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Award

Provision of Payroll & Expenses Systems Integrator

MINISTRY OF DEFENCE

F15: Voluntary ex ante transparency notice

Notice identifier: 2022/S 000-033423

Procurement identifier (OCID): ocids-h6vhtk-038837

Published 24 November 2022, 8:24pm

Section I: Contracting authority/entity

I.1) Name and addresses

MINISTRY OF DEFENCE

Holderness House, 51-61 Clifton Street

LONDON

EC2A4DW

Email

anita.wilson278@mod.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/ministry-of-defence>

I.4) Type of the contracting authority

Ministry or any other national or federal authority

I.5) Main activity

Defence

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Provision of Payroll & Expenses Systems Integrator

II.1.2) Main CPV code

- 72600000 - Computer support and consultancy services

II.1.3) Type of contract

Services

II.1.4) Short description

Provision of a System Integrator to implement Oracle Human Capital Management Payroll and Oracle Expenses

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: £3,900,000

II.2) Description

II.2.3) Place of performance

NUTS codes

- UK - United Kingdom

II.2.4) Description of the procurement

Professional and technical support from a System Integrator to implement Oracle Human Capital Management Payroll and Oracle Expenses system.

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 procurement falls outside the scope of application of the regulations

Explanation:

The Defence Business Services Team part of the Ministry of Defence (the "Authority") intends to amend a contract with Deloitte for the provision of Cloud and Payroll Integration services by amending both the design requirement and the term of the contract. The additional design services and five months extension of the contract has an estimated value of a total of £3.9 million.

In accordance with the provisions of The Public Procurement (Amendment etc.) (EU Exit) Regulations 2020 SI No. 2020/1319, this procurement falls to be regulated under the provisions of the Public Contracts Regulations 2015 as amended (in particular by SI 2020/1319). Prior publication of a contract notice in the Official Journal of the European Union is no longer appropriate. It is considered that the amendment of the contract without prior publication of a contract notice in the UK e-notification service (in accordance with the relevant legislation) is lawful in accordance with regulation 32(b)(ii) of the PCR 2015 because competition is absent for technical reasons.

The amendments to the services include both changes to the design and scope of the services to be provided which have been necessitated by unforeseen mandated legislative changes imposed by relevant UK legislation and also the postponement of [and amendment to] legacy migration services. As a result of the additional time required to implement these changes, and the requirement to de-risk delivery due to known events which impact delivery (such as known MOD pay awards and dependant Oracle system upgrades), the additional service of migrating legacy data onto the new system has to be amended and implementation delayed until the earliest time by which the Authority reasonably considers it safe to do so as to minimise the impact to the Authority's continuing payroll and expenses obligations.

Whilst it may be possible in theory to compete the additional design services and subsequent legacy data migration services and award to a third party provider this cannot be achieved in the short timeframe available without considerable integration and interoperability risk with services already provided by Deloitte's nor without substantial

inconvenience and additional cost to the Authority. Furthermore, only Deloitte have the current specific functional and technical know-how of the Authority's Payroll, as well as use tools available to support data migration and Payroll Comparison Testing, used to date, to verify and validate and assure the current build and provide further assurance once the mandated changes are made within the necessary timeframe.

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

The procurement is covered by the Government Procurement Agreement: Yes

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

24 November 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

Deloitte LLP

London

Country

United Kingdom

NUTS code

- UK - United Kingdom

Companies House

OC303675

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: £3,900,000

Section VI. Complementary information

VI.4) Procedures for review

VI.4.1) Review body

Ministry of Defence

London

Country

United Kingdom