



Crown
Commercial
Service

Annex A – Statement of Requirements

Contract Reference: CCCC20B00 Provision of Consultancy for
Future [REDACTED] Options for the UK
Steel Sector

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1. PURPOSE

- 1.1 There is an urgent need to commission support from world class expertise to support HM Treasury's (HMT) policy response to COVID 19 economic impacts, [REDACTED].

2. BACKGROUND TO THE CONTRACTING AUTHORITY

- 2.1 HMT established the Special Situations team within the Enterprise and Growth Unit in HMT to deal with the large influx of requests for support from companies in distress arising from the impact of COVID 19.

3. BACKGROUND TO REQUIREMENT/OVERVIEW OF REQUIREMENT

- 3.1 We propose to directly award a contract under commercial agreement RM6008 Management Consultancy Framework Two (MCF2) Lot 4 Strategic Consultancy Services on the basis of extreme urgency brought about by unforeseeable events. Over the summer and into the autumn of 2020, an appointed consultancy company was procured to analyse potential future [REDACTED] options for the UK steel industry. This work now needs updating in light of changed circumstances. There is an urgent need to maintain capability to react to these needs in order to enable government to make the correct policy decisions, ensuring value for money.
- 3.2 HMT as a whole, and the Special Situations team in particular, are incredibly stretched currently, with little to no extra resource available. [REDACTED]

4. DEFINITIONS

Expression or Acronym	Definition
HMG	Means: HM Government- Government of the United Kingdom
HMT	Means: HM Treasury
KPI	Means: Key Performance Indicator
NDA	Means: Non-Disclosure Agreement
SLA	Means: Service Level Agreement
Special Situations	Means: The UK Government's emergency assistance plan in response to COVID 19 under which support could be made available to strategically important, large companies across all sectors in the UK.
T&S	Means: Travel and Subsistence

5. SCOPE OF REQUIREMENT

- 5.1 Understand and document what has changed since completion of the last engagement in September 2020. This may require refreshing the analyses and options based on new information. For a few selected areas, determine a high-level view of impact/ implications:

5.1.1 The implications of recent [REDACTED] in the sector

5.1.2 The impact of EU exit on existing hypotheses

5.1.3 [REDACTED]

5.1.4 [REDACTED]

5.1.5 [REDACTED]

- 5.2 Undertake an update of the industry outlook analysis to ensure that the latest data is captured in the baseline industry forecasts

5.2.1. Analyse any other relevant shifts in the industry e.g. sales and the revised impact of Covid-19

- 5.3 Update the current set of four scenarios

5.3.1 Apply the updated baseline

5.3.2 [REDACTED]

- 5.4 Supporting the strategic conversation

5.4.1 Provide ad-hoc support, analysis and industry expertise as required.

5.4.2 [REDACTED]

- 5.5 In all cases, the consultancy's analysis will focus on assessing overall industry impacts, even where specific actions/ events may relate to individual players.

6. THE REQUIREMENT

- 6.1 Update HMG's strategic options based on new information on the sector:

6.1.1 Contractor to update their previous analysis on the sector's future [REDACTED] options in light of developments in the sector

6.1.2 This work must include updated trading data for the industry, plus analysis of other shifts in the industry since the work was last

completed. For example, any sales that may have taken place, and a revised analysis of the impact of COVID 19.

6.1.3 Analyse the impact of EU exit on the sector.

6.1.4 [REDACTED]

6.1.5 [REDACTED]

6.1.6 [REDACTED]

6.1.7 Deliver the report (s), in the same format as the previous report, that sets out analysis and conclusions of the first area of scope outlined above at 6.1 to 6.1.6. This must be completed within 1-3 weeks following contract award.

6.2 Supporting the strategic conversation:

6.2.1 Provide ad-hoc support, analysis and industry expertise as required

6.2.2 [REDACTED]

6.3 Twice weekly calls (subject to change) between HMT and the contractor to coordinate work, share emerging findings and jointly refine outputs.

6.4 Ad hoc updates/ meetings are to be organised as needed.

6.5 Periodic steering committee reviews with HMT officials to share findings.

6.6 [REDACTED]

7. KEY MILESTONES AND DELIVERABLES

7.1 The following Contract milestones/deliverables shall apply:

Milestone/Deliverable	Description	Timeframe or Delivery Date
1	An initial report that updates previous work that has been done [REDACTED].	Within week 3 of Contract Award or no later than 16/02/2021
2	A further report/ slide deck/ ad hoc updates as needed summarising relevant findings.	Within week 8 of Contract Award or no later than 23/03/2021

8. MANAGEMENT INFORMATION/REPORTING

8.1 The supplier will provide twice weekly reporting on progress during a weekly meeting with the Special Situations Team.

9. VOLUMES

- 9.1 Provision of a report as requested and ad-hoc briefings as and when required.

10. CONTINUOUS IMPROVEMENT

- 10.1 The Supplier will be expected to continually improve the way in which the required Services are to be delivered throughout the Contract duration.
- 10.2 Changes to the way in which the Services are to be delivered must be brought to the Authority's attention and agreed prior to any changes being implemented.

11. SUSTAINABILITY

- 11.1 There are no specific sustainability requirements applied to this contract, however the Contracting Authority expects the Supplier to comply with all current legislation regarding sustainability and legislation introduced or amended during the period of the contract pertaining to this.
- 11.2 This shall include compliance with the Modern Slavery Act 2015 and Climate Change Act 2008.
- 11.3 The supplier is to consider their carbon footprint in allocating and deploying resources to undertake their requirements.

12. QUALITY

- 12.1 The supplier must have a proven track record of providing detailed advice, and guidance to Government in respect of analysis of the steel sector and extensive experience of producing robust related outputs to demanding timeframes.

13. PRICE

- 13.1 Pricing has been pre-agreed and will be reflected in the Contract Order Form. The pricing excludes VAT and includes all other expenses relating to Contract delivery.

14. STAFF AND CUSTOMER SERVICE

- 14.1 The Supplier shall provide a sufficient level of resource throughout the duration of the Contract in order to consistently deliver a quality service.
- 14.2 The Supplier's staff assigned to the Contract shall have the relevant qualifications and experience to deliver the Contract to the required standard.
- 14.3 The Supplier shall ensure that staff understand the Authority's vision and objectives and will provide excellent customer service to the Authority throughout the duration of the Contract.

15. SERVICE LEVELS AND PERFORMANCE

- 15.1 The Authority will measure the quality of the Supplier's delivery by:

KPI/SLA	Service Area	KPI/SLA description	Target
1	Delivery	Report 1 within 3 weeks from contract award	100%
2	Twice weekly update calls	Twice weekly updates on progress	100%
3	Delivery	Ad hoc updates/ meetings as required	100%
4	Delivery	Report 2 within 8 weeks from contract award	100%

16. SECURITY AND CONFIDENTIALITY REQUIREMENTS

- 16.1 Consultants working on the project will be expected to sign the necessary Non-Disclosure (NDA)s and conflict agreements to ensure commercially sensitive information is protected.

17. PAYMENT AND INVOICING

- 17.1 Payment can only be made following satisfactory delivery of pre-agreed certified products and deliverables.
- 17.2 Before payment can be considered, each invoice must include a detailed elemental breakdown of work completed and the associated costs.

18. CONTRACT MANAGEMENT

- 18.1 Attendance at Contract Review meetings shall be at the Supplier's own expense.

19. LOCATION

- 19.1 The location of the Services will be carried out for the most part remotely, with some travel to sites dependent on COVID 19 restrictions. The base location for this requirement will be 1 Horse Guards Road, Westminster, London SW1A 2HQ.
- 19.2 Daily rates offered will need to be inclusive of travel and subsistence (T&S) to the base location outlined above.
- 19.3 Travel to any other venues will need to be approved by the Authority prior to any travel arrangements being booked.
- 19.4 For any pre-approved travel, the Authority will pay reasonable out of pocket travel and subsistence expenses (using the most economical mode of

transport), properly and necessarily incurred in the performance of the services. The expenses will be calculated at the rates, and in accordance with the HM Treasury Travel & Subsistence policy.