

Consultancy Value Programme

Standard Business Case Format for the Procurement of Consultants



Purpose

- The Business Case is used to obtain management commitment and approval for investment in the engagement of Consultants, through a clearly presented rationale for the requirement.
- The Business Case provides a framework for planning and management of the engagement of a Consultancy requirement.
- The outputs and deliverables of the Consultant engagement will be monitored against the Business Case.
- The Business Case model ascertains that proposals:
 - Are supported by a robust case for change via *the Strategic case*
 - Optimises value for money via *the Economic case*
 - Are commercially viable via *the Commercial case*
 - Are financially affordable via *the Financial case*; and
 - Can be delivered successfully via *the Management case*
- The level of detail provided within the business case should be proportionate to the value and complexity of the procurement.
- The text in red indicates the information to be completed in the section would be considered to be essential for all business cases.

Guidance and Advice

- Guidance to support the successful completion of this document can be found on the OGC website and your own Departmental commercial or procurement teams.
- Departments should follow departmental guidelines in producing their business case using standard templates provided by their commercial or procurement team.
- For more information on CVP contact your Departmental Commercial or Procurement team – or the OGC Service Desk on 0845 000 4999. Additionally advice can be sought from OGC by emailing CVP@ogc.gsi.gov.uk

Assurance & Checklist

- A Checklist is provided to enable the Approving Officer to satisfy themselves that the information contained within this Business Case provides the agreed standard of assurance expected by the relevant approving authority.

1. Executive Summary

If the business case is fairly brief, the executive summary should be a precis of the key elements of the business case. It should include what the project will achieve, why the project is being undertaken, how it will deliver value for money, evidence that it is affordable and a description of the approach the project will be adopting. The summary should **not** 'cut and paste' key paragraphs from the rest of the business case and the language used should be accessible (i.e. plain English, avoiding technical language, jargon and acronyms) Where the business case is being presented to gain funding or to gain approval to spend, make sure that it is clear exactly what approval is being requested. Include recommendations from each case with appropriate context and reference.

(To be completed by Project Manager)

2. Strategic Case

The purpose of the Strategic Case is to provide an overview of the project and how it fits within the overall business strategy. It describes how the project will help to meet the strategic aims of the Department, by linking the project in to the Business Unit objectives and Business Plan. It should identify shortcomings with the current arrangements, and summarise the key business needs.

2.1 Business Strategy

Explain what the organisation's business strategy is, with enough detail to set the context. Make suitable references to any wider Programme, or to PSAs, Aims, objectives, delivery targets or Investment Strategy. Refer to any other documents that can provide more detail if required.

(To be completed by Project Manager)

2.2 The Project

(To be completed by Project Manager)

Objectives

Set out the case for change in terms of objectives. State the aim of the project with SMART objectives (Specific, Measurable, Achievable and Agreed, Realistic and Time-bound).

(To be completed by Project Manager)

Strategic Outcomes

Describe the key outcomes and resultant benefits the project is intended to deliver. A high level indication of quantitative and qualitative benefits must be shown.

(To be completed by Project Manager)

Summary Requirements

Give a brief summary of requirements, covering in broad terms what the project should deliver.

(To be completed by Project Manager)

Constraints

Identify constraints at a very high level, keeping internal and external constraints separate.

(To be completed by Project Manager)

Recommendation

Explain why option/s has been selected in preference to alternative options.

(To be completed by Project Manager)

3. Economic Case

The purpose of this section is to summarise the development of options to implement the project, assess the economic costs and benefits of these options and recommend an option for implementation. It is here that there must be a comparison and evaluation of delivery options. The value for money of each option must be assessed in accordance with HM Treasury's revised 'Green Book', formally known as 'Appraisal and Evaluation in Central Government'.

3.1 Purpose

An economic case establishes the preferred option(s), which meet the business need identified in the strategic case.

(To be completed by Project Manager)

3.2 Economic Options

Identify options here. Options to be considered, as a minimum range, are:

- Do nothing
- Do minimum
- Do in-house (if possible)

Investigate options ranging from in-house delivery to degrees of partnership with the private sector and with others in the public sector. Check whether similar work has been undertaken by other Departments.

(To be completed by Project Manager)

Economic Options Analysis

Time

Assess the likely time to deliver each option, and compare this with the timetable required to meet the business requirement.

(To be completed by Project Manager)

Quality

Options should be assessed for quality to determine how good a solution is, as a means of assessing value for money.

(To be completed by Project Manager)

Affordability

Assessment of how the costs of each option relate to the available project budget profile.

(To be completed by Project Manager)

Risk Profile

You should compare the level of risk of each option.

(To be completed by Project Manager)

3.3 Benefits Identification

Detail the end benefits to be delivered. Benefits should always be quantified, but can take two forms, financial benefits and non-financial benefits:

(To be completed by Project Manager)

3.4 Recommendations

Recommend an option to go forward.

(To be completed by Project Manager)

4. Commercial Case

The purpose of this section is to assess the commercial viability and attractiveness of the preferred option for implementation.

4.1 Output Specification and benefits

Provide details of the project's output specification and link to the desired outcomes

(To be completed by Project Manager)

4.2 Procurement Strategy and Sourcing Options

Outline the procurement and purchasing options and demonstrate that a designated procurement unit has approved them. It must explain what procurement options have been considered. These are to be evaluated to select the approach, which best suits, the project and the recommended option in the economic case.

Outline the options for sources of provision of services to meet the business need, e.g. partnerships, framework, existing supplier arrangements, with rationale for selecting preferred sourcing option.

(To be completed by Project Manager)

4.3 Pricing and Incentivisation

The approach to pricing and incentivisation is a key factor to a successful assignment.

(To be completed by Project Manager)

4.4 Risk Allocation and Transfer

Project risks should have already been identified and updated. These are now reviewed for possible risk transfer as part of the contracting process

(To be completed by Project Manager)

4.5 Contract Timescales

The key contract milestones need to be stated here, mainly covering the procurement strategy, tendering process, supplier selection, and tender evaluation criteria.

(To be completed by Project Manager)

4.6 Contract Management

Describe arrangements for managing the contract through project and service delivery

(To be completed by Project Manager)

4.7 Skills Transfer and Exit Strategy

Describe the approach to skills transfer and how the project will end.

(To be completed by Project Manager)

5. Financial Case

The purpose of this section is to demonstrate the affordability of the project.

5.1 Budget Arrangements

Brief analysis of budget arrangements:

- Is the project already budgeted for? If “yes”, where? Include Project Code if known.
- If the budget has not been allocated, state how and where a budget will be obtained.
- A brief summary of cost benefit analysis

(To be completed by Project Manager)

5.2 Funding Arrangements

Who is going to fund the project, stated by heading and department, must be noted. Break down funding information. Any specific requirements for reporting arrangements or to release funding are set-out with a preferred approach stated.

(To be completed by Project Manager)

6. Project Management Case

The aim of setting out the project management case is to demonstrate achievability; it must build confidence in the ability of the project to effectively deliver the change and any stated benefits. The main text should demonstrate how the project management arrangements are appropriate for the scope, scale and complexity of the task.

(To be completed by Project Manager)

6.1 Benefits Realisation Management

Summarise the approach to managing the realisation of the financial and non-financial benefits cited in the economic case

(To be completed by Project Manager)

6.2 Project Plans

Cover those planning elements which are key to demonstrating the achievability of this particular project – (see link to planning self-assessment list for the full range of possible elements).

Ensure all investment approval routes are built into the plan with contingency in case not approved.

Outline roles and responsibilities of all those who are likely to be engaged in delivery of the requirement.

(To be completed by Project Manager)

6.3 Project Dependencies

Describe interdependencies with other workstreams, projects and/or business areas, and how they will be managed.

(To be completed by Project Manager)

6.4 Communications and Stakeholder Management

Summarise arrangements for maintaining and refreshing information about the stakeholders identified in the strategic case. Describe the approach to disseminating information to them and to handling feedback.

(To be completed by Project Manager)

6.5 Risks and Issues

Explain the processes to be used to manage, monitor and review risks and issues

Supplier/Contract Management

Describe the approaches to supplier management as appropriate:

(To be completed by Project Manager)

6.6 Project assurance and Consultancy Performance Review

Describe the sources of project scrutiny and assurance, and any strategic approach to/scheduling of review activities (e.g. Gateways) and approval actions taken as a result.

Summarise the approach to/plans for Consultancy Performance Review and the Project Evaluation Report.

(To be completed by Project Manager)

Consultancy Business Case Checklist

Title <i>[eg Support for CVP Programme]</i>	Name of SRO
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Requirement <i>[short summary including status of relevant initiative/ project eg linked to PSA target, Mission Critical Project, etc]</i>				
Is this a contract extension?	<i>[yes or no]</i>			
Duration				
Value (£) per year, and total value	<u>2008/9</u>	<u>2009/10</u>	<u>2010/11</u>	<u>Total</u>

	Confirmed by <i>[insert tick/cross, name of individual]</i>	Para. no/ page? <i>[insert from Business Case]</i>
Is the strategic case clear and strong?		
Is Vfm being optimised?		
Is there a robust cost/ benefit analysis?		
Has the procurement strategy and sourcing option been signed off by the Head of Procurement as being compliant with OGC and UK policy, as well as providing the most appropriate contracting and incentivisation vehicle?		
Have other possible sources of expertise been checked and ruled out ie in-house, secondment, etc?		
Is the option signed off by the Head of HR?		
Is the budget identified and secured?		
Has the Head of Finance approved the budget?		
Is the deliverability confirmed?		
Is the level of risk acceptable?		
Skills transfer/ IPR assignment included in contract? Is exit strategy clear?		

Ministerial/ Perm Sec. approval	Date:
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The Service Desk will also channel queries to the appropriate second-line support. We look forward to hearing from you.

You can contact the Service Desk 8am - 6pm Monday to Friday

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