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Award

Application Maintenance and Support Services

The Secretary of State for Justice

F15: Voluntary ex ante transparency notice

Notice identifier: 2023/S 000-023462

Procurement identifier (OCID): ocds-h6vhtk-03eed0

Published 10 August 2023, 4:18pm

Section I: Contracting authority/entity

I.1) Name and addresses

The Secretary of State for Justice

102 Petty France

LONDON

SW1H 9AJ

Contact

Jonathan Bowdery

Email

luise.moedinger@justice.gov.uk

Telephone

+44 2033343555

Country

United Kingdom

Region code

UKI - London

Justification for not providing organisation identifier

Not on any register

Internet address(es)

Main address

www.justice.gov.uk

I.4) Type of the contracting authority

Ministry or any other national or federal authority

I.5) Main activity

General public services

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Application Maintenance and Support Services

Reference number

prj_9906

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

Contract for the supply of application maintenance and support services.

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: £60,340,000

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

- UK - United Kingdom

Main site or place of performance

Nationally, to include MoJ headquarters, HM Courts & tribunals

II.2.4) Description of the procurement

To provide:

- i) application maintenance and support for ~35 business-critical applications the majority of which are used by HM Courts and Tribunal Service; and
- ii) potential application development and enhancement services, as and when required. The applications vary in size, complexity, component technologies, user numbers, interfaces with other applications, security requirements, service and support hours, business criticality and hosting arrangements. Most of the applications are classed as "heritage applications" due to their age. Many are business critical case management or case progression systems used by the courts and are typically complex and bespoke. Applications may be removed from scope as they are retired or replaced under new supplier arrangements.

II.2.11) Information about options

Options: No

II.2.14) Additional information

The initial term of the contract is for 12 months with an option to extend for a further period of 12 months. The contract enables the authority to terminate services at its convenience and partially and it is envisaged that a number of applications will be removed from scope over the term as they are retired/replaced and as in-house software delivery capability is developed. The authority intends to commence a competitive procurement process for the maintenance/support of the remaining applications during the initial term.

The estimated maximum contract value for this contract (£60,340,000 GBP) is based on estimated service charges of £31,200,000 GBP with the remaining value discretionary spend on potential project work, and assumes the option to extend the term is exercised. The project work is optional and is not guaranteed, the extension may not be necessary, and applications may be removed from scope over the term, so the actual cost of this contract may be lower than the estimated maximum contract value.

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:

The authority relies on Regulation 32(2)(b)(ii) (Use of negotiated procedure without prior publication) of the Public Contracts Regulations 2015 namely: the services can only be provided by a particular economic operator, the incumbent supplier (CGI IT UK Limited), who has been providing the services forming the subject matter of this contract under a contract with the authority for the last 8 years three months which is due to expire on 31.08.23, because competition is absent for technical reasons, and no reasonable alternative substitute exists and the absence of competition is not the result of an artificial narrowing down of the parameters of the procurement for the following reasons.

(a) no other supplier has the necessary technical knowledge and experience to provide the services, because

i) most of the applications are bespoke and 'heritage applications' with many over 18 years old. The heritage applications are difficult to maintain because of their age and complexity and the extent to which they have been changed over the years and require very specialist technical knowledge and experience, e.g. skills/experience in using aged programming languages such as Fortran, COBOL, Pascal and C. The number of people with the skills, knowledge and experience to maintain and/or enhance them is limited outside CGI, which has developed significant knowledge and experience of how the applications were built and developed and how they operate and interface with each other; and

ii) delivering the services relies on non-live development and test environments, and management access to the live environments, both to provide ongoing support and to undertake application development/enhancement. For a replacement supplier to provide the services, they would need access to the same/equivalent existing non-live development and test environments. To build and implement equivalent development and test environments would take around 12 months and be challenging, expensive and risky without the necessary application knowledge/experience. A replacement supplier would additionally need to establish infrastructure, connectivity and processes to allow secure management access to the live environments, e.g. to investigate maintenance issues or

for boarding purposes i.e. to deploy new applications/code.

(b) even if it was theoretically possible that another supplier(s) did have the necessary technical knowledge/experience, which the authority does not consider to be the case, it is estimated to take a minimum of 18-24 months for a procurement to be run and any replacement supplier(s) to be able to deliver the services (6 to 12 months to run a competition to award to another supplier depending on the route/process and around 12 months to transition) whereas the services are required from 01.09.2023.

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

The procurement is covered by the Government Procurement Agreement: No

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

2 August 2023

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

CGI UK Ltd

20 Fenchurch Street, 14th Floor

London

EC3M 3BY

Email

enquiry.uk@cgi.com

Country

United Kingdom

NUTS code

- UK - United Kingdom

Justification for not providing organisation identifier

Not on any register

Internet address

<https://www.cgi.com/uk/en-gb>

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: £60,340,000

Total value of the contract/lot/concession: £60,340,000

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: 15 %

Short description of the part of the contract to be subcontracted

Support and/or optional development services for some of the applications.

Section VI. Complementary information

VI.3) Additional information

The authority relies on Regulation 32(2)(b)(ii) (Use of negotiated procedure without prior publication) of the Public Contracts Regulations 2015 namely: the services can only be provided by a particular economic operator, the incumbent supplier (CGI IT UK Limited), who has been providing the services forming the subject matter of this contract under a contract with the authority for the last 8 years three months which is due to expire on 31.08.23, because competition is absent for technical reasons, and no reasonable alternative substitute exists and the absence of competition is not the result of an artificial narrowing down of the parameters of the procurement for the following reasons.

(a) no other supplier has the necessary technical knowledge and experience to provide the services, because:

i) most of the applications are bespoke and 'heritage applications' with many over 18 years old. The heritage applications are difficult to maintain because of their age and complexity and the extent to which they have been changed over the years and require very specialist technical knowledge and experience, e.g. skills/experience in using aged programming languages such as Fortran, COBOL, Pascal and C. The number of people with the skills, knowledge and experience to maintain and/or enhance them is limited outside CGI, which has developed significant knowledge and experience of how the applications were built and developed and how they operate and interface with each other; and

ii) delivering the services relies on non-live development and test environments, and management access to the live environments, both to provide ongoing support and to undertake application development/enhancement. For a replacement supplier to provide the services, they would need access to the same/equivalent existing non-live development and test environments. To build and implement equivalent development and test environments would take around 12 months and be challenging, expensive and risky without the necessary application knowledge/experience. A replacement supplier would additionally need to establish infrastructure, connectivity and processes to allow secure management access to the live environments, e.g. to investigate maintenance issues or for boarding purposes i.e. to deploy new applications/code.

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VI.4) Procedures for review

VI.4.1) Review body

High Court

Royal Courts of Justice, Strand

London

WC2A 2LL

Country

United Kingdom

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

High Court

Royal Courts of Justice, Strand

London

WC2A 2LL

Country

United Kingdom