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Contract

The Provision of Electronic Human Resource and Related ICT Services for the Northern Ireland Civil Service (e-HR programme)

CPD - Supplies and Services Division

F20: Modification notice

Notice identifier: 2021/S 000-006525

Procurement identifier (OCID): ocds-h6vhtk-02a0ee

Published 30 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

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>

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

The Provision of Electronic Human Resource and Related ICT Services for the 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.2) Description

II.2.2) Additional CPV code(s)

- 79631000 - Personnel and payroll services
- 72300000 - Data 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 at the time of conclusion of the contract:

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 Resource and related ICT Services for the Northern Ireland Civil Service (NICS) and a number of Non Departmental Public Bodies. The SPA (known as e-HR) provided an end to end fully managed solution for the provision of payroll and HR services. The system is heavily customised to align to its users' wide range of HR policies and procedures. The SPA expires on 29 March 2021.

II.2.7) Duration of the contract, framework agreement, dynamic purchasing system or concession

Duration in months

180

II.2.13) Information about European Union Funds

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

Section IV. Procedure

IV.2) Administrative information

IV.2.1) Contract award notice concerning this contract

Notice number: [2006/S 090-096126](#)

Section V. Award of contract/concession

Contract No

P17980

Title

The Provision of Electronic Human Resource and Related ICT Services for the Northern Ireland Civil Service (e-HR programme)

V.2) Award of contract/concession

V.2.1) Date of conclusion of the contract/concession award decision:

29 March 2006

V.2.2) Information about tenders

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

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

Fujitsu Services Limited

22 Baker Street

London

Email

james.taylor@fujitsu.co.uk

Country

United Kingdom

NUTS code

- UKI - LONDON

Internet address

www.fujitsu.com

The contractor/concessionaire is an SME

No

V.2.4) Information on value of the contract/lot/concession (at the time of conclusion of the contract;excluding VAT)

Total value of the procurement: £185,000,000

Section VI. Complementary information

VI.3) Additional information

For completeness the Department of Finance published a voluntary transparency notice (ref 2021/S 053-134593) to alert economic operators to the Department's intention to modify contract ref P17980. The contract modification was concluded on 29 March 2021 and will extend the contract for a maximum of 6 years (4 years with 2 annual options to extend). The estimated value of the extension is £58.2m for 4 years; £72.8m for 5 years and £86.8m for 6 years.

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

The Public Contracts Regulations 2015 (as amended) do not include a formal review mechanism. Economic operators who wish to challenge the award of a contract or a contract modification can bring a claim to the NI Courts and Tribunal Service.

Section VII: Modifications to the contract/concession

VII.1) Description of the procurement after the modifications

VII.1.1) Main CPV code

- 79631000 - Personnel and payroll services

VII.1.2) Additional CPV code(s)

- 72300000 - Data 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

VII.1.3) Place of performance

NUTS code

- UKN - NORTHERN IRELAND

VII.1.4) Description of the procurement:

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 Resource and related ICT Services for the Northern Ireland Civil Service (NICS) and a number of Non Departmental Public Bodies. The SPA (known as e-HR) provided an end to end fully managed solution for the provision of payroll and HR services. The contract expires on 29 March 2021.

VII.1.5) Duration of the contract, framework agreement, dynamic purchasing system or concession

Duration in months

252

VII.1.6) Information on value of the contract/lot/concession (excluding VAT)

Total value of the contract/lot/concession:

£185,000,000

VII.1.7) Name and address of the contractor/concessionaire

Fujitsu Services Limited

22 Baker Street

London

Email

james.taylor@fujitsu.co.uk

Country

United Kingdom

NUTS code

- UKI - LONDON

Internet address

www.fujitsu.com

The contractor/concessionaire is an SME

No

VII.2) Information about modifications

VII.2.1) Description of the modifications

Nature and extent of the modifications (with indication of possible earlier changes to the contract):

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.

VII.2.2) Reasons for modification

Need for additional works, services or supplies by the original contractor/concessionaire.

Description of the economic or technical reasons and the inconvenience or duplication of cost preventing a change of contractor:

The eHR Strategic Partnership Agreement (SPA) is a fully managed contract for the provision of payroll & HR systems and services. It has become necessary to maintain the current system and services beyond the contract's expiry date (i.e 29 March 2021). As such DoF has modified the contract with effect from 29 March 2021 in accordance with Regulation 72(1)(b) for the following reasons: i) the existing Contractor provides a fully managed service for a broad and complex range of payroll, HR and related ICT services (including, without limitation, on-going management, operation and maintenance support), underpinned by computer hardware, software and associated products; ii) the Oracle solution has been heavily customised to align with the NICS HR policies and procedures and the current contractor has acquired the necessary intellectual property and know how to maintain and develop the system; iii) a change of contractor for this 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 will cause substantial duplication of costs and significant inconvenience to the contracting authority and a potential disruption to public services

VII.2.3) Increase in price

Updated total contract value before the modifications (taking into account possible earlier contract modifications, price adaptations and average inflation)

Value excluding VAT: £215,800,000

Total contract value after the modifications

Value excluding VAT: £302,600,000