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Award

Development and Live Support of the DWP Digital Children's Platform

DEPARTMENT FOR WORK AND PENSIONS

F15: Voluntary ex ante transparency notice

Notice identifier: 2021/S 000-005369

Procurement identifier (OCID): ocds-h6vhtk-029c6a

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Section I: Contracting authority/entity

I.1) Name and addresses

DEPARTMENT FOR WORK AND PENSIONS

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LONDON

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Country

United Kingdom

NUTS code

UKI - London

Internet address(es)

Main address

<https://www.gov.uk/government/organisations/department-for-work-pensions>

I.4) Type of the contracting authority

Ministry or any other national or federal authority

I.5) Main activity

Social protection

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Development and Live Support of the DWP Digital Children's Platform

II.1.2) Main CPV code

- 72000000 - IT services: consulting, software development, Internet and support

II.1.3) Type of contract

Services

II.1.4) Short description

The Child Maintenance Group (CMG) is responsible for obtaining maintenance from absent or non-resident parents and paying it to parents with care not in receipt of benefit. CMG depends on the Child Maintenance Scheme (CMS) 2012 System to deliver its services to customers.

The supplier currently provides an Application Development and Live Support service to the Department under a contract that is due to expire on 31st March 2021.

The primary purpose of the contract is to provide development and maintenance in relation to the core CMS2012 application so that it remains operational and fit for use. The CMS2012 application underpins the CMS 2012 System and enables the CMG's administration of child maintenance services. For context, 750k children are covered by 530k child maintenance service arrangements and £960m per annum in child maintenance is paid to parents with care. The CMS 2012 System also supports the processing of 6.5k applications per month by CMG through its various channels.

The services provided under the contract include the provision of delivery of products, projects and programmes, architecture strategy, product design, engineering and quality (build and test), service management and support/development/enhancement of application functionality to meet and deliver evolving business requirements.

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: £145,833,333

II.2) Description

II.2.2) Additional CPV code(s)

- 72000000 - IT services: consulting, software development, Internet and support

II.2.3) Place of performance

NUTS codes

- UKC22 - Tyneside

II.2.4) Description of the procurement

The contract was awarded as a call-off contract under the Digital Outcomes and Specialists 2 framework. It provided for a 2-year initial term from 1st October 2018 with a right for the Department to extend for a further period of up to 6 months, which was exercised in August 2020 and is currently due to expire on 31st March 2021.

This notice confirms that an extension of up to an additional 12 months to 31st March 2022 has become necessary to mitigate the high risk of disruption to the critical public services provided by CMG which are dependent on the CMS2012 application. The extension will allow for the delivery of key business and transformation initiatives to enable the Department to efficiently transition and exit from the contract.

Under the contract, the supplier provides flexible capacity and capability to support the Department by providing digital teams for the Development and Live Support of the DWP Digital Children & Families service line technology estate, primarily the Child Maintenance Scheme (CMS) 2012 System which is underpinned by the CMS2012 application. Digital teams support the delivery of outcomes for required regular releases to deploy a range of additional business and technical requirements and provide live support to the production system, within a complex multi-application, multi-supplier environment, to ensure it remains current with legislation, operational and fit for use.

In addition, the contract supports all applications in the CMG IT estate which have interfaces to various other applications used within the Department. The CMG IT estate is integrated into the critical public services provided by the Department that UK citizens rely on for the payment of their benefit and pensions. Issues with the service continuity of CMG's systems, including those supported under this contract, are likely to impact other areas of DWP service provision, for example, notifications of citizen changes of circumstance may not be fed through to other relevant services e.g. change of address.

Options considered:

Re-procurement of the service before 31 March 2021: This was not a viable option due to timing and cost. Given the impact the COVID-19 pandemic had on the delivery of CMG's services including the delivery of key business and transformation initiatives to enable the Department to efficiently transition and exit from the contract and the scale and complexity of the CMS2012 application, the Department has had to defer re-procurement of the contract. Transition to a new supplier earlier would have led to inevitable service disruption of the critical public services delivered by the Child Maintenance Scheme (CMS) 2012 System which is underpinned by the CMS2012 application resulting in significant inconvenience to the Department dealing with the impact of COVID. In addition, a change of supplier before 31 March 2021 could not have been made for technical and interoperability reasons.

Transitioning the existing service in-house: The Department currently has no capacity within its current headcount to absorb this activity owing to difficulty in recruitment of permanent resources with the correct skill set and competing demand from both public and private sector.

Furthermore, the extension provides the opportunity to safely run a new procurement, mitigating the risks of transitioning at the same time as delivering key requirements. The Department will exit the contract at the earliest opportunity subject to a new agreement being placed and allowing time for the necessary transition and exit activity to be concluded.

The variation to extend the contract will not be entered into before the end of a period of at least 10 calendar days from the day after the date of publication of this notice.

For these reasons, as explained more fully in this Notice, the Department considers the proposed extension to be justifiable under Regulation 72 of the Public Contracts Regulations 2015, namely Regulation 72(1)(b), 72(1)(c) and 72(1)(e).

II.2.11) Information about options

Options: No

Section IV. Procedure

IV.1) Description

IV.1.1) Type of procedure

Award of a contract without prior publication of a call for competition in the cases listed below

- The procurement falls outside the scope of application of the regulations

Explanation:

This extension is permissible under Regulation 72 of the Public Contracts Regulations 2015, namely Regulation 72(1)(b), 72(1)(c) and 72(1)(e).

The extension has become necessary to accommodate CMG's changing requirements brought about by the impact of COVID-19. Services provided under the contract had to be refocused on COVID-19 related priorities, for example, to accelerate the enhancement of online channels to reduce the impact of caseworker redeployment to other areas of the Department's business (such as universal credit payment) and enable home working etc. This meant that the delivery of key business and transformation initiatives to enable the Department to safely transition and exit from the contract were delayed. An extension of up to 12 months will allow for delivery of these key projects and safe exit and transition from the contract.

Technical (including interoperability) reasons prevent a change of contractor.

Significant elements of the CMG IT estate are based on tightly coupled, highly customised Commercial Off the Shelf products. Detailed functional knowledge of the customisations to support CMG's processes is required in addition to product knowledge. This functional knowledge rests with the incumbent supplier. Transferring responsibility for managing, supporting and modifying the solution to another supplier without having completed CMG's planned key business and transformation initiatives would therefore carry a high risk of disruption to service continuity, with elements that another supplier may be unable to support or replicate.

The CMG IT estate also contains applications which have interfaces to various other applications used within the Department. The CMG IT estate is integrated into the critical public services provided by the Department that UK citizens rely on for the payment of their benefits and pensions. Issues with the service continuity of CMG systems is likely to impact other areas of DWP service provision, for example notifications of citizen changes of circumstance may not be fed through to other relevant services e.g. change of address and amendments to deductions taken from benefits.

A change of contractor would cause significant inconvenience: Transition to a new supplier before 31 March 2021 would have led to inevitable service disruption of the critical public services delivered by the Child Maintenance Scheme (CMS) 2012 System which is underpinned by the CMS2012 application resulting in significant inconvenience to the Department.

Unforeseen circumstances: The Covid-19 pandemic is an event that DWP could not have foreseen. As explained above, the impact of COVID-19 resulted in the decision to extend the contract rather than re-compete during 2020 as COVID-19 delayed delivery of all CMG planned work.

No alteration in the overall nature of the contract: The variation will extend the length/increase the value of the contract but will not alter the nature of the contract.

Any increase in price does not exceed 50% of the value of the original contract: The maximum value for the extension period will be limited to £14.58m. The original published contract value was £36m, and the extension value will therefore fall within the 50% threshold.

No substantial change: Aside from length and value, there will be no changes made to the contract's terms

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

The procurement is covered by the Government Procurement Agreement: Yes

Section V. Award of contract/concession

Title

Development and Live Support of the DWP Digital Children's Platform

A contract/lot is awarded: Yes

V.2) Award of contract/concession

V.2.1) Date of conclusion of the contract

27 March 2018

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

Tata Consultancy Services Limited

18 Grosvenor Place

London

SW1X 7HS

Country

United Kingdom

NUTS code

- UKI - London

The contractor/concessionaire is an SME

No

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

Initial estimated total value of the contract/lot/concession: £14,583,333

Total value of the contract/lot/concession: £14,583,333

Section VI. Complementary information

VI.3) Additional information

The Department will be imminently publishing the relevant notices with regards the procurement to re-tender the services provided under this contract.

VI.4) Procedures for review

VI.4.1) Review body

Royal Courts of Justice

Strand

London

WC2A 2LL

Country

United Kingdom