

## Call-Off Schedule 20 (Call-Off Specification)

### 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 finalise the commercial settlement following the recent termination of the Defence Sixth Form College (DSFC) Private Finance Initiative (PFI). 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).

Following termination of the PFI on 31<sup>st</sup> August 2021, the Authority is currently in the process of negotiating and agreeing final compensation amounts and associated tax gross up amounts.

#### Length of Contract

2. 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

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

#### Scope of work

4. Working closely with DefAc, and its legal advisers, PwC (the Supplier) will provide the strategic and transactional advisory services set out below.
5. The Supplier will not be providing legal advisory services. For the avoidance of doubt, the services exclude the preparation of a PwC witness statement and attendance at court for cross-examination as either a witness of fact or expert witness, in the event of a dispute.

Requirement Task	Topic	Deliverable(s)	Description	Anticipated Delivery Period
1	Support to negotiations	<ul style="list-style-type: none"><li>Advice on specific negotiation matters for DefAc across key workstreams agreed with Minerva.</li></ul>	<ul style="list-style-type: none"><li>Assist and advise DefAc in its discussions with Minerva through the period of the commercial negotiations required to achieve DefAc's objectives</li><li>Assist DefAc develop position papers and analysis as required on</li></ul>	Ongoing activity

		<ul style="list-style-type: none"> <li>• Advice on proposals made by Minerva</li> <li>• Advice on arrangements to implement positions agreed with Minerva</li> <li>• Support to DefAc's negotiations with Minerva</li> </ul>	<p>relevant commercial/financial matters to inform the negotiations</p> <ul style="list-style-type: none"> <li>• 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</li> <li>• Provide review and support to the development of formal arrangements needed to implement commercial agreements reached with Minerva</li> </ul>	
2	Tax	<ul style="list-style-type: none"> <li>• Provision of specific tax advice as required</li> </ul>	<ul style="list-style-type: none"> <li>• Provide support on any tax and VAT matters that may arise in the context of agreeing the commercial arrangements between the parties. This includes SME advice with respect to tax gross up of compensation amounts.</li> </ul>	Ongoing Activity
3	Stakeholder Management	<ul style="list-style-type: none"> <li>• Preparation of supporting papers and presentations</li> <li>• Attendance at stakeholder meetings</li> </ul>	<ul style="list-style-type: none"> <li>• 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</li> <li>• Assist in the preparation of relevant inputs to approvals processes (including Review Notes).</li> </ul>	Ongoing Activity
4	Governance	<ul style="list-style-type: none"> <li>• Attendance at checkpoint meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Dial-in to agreed checkpoint meeting with Authority PM and Project Management Office (PMO) updating on progress against agreed plan</li> <li>• Attend Ad Hoc</li> </ul>	Ongoing Activity

			<ul style="list-style-type: none"> <li>meetings as required</li> <li>Prepare briefing papers for internal preparatory meetings to support discussions with Minerva</li> </ul>	
5	Finalisation of the termination process	<ul style="list-style-type: none"> <li>Support MoD in finalising the termination processes, including negotiating and agreeing compensation on termination amounts.</li> </ul>	<ul style="list-style-type: none"> <li>Undertake review of Minerva equity valuation models.</li> <li>Undertake benchmarking of key assumptions to support the Authority in its discussions with Minerva.</li> <li>Provide ad hoc review of Sub-contractor breakage costs to support the Authority in agreeing settlement amounts.</li> <li>Attendance at face-to-face meetings with Minerva (and its sub-contractors and shareholders) to support the finalisation of the termination process.</li> </ul>	Ongoing Activity
6	Knowledge Transfer	<ul style="list-style-type: none"> <li>Transfer all relevant documentation (to the extent required under the contract) on the completion of work</li> </ul>	<ul style="list-style-type: none"> <li>Transfer all relevant documentation gathered to PMO</li> <li>Attend project closure meeting</li> </ul>	On Conclusion of Delivery

The Supplier requirements as set out in the table above include a number of ongoing activities which will follow on from the prior Call off Agreement dated 25<sup>th</sup> February 2021 issued under the Framework Agreement for the provision of Management Consultancy Services (Ref: RM6008) dated 4 September 2018 (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 MCF3 Lot 4.

### Costs

Costs will be based using the fee rates from MCF3 Lot 4 being:

<b>Grade</b>	<b>Day rate (£)</b>
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 MCF3 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.