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## **Defence Contract Analysis and Reporting System (DefCARS) contract modification**

SINGLE SOURCE REGULATIONS OFFICE

F15: Voluntary ex ante transparency notice

Notice identifier: 2024/S 000-025751

Procurement identifier (OCID): ocids-h6vhtk-048abe

Published 14 August 2024, 10:55am

### **Section I: Contracting authority/entity**

#### **I.1) Name and addresses**

SINGLE SOURCE REGULATIONS OFFICE

G51/G52, 100 parliament Street

London

SW1A2BQ

#### **Contact**

Single Source Regulations Office

#### **Email**

[procurement@ssro.gov.uk](mailto:procurement@ssro.gov.uk)

#### **Fax**

+44 2037714774

#### **Country**

United Kingdom

**Region code**

UKI31 - Camden and City of London

**Justification for not providing organisation identifier**

Not on any register

**Internet address(es)**

Main address

[www.ssro.gov.uk](http://www.ssro.gov.uk)

**I.4) Type of the contracting authority**

Other type

NDPB

**I.5) Main activity**

Other activity

Regulator

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## **Section II: Object**

### **II.1) Scope of the procurement**

#### **II.1.1) Title**

Defence Contract Analysis and Reporting System (DefCARS) contract modification

Reference number

SSRO-C-107

#### **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**

Description

This VEAT notice explains the SSRO's intention to increase the maximum value of its contract dated 10 January 2022 with Risual Limited (the "Contract") for the design, build, migration, support, and development of the SSRO's Defence Contract Analysis and Reporting System (DefCARS) by 50% to £1,275,000 (exc. VAT). The original value of the Contract was £850,000 (exc. VAT). The SSRO intends to observe a voluntary standstill period of 10 days and will not conclude the Contract amendment before midnight on 27 August 2024 which is 10 clear calendar days following day of publication on 14 August 2024. No other amendments will be made to the Contract.

#### **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: £1,275,000

### **II.2) Description**

#### **II.2.3) Place of performance**

NUTS codes

- UKI31 - Camden and City of London

## **II.2.4) Description of the procurement**

### Legal justification

The SSRO considers that the modification described in this VEAT notice is permitted under Regulations 72(1)(b) and 72(1)(c) of the Public Contracts Regulations 2015, which permit the modification of contracts without a new procurement procedure in the following circumstances:

72(1)(b): for additional works, services or supplies by the original contractor that have become necessary and were not included in the initial procurement, where a change of contractor -

(i) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, services or installations procured under the initial procurement, and

(ii) would cause significant inconvenience or substantial duplication of costs for the contracting authority, provided that any increase in price does not exceed 50% of the value of the original contract.

72(1)(c): where all of the following conditions are fulfilled -

(i) the need for modification has been brought about by circumstances which a diligent contracting authority could not have foreseen;

(ii) the modification does not alter the overall nature of the contract; and

(iii) any increase in price does not exceed 50% of the value of the original contract or framework agreement.

DefCARS is the SSRO's online, web-enabled system into which contractors with Qualifying Defence Contracts are required to input prescribed information pursuant to obligations imposed on them by the Defence Reform Act 2014 and the Single Source Contract Regulations 2014.

On 1 April 2024, the prescribed information required to be reported into DefCARS by Qualifying Defence Contractors was significantly augmented as a result of Schedule 10 of the Procurement Act 2023 and the Single Source Contract (Amendment) Regulations 2024 coming into force. While some changes to the legislation had been anticipated by the SSRO at the time of the initial procurement of the Contract in 2021, the extent of the changes was unknown and the magnitude of the changes (which were entirely outside of

the SSRO's control) could not have been reasonably foreseen. The value of the Contract, which had been set based on anticipated system developments on a much smaller scale, is therefore insufficient to cover the developments which are now required to be made to DefCARS in order to ensure alignment with the new statutory reporting requirements. An increase in the Contract value by 50% is therefore necessary to accommodate these development services. The overall nature of the Contract remains unchanged.

Additionally, the SSRO considers that the following factors prevent a change of, or an additional, contractor to undertake these development services (and, in any event, would cause the following significant inconvenience and substantial duplication of costs):

- Engaging another supplier would result in a duplication and overlapping of costs associated with onboarding, which would involve significant training and familiarisation.
- Having two suppliers for the DevOps of DefCARS would increase complexity and require significant management overhead in relation to coordination and communication for which there is no capacity.
- A new supplier, when one is already delivering the services, raises significant concern regarding attributing responsibility for technical issues such as incident and bugs. It would then not be possible, for example, to determine which supplier is responsible for resolving future issues. This may also render professional indemnity insurance policies ineffective.
- The incumbent supplier has significant knowledge of the SSRO's bespoke code that relates to the WebApp, which has been developed over the last 30 months. It would not be possible for a new supplier to get up to speed with the code base to start delivering the additional development services without causing delays to implementing the changes arising from the new legislation which are a priority.
- Granting a new supplier access to the SSRO's Azure environment, including admin privileges, raises significant security challenges, such as the need to establish new access controls and rebuild security configurations.

The SSRO is in the initial stages of preparing to conduct a new procurement exercise for a replacement contract beyond 9 January 2026, when the Contract to which this VEAT notice relates expires. It intends to undertake early market engagement later in 2024.

### **II.2.11) Information about options**

Options: No

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## **Section IV. Procedure**

### **IV.1) Description**

#### **IV.1.1) Type of procedure**

Negotiated without a prior call for competition

- Additional deliveries by the original supplier

Explanation:

Please refer to the Legal Justification in section II.2.4) Description of the procurement.

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

The procurement is covered by the Government Procurement Agreement: Yes

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## **Section V. Award of contract/concession**

### **Contract No**

SSRO-C-107

### **Title**

Defence Contract Analysis and Reporting System (DefCARS) contract modification

A contract/lot is awarded: Yes

### **V.2) Award of contract/concession**

#### **V.2.1) Date of conclusion of the contract**

10 January 2022

#### **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**

Risual Limited

Risual House, Parker Court, Staffordshire Technology Park, Beaconside

Stafford, Staffordshire

ST18 0WP

Country

United Kingdom

NUTS code

- UKG2 - Shropshire and Staffordshire

Companies House

05431646

Internet address

<https://www.risual.com>

The contractor/concessionaire is an SME

Yes

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

Initial estimated total value of the contract/lot/concession: £1,275,000

Total value of the contract/lot/concession: £1,275,000

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## **Section VI. Complementary information**

### **VI.4) Procedures for review**

#### **VI.4.1) Review body**

Leave Blank

Leave Blank

Country

United Kingdom

#### **VI.4.3) Review procedure**

Precise information on deadline(s) for review procedures

Review procedures are as set out in the Public Contracts Regulations 2015. Proceedings under those Regulations are time limited, and any such proceedings must be brought in the High Court of England and Wales.