

## Defra Group Management Consultancy Call off Contract: Project Engagement Letter

Completed forms and any queries should be directed to Defra Group Commercial (DgC) at [REDACTED]. Please do not complete this form until you have liaised with DgC, and they have allocated you a lot to access Consultancies within and subsequent reference number.

Engagement details			
Engagement ref #	DPEL_61539_049		
Extension?	No	DPEL Ref.	N/A
Business Area	Environment Agency – MPPD part of FCRM		
Programme / Project	River Thames Scheme		
Senior Responsible Officer	[REDACTED]		
Supplier	Deloitte		
Title	RTS Structure and Governance Review		
Short description	A review of the current and proposed governance and delivery structure for the River Thames Scheme phases against industry equivalent projects and the Infrastructure and Projects Authority recommendations.		
Engagement start / end date	Proposed start date 11/11/2024	Proposed end date 10/01/2025	
Consultancy Spend approval reference	EA FsoD Ref - F/2021/0454		
Expected costs 24/25	£84,700		
Expected costs 25/26	£0		
Expected costs 26/27	£0		
Dept. PO reference	Dept. PO reference # (to allow for Defra Group recharge)		
Lot #	Lot 1		
Version #	Start at 0.1, 1.0 when approved, increment from 1.0 for Change requests		

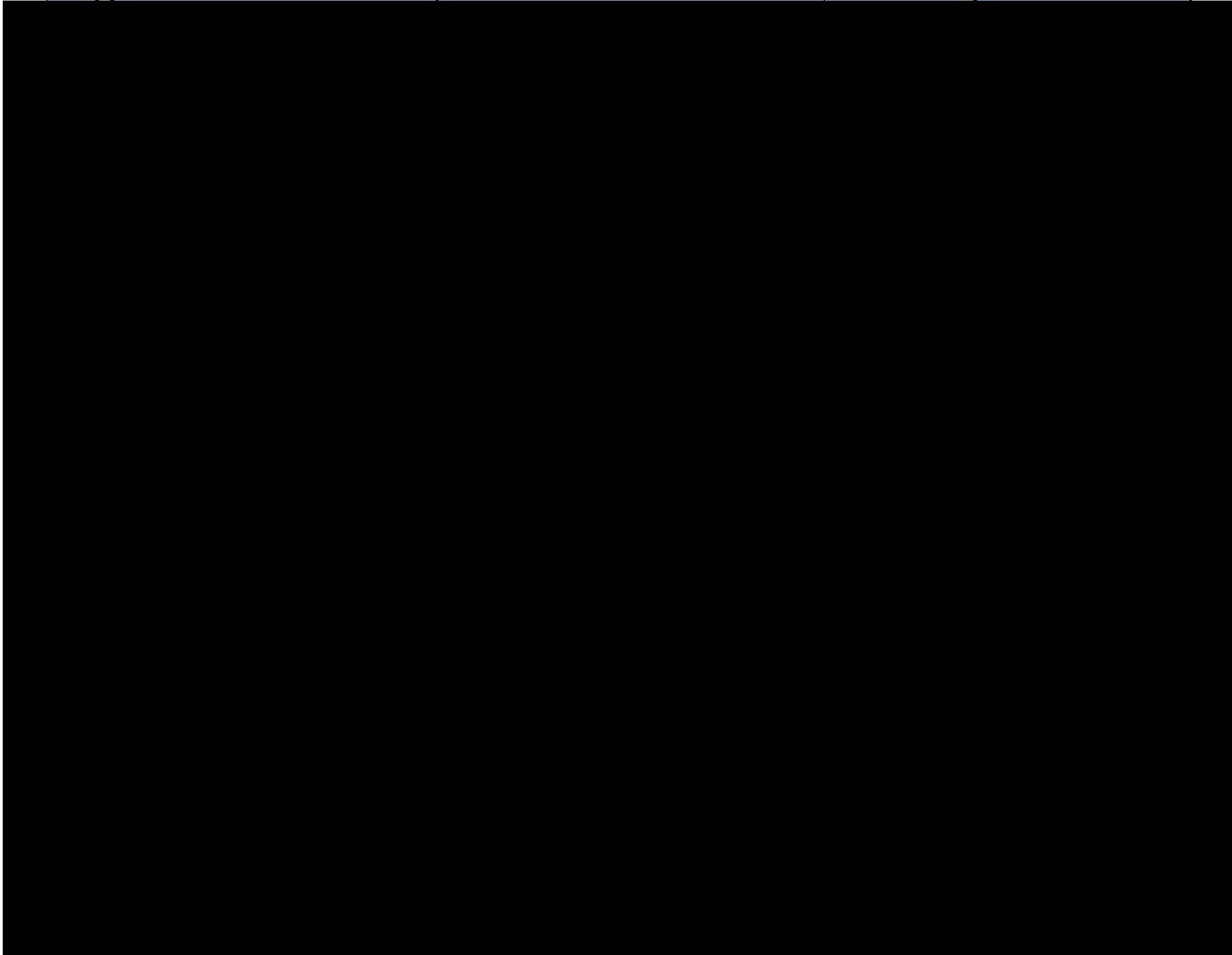
### Approval of Project Engagement Letter

By signing and returning this cover note, Environment Agency – MPPD part of FCRM accepts the contents of this Project Engagement Letter as being the services required and agrees for Deloitte LLP 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
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## 1. Background

The River Thames Scheme is a jointly promoted scheme between the Environment Agency and Surrey County Council and represents the largest single project that either party has delivered. The project has been designated as a Nationally Strategic Infrastructure Project (NSIP) and is currently preparing for a Development Consent Order and to award the main design and build contract, both due for completion in Q3 2025. The parties commit to the scheme and each other legally through a collaboration agreement. Through the collaboration agreement, key roles and governance are set out but beyond that, both 'Clients' have a varying scale and structure of their teams and we want to ensure we are committing to the right level of governance and assurance for the scale, complexity and reputational risks of the project.

The project structure has grown significantly since the NSIP designation and due to various constraints from the client organisations, has employed or procured services which appear to operate across the delivery and assurance spectrum which requires clarification as we move towards key milestones.

## 2. Statement of services

### Objectives and outcomes to be achieved

To review the project delivery and (Environment Agency) client structures and report on their suitability, scale and governance/assurance capability.

Provide an overview of the delivery and client structures from other major infrastructure projects (both from the UK and internationally where possible).

Review the recommendations made by the Infrastructure and Projects Authority and provide an assessment of whether the current and planned structures address recommendations.

## Scope

Define the scope of the services (*SMART*):

Provide a short Project Initiation Brief (PIB) for the commission including information requirements, delivery programme and required interfaces with the client to ensure full understanding across parties.

Review the current project delivery model.

Review the proposed delivery model for phase 2 and 3 of the scheme.

Review the proposed client structure.

Provide commentary on any gaps, over resourced or areas for concern/consideration.

Provide an overview of the project delivery and client structures for other major infrastructure projects both domestically and internationally where possible.

Provide an overview/gap analysis of the current and proposed models against the NAO recommendations.

Attend a pre-start meeting to agree ways of working and check understanding of the Scope.

Attend an update teleconference, 30minutes once every week to update on progress.

### Proposed Methodology & Approach:

Following an initiation session to reaffirm the scope and confirm the programme, information requirements, stakeholder interfaces etc. we will perform the scope in two stages:

#### Stage 1 – Definition

Review of existing Delivery Model adopted for River Thames Scheme (RTS) and establish the 'as-is' EA client model, including:

- Objectives and outcome of RTS incl. obligations and strategic arrangements between Environment Agency and Surrey Council.
- RTS landscape such as its governance, delivery capabilities etc. and how this fits into the broader EA operating model.

We will undertake the first stage of our analysis via interviews with key stakeholders and an analysis of available documentation enabling us to establish the 'as-is' client model.

#### Stage 2 - Assessment

We will provide you with an analysis highlighting observations and gaps with respect to core capabilities and functions you require to fulfil your client role in the delivery of RTS. The assessment will involve a combination of document reviews, observation and stakeholder interviews.

We will focus on three key areas (as defined by you) based on our experience and industry leading practice:

- 1) Review of your project delivery and (Environment Agency) client structures with respect to their suitability, scale and governance/assurance capability, specifically:
  - Structure of Client-side project team including roles and responsibilities of each stakeholder
  - Make up and scope of services of suppliers
  - Undertake a mapping & gap analysis between the capabilities that are required to deliver the project compared to current capabilities within the EA that might affect the current team and/ or organisations structure
- 2) Consider how the current and proposed delivery and client structures compare with other major infrastructure projects (both from the UK and internationally where possible), specifically:
  - To identify if there is potentially an optimum/ better target model (and establish any gaps)
- 3) Review of the current and planned client structures with respect to recommendations made by the Infrastructure and Projects Authority, specifically:
  - Whether sufficient measures are in place to address recommendations
  - Highlighting any gaps along with high level recommendations to address them.

## Assumptions and dependencies

Provide further description of the assumptions and dependencies:

### Overall Engagement assumptions

- EA will provide all requested project information, documentation and client structure information within five days of Deloitte issuing the PIB following award of the commission
- The deliverables will be a co-creation between Deloitte and EA. By this, we mean that all the deliverables will be developed jointly with the EA and its supporting consulting partners and that the EA retain ownership of the documents and decision making. All documents will be EA branded.
- Deliverables will only require one cycle of approvals. The review time will be 1 week.
- Work will take place in a hybrid manner. Teams will collocate for workshops and in-person collaboration where this will strengthen delivery, but to minimise travel time and carbon emissions, we expect teams to frequently collaborate virtually. Co-location sessions should be scheduled with enough notice to facilitate appropriate representation from both Deloitte and EA. The base location will be London.
- All data collected during the engagement will be shared with EA on completion, unless the data relates to work Deloitte has conducted for other clients.
- Where travel is required outside of EA's base London office (such as travel to EA's sites across the UK), Deloitte will agree this in advance with EA.
- The review of the proposed client structure will consider and focus on internal EA functions involved in delivering the RTS (as opposed to Surrey County Council) and be limited to those functions outlined in the Scope section of this document.
- A maximum of 10 interviews/ stakeholder engagement sessions has been allowed for.

### Overall Engagement dependencies

- EA will provide Deloitte staff with technology and building passes as required to access data, information, and locations as required to conduct the work.
- EA will support to identify and secure the attendance of key stakeholders as appropriate.
- EA will make introductions to key project stakeholders and support with securing meetings.
- EA will provide a list of working locations and seek to co-locate for key working sessions where beneficial and practical.
- Availability of key EA stakeholders for meetings, workshops and deliverable review.



- EA will facilitate the organisation of workshops and interviews in line with the plan agreed.
- EA will provide a main point of contact who will support to identify stakeholders, source information, and provide input on working drafts/ emerging outputs
- EA will provide access to SMEs for the relevant service / business areas to provide input at workshops and comments on draft deliverables as appropriate.
- EA will ensure that decisions/approvals are made in a timely manner and there are no delays in providing access to personnel and all such decisions shall be exercised reasonably.
- EA will review draft deliverables and provide comments within three working days. A deliverable schedule will be shared by Deloitte during mobilisation to provide sufficient lead-time for reviews.
- EA will provide input and/or information from existing and ongoing organisational design work not within this scope, where relevant and appropriate to do so.

Assumptions and dependencies will be reviewed at regularly and this list may be added to throughout the engagement.

## Risk management

Provide further details of any foreseen risks with this project and how they could be mitigated:

The scope of works is for an independent study not directly related to the delivery of the project.

The key risks are:

- Available of key stakeholders for interviews in order to complete the review on-time, mitigated through advance planning and EA identifying appropriate delegate person.
- Scope creep. Managed through an agreed change control process.

## Deliverables

Describe what the supplier will produce:

Produce a report to share findings.

Produce and give a presentation of findings.

Deloitte will share early storyboards and draft deliverables to agree format and contents in advance of final submission

Deliverable	Success Criteria	Milestone / Date	Owner (who in the delivery team?)
Single one-off EA branded report "written deliverable", relating to the scope described above published at the end of the second stage, outlining the following: <ul style="list-style-type: none"> <li>• Summary of key observations &amp; gap analysis relating to: <ul style="list-style-type: none"> <li>o Current and proposed governance and delivery structure; and</li> </ul> </li> </ul>	The outputs stated in the Scope have been delivered and received sign-off from the SRO		



Deliverable	Success Criteria	Milestone / Date	Owner (who in the delivery team?)
<ul style="list-style-type: none"> <li>o Infrastructure and Projects Authority recommendations</li> <li>• The key risks and opportunities associated with outputs of the observations and gap analysis (including any quick wins)</li> </ul>			

### 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)	Grade	Daily rate	# of days	Cost
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**Grand Total**

**£84,700**

<b>Total resource</b>  <div style="text-align: center;"> <u>Total days*</u>  <b>Engagement Length**</b> </div> <p><small>*Total days worked across all resources</small>  <small>**Total working days in engagement</small></p>	
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### 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.**

**Arash Khojinian - Sponsor**

- **Strategic direction and input:** Provide strategic input, define and articulate the project's goals and boundaries, ensuring they align with the strategic objectives and priorities of the EA.
- **Key stakeholder management:** Communicate with and manage key stakeholders such as executives, leadership team, and others, regarding the progress and addressing their concerns.
- **Oversee and support project success:** Support overcoming potential blockers and mitigating project risks, securing resourcing and funding.
- **Strategic reviews and acceptance of deliverables:** Provide strategic input and review to draft outputs and approve the final deliverables.

**Will Pearson – Client Lead**

- **Main point of contact with Deloitte:** Provide a main point of contact to support stakeholder identification, information sourcing, project management and input on drafts.
- **Stakeholder management:** Identify, and make introductions to key stakeholders, and support meeting arrangements and facilitations.
- **Knowledge sharing:** Provide SME input and information regarding the existing ways of working and processes as well as ongoing relevant changes or works.
- **Timely input and reviews:** Review draft outputs, and final deliverables.
- **Mitigate risks and issues:** Support identifying and mitigating potential risks that could impact the project's success.
- **Communicate progress and manage expectations:** Keep the project sponsor and stakeholders informed of progress, challenges, and any deviations from the plan.

## 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 £84,700 fixed fee, exclusive of expenses and excluding VAT. Any changes will be managed through an agree change control process.

Stage	Cost	Due (link to milestone dates)
<b>A</b>		DD/MM/YY
Completion of Stage 1 – Definition (as detailed in Section 2 above)		
<b>B (additional stages can be added)</b>		
Completion of Stage 2 – Assessment (as detailed in Section 2 above) and issue of final report.		
<b>Expenses</b>		
Travel Expenses - to be agreed in advance	£ -	N/A

Stage	Cost	Due (link to milestone dates)
<b>Grand total</b>	£84.7k	

*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

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:

Hold weekly progress update meetings to review progress, share emerging views and escalation where appropriate

### 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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1	Kick Off Meeting ( <i>to be agreed</i> )	Supplier to arrange project kick-off meeting with project team to discuss all aspects of project delivery	Once – written summary provided by Supplier after the meeting	Project team	<i>Review of meeting notes</i>	Within 2 working days of contract start date
3	Weekly Progress Meeting ( <i>to be agreed</i> )	Weekly meeting with project team to discuss progress, seek input / guidance and raise concerns / issues as they arise	Weekly	Project Lead	<i>Schedule and record of meetings maintained</i>	Unless cancelled by project team, participation from Supplier representative at all meetings.  Supplier to maintain notes, actions and decision on the back of each meeting for the Project Lead to approve
4	Project Deliverables ( <i>to be agreed</i> )	All deliverables produced to high quality standards.	Once	Project Lead	<i>Acceptance following review of project outputs</i>	Completed in line with project plan target dates

### 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 MCF3 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:

- All formal deliverables to be signed off by the appropriate individual from EA
- All deliverables and assets to be stored in an EA collaborative working space and handed over to nominated EA staff
- Knowledge transfer handover session(s) to ensure that nominated staff are able to access and maintain assets and deliverables on an ongoing basis
- End of project retrospective / lessons learned session to discuss achievements and lessons learned from across the blended teams
- Final handover email summarising the completion of all deliverables and how then can be accessed.

### 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. 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"> <li>▪ DPEL agreed</li> <li>▪ DPEL signed: Supplier, Dept and CO</li> <li>▪ Purchase Order number</li> </ul>	<ul style="list-style-type: none"> <li>▪ Work can start</li> <li>▪ Supplier can invoice for work</li> </ul>

