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Award

## **The provision of Electronic Human Resources and related ICT Services Northern Ireland Civil Service (e-HR programme)**

CPD - Supplies and Services Division

F15: Voluntary ex ante transparency notice

Notice identifier: 2021/S 000-004830

Procurement identifier (OCID): ocds-h6vhtk-029a4f

Published 10 March 2021, 1:40pm

### **Section I: Contracting authority/entity**

#### **I.1) Name and addresses**

CPD - Supplies and Services Division

303 Airport Road West

BELFAST

BT3 9ED

#### **Email**

[ssdadmin.cpd@finance-ni.gov.uk](mailto:ssdadmin.cpd@finance-ni.gov.uk)

#### **Country**

United Kingdom

#### **NUTS code**

UK - UNITED KINGDOM

**Internet address(es)**

Main address

<https://etendersni.gov.uk/epps>

Buyer's address

<https://etendersni.gov.uk/epps>

**I.4) Type of the contracting authority**

Body governed by public law

**I.5) Main activity**

General public services

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## **Section II: Object**

### **II.1) Scope of the procurement**

#### **II.1.1) Title**

The provision of Electronic Human Resources and related ICT Services Northern Ireland Civil Service (e-HR programme)

Reference number

P17980

#### **II.1.2) Main CPV code**

- 79631000 - Personnel and payroll services

#### **II.1.3) Type of contract**

Services

#### **II.1.4) Short description**

Following an open competition (advertised in the Official Journal of the EU in 2003), the Department of Finance (DoF) entered into a Strategic Partnering Agreement (SPA) with Fujitsu on 29 March 2006 for the provision of Electronic Human Resources and related ICT Services for the Northern Ireland Civil Service (NICS) Departments and a number of non Departmental Public Bodies. The Strategic Partnership Agreement (known as the e-HR) provided an end to end fully managed solution for the provision of payroll & HR services. The system has been heavily customised to align to its users' wide range of HR policies and procedures. The Strategic Partnership Agreement expires on 29 March 2021, however it has become unavoidably necessary to continue to maintain the existing systems and services beyond this point. The Department of Finance intends to modify the Strategic Partnership Agreement in accordance with Regulation 72(1)(b) due to the economic and technical reasons and the substantial duplication of cost and significant inconvenience associated with changing to a new contractor to support the current systems and services whilst the Department procures a replacement solution. This voluntary transparency notice has been published to alert economic operators of DoF's intentions to modify the Strategic Partnership Agreement with effect from the 29 March 2021 for a period of 4 years with 2 further annual options to extend. DoF intends to launch a procurement competition and award a replacement contract for the next generation of HR Services before this modification expires.

#### **II.1.6) Information about lots**

This contract is divided into lots: No

### **II.1.7) Total value of the procurement (excluding VAT)**

Value excluding VAT: £86,800,000

## **II.2) Description**

### **II.2.2) Additional CPV code(s)**

- 72300000 - Data services
- 79631000 - Personnel and payroll services
- 72260000 - Software-related services
- 72510000 - Computer-related management services
- 72253200 - Systems support services
- 79414000 - Human resources management consultancy services
- 79400000 - Business and management consultancy and related services
- 79410000 - Business and management consultancy services

### **II.2.3) Place of performance**

NUTS codes

- UKN - NORTHERN IRELAND

### **II.2.4) Description of the procurement**

The eHR Strategic Partnership Agreement (SPA) is a fully managed contract for the provision of payroll & HR systems and services. The system has been heavily customised over the last 15 years to align to its users wide range of HR policies and procedures. The SPA is an end to end HR and Payroll solution including the provision and management of hardware/software and services. The modification will extend the SPA from 29 March 2021 for a period of 4 years with 2 further annual options to extend.

The original contract notice 2003/S 186-168054 showed the contract term as 10 years support from the point of the implementation of the services, with an option to extend the contract for a further 5 years. The contract notice stated that this period was subject to negotiation during the procurement phase. During the negotiation phase, it was agreed that the contract period would be 15 years (as opposed to 10 years with an option to extend for a further 5 years), however the contract award didn't reflect the additional time

for the implementation of services which had been intended in the original contract notice. The full implementation for all services under the e-HR contract took almost 4 years which is the initial period for this extension. The additional 2 annual options to extend will provide contingency for any delays during the procurement phase or implementation period for the replacement contract.

The value of the 4 year extension is estimated at £58.2m. The accumulative value of the 5 years extension is estimated at £72.8m and the accumulative value of the 6 years extension is estimated at £86.8m.

#### **II.2.11) Information about options**

Options: No

#### **II.2.13) Information about European Union Funds**

The procurement is related to a project and/or programme financed by European Union funds: No

#### **II.2.14) Additional information**

This voluntary transparency notice has been published to alert economic operators of the Department of Finance's intention to modify the eHR Strategic Partnership Agreement with Fujitsu under regulation 72(1)(b) of the Public Contract Regulations. The modification will take the form of an extension from 29 March 2021 until 29 March 2025 (with 2 further annual options to extend). A modification notice will be published after the modification has been formalised.

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## **Section IV. Procedure**

### **IV.1) Description**

#### **IV.1.1) Type of procedure**

Negotiated without a prior call for competition

- Additional deliveries by the original supplier
- New works/services, constituting a repetition of existing works/services

Explanation:

This voluntary transparency notice is to alert economic operators to the Department of

Finance's intention to modify its Strategic Partnership Agreement (SPA) for HR and Payroll Services with Fujitsu for a period of 4 years (with 2 further annual options to extend) using regulation 72(1)(b) of the Public Contracts Regulations 2015 (as amended). The SPA ends on 29 March 2021, however it has become necessary to continue to maintain the existing systems and services beyond this point whilst the procurement for the next generation of HR and payroll services is procured and implemented. The existing contractor provides an end to end service and manages the hardware/software required to deliver the HR and payroll solution. The SPA is a single contractor managed service arrangement which includes the supply of a broad range of payroll, HR and related ICT services (including, without limitation, on-going management, operation of the end to end HR and payroll services and maintenance support), underpinned by computer hardware, software and associated products. The solution is heavily customised to align with the NICS HR policies and procedures. The current contractor has acquired the intellectual property and specialised know how to maintain and develop the system over the last 15 years to reflect the varying requirements of the NICS departments and their associated bodies. The change of contractor for the critical managed service, for a relatively short period of time, during which replacement contract(s) will be procured and implemented, would introduce an unacceptable risk of system failure and would cause substantial duplication of costs and significant inconvenience to the contracting authority and a potential disruption to public services.

#### **IV.1.8) Information about the Government Procurement Agreement (GPA)**

The procurement is covered by the Government Procurement Agreement: Yes

#### **IV.2) Administrative information**

##### **IV.2.1) Previous publication concerning this procedure**

Notice number: [2003/S 186-168054](#)

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## **Section V. Award of contract/concession**

A contract/lot is awarded: Yes

### **V.2) Award of contract/concession**

#### **V.2.1) Date of conclusion of the contract**

29 March 2006

#### **V.2.2) Information about tenders**

The contract has been awarded to a group of economic operators: No

#### **V.2.3) Name and address of the contractor/concessionaire**

Fujitsu Services Limited

26 Finsbury Square

London

EC2A 1SL

Email

[james.taylor@fujitsu.com](mailto:james.taylor@fujitsu.com)

Country

United Kingdom

NUTS code

- UK - UNITED KINGDOM

Internet address

[www.fujitsu.co.uk](http://www.fujitsu.co.uk)

The contractor/concessionaire is an SME

No

#### **V.2.4) Information on value of contract/lot/concession (excluding VAT)**

Total value of the contract/lot/concession: £185,000,000

### **V.2.5) Information about subcontracting**

The contract/lot/concession is likely to be subcontracted

Value or proportion likely to be subcontracted to third parties

Proportion: 60 %

Short description of the part of the contract to be subcontracted

The recruitment and HR related Services are subcontracted.

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## **Section VI. Complementary information**

### **VI.3) Additional information**

The value of the modification for the maximum 6 years is £86.8m. The original value of the contract awarded in 2006 was £185m.

### **VI.4) Procedures for review**

#### **VI.4.1) Review body**

NI Courts and Tribunal Service

Belfast

Country

United Kingdom

#### **VI.4.3) Review procedure**

Precise information on deadline(s) for review procedures

UK Contracting Authorities do not have a review procedure in place. Economic Operators have access to the NI Courts and Tribunal Service if they wish to issue a claim against a contract modification or contract award under the Public Contracts Regulations 2015 (as amended).