



Cabinet Office

OFFICIAL SENSITIVE - COMMERCIAL
EU Exit Implementation Capability Unit
External support
Project Engagement Letter – Lot 1, 2 and 3

Completed forms and any queries should be directed to fst-consultancy@cabinetoffice.gov.uk

COVID 19 Response – Project Engagement Letter			
Engagement ref #	109C		
CCS Salesforce ref#	630377		
Extension?	N	Ref	N/A
Department / Area	BEIS		
Supplier	PA Consulting		
Title	Provision of commercial negotiation and business case resources to the Vaccines Taskforce Programme		
Engagement start / end date	27/07/2020	23/10/2020	
Funding source	BEIS		
Expected costs 19/20			
Expected costs 20/21	£474,442		
Dept. PO reference	Dept. PO reference # [REDACTED]		
Lot #	Lot 2		
Version #	0.3		

By signing and returning this cover note, BEIS accepts the contents of this Engagement Letter as being the services required and agrees for PA Consulting to provide the services in accordance with the Statement of Requirements under the overarching contract (Lot 1 / 2 - Ref CCCC18A29) with the Cabinet Office and confirms the availability of funding to support recharge for the services

Signatures		
Supplier	Department	Cabinet Office / EUEICU
By: [REDACTED] <i>Signature</i>	By: [REDACTED] <i>Signature</i>	By: [REDACTED] <i>Signature</i>
For and on behalf of PA Consulting [REDACTED] Member of PA's Management Group	For and on behalf of BEIS [REDACTED] VTF Strategy Director	Cabinet Office / EUEICU [REDACTED] Commercial Head of EU Exit External Support Team
17 August 2020	11 th August 2020	21 st August 2020



Supplier engages with Department to complete. Once agreed, Supplier signs front page and sends to Department	Department signs front page and sends to EUEICU	On approval, EUEICU signs and returns copy to Department and Supplier
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Supplier contact: [REDACTED]

Department contact: [REDACTED] email: [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 *departmental considerations* are guidance notes for the customer to support their evaluation of the Engagement Letter.

1. Background

The UK Government has established the Vaccines Taskforce (VTF) to drive forward, expedite and co-ordinate efforts to research and then produce a coronavirus vaccine and make sure one is made available to the public as quickly as possible.

The VTF will focus on 5 strands of activity including:

- supporting the discovery of potential coronavirus vaccines by working with the public and private sector, rapidly mobilising funding, supporting leading academics and identifying ways to fast-track clinical trials
- preparing the UK as a leader in clinical vaccine testing and manufacturing, working with companies already at the forefront of vaccine development
- reviewing government regulations to facilitate rapid and safe vaccine trials
- developing funding and operational plans for the procurement and delivery of vaccines
- building on the UK's research and development expertise to support international efforts to find a coronavirus vaccine.

An overarching Business Case for the VTF's work is in place, which sets the overall budget and parameters for the VTF's activity. A large number of suppliers in the R&D/Pharma space will need to be engaged and project level Business Cases now need to be produced, at pace, to support the individual multi-£million investment decisions within the Taskforce's portfolio. This includes:

- The development of a portfolio of potential vaccines and/or neutralising antibodies
- Ensuring the availability of sufficient manufacturing capacity within the UK, both for bulk manufacture and for "fill and finish" (e.g. producing individual vials of vaccine)
- Support for clinical trials
- International collaboration



The peak of these investment decisions is likely to be over the July-October period, with numerous supplier conversations and up to 30 individual business cases required during this period. For the critical path deliverables of this engagement, it is imperative that external support is able to start on Monday 27 July. There is significant pressure and strain on existing team and additional support is urgently required to be able to deliver critical vaccine work on time. All Vaccine work is time sensitive and competition at global level is a hugely influential factor, particularly in terms of how fast the UK VTF needs to be able to deliver. We are therefore seeking short-term urgent input to assist with:

- creating supply agreements with vaccine developers and/ or manufacturing capability providers
- negotiating terms in conjunction with HMG commercial and UKGI team members
- managing ongoing discussions with vaccine developers/ manufacturing capacity providers
- developing the content of individual project Business Cases, in particular the commercial case for individual investments within the overarching strategic and economic rationale for the VTF's work
- managing the end-to-end process of developing a large number of project Business Cases in parallel, integrating the specialist scientific and technical input from the VTF together with the outcome of multiple parallel negotiations with individual companies, and managing the flow of investment decisions to a challenging timetable.

The programme are seeking both commercial negotiation resources and business case resources:

- Familiarity with public sector business case requirements, the context of managing public money, and HMT's five case model
- Knowledge of the public procurement context, including regulatory and State Aid requirements
- Strong project management skills to oversee the flow of market-sensitive information, and ensure robust documentation is provided to an appropriate timescale across multiple parallel tracks
- Good written communication skills, to ensure that decision-makers have the evidence they need and that investment decisions are appropriately documented
- Some familiarity with the public health or R&D context would be desirable

Due to the extreme urgency and pace of VTF work, the programme are unable to recruit civil servants into these roles. Moreover, the packages of work are limited in scope and duration, therefore not appropriate for permanent hire. The VTF programme are therefore seeking alternative resources via other government departments and other management consultancy suppliers via different frameworks. So far there has been no success in finding resources through those routes. Therefore, via FST they have asked PA Consulting, who are known can provide suitable resources, at short notice, in order to progress this work. Resources will need to have a background in R&D/medical/pharma work, which adds another level of difficulty in sourcing this requirement. PA Consulting have proven that they can provide qualified resources at short notice to start work immediately as required by the programme.



2. Statement of services

Objectives and outcomes to be achieved

The objectives of the engagement are:

- Provide the VTF with the capacity and capability it will need in order to develop high quality business cases at pace and during a short, intensive time period that will enable the programme to secure funding and engage vaccine industry entities in order to support the development of vaccines, the manufacturing capacity to produce a successful vaccine at scale and then store it safely for onward distribution
- Improve the approach to business cases using Better Business Case (APMG) practices, deliver robust, compelling and impartial business cases to time and quality
- Support the approvals process for business cases by engaging the relevant expert input and communicating progress, providing necessary information to x-Whitehall partners to secure approvals
- Provide the VTF with the capacity and capability it will need in order to ensure that those vaccine industry entities that are engaged are effectively contracted and managed against the contracts / service level agreements entered into between them and BEIS
- Enable commercial arrangements to be determined for vaccines and manufacturing capacity at pace with good commercial judgement, including consideration of value, time, risk and market. Negotiate with suppliers as directed by HMG and develop supply agreements in line with term sheets

The outcomes of the engagement will be to support the VTF in achieving it's 5 strands of activity, namely:

- supporting the discovery of potential coronavirus vaccines by working with the public and private sector, rapidly mobilising funding, supporting leading academics and identifying ways to fast-track clinical trials
- preparing the UK as a leader in clinical vaccine testing and manufacturing, working with companies already at the forefront of vaccine development
- reviewing government regulations to facilitate rapid and safe vaccine trials
- developing funding and operational plans for the procurement and delivery of vaccines
- building on the UK's research and development expertise to support international efforts to find a coronavirus vaccine.

Scope

The scope of the work is as follows:

Contract Manager x 2:

Package 1 – July to August 2020

The contract manager will be a part of the Delivery Directorate responsible for working with BEIS colleagues on building business cases, contract negotiations and production of contractual documentation. They will be integral to describing the end to end supply chain in plain English to a range of stakeholders at all levels of the organisations in terms that are clear and simple to grasp.



They will be responsible for developing good working relationships with suppliers throughout the chain and supporting all contract negotiations with all suppliers through to award.

Package 2 – August to October 2020

The contract manager will work with Deployment colleagues in the VTF to pass on key characteristic information about the product to ensure that deployment planning can be as thorough as possible. The Contract Manager will need to translate technical characteristics into practical language to assist operational planning for national deployment.

Package 3 August to October 2020

The contract manager will work with VTF colleagues to put in structures and controls to assess contractual effectiveness, monitor spending profiles and report and resolve supplier performance issues. The role holder will then use those structures and controls to actively manage and report supplier performance against contract obligations.

Commercial Manager x 1

July to September 2020.

The Commercial manager will work with the Commercial team working for [REDACTED]. This will include developing commercial negotiation strategies; Working with policy, legal and technical colleagues to agree contract schedules and clauses; Designing payment mechanisms and performance regimes and other contractual protections e.g. indemnities and liabilities; Work with UKRI and legal to support negotiations directly with the counter party; Work with the business case team to accurately complete the commercial case and necessary aspects of approvals;.

Business case developers x 5

6 weeks during August and September 2020

Draft individual Project-Business Cases, in particular the commercial case for individual investments., drawing on SME from across the Programme (e.g. legal, specialist scientific and technical input from the VTF).

Manage the end-to-end process of developing a large number of Project Business Cases in parallel, integrating the specialist scientific and technical input from the VTF together with the outcome of multiple parallel negotiations with individual companies, and managing the flow of investment decisions to a challenging timetable. This will mean drafting strategic and commercial cases; working with economists, Finance, lawyers, etc. to secure and incorporate the necessary advice; working effectively with the core VTF Development team to plan the timelines for approvals, deliver to deadlines and prepare for meetings with the BEIS Projects and Investment Committee.

Assumptions and dependencies

Assumptions and dependencies that may impact delivery include:



- PA Consulting will be dependent on continued access to BEIS systems and need to engage with Key Interfaces and wider stakeholders.
- PA Consulting staff will have the necessary security clearances
- The assignment will be delivered during the period Mon 27th July to Fri 23 October 2020.
- PA Consulting business case support will scale back as new permanent staff are brought in to the Development team, expected in the next 6 weeks.
- Cabinet Office are not obligated to provide access to additional PA resource for this requirement or engagement.

Deliverables

PA Consulting will produce:

- Contract negotiation reports – reports stages that contracting and commercial agreements have reached; sticking point / issues to resolve and proposed actions.
- Contractual documentation analysis – briefing material on the content of contracts suitable for use by the wider programme team to allow them to understand the main points in contract agreements to use as planning assumptions for downstream delivery activities.
- End to end supply chain assessment – including specific product characteristics that would produce supply chain risks or issues that will require special handling and proposals for action.
- Product characteristic analysis to provide detailed input to national deployment planning teams
- Contractual effectiveness assessment controls – frameworks for management of contract performance
- Supplier performance reports – regular reports on supplier performance in a variety of formats for consumption at different levels of governance board
- Effectively managed suppliers – build relationships with suppliers to surface performance problems, seek resolution and report outcomes.
- Commercial negotiation strategy
- Contract schedules and clauses
- Payment mechanisms and performance regimes and other contractual protections
- Lead negotiations directly with the counter party
- Input to the commercial case and necessary aspects of approvals.
- High quality, 5 case model business cases, delivered at pace as required by the VTF programme to cover vaccine development, manufacturing capacity and fill and finish solutions. This will mean owning and pulling together whole cases, drawing on expert input from across BEIS and VTF, and drafting strategic and commercial cases.

Deliverable	Milestone / Date	Owner (who in the delivery team?)
Stage A		
Package 1 deliverables: <ul style="list-style-type: none"> • Contract negotiation reports • Contractual documentation • End to end supply chain assessment 	July – Aug	██████████
Package 2 deliverables:	Aug – Oct	██████████



<ul style="list-style-type: none"> Product characteristic documents that input to national deployment planning 		
Package 3 deliverables: <ul style="list-style-type: none"> Contractual effectiveness assessment controls Supplier performance reports Effectively managed suppliers 	Aug – Oct	██████████
Deliverables for ██████████ <ul style="list-style-type: none"> Commercial negotiation strategy t Detailed supply agreements Contract schedules and clauses Payment mechanisms and performance regimes and other contractual protections e.g. milestone payments mapping, indemnities and liabilities With UKRI / Legal support negotiations directly with the counter party Input to the commercial case and necessary aspects of approvals. 	Aug – Oct	██████████ ██████████
Package 1 deliverables: <ul style="list-style-type: none"> Contract negotiation reports Contractual documentation End to end supply chain assessment	Jul - Aug	██████████
Package 2 deliverables: Product characteristic documents that input to national deployment planning	Aug – Oct	██████████
Package 3 deliverables: <ul style="list-style-type: none"> Contractual effectiveness assessment controls Supplier performance reports Effectively managed suppliers 	Aug – Oct	██████████
5 case model business cases as required by the VTF programme to cover vaccine development and supply, manufacturing capacity and fill and finish solutions This will mean owning and pulling together whole cases, drawing on expert input from across BEIS and VTF, and drafting strategic and commercial cases.	Aug – Sep	██████████ ██████████ ██████████ ██████████ ██████████ ██████████
Stage B (additional stages can be added)		

Limitations on scope and change control



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External support

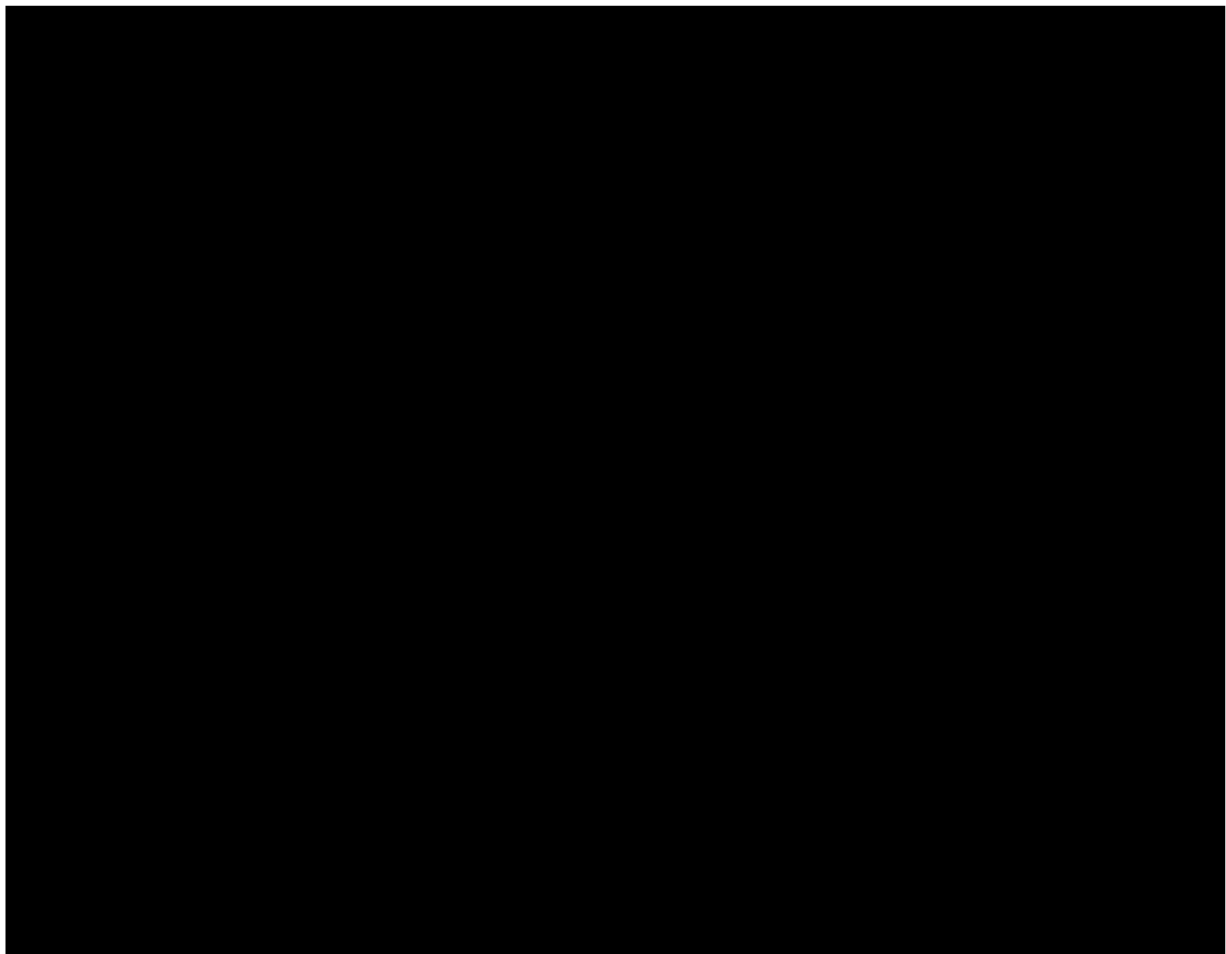
Project Engagement Letter – Lot 1, 2 and 3

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.

The Engagement Letter is the agreed contract of work between the Cabinet Office, Department and Supplier and can be varied under the change control process. Any changes to timescales, scope and costs will require approval by EUEICU.

3. Delivery team

Provide details of the agreed team members including their roles and responsibilities during the project.



Total resource

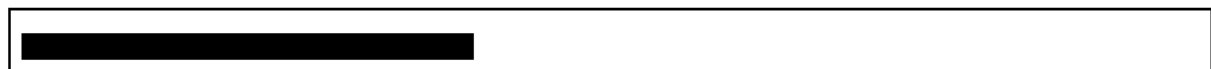
Total days*
Engagement Length**

276.5 / 448

*Total days worked across all resources

**Total working days in engagement

Department's team





4. Fees

The Department 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 £474,442, inclusive of expenses and excluding VAT.

Provide costs for any particular stages to the engagement.

Stage	Cost	Due (link to milestone dates)
A		DD/MM/YY
Contract Manager 1 Package 1 deliverables: <ul style="list-style-type: none"> Contract negotiation reports Contractual documentation End to end supply chain assessment Package 2 deliverables: <ul style="list-style-type: none"> Product characteristic documents that input to national deployment planning Package 3 deliverables: <ul style="list-style-type: none"> Contractual effectiveness assessment controls Supplier performance reports Effectively managed suppliers 	██████	23/10/20
Deliverables for Astute, Ambush and Agamemnon <ul style="list-style-type: none"> Commercial negotiation strategy t Detailed supply agreements Contract schedules and clauses Payment mechanisms and performance regimes and other contractual protections e.g. milestone payments mapping, indemnities and liabilities With UKRI / Legal support negotiations directly with the counter party Input to the commercial case and necessary aspects of approvals. 	██████	23/10/20
Contract Manager 2: Package 1 deliverables: <ul style="list-style-type: none"> Contract negotiation reports 	██████	23/10/20



<ul style="list-style-type: none"> Contractual documentation End to end supply chain assessment Package 2 deliverables: <ul style="list-style-type: none"> Product characteristic documents that input to national deployment planning Package 3 deliverables: <ul style="list-style-type: none"> Contractual effectiveness assessment controls Supplier performance reports Effectively managed suppliers. 		
5 case model business cases as required by the VTF programme to cover vaccine development and supply, manufacturing capacity and fill and finish solutions This will mean owning and pulling together whole cases, drawing on expert input from across BEIS and VTF, and drafting strategic and commercial cases.		30/09/20
B (additional stages can be added)		
N/A	£N/A	
Expenses		
N/A	£N/A	
Grand total	£474,442	

Departmental considerations:

- Are the costs and fees appropriate (costs linked to deliverables, rates and drive value for money)?

Expenses statement

The Cabinet Office 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 fees monthly in arrears. VAT will be added to fees at the prevailing rate. The Department will reimburse fees monthly on confirmation of approval of work. 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

The supplier will provide weekly update reports providing details of activities / deliverables completed in the week and plans for the following week. As required a weekly meeting to discuss the content of the report will be arranged.

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

- Completion of the time tracker on a monthly basis, to track days worked by our consultants;

- Completion of a weekly report;

Feedback and satisfaction

The Cabinet Office reserves the right to hold a 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

The overarching MCF / MCF2 frameworks and Cabinet Office contracts include NDAs.

Notice period

The nature of these engagements require that the Department / Cabinet Office have the ability to terminate an engagement with notice. The Department or the Cabinet Office's termination rights for this engagement are marked below.

The minimum notice period for termination is 5 working days regardless of engagement duration.

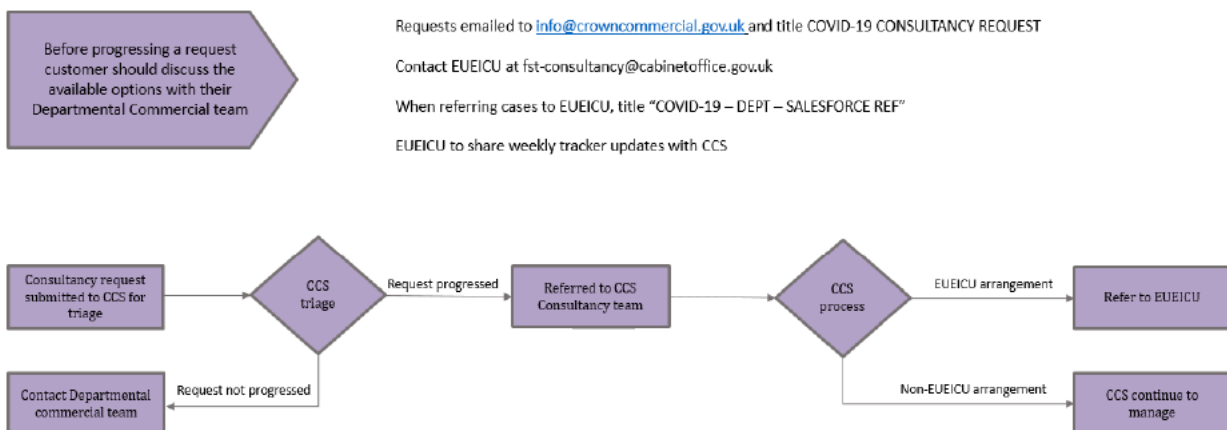
Where the Department or the Cabinet Office terminate an engagement, agreed costs incurred to the end of the notice period will be reimbursed.



1. Department identifies a potential need for delivery support, initiates a conversation with EUEICU, confirms which approvals are required for an engagement to occur
2. Request Form completed by department and submitted to EUEICU at:
fst-consultancy@cabinetoffice.gov.uk
3. The form is reviewed by the EUEICU team re which resource route is most appropriate (e.g. Clearing Hub, Lots 1/2/3), and may request additional information/edits from department if required
4. Lot / Supplier is selected and briefed on the request by EUEICU, then introduced to the requesting department for further discussion and confirmation of work to be delivered
5. An Engagement Letter is completed by the supplier and agreed with department, including evidence of all required approvals either being in place or being progressed (e.g. PO) and forwarded to the EUEICU for review by Approvals Board. Approval states are:

Approval state	Definition	Permissions
Full approval	<ul style="list-style-type: none"> ▪ PEL agreed ▪ PEL signed: Supplier, Dept and CO ▪ Purchase Order number 	<ul style="list-style-type: none"> ▪ Work can start ▪ Supplier can invoice for work
Approval in principle	<ul style="list-style-type: none"> ▪ Confident PEL is on track or PEL agreed ▪ Reliable confirmation from Dept that internal approvals / funding in place as no PO number 	<ul style="list-style-type: none"> ▪ CO gives supplier permission to work at risk if they choose ▪ Dept required to complete Full approval ASAP ▪ Supplier can't invoice until Full approval

COVID-19 Consultancy Request Process





EUEICU Commissioning Process

