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Awarded contract

Hosting Services

Ministry of Justice

F15: Voluntary ex ante transparency notice

Notice reference: 2022/S 000-030738

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Section I: Contracting authority/entity

I.1) Name and addresses

Ministry of Justice

102 Petty France

London

SW1H 9AJ

Contact

Myles Scholfield

Email

myles.scholfield@justice.gov.uk

Telephone

+44 02033343555

Country

United Kingdom

NUTS code

UK - United Kingdom

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

Hosting Services

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

Provision of centralised hosting for business applications, in existing data centres, prior to such business applications being retired, replaced, or migrated to an alternative hosting solution.

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: £39,963,000

II.2) Description

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 Service (HMCTS) centres, and a range of other locations

II.2.4) Description of the procurement

Provision of centralised hosting for business applications used by HMCTS, from existing data centres, until such business applications are replaced, retired, or migrated to alternative hosting.

II.2.11) Information about options

Options: No

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.1) Description

IV.1.1) Type of procedure

Negotiated without a prior call for competition

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

Explanation:

The Authority relies on Regulation 32(2)(b)(ii) (Use of negotiated procedure without prior publication) of the Public Contracts Regulations 2015. The services can only be provided by the incumbent supplier, CGI IT UK Limited, because competition is absent for technical reasons, no reasonable alternative or 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) The Authority assets managed under the contract include numerous physical servers, virtual servers, and other devices, including firewalls, network switches and storage infrastructure. Few of these physical technology assets are less than 10 years old and there is a scarcity of expertise in the marketplace for supporting these legacy technologies. Replacement parts are also extremely scarce, which can result in material delays to resuming service in case of failure, causing extended outage to critical business services.

(b) The age of the underlying hardware and software assets means that the legacy applications hosted in the current environment cannot be migrated to an alternative hosting environment without major software remediation work. There are applications that have business value and work to carry out this remediation in-situ and migration to an alternative hosting solution has already started and needs to continue. Migrating these applications before carrying out remediation work requires a double-hop migration which would result in a significant risk of service failure and costs. Other applications that will retire within the contract term will be decommissioned in place rather than incur significant time, cost, technical difficulty and technical risk in moving the applications and then decommissioning them. Within the term of the contract all application services will cease to be provided from the current hosting environment and the environment itself will be retired and decommissioned, including all physical technology assets managed under the contract.

(c) Engaging an alternative supplier would lead to a substantial delay to the retiring and

decommissioning the legacy hosting environment. This delay would increase exposure to the risk of extended outage to the critical business services provided by these applications. This would also involve a duplication of cost because the current data centres would need to be operational until all of the applications have been migrated to an alternative platform or decommissioned.

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

31 October 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

CGI IT UK Limited

14th Floor, 20 Fenchurch Street, EC3M 3BY

London

Country

United Kingdom

NUTS code

- UK - United Kingdom

The contractor/concessionaire is an SME

No

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

Total value of the contract/lot/concession: £39,963,000

V.2.5) Information about subcontracting

The contract/lot/concession is likely to be subcontracted

Section VI. Complementary information

VI.3) Additional information

The initial term of the contract is for approximately 18 months ending on 18.05.2024, with an option to extend for a further period of twelve (12) months. The contract includes the ability for the Authority to remove services from scope as and when required and therefore it will have a reducing scope as applications are migrated and retired. It is currently envisaged that if the extension option is exercised this will be to cover the remaining services that have not yet been decommissioned or migrated and to close the environment in its entirety.

The estimated total value for this contract is up to £39,963,000 (including indexation and excluding VAT) depending on whether the 12-month extension option is exercised, and the order and timing of services being removed from scope. The extension may not be necessary, and services will be removed from scope over the term, so the actual cost of this contract may be lower than the estimated maximum contract value.

VI.4) Procedures for review

VI.4.1) Review body

High Court

Royal Courts of Justice, Strand London

London

WC2A2LL

Country

United Kingdom

VI.4.2) Body responsible for mediation procedures

High Court

Royal Courts of Justice, Strand

London

WC2A2LL

Country

United Kingdom

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

Hlgh Court

Royal Courts of Justice, Strand

London

WC2A2LL

Country

United Kingdom