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Contract

ISFE Extension During re-Procurement

NHS England

F20: Modification notice
Notice identifier: 2021/S 000-008081
Procurement identifier (OCID): ocds-h6vhtk-02a702
Published 16 April 2021, 3:04pm

Section I: Contracting authority/entity

I.1) Name and addresses

NHS England

Quarry House

Leeds

LS2 7UE

Contact

anita.pannu@nhs.net

Email

anita.pannu@nhs.net

Country

United Kingdom

NUTS code

UKE - Yorkshire and the Humber

Internet address(es)

Main address

https://www.england.nhs.uk//

Buyer's address

https://www.england.nhs.uk//

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

ISFE Extension During re-Procurement

Reference number

BC-09198

II.1.2) Main CPV code

- 75100000 - Administration services

II.1.3) Type of contract

Services

II.2) Description

II.2.2) Additional CPV code(s)

- 72212440 - Financial analysis and accounting software development services
- 66172000 - Financial transaction processing and clearing-house services
- 48440000 - Financial analysis and accounting software package
- 48812000 - Financial information systems
- 72250000 - System and support services

- 48441000 - Financial analysis software package
- 72232000 - Development of transaction processing and custom software
- 48812000 - Financial information systems
- 79210000 - Accounting and auditing services
- 79211000 - Accounting services
- 79211120 - Sales and purchases recording services
- 79211200 - Compilation of financial statements services
- 79994000 - Contract administration services
- 79222000 - Tax-return preparation services
- 79999200 - Invoicing services

II.2.3) Place of performance

NUTS codes

- UKH - East of England

Main site or place of performance

Leeds

II.2.4) Description of the procurement at the time of conclusion of the contract:

ISFE is a service currently provided through NHS SBS, which is a joint venture between Department of Health & Social Care (DHSC) and Sopra Steria. ISFE enables NHS England to prepare consolidated accounts.The service is mandated across the NHS England group and NHS Improvement, and is wholly funded by NHS England and NHS Improvement. Users of the current service are commissioners (CCGs, Regions), national teams and CSUs. NHS England & Improvement is currently preparing the tender documentation for a replacement Integrated Financial System but the project is large and complex. During the planning stages for the re-procurement it was identified that short term uncertainties regarding Group structure posed significant challenge to finalising a tender specification. The outbreak of the Covid-19 pandemic has also meant that the project team and other key colleagues have had to focus their resource on keeping critical business processes running and work on the procurement of the new contract has inevitably been delayed.The provision of the ISFE platform and services is business critical, delivering key functionalities to all NHS England group organisations and NHS Improvement. An extension to the existing agreement has therefore been from 1st April 2021 to the 31st March 2024 agreed to allow sufficient time for a robust governance and

procurement process and provide enough time for design and implementation.The current timeline assumes that the tender for the replacement ISFE system will go live toward July of 2021 with further engagement with suppliers expected in advance of this to finalise the requirements and tender approach.

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

Start date

1 April 2013

End date

31 March 2021

In the case of framework agreements, provide justification for any duration exceeding 4 years

The ISFE re-procurement project is a large and complex project which will deliver a replacement for the current service. During the planning stages for the reprocurement it was identified that short term uncertainties regarding Group structure posed significant challenge to finalising a tender specification during 2019 with a review to implementing a replacement service by April 2021. The outbreak of the Covid-19 pandemic has meant that the project team and other key colleagues have had to focus their resource on keeping critical business processes running and work on the procurement of the new contract has inevitably been delayed.The extension allows enough time for a robust governance and procurement process and provides enough time for design and implementation.

II.2.13) Information about European Union Funds

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

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Section IV. Procedure

IV.2) Administrative information

IV.2.1) Contract award notice concerning this contract

Notice number: 2018/S 232-530176

Section V. Award of contract/concession

Contract No

1

Title

Integrated Single Financial Environment

V.2) Award of contract/concession

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

1 April 2021

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

NHS Shared Business Services Ltd

Three, Cherry Trees Lane, Hemel Hempstead, Hertfordshire

Hemel Hempstead

HP2 7AH

Country

United Kingdom

NUTS code

- UKE - Yorkshire and the Humber

National registration number

05280446

Internet address

https://www.sbs.nhs.uk/

The contractor/concessionaire is an SME

Yes

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: £59,200,000

Section VI. Complementary information

VI.3) Additional information

Regulation 72 (1) (b) allows modifications to accommodate additional works, services or supplies by the original contractor, which have become necessary but were not included in the initial procurement, where a change of contractor cannot be made for economic or technical reasons and would cause significant inconvenience and substantial duplication of costs for the contracting authority and any increase in price also does not exceed 50% of the value of the original contract.As outlined within this notice NHS England & Improvement there are a number of reasons why a new procurement process has not been possible until now, including the national pandemic which has diverted resources. Clearly a new procurement process is needed but requires sufficient time to plan for the next contract, run a new compliant procurement and then, once a new supplier is awarded the new contract, time to transition and implement the replacement contract. The new ISFE re-procurement project is a large and complex project which we expect will deliver a transformed service when compared to the current service. A change of contractor at this stage would cause significant inconvenience and have substantial duplication of cost implications as in order to compliantly replace the contractor now would require two concurrent procurement processes to be run for the same service. It would therefore be both impractical and uneconomic. The total value of this modification does not exceed 50% of the original contract value.

VI.4) Procedures for review

VI.4.1) Review body

NHS England

Skipton House, 80 London Road

London

SE1 6LH

Email

test@testmail.com

Country

United Kingdom

Internet address

https://www.test.com

VI.4.2) Body responsible for mediation procedures

NHS England

Quarry House

Leeds

LS2 7UE

Country

United Kingdom

Internet address

https://www.england.nhs.uk//

VI.4.4) Service from which information about the review procedure may be obtained

NHS England

Quarry House

Leeds

LS2 7UE

Country

United Kingdom

Internet address

https://www.england.nhs.uk//

Section VII: Modifications to the contract/concession

VII.1) Description of the procurement after the modifications

VII.1.1) Main CPV code

- 75100000 - Administration services

VII.1.3) Place of performance

NUTS code

- UK - United Kingdom

Main site or place of performance

UKE

VII.1.4) Description of the procurement:

ISFE is a service currently provided through NHS SBS, which is a joint venture between Department of Health & Social Care (DHSC) and Sopra Steria. ISFE enables NHS England to prepare consolidated accounts.The service is mandated across the NHS England group and NHS Improvement, and is wholly funded by NHS England and NHS Improvement. Users of the current service are commissioners (CCGs, Regions), national teams and CSUs. As part of the service NHS SBS provide a “back office” function which facilitates the handling of transactions through a workflow management process and provide daily and monthly reconciliations to the group.ISFE is a national service that is used to manage the financial requirements of the NHS England Group and NHS Improvement. The service includes a reporting package known as Business Intelligence in addition to the core modules and is used by commissioning bodies to administer their financial key management and statutory obligations.

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

Start date

1 April 2021

End date

31 March 2023

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

Total value of the contract/lot/concession:

£185,700,000

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

NHS Shared Business Services Ltd

Three, Cherry Trees Lane, Hemel Hempstead, Hertfordshire

Hemel Hempstead

HP2 7AH

Country

United Kingdom

NUTS code

- UKE - Yorkshire and the Humber

National registration number

05280446

Internet address

https://www.sbs.nhs.uk/

The contractor/concessionaire is an SME

Yes

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 contract term will be extended from 01/04/2021 to 31/03/2024 at an additional cost of £59.2 million. There is no significant change to the overall scope or the services proposed under this modification.

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:

Regulation 72 (1) (b) allows modifications to accommodate additional works, services or supplies by the original contractor, which have become necessary but were not included in the initial procurement, where a change of contractor cannot be made for economic or technical reasons and would cause significant inconvenience and substantial duplication of costs for the contracting authority and any increase in price also does not exceed 50% of the value of the original contract.As outlined within this notice there are a number of reasons why a new procurement process has not been possible until now, including the national pandemic which has diverted resources. Clearly a new procurement process is needed but requires sufficient time to plan for the next contract, run a new compliant procurement and then, once a new supplier is awarded the new contract, time to transition and implement the replacement contract. See VI.3.0.1 Additional information for further information.

VII.2.3) Increase in price

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

Value excluding VAT: £126,500,000

Total contract value after the modifications

Value excluding VAT: £185,700,000