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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_040		
Extension?	N	DPEL Ref.	N/A
Business Area	FCRM Development Portfolio		
Programme / Project	Environment Agency FCRM Development Portfolio		
Senior Responsible Officer	[REDACTED]		
Supplier	Methods Business and Digital Technology		
Title	Environment Agency FCRM Development Portfolio Support		
Short description	<p>Review of the new Portfolio Management Office (PMO) to identify improved ways of working to set the newly formed team up for success.</p> <p>Review of resourcing approach for Project Managers and technical resources required to deliver programmes within the FCRM Development Portfolio.</p>		
Engagement start / end date	Proposed start date 5 September 2022	Proposed end date 02 December 2022	
Funding source (CDEL/RDEL)	RDEL		
Consultancy Spend approval reference	i.e. FSoD reference for ALB		
Expected costs 21/22			
Expected costs 22/23	£97,146.50		
Expected costs 23/24	£Total Engagement Costs (to be less than approved funds)		
Dept. PO reference	Dept. PO reference # (to allow for Defra Group recharge)		
Lot #	Lot 3		
Version #	1.0		



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Approval of Project Engagement Letter

By signing and returning this cover note, the FCRM Development Portfolio accepts the contents of this Project Engagement Letter as being the services required and agrees for Methods Business and Digital Technology to provide the services in accordance with 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
<div style="background-color: black; width: 100%; height: 150px;"></div>		
01-09-2022 16:28 BST	01-09-2022 21:26	BST 05-09-2022 09:39
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

BST



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Supplier contact: [REDACTED]

Business Area contact: [REDACTED]

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 FCRM Development Portfolio is the EA's principal mechanism for delivery of nationally-led business improvements in its FCRM and Incident Management businesses, with the improvements mainly benefitting operational teams.

The portfolio, along with its four constituent programmes / sub-portfolios and the 200+ projects within those, is managed from within the FCRM directorate. The portfolio is run on a rolling five year forward lookahead basis, and over that period is valued at £185m of capital funding and £24m of revenue funding. The portfolio contains a mix of projects including IT systems; Digital presence on gov.uk; mapping; modelling; strategy development etc., with projects valued from £10k to almost £20m. It does not contain any construction projects.

The "Portfolio team" is a team of approximately 70 professional project staff, the majority of whom are project managers, however it also includes programme managers, project and programme support officers, resource team leaders, and a newly expanded Portfolio Management Office function. The delivery part of the team operates as a flexible resource pool, although in recent years it has seen only expansion and no contraction in its size, as the size and value of the portfolio has markedly increased.

With expansion in the workload over the medium to long term, and the difficult job market, the FCRM Development Portfolio have recently adjusted the permanent: temporary ratio in the team, which has changed the ratio from 35:65 Perm to Temp to a more favourable 80:20 Perm to Temp.

The increased size of portfolio has created a substantial additional resource demand, and in the current market the team is struggling to attract enough skilled professional project delivery staff, which risks delivery of the FCRM Strategy, the driver for the majority of our work, to the timescales published on gov.uk.

In parallel to the recent growth, the existing portfolio management office team has very recently been expanded to include additional staff to further improve the service and support offered to the delivery team and to its stakeholders.



2. Statement of services

Objectives and outcomes to be achieved

The FCRM Development Portfolio Support services provided through this agreement will seek to deliver the following objectives:

PMO

- To provide an understanding of the gaps in the newly established PMO function, and produce a roadmap for improved and more mature PMO service delivery (scope, structure and roles)
- To raise awareness of good practice in PMO functions which can be applied across the FCRM Development Portfolio

Project Management resourcing

- To improve efficiency and resilience within PPM delivery, enabling existing resources to go further
- To provide resourcing strategy recommendations for project management/project support and technical roles, based on pipeline planning and skill reviews

These objectives will support the following outcomes:

- To close the PM resource shortfall gap for 2022/23 by increasing resource and varying options for resourcing work
- To provide recommendations that enable a more efficient and sustainable resourcing approach



Scope

In Phase 1 Methods will

- Provide a critical friend review of the FCRM Development Portfolio's PMO function with recommendations and ongoing development advisory. In order to do this we will:
- Complete a sense check of the PMO function as a holistic service
- Complete a review of how the current approach fits with external best practice, and the appropriateness of the arrangements for the portfolio as an initial step, recognising that the role and remit of the team and its members and make up will need to change and develop over time
- Review the current PMO set up and "thinking". Work with the team and senior management to help establish and document what the right balance of "Support – Challenge – Direct – Doing" should be in the future, and help facilitate agreement to that Vision / end state.
- Produce a suitable Vision and Blueprint which is agreed by the portfolio Director. This should include practical recommendations to plot out the services, tools and improvements that the team should look to develop and roll out, and recommendations on the structure, roles and remits, and how that may need to change over time
- Deliver a roadmap of services to be provided and improvements to be made / rolled out by the PMO to the Portfolio's practices / customers that covers the following 24 months.
- Provide recommendations on what an appropriate future toolset might be for the functions to be provided, reflecting the scale of the portfolio.
- Playback findings and blueprint to the FCRM Development Portfolio through regular show and tells
- Continuously transfer knowledge to FCRM Development Portfolio team members to improve efficiency and effectiveness, and provide a framework to deliver future strategic projects

In Phase 2 Methods will:

- Provide a resourcing review to mature the FCRM Development Portfolio's approaches to getting the right people in at the right time. In order to do this we will:
- Complete a review of the current resourcing model and its appropriateness against other organisations and external best practice. Include review of the contractual side of the resourcing model, and should cover small to large projects, as well as funded workstreams where the technical lead is by default the PM.
- Review the current Project Management resources available to the FCRM Development Portfolio, and identify any apparent gaps in their recruitment or skillset
- Make firm recommendations on how to improve efficiency and deliver improved resilience to better cater for changes of staff. The recommendations should focus principally on improving the operating model, clarifying roles, and whether PMs are doing

the "right things" and not encroaching the roles that others should do, or that could be done better or more efficiently by others through a central team, shared resources or technical resources assigned to the project for example. We cannot just continue to bring in more and more project managers as we have been, we need to make better use of the PMs we have. The outcomes we're seeking are recommendations on a lower cost and more resilient model of delivery, where the resources to manage and deliver a project are in the right / best place.

- Provide an opinion on what a suitable target perm: temp ratio (or operating envelope) the team should aim for in two years time, and provide advice on any means of engaging temporary resources quickly, in accordance with Defra / EA / public sector rules and with any caveats on IR35, that we are not currently aware of



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- ☐ Assess the current process around project management / project support need identification, resource estimation (grade, number of days per week and over-all duration) and resource planning, including the use of resource smoothing and levelling and the strength of connection between the resource planning tool (an offline spreadsheet) and the project management tools / data. Provide firm recommendations on any practical improvements necessary to improve efficiency, accuracy and timeliness of decision making to ensure resource is available when it is needed.
- ☐ Provide recommendations for recruitment approaches to support technical team leaders by making the process more efficient and familiar
- ☐ Work with Programme Manager/Senior Management cohort to understand any challenges and barriers to changing the resourcing model and identify implementation mitigations

Assumptions and dependencies

- ☐ Access to key Environment Agency and Defra Stakeholders to provide & assess information, and understand key considerations for inclusion within the reviews.
- ☐ Required capacity and capability can be committed by stakeholders and delivery partners to engage with the service as required.
- ☐ The Environment Agency and Defra can provide the required resources to enable the knowledge transfer, transition and then exit of this support.
- ☐ Accountability and management of delivery projects remains with delivery partners.

Risk management

Knowledge and capability transfer across the service scope can only be planned and delivered effectively if the FCRM Development Portfolio's internal resources are available to commit the time required.

Deliverables

All deliverables are set out in the table below:

Deliverable	Success Criteria	Milestone / Date	Owner (who in the delivery team?)
Phase 1: PMO Maturity review and service blueprint			
Review of the FCRM Development Portfolio's PMO function	Clearly articulated findings of discovery analysis that benchmarks the current	Weeks 1-12	Delivery Lead Business Analyst

Deliverable	Success Criteria	Milestone / Date	Owner (who in the delivery team?)
	approach against external best practice.	05.09.22 – 02.12.22	P3M Specialist



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Strategic service blueprint including recommendations and ongoing development advisory	Clearly articulated, logically structured recommendations that meet the needs of key Environment Agency stakeholders, and provide clear steps to follow	Weeks 6-12 17.10.22 – 02.12.22	Delivery Lead Business Analyst P3M Specialist
Phase 2: PPM resourcing review and model			
Review of the FCRM Development Portfolio's approaches to resourcing PPM and technical roles	Clearly articulated findings of discovery analysis that identifies gaps and issues	Weeks 7-9 24.10.22 – 11.11.22	Delivery Lead Business Analyst Resourcing Specialist
Strategic model including recommendations and ongoing management	Clearly articulated, logically structured recommendations that meet the needs of key Environment Agency stakeholders, and provide clear steps to follow	Weeks 7-12 24.10.22 – 02.12.22	Delivery Lead Business Analyst Resourcing Specialist
Internal Capability Development Outcomes			
Knowledge transfer	Broadened awareness and capability among FCRM Development Portfolio team members to continue with delivery internally	Iterative delivery throughout project lifecycle- final completion by 02.12.22	Delivery Lead P3M Specialist
Knowledge transfer log	Completed log that demonstrates effective knowledge sharing activity within the FCRM Development Portfolio, in particular the new Portfolio Management Office.	Iterative delivery throughout project lifecycle- final completion by 02.12.22	Delivery Lead P3M Specialist
Enhanced suite of PMO products	Additional products to build upon the existing suite of PMO products in use.	Iterative delivery throughout project lifecycle- final completion by 02.12.22	Delivery Lead P3M Specialist
Social Value Outcomes			
Deliverable	Success Criteria	Milestone / Date	Owner (who in the delivery team?)



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Capability building	Methods to deliver the project in a way that helps develop internal Defra capability	Iterative delivery throughout project lifecycle- final completion by 02.12.22	Delivery Lead P3M Specialist
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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.

Total resource Total days* Engagement Length**	1.9
<small>*Total days worked across all resources</small> <small>**Total working days in engagement</small>	

Business Area's team

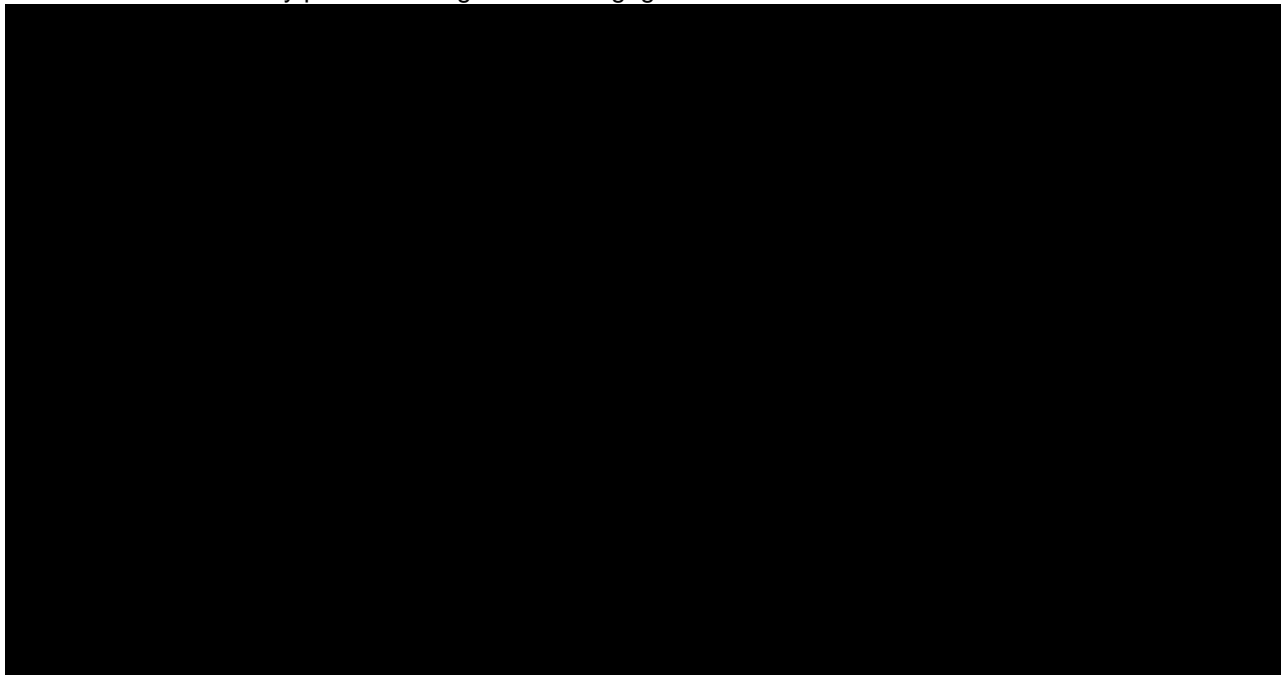
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4. Fees

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 £97,146.50, inclusive of expenses and excluding VAT.

Provide costs for any particular stages to the engagement.



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

As part of the Call-Off Contract, the Supplier and Business Area agree to provide reporting on the following:

- Completion of the time tracker on a monthly basis, to track days worked by our consultants; • Weekly highlight report to track progress

Reporting templates to be reviewed and agreed at the start of commission by Methods and the Portfolio Director. Reporting frequency and plan for virtual/face to face working to be reviewed each month.



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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
Team meetings	Meet with PMO team weekly to plan and discuss progress	Meet with PMO team weekly (some virtual/ some face to face)	Weekly	EA and Methods	Meeting attendance	100%
Highlight report	Weekly highlight report sent to Portfolio director (and Resource manager in Phase 2)	Weekly highlight report covering progress and achievements, plan and next steps, any risks/ issues and mitigations.	Weekly	EA and Methods	Email containing highlight report	100%
Monthly time tracker	Time tracker sent to Portfolio Director	Time tracker on a monthly basis to track days worked by the consultants. This monthly report should cover a finance and expenses update.	Monthly	EA and Methods	Email containing time tracker sheet	100%

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.



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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:

Completion of knowledge transfer to identified FCRM Development Portfolio team colleagues and completion of all defined deliverables.

The supplier will provide: All documents, reports, excel files, presentations

The supplier will delete: any commercially information that is not required to be kept

The supplier will prepare a handover note of any outstanding issues

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. [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

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