Department for Environment Food & Rural Affairs

Defra Group Management Consultancy: Project Engagement Letter

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

Engagement details			
Engagement ref #	DPEL_61538_003		
Extension?	N/A	**Ref**	N/A
Department / Area	Marine Management Organisation (MMO)		
Supplier	KPMG LLP		
Title	East Marine Plan Spatial Assessment		
Engagement start / end date (also referred to as "Engagement Term")	6 December 2021		28 February 2022
Funding source	Defra		
Expected costs 21/22	£66,154		
Expected costs 22/23	N/A		
Dept. PO reference	TBC		
Lot #	Lot 1		
Version #	0.1		

The parties agree that this Project Engagement Letter is governed by: (i) the terms of MCF2 Call Off Terms RM6008; and (ii) the Call Off Order Form for Provision of Defra Group Management Consultancy Support Arrangements – Lot 1 Strategic Advisory Framework (Contract Reference 28595) entered into by the Customer and the Supplier dated [1 November 2021] for the provision of Defra Group Management Consultancy Support Arrangements; and (iii) the terms set out in this Project Engagement Letter. Defra Group confirms the availability of funding to support recharge for the services.

Signatures		
Supplier	**Department**	**Defra Group Commercial**
[redacted]	[redacted]	[redacted]
For and on behalf of KPMG [redacted] Director	For and on behalf of the Marine Management Office (MMO) [redacted] [redacted]	Defra Group Commercial [redacted] Category Officer for Professional Services
Date: 06/12/2021	Date: 25/11/21	Date: 06/12/2021

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Supplier engages with Department to complete. Once agreed, Supplier signs front page and sends to Department	Department signs front page and sends to DgC	On approval, DgC signs and returns copy to Department and Supplier

Supplier contact: [redacted]
Department contact: [redacted]
Management Organisation, [redacted]

1. Background

Marine plans provide a policy framework to guide public authority decision-making in the English marine area over a 20-year horizon. Marine plans are made up of policies that facilitate and support the achievement of a broad range of national environmental, social, and economic priorities, many of which are given equal weighting at the national policy level. Marine national policy priorities can be delivered and/or supported through marine activities. The natural environment can be considered an underpinning sector which can also be supported through marine activities, which include protection of the environment. Each English marine plan area, however, is a finite geographical space that has the potential to support many existing and emerging activities, some of which compete for space.

This project contributes to a wider work programme that, once complete, will identify the carrying capacity of the east marine plan areas and their potential over a 20-year horizon for contributing towards national environmental, social, and economic priorities. The overall work will identify spatial opportunities, barriers, and options for delivering national priorities in the east marine plan areas. The final outputs will be used to facilitate engagement, exploring values and weighting given to national priorities at the east marine plan areas scale, with the aim of making spatial choices, where appropriate, to inform the development of the vision, objectives and prescriptive policies for the east marine plan areas.

This project recognises the potential for spatial challenges in delivering equally across all national priorities in the east marine plan areas. Deliberation and trade-off choices may be needed to set plan area priorities based on carrying capacity, to ensure the plan areas can maximise their potential contribution towards national priorities.

The outputs of this project are to facilitate future decision-making on plan area scale priorities for the east inshore and offshore marine plan areas and to support spatial trade-off choices at the marine plan level, which will inform the east marine plan areas' vision, objectives, and the development of more prescriptive policies, where appropriate, to provide more steer and clarity for decision-makers and those bringing forward proposals in the marine area.

2. Statement of services

Objectives and outcomes to be achieved

This project will involve delivering outputs that cover timeframe horizons of 0-10 years

and 0-20 years from 2022. The project will be split into three separate phases (set out below), with the budget within this PEL covering the delivery of Phase 1 and Phase 2 only. Based on the outputs of Phase 2, if Phase 3a is the selected option, this will be delivered within the budget set out in this PEL. However, should it be determined that Phase 3b is to be delivered with additional requirements outside of the scope set out in this PEL, a Change Notice will be issued with an agreement on additional resource, time, and cost, required.

Phase 1

1) Identify the current and emerging activities in the east inshore and offshore marine plan areas, including activities relating to environment, fisheries, Energy production - renewables and O&G, aquaculture, coastal change and flooding, CCUS, dredging, aggregates, tourism and recreation. Other sectors from the Marine Policy Statement which present constraints to activities / development, will also briefly be assessed, including existing consented activities, ports and shipping, defence and national security, telecommunications cabling, nuclear, heritage, water quality, air quality, seascape.

2) Based on current and emerging activities identified in step 1, and taking a list of pre-defined national priorities that will be provided by the MMO through a separate piece of work, identify the potential for activities in the east marine plan area to contribute towards national priorities.

3) Identify the spatial opportunities and barriers for delivering national priorities in the east marine plan areas, specifically factoring in physical constraints and asset/infrastructure requirements.

4) Identify i) which priorities can be delivered without spatial constraints ii) where priorities may be delivered through co-existence with other priorities and iii) whether there are priorities that may only be achieved if choices are made on which priority takes precedence and iv) priorities that cannot be accommodated by the east marine plan areas due to constraints

5) Identify where national priorities can be facilitated through marine plan policy intervention or where priorities may require other types of management intervention.

6) Recommend future evidence gathering priorities to enable effective deliberation and decision-making related to priorities in the east marine plan areas.

NOTE: For the avoidance of doubt, the development / collation of supporting evidence (e.g. economic analysis) and execution of a prioritisation exercise is not in scope for this specific project.

Phase 2

This phase will involve scoping two potential options for the development of a spatial mapping tool. The two options are:

1) Identifying requirements for a simple Map Document with spatial layers to accompany the written report, which will spatially display where national priorities can be achieved in the east marine plan areas by mapping them onto existing and emerging activities (this will be done within the budget set out in this PEL and in parallel to Phase 1, if it's the preferred choice); or
2) Identifying requirements and potential options and scenarios for a more dynamic model build tool, of which the outcome will require a Change Notice as part of Phase 3b.

In line with the draft project plan MMO will aim to provide a response to KPMG on their preferred option at Phase 3 by 7th January 2022, subject to the scoping report detailed in Phase 2 being provided by 5 h January 2022. Any additional resource required by KPMG to undertake Phase 3b should be agreed by MMO/Defra Group Commercial prior to commencement to ensure adherence to the terms of the CoC.

Phase 3

This phase will involve the development of the spatial mapping deliverable.

Phase 3a: If option '1' from Phase 2 is the preferred choice, this will be delivered within the budget set out in this PEL.

Phase 3b: If option '2' from Phase 2 is the preferred choice, a Change Notice will need to be issued with an agreement on additional resource, time, and cost, required.

Scope

The scope of the activities for this engagement is specified in the above section.

The deliverables required from this work are listed in the Deliverables section.

This work will need to conclude within the 2021 – 2022 Financial Year, and therefore any dependencies upon the Authority (such as data input, documentation, system access or staff availability) to enable the Supplier to achieve this will be clearly documented and agreed to up front during mobilisation for this project. Critical dependencies relating to the delivery of this project will be discussed and confirmed during the kick-off meeting, and then documented in the Inception Report, submitted during the w/c 6th December.

Assumptions and dependencies

The Supplier will deploy resources as required to deliver agreed deliverables and timescales. The Supplier reserves the right to vary the actual resource inputs at its discretion subject to availability at the time of awarding and commencing the work.

Delivery will require timely and satisfactory responses from the MMO to the Supplier's requests for information, inputs, arranging meetings or review of materials. If additional work arises due to delays in responses to these requests, or due to other circumstances beyond the Supplier's control, it will raise this with the Department immediately and the implications on the Supplier's delivery timelines and fees discussed and mitigations agreed.

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The following activities are also chargeable, should they be required to meet agreed outcomes: ad-hoc support, professional advice or other similar, this can include attendance at meetings, briefing papers or any similar such activity that is requested by the Authority but not articulated in this PEL as a Deliverable. These will incur estimated fees based on the Supplier's agreed rate card, should the delivery of such activities exceed the allocated budget for this project.

The Supplier will use resources from its Global Services (KGS) organisation located in India. This team is subject to the same terms and conditions of the Framework contract and this call off.

A detailed project plan has been developed by the Supplier which it will validate and agree with key stakeholders within the Department prior to commencement of work. A copy of this is provided in the file attached below.

MMO East Marine Plan_Draft WBS_2021

The Supplier's final deliverables will be signed off by its Engagement Leader, [redacted] and quality reviewed by its Quality Assurance and Account Leader, [redacted]

Work will largely be carried out remotely using MS Teams for collaboration. Where face-to-face meetings are beneficial, these will be arranged in Newcastle or London locations (either at the Supplier's offices or the Department's offices) unless otherwise agreed.

The Supplier's fees include all expenses other than travel to locations outside of London which will be agreed on an individual basis as required.

Any spatial product(s) to be used, and deliverables produced by the Supplier are to be compatible with ArcGIS Desktop 10.7.1 to MMO Style template (provided at inception) with associated metadata, intermediary data products, code or models developed, INSPIRE and MEDIN compliant. The supplier will provide Metadata using the standard ArcGIS functionality, but the Supplier will not collect or generate new data and will instead use data provided via MMO data sources and/or through accessing existing open-source data themselves.

The Supplier will quality assure all deliverables provided to the Department.

Deliverables

Phase 1

1) Inception report recording any clarification of, or changes to, the project details as outlined under the project specification and contractor proposal documents.
2) Twice monthly, minuted meetings with the key individuals to review progress against objectives, report risks and issues, and to forward plan.
3) Two ad-hoc meetings (if required) to address any technical questions around the delivery of the project, or production of deliverables

4) Draft final report(s) in MSWord format, written in the Department's Style template (provided at inception), and in plain English. This report will set out "as is" activities and uses of assets for each sector in the east marine plan area, potential future use cases (based on national priorities) and the asset/infrastructure/investment requirements for these use cases, recommendations for potential policy interventions to maximise ability to deliver national priorities; and, recommendations for further evidence gathering and next steps.
5) Final report(s) incorporating the comments and recommendations identified at the draft final stage.

Phase 2

1) A high-level proposal and scope covering the different options listed above for the development and delivery of a spatial mapping document/tool.

Phase 3

a) A simple, spatial visualisation map document of existing and emerging activities in the east marine plan area, for each sector listed above, and overlay of potential, future uses to meet national priorities **(delivered within the budget set out in this PEL); or**

b) A dynamic and interactive model build and scenario tool that can but used to explore how different priorities interact and influence the delivery of other priorities to inform future decision-making and trade-off discussions. Identify, with input from the marine planning team, a prioritised set of scenarios to test **(delivered with a Change Notice extending the budget and cost, based on the requirements)**

Deliverable	Success Criteria	Milestone / Date	Owner (who in the delivery team?)
Inception report	Signed off by the Department's Project Lead [redacted]	w/c 6th December 2021	[redacted]
Proposal for model and scenario tool/method	Signed off by the Department's Project Lead [redacted]	w/c 3rd Jan 22	[redacted]
Draft report and spatial products	Signed off by the Department's Project Lead [redacted]	w/c 31st Jan 22	[redacted]
Final report and spatial products	Signed off by the Department's Project Lead [redacted]	w/c 21st Feb 22	[redacted]

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 Department.

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The Project Engagement Letter is the agreed contract of work between Defra Group, Department and 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

Grades and daily rates of the core team (using the agreed rate card for this call-off contract) is included below. A mini bio of each team member's experience, skillsets, and relevance to the delivery of the project, is also included below.

Name	Role (link to stage/s resource will work on)	Grade	Daily rate ex. VAT	# of days	Total cost
[redacted]	Engagement Leader	Director/ Partner	[redacted]	[redacted]	[redacted]
[redacted]	Quality Assurance and Account Leader	Director/ Partner	[redacted]	[redacted]	[redacted]
[redacted]	Senior Reviewer	Managing Consultant	[redacted]	[redacted]	[redacted]
[redacted]	Engagement Manager	Principal Consultant	[redacted]	[redacted]	[redacted]
[redacted]	Delivery Support	Senior Consultant	[redacted]	[redacted]	[redacted]
[redacted]	Data Visualisation Manager	Principal Consultant	[redacted]	[redacted]	[redacted]
[redacted]	Data Visualisation Analyst	Consultant	[redacted]	[redacted]	[redacted]
[redacted]	Natural Capital SME	Principal Consultant	[redacted]	[redacted]	[redacted]
[redacted]	Delivery Support	Junior Consultant	[redacted]	[redacted]	[redacted]
					£66,154

[redacted]

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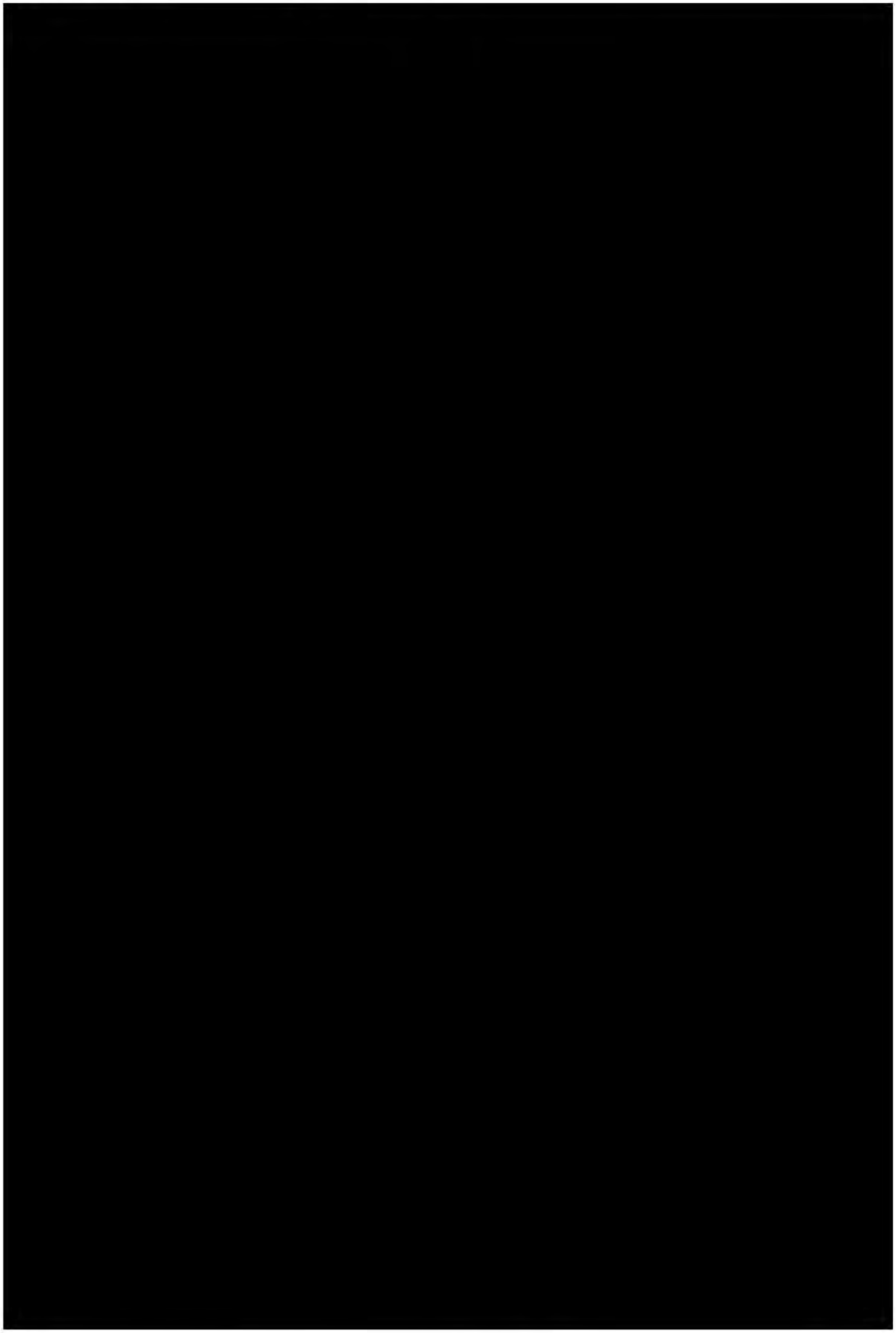

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KPMG Team Member	Experience
[redacted]	

Department's team

The Department's team consists of the following people and their associated role:

[redacted] MMO

[redacted]	– Project Manager
[redacted]	– Project Lead
[redacted]	– Defra Group Commercial, Consultancy Sector

4. Call Off Contract Charges

Defra Group will pay the Supplier the Call Off Contract Charges set out below.

The estimated fees for this scope of work, based on our agreed rate card and the balance of effort indicated in our programme plan (embedded above), is £66,154 (exclusive of expenses and VAT).

Deliverable Milestone	Cost ex. VAT	Due (link to milestone dates)
Draft report and spatial products	[redacted]	w/c 30th Jan 22
Final report and spatial products	[redacted]	w/c 21st Feb 22

Expenses statement

Defra Group overarching contract rates include expenses for any travel to/from any UK location defined by the Department as the base office for the work. Only expenses for travel at departmental request from this base can be charged. If appropriate, define permissible expenses to be charged.

Payment

The Supplier should invoice Call-off Contract Charges monthly in arrears. Defra Group will pay the Call-off Contract Charges monthly on confirmation of acceptance of Deliverables by the Department. 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

Governance and reporting are managed between the lead Department contact, [redacted] and the Supplier. At a minimum there will be fortnightly progress meetings, supplemented upon request by written progress reports.

In support of milestones and deliverables being met, the supplier will provide a milestone completion certificate for review by the Department. This will be reviewed by the lead Department contact, [redacted], and agreed prior to payment being released.

Feedback and satisfaction

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 client departments rate the services provided.

Non-disclosure agreements

Not considered applicable at point of contract signature, any deviation from this will be agreed in writing between the parties.

Notice period

The nature of these engagements require that the Department / Defra Group have the ability to terminate an engagement with notice. The Department or 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.

6. Legal terms and variations

The parties agree to these additional terms and variations to apply for the purpose of this Project Engagement Letter.

6.1 Liability

Subject to Clause 37.1 (Unlimited Liability) of MCF2 Call Off Terms RM6008, the Supplier's total aggregate liability, in respect of all other Losses incurred by the Customer under or in connection with this Project Engagement Letter as a result of Defaults by the Supplier shall in no event exceed a sum equal to one hundred and twenty-five per cent of the Call Off Contract Charges payable in connection with this Project Engagement Letter.

6.2 Termination Rights

A new clause 43.2 shall be added as follows:

43.2 The Supplier may terminate this Project Engagement Letter upon such period of written notice as is reasonable in the circumstances if there is a change of law, rule, regulation or professional standard or circumstances arise that would prejudice the Supplier's ability to comply with applicable auditor independence requirements provided that the Supplier shall use reasonable endeavours to mitigate the impact of any such circumstances and seek a work-around solution with the Customer, prior to issuing any notice of termination.

6.3 Assignment and Novation

Clauses 48.2, 48.3 and 48.4 of MCF2 Call Off Terms RM6008 shall not apply to this Project Engagement Letter and the following new clause shall apply:

48.2 The Customer shall not assign, novate or otherwise dispose of or create any trust in relation to any or all of its rights, obligations or liabilities under this Call Off Contract or any part of it without the prior written consent of the Supplier.

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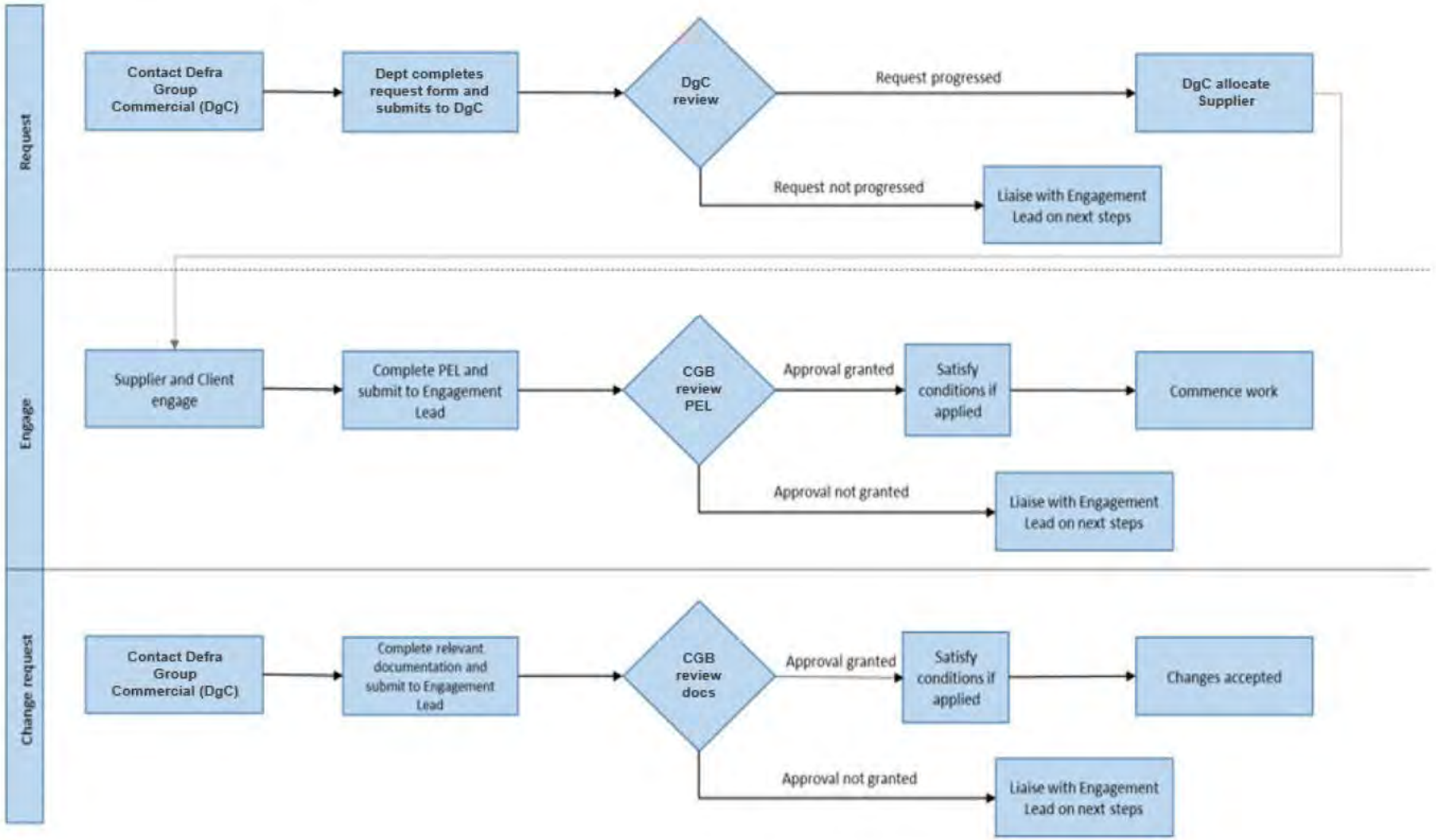
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