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Contract

Fujitsu Services & Fujitsu Project Services

H M Revenue & Customs

F03: Contract award notice

Notice identifier: 2022/S 000-029823

Procurement identifier (OCID): ocds-h6vhtk-03780f

Published 21 October 2022, 4:21pm

Section I: Contracting authority

I.1) Name and addresses

H M Revenue & Customs

Customs House Annexe, 20 Lower Thames Street

LONDON

EC3R 6EE

Contact

Daniel Gauntlett

Email

danny.gauntlett@hmrc.gov.uk

Telephone

+44 3000573933

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

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

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

Fujitsu Services & Fujitsu Project Services

II.1.2) Main CPV code

- 72500000 - Computer-related services

II.1.3) Type of contract

Services

II.1.4) Short description

The Authority has a requirement for various IT services to replace the Additional Services (the "Fujitsu Services") and for associated IT project services (the "Fujitsu Project

Services") in circumstances where such services cannot be provided by another supplier and as a consequence the Parties are entering into this Agreement for the Fujitsu Services and Fujitsu Project Services so that these to be available to the Authority in place of the Additional 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: £52,000,000

II.2) Description

II.2.2) Additional CPV code(s)

- 72100000 - Hardware consultancy services
- 72300000 - Data services
- 72500000 - Computer-related services
- 72600000 - Computer support and consultancy services
- 72700000 - Computer network services
- 72900000 - Computer back-up and catalogue conversion services

II.2.3) Place of performance

NUTS codes

- UKG - West Midlands (England)

II.2.4) Description of the procurement

IT and Project services

II.2.5) Award criteria

Price

II.2.11) Information about options

Options: No

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 services can be provided only by a particular economic operator for the following reason:
 - absence of competition for technical reasons

Explanation:

HMRC is in the process of migrating and replacing certain existing applications from existing data centres. The services procured via this contract concern those data centre services and applications pending such migration and or replacement and associated project services.

Regulation 32(2)(b)(ii) of the Public Contracts Regulations 2015 ("PCR") provides that a contracting authority may award a public contract without prior publication of a Contract Notice where the services can be supplied only by a particular economic operator where competition is absent for technical reasons. Regulation 32(2)(b)(iii) of the PCR provides likewise, in order to protect exclusive rights, including intellectual property rights. Both of these grounds apply to the award of this contract to Fujitsu Services Ltd (the "Contractor") for the reasons explained below.

A change to a different contractor cannot be made for these services because the HMRC applications concerned are hosted and/or operated by the Contractor on the Contractor's infrastructure in the Contractor's data centres with connectivity provided by the Contractor. It would not be possible for another contractor to take over or provide these services using the original Contractor's infrastructure and hosting before they are migrated to HMRC's new replacement infrastructure in Crown data centres and or to the new cloud-based solutions which are is being provided under a new contract between HMRC and its other suppliers. Also, some of the services required, before the move is complete, are built with and or use the Contractor's unique intellectual property rights and this could not be supplied by a third-party.

Even if it were technically possible to have a new contractor provide some of the services under this contract, the costs of providing them before migration to the new solutions would be wholly uneconomic and disproportionate as it would involve wasted expenditure

on replicating existing infrastructure and services in another location for a very short period before the new replacement services are adopted and the move completed. An example of why this would be uneconomic is that it would need to involve the re-procurement of hardware and licenses on behalf of HMRC which are used in connection with the existing services and require support for such hardware and software already supported in existing data centres. HMRC would have to re-procure substantial equipment, connectivity and services which would be an unnecessary duplication of costs. The Contractor would not allow access to and operation of HMRC services currently located in their data centres by a third-party, (i.e. a new HMRC contractor).

The majority of servers utilised to deliver the additional services to HMRC are physical and ageing assets owned by the Contractor which are beyond their refresh point and the removal/migration of these assets represent a high risk to the continued critical operation of HMRC's services and systems. The Contractor also maintains a parts supply to fix the existing server estate when required. Due to the age of many servers, these parts are not generally available.

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

Title

Fujitsu Services & Fujitsu Project Services

A contract/lot is awarded: Yes

V.2) Award of contract

V.2.1) Date of conclusion of the contract

30 September 2022

V.2.2) Information about tenders

Number of tenders received: 1

The contract has been awarded to a group of economic operators: No

V.2.3) Name and address of the contractor

Fujitsu Services Ltd

Bracknell

Country

United Kingdom

NUTS code

- UKJ - South East (England)

Companies House

00096056

The contractor is an SME

No

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

Total value of the contract/lot: £52,000,000

Section VI. Complementary information

VI.4) Procedures for review

VI.4.1) Review body

Cabinet Office

London

Country

United Kingdom