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Contract

Trader Support Service

H M Revenue & Customs

F20: Modification notice

Notice identifier: 2024/S 000-029510

Procurement identifier (OCID): ocds-h6vhtk-049b0e

Published 16 September 2024, 10:00am

Section I: Contracting authority/entity

I.1) Name and addresses

H M Revenue & Customs

100 PARLIAMENT STREET

LONDON

SW1A2BQ

Email

e.procurement@hmrc.gov.uk

Country

United Kingdom

Region code

UK - United Kingdom

Justification for not providing organisation identifier

Not on any register

Internet address(es)

Main address

<https://www.gov.uk/government/organisations/hm-revenue-customs/about/procurement>

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Trader Support Service

II.1.2) Main CPV code

- 79400000 - Business and management consultancy and related services

II.1.3) Type of contract

Services

II.2) Description

II.2.3) Place of performance

NUTS codes

- UK - United Kingdom

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

The Trader Support Service:

- provides a free end-to-end support package to manage customs declarations on behalf of traders;
- educates businesses on what the Northern Ireland Protocol, subsequently replaced by the

Windsor Framework, means for them, and the steps they need to take to comply with it. This includes online training sessions and webinars;

- is available to businesses moving goods into Northern Ireland under processes in the Northern Ireland Protocol that started from 1 January 2021 and the subsequent arrangements under the Windsor Framework.

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

End date

31 December 2024

Section IV. Procedure

IV.2) Administrative information

IV.2.1) Contract award notice concerning this contract

Notice number: [2020/S 147-362121](#)

Section V. Award of contract/concession

Contract No

Doc461267853

V.2) Award of contract/concession

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

18 December 2020

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

Lovelace Road

Bracknell

RG12 8SN

Country

United Kingdom

NUTS code

- UK - United Kingdom

Companies House

00096056

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: £241,000,000

Section VI. Complementary information

VI.4) Procedures for review

VI.4.1) Review body

HMRC

London

Country

United Kingdom

Section VII: Modifications to the contract/concession

VII.1) Description of the procurement after the modifications

VII.1.1) Main CPV code

- 79400000 - Business and management consultancy and related services

VII.1.3) Place of performance

NUTS code

- UK - United Kingdom

VII.1.4) Description of the procurement:

Continuation of the Trader Support Service for a further twelve (12) months.

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

Duration in months

12

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

Total value of the contract/lot/concession:

£241,000,000

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

Fujitsu Services Limited

Lovelace Road

Bracknell

RG12 8SN

Country

United Kingdom

NUTS code

- UK - United Kingdom

Companies House

00096056

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 Trader Support Service ("TSS") contract was awarded in 2020 for the period running from January 2020 to 31 December 2022. It contained options to extend for up to two more years. The contract was extended from 1 January 2023 to 31 December 2023 and then again from 1 January 2024 to 31 December 2024.

This modification notice is to extend the TSS contract for a further 12 months, from 1 January 2025 to 31 December 2025.

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:

Since the TSS contract was awarded in 2020, new arrangements were agreed to be implemented under the Windsor Framework agreement. This was first discussed in "Windsor Framework: A new way forward" policy paper, published on 27 February 2023.

In order to continue to support traders as the new Windsor Framework arrangements are implemented, and to ensure a period of stabilisation, HMRC has extended the TSS contract for a further 12 months. The intention is to run a procurement process in the coming months

for future delivery of the service after 2025.

There is a strong public interest in maintaining a consistent and high-quality service, as TSS is critical to ensuring ongoing support for traders moving goods between Great Britain and Northern Ireland and avoiding any disruption of trade that might otherwise occur.

HMRC believes that an extension of the TSS contract for a further 12-month period complies with Regulation 72(1)(b) of the Public Contract Regulation 2015 for the following reasons:

1. The extension is for services that have become necessary and were not included in the initial procurement. The Windsor Framework was agreed after the initial procurement of the TSS contract and therefore the longevity of the service was not known at the time of the procurement. The extension allows for TSS to continue to deliver support to traders beyond the initial period, but with adjustments to take account of Windsor Framework requirements.

2. HMRC has concluded as follows that there are technical and economic reasons why it is impossible to change to a new contractor at the present time, and why a change of contractor would cause significant inconvenience and/ or duplication of costs:

a. Windsor Framework implementation requires highly specialised expertise on the arrangements for moving goods between Great Britain and Northern Ireland. The existing TSS contractor and delivery consortium possess such expertise and experience and without this knowledge and awareness it is believed there could be a risk to service quality. Exiting the current TSS contract on 31 December 2024 would risk key contractor staff being unavailable to implement and stabilise Windsor Framework changes. To secure availability of such staff, there is a risk of HMRC needing to pay additional costs whilst funding a transition to a new service and a re-procurement (a duplication of costs).

b. Transferring the services to a different contractor before Windsor Framework changes have stabilised would risk disrupting service delivery, especially the reliability and continuity of the service as any new contractor would need to complete the transition at the same time as TSS is being updated to reflect the requirements for Windsor Framework. Support from the current contractor will continue to be required for some time following the Windsor Framework implementation to ensure a stabilised service and finish off any outstanding requirements. This would be challenging for a new contractor to achieve because of the complex nature of the service. Any disruption to the Trader Support Service's ability to support traders could impact the flow of trade between Great Britain and Northern Ireland.

c. Work to define the detail of how the Windsor Framework is to be implemented has been an iterative process involving a range of HMRC and external stakeholders. This work is ongoing and will continue into the later stages of 2024 and will inform a final set of requirements for any future Trader Support Service. If HMRC did not extend the contract, it would need to procure a 'like-for-like' service, rather than procuring an adapted service which is better suited to future Windsor Framework requirements and more likely to achieve value-for-

money.

3. As the values reflected in this modification notice show, the increase in price does not exceed 50% of the value of the original contract.

In summary, a change of supplier cannot be made for technical and economic reasons and would cause significant inconvenience and duplication of costs for HMRC, risking key support to traders whilst they familiarise themselves with the Windsor Framework. A contract extension until 31 December 2025 is compliant with Regulation 72(1)(b) PCR and has the additional benefit of providing HMRC with greater capacity to run a transparent and competitive procurement process for future delivery of TSS after the extension period ends.

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: £442,800,000

Total contract value after the modifications

Value excluding VAT: £509,600,000