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Contract

IMS3 Contract for the Provision of Information Management Services

Department of Health and Social Care

F20: Modification notice

Notice identifier: 2023/S 000-009107

Procurement identifier (OCID): ocds-h6vhtk-03b6ee

Published 29 March 2023, 11:29am

Section I: Contracting authority/entity

I.1) Name and addresses

Department of Health and Social Care

39 Victoria Street

London

SW1H 0EU

Contact

Sachin Joshi

Email

sachin.joshi@dhsc.gov.uk

Telephone

+44 2079721622

Country

United Kingdom

NUTS code

UKI32 - Westminster

Internet address(es)

Main address

<https://www.gov.uk/government/organisations/department-of-health-and-social-care>

Buyer's address

<https://www.gov.uk/government/organisations/department-of-health-and-social-care>

Section II: Object**II.1) Scope of the procurement****II.1.1) Title**

IMS3 Contract for the Provision of Information Management Services

Reference number

DH_58131 / C0430

II.1.2) Main CPV code

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

II.1.3) Type of contract

Services

II.2) Description**II.2.3) Place of performance**

NUTS codes

- UKI32 - Westminster

Main site or place of performance

39 Victoria Street, Westminster, London, SW1H 0EU

This contract also services DHSC office locations across England.

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

Change Control Note (CCN 0067):

The Department of Health and Social Care ("DHSC")(or the Department of Health as it was then known) intends to extend, for the purposes of supporting orderly transition and termination, its IMS3 contract with Atos IT Services UK Ltd entered into on 16 January 2012 (the "Contract"). DHSC entered into a the Contract following a further competition procedure under NHS Connecting for Health's Additional Supply Capability and Capacity Framework.

The Contract is for the provision of bundled IT services to DHSC as customer and other NHS bodies. Services include service management; service integration; security; sustainability; infrastructure support and enhancements; hosting; connectivity; end user tools; enterprise content management; collaboration; video conferencing; remote flexible working; telephony; print services; user access management and access devices; end user support; training and education; procurement; project services; applications enhancements, maintenance and support; business change; business intelligence; design authority; service improvement and innovation.

The Contract was originally let as a seven-year arrangement comprising a five-year initial term and two-year optional extension period. In June 2017, DHSC availed itself of the optional extension right and extended the contract for a period of 2 years. A further 2 year extension was negotiated taking the contract end date to 30 April 2022.

The Department has undergone a procurement exercise to replace this service (with the new Contract known as IMS4) and as a contingency extended the IMS3 agreement by 9 months for the purposes of orderly transition and exit.

The original value of the contract was £76,000,000.00 GBP for the 5-year initial term and an additional £30,300, 000.00 GBP for the first 2-year optional extension.

The 2nd extension period of 2-years was an additional £30,000,000.00 GBP.

This notice relates to the 3rd extension of IMS3, and is for 9 months up to 31/01/2023, at a value of £5,400,000 GBP.

This modification notice is being published retrospectively, having been inadvertently not published previously, due to an IT systems error. We are publishing the notice now to correct that error.

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

Start date

16 January 2012

End date

31 January 2023

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

The Department has undertaken a procurement exercise to replace this service (with IMS4) and as a contingency is now extending the agreement by 9 months for the purposes of orderly transition and exit.

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: [2019/S 162-399336](#)

Section V. Award of contract/concession

Contract No

DH_58131 / C0430

Title

IMS3 Contract for the Provision of Information Management Services

V.2) Award of contract/concession

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

16 January 2012

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

ATOS IT SERVICES UK LIMITED

Second Floor, Mid City Place, 71 High Holborn, London, WC1V 6EA

London

WC1V 6EA

Telephone

+44 7733315094

Country

United Kingdom

NUTS code

- UK - United Kingdom

National registration number

01245534

Internet address

<http://atos.net>

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: £141,700,000

Section VI. Complementary information

VI.3) Additional information

- (i) Whilst the transition to the new supplier is feasible under the IMS3 Contract term as extended to 30 April 2022, there is a risk that it may not be complete in time due to approvals needed for the new service taking longer than expected, the scale of service being provided due to reorganisations of ALBs and test and trace as well as other current consuming organisations transition plans taking longer than expected. As well as;
- (ii) The level of technical transformation and remediation required of the services under the contract in order to transition to the new provider is not feasible within the current term.
- (iii) A change of supplier cannot be made from Atos to another supplier prior to the previous expiry date for both technical and economic reasons. This is due to the nature and complexity of the current IMS3 IT infrastructure and estate, the necessary transitional activities and the significant service disruption and cost that will arise in the event of a premature transition. For example, it is not possible to migrate data such as unstructured files without Atos' support and knowledge of the IMS3 data-center infrastructure and configuration, because Atos' support and knowledge is needed to ensure access is made available and legacy identities are matched to new cloud identities;
- (iv) a change of supplier to migrate to an interim supplier from Atos and then to the IMS4 supplier would cause significant inconvenience or substantial duplication of costs for the DHSC and the UK Government as a whole. Among the anticipated complications are: costs related to transition periods; exit costs; termination assistance costs; procurement costs; further stranded costs for which DHSC would retain liability; TUPE costs and pension

liabilities; costs in recreating data in the event of data loss in migration; and knowledge transfer costs particularly around a number of Atos built assets and other systems which cannot be transitioned safely (either to an interim supplier or a TOM supplier) without a detailed and expensive handover; and

(v) As set out above, DHSC considers the intended further extension to be necessary for both technical and economic reasons; a change of supplier would cause significant inconvenience or substantial duplication of costs for the DHSC and the UK Government as a whole; and the price to be paid during the further 9-month extension will not exceed 50% of the value of the original Contract and therefore this modification is permitted under Regulation 72(1)(b) of the PCR 2015:

VI.4) Procedures for review

VI.4.1) Review body

The High Court

Strand

London

WC2A 2LL

Email

generaloffice@administrativecourtoffice.justice.gov.uk

Country

United Kingdom

Internet address

<https://www.gov.uk/courts-tribunals>

VI.4.2) Body responsible for mediation procedures

High Court

39 Victoria Street

London

SW1H 0EU

Country

United Kingdom

Internet address

<https://www.gov.uk/government/organisations/department-of-health-and-social-care>

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

High Court

39 Victoria Street

London

SW1H 0EU

Country

United Kingdom

Internet address

<https://www.gov.uk/government/organisations/department-of-health-and-social-care>

Section VII: Modifications to the contract/concession

VII.1) Description of the procurement after the modifications

VII.1.1) Main CPV code

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

VII.1.3) Place of performance

NUTS code

- UKI32 - Westminster

Main site or place of performance

39 Victoria Street, Westminster, London, SW1H 0EU This contract also services DHSC office locations across England.

VII.1.4) Description of the procurement:

In February 2021, DHSC launched a competitive procedure with negotiation procurement exercise for a replacement provider of the IMS3 service. This exercise is on track and DHSC expect to award the Contract within expected timescales (with the assumption that the negotiation phase is not invoked). Whilst the transition to the new supplier is feasible under the IMS3 Contract term there remain risks that it may not be complete in this timeframe which would impact on service continuity and cause significant disruption for the authority.

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

Start date

16 January 2012

End date

31 January 2023

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

This contract will be superseded by IMS4, which is being formally tendered. There is a requirement to extend the IMS3 contract to cover the tendering and contract award timetable.

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

Total value of the contract/lot/concession:

£141,700,000

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

ATOS IT SERVICES UK LIMITED

Second Floor, Mid City Place, 71 High Holborn, London, WC1V 6EA

London

WC1V 6EA

Telephone

+44 7733315094

Country

United Kingdom

NUTS code

- UK - United Kingdom

National registration number

01245534

Internet address

<http://atos.net>

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):

Modification Notice 2:

The contract has been modified as follows:

- the contract period has been extended. The modification extends the contract by 9 months. The new expiry date is 31.01.2023.
- the service lines and assets under the contract will become a 'legacy' service tower and the 'legacy' service tower will diminish over time, aligned to the end of the contract.
- other minor and incidental technical changes to the contract required as part of this

extension. These changes include: amendments of relevant timings to ensure that they reflect operational realities; exit and services transfer arrangements to reflect the requirements of the current situation and reducing the amount of time required for termination of certain service towers; reviewing obligations to upkeep certain software; and termination assistance.

The increase in value of £5 400 000.00 GBP from £136 300 000.00 GBP to £141 700 000.00 GBP is made up of the continuation of services during the extended contract period.

VII.2.2) Reasons for modification

Need for modification brought about by circumstances which a diligent contracting authority/entity could not foresee.

Description of the circumstances which rendered the modification necessary and explanation of the unforeseen nature of these circumstances:

The Department is undergoing a procurement exercise to replace this service and as a contingency is now extending the agreement by 9 months for the purposes of orderly transition and exit.

For further information please refer to the Additional Information Section within this notice.

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: £136,300,000

Total contract value after the modifications

Value excluding VAT: £141,700,000