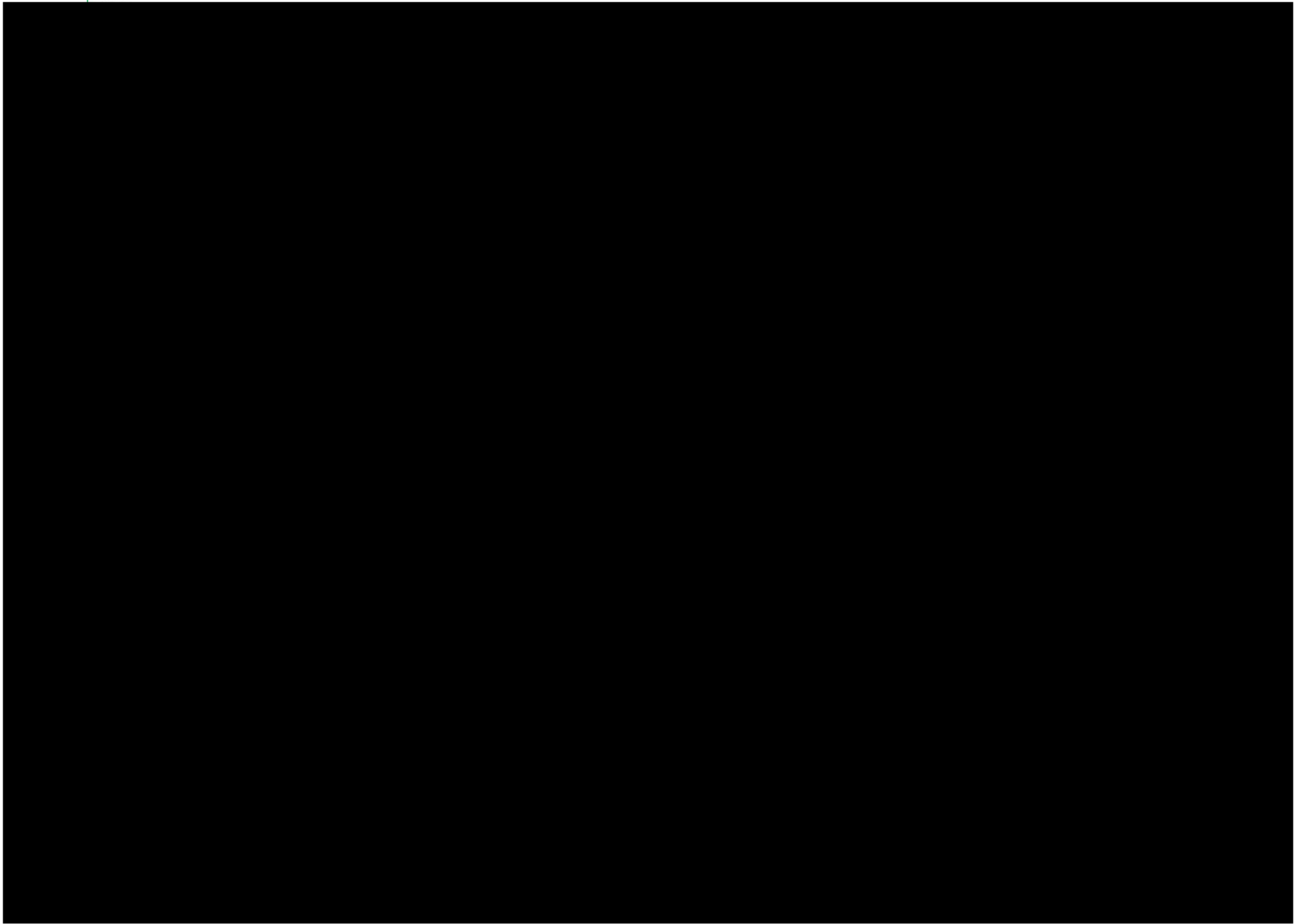


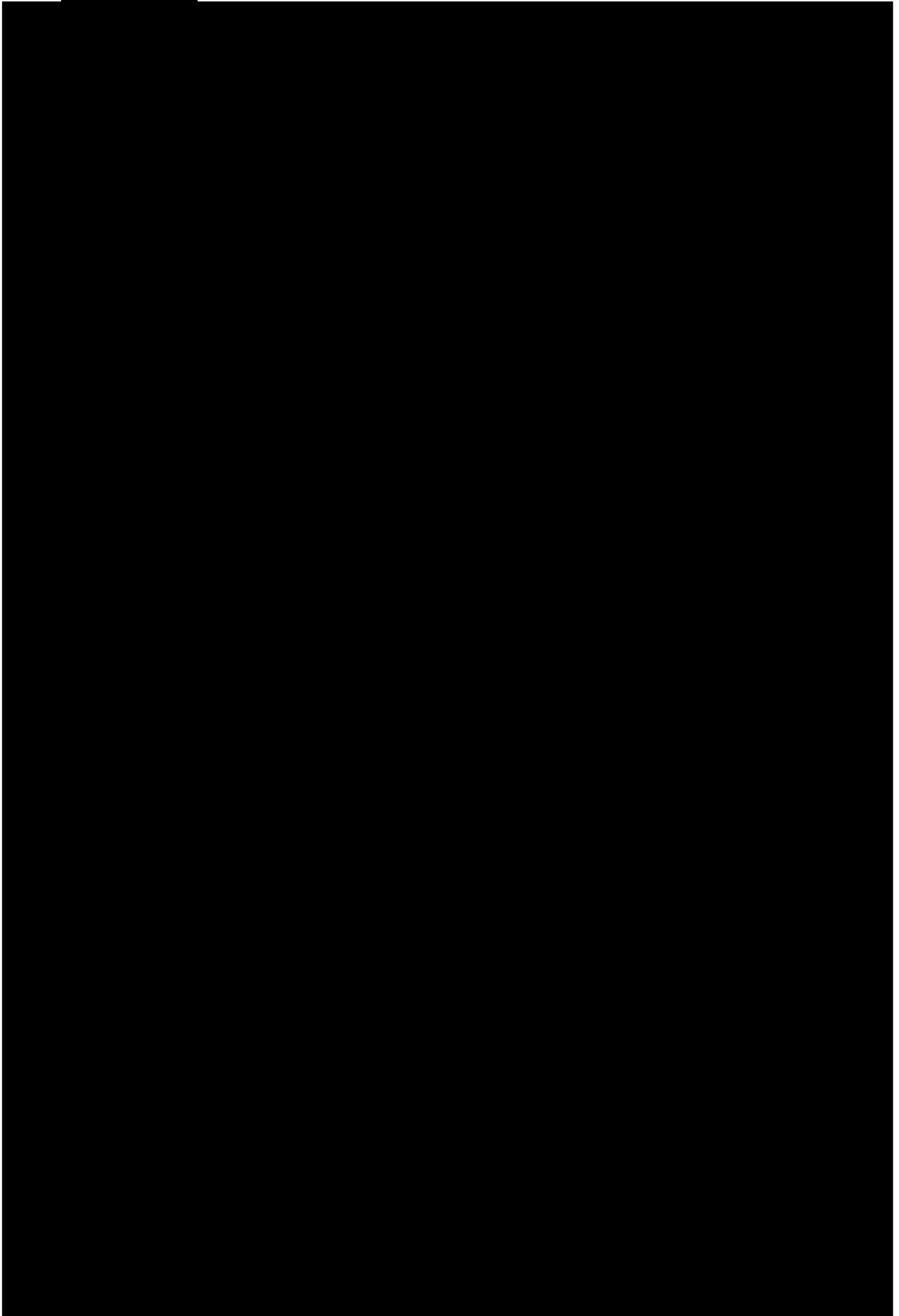
KPI	KPI Requirement	Description	Reporting Frequency	Who Measures	Method of Measurement	Performance Target
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Feedback and satisfaction

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. Insert any additional NDA requirements here.

6. Exit management

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

Describe what the supplier will produce upon existing the project engagement:	The supplier will transfer the final infographics and prioritisation tool to the MMO mNCEA team. The supplier will also provide a 1-2 hr session to the team on how the infographics and prioritisation tool can be updated and to show us the principal of drafting the prioritisation tool, this will be included as part of this agreement. This is to help develop understanding and build capability within the MMO mNCEA team for years 2 and 3 of the mNCEA programme and for wider evidence and evaluation work in the MMO. Having the capability to update the infographics and prioritisation tool will afford us the opportunity to build on this work in year 2 and 3 of the mNCEA programme. The infographics and prioritisation tools will be used to help raise awareness of how decisions are made that affect the marine environment, build capability on a natural capital approach to decision making in the MMO
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and ALBs and illustrate where a NCA to decision making could lead to the greatest gains in terms of achieving a thriving marine environment with nature at its heart.

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:
[REDACTED]
3. [REDACTED] 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

