



PROCUREMENT STRATEGY:

Title of Purchase:	Low Income Benefits Agile Service Design
Procurement Portfolio Manager:	██████████ – More Powers Implementation Procurement (MPIP) Team
Lead Procurement Officer:	██████████ - MPIP Team
Contract Duration:	2 years + up to 6 month extension*
Contract Value (Excluding VAT):	£8,000,000 to £12,000,000 for the full term of the contract including any extension period
Customer Organisation:	Social Security Directorate
Customer Contacts:	Lisa Baron-Broadhurst – Social Security Programme Director Andy McClintock – Chief Digital Officer ██████████ - Business Architecture Delivery Manager ██████████ - Social Security Product Owner ██████████ – Digital Ecosystem Unit
Budget Approved by Customer:	Confirmed by ██████████, Head of Finance, Social Security Directorate
Current Contract Status:	New Requirement
Key Risks:	See risk register below
Recommendation:	Competition via Crown Commercial Services (CCS) Digital Outcomes and Specialists Framework 2 (DOS2)
eRDM Ref:	CASE/361756
Version:	V0.13 04 July 2017 amended following comments from ██████████

*DOS2 Framework allows extension by up to 25% of the initial Call-Off Contract period and up to 20% of the original contract value.

1. Executive Summary

Purpose of the Strategy Document

This strategy sets out the procurement options available to support the provision of a Supplier to develop Low Income Benefits (Best Start Grant, Funeral Expense Assistance, and up to two other types of assistance e.g. Job Grant) to initial launch for Social Security to support the delivery of the Scottish Government's (SG) Strategy for Social Security and Digital Transformation.

It provides an overview of the various processes and offers a proposed route to market, subject to further information on the envisaged service required.

It contains sensitive commercial information and must be handled and circulated accordingly. In particular, the strategy should not be shared with suppliers as it



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discusses procurement options and makes recommendations for implementation. It should be read as Official – Sensitive [Commercial].

Background to the Requirement

The Smith Commission proposed the devolution of significant welfare powers to the Scottish Parliament. Many of these powers are set out in the new Scotland Act 2016. Once fully enacted, social security benefits in excess of £2.7bn will be transferred from the UK Parliament, including powers to create Scottish benefits for those of working age. This will allow SG to establish many elements of a Scottish social security system.

Social Security Directorate (SSD) within SG is charged with taking forward the Scotland Act 2016 powers on devolved benefits. The Social Security Programme has been established to provide the governance and structure for delivering the required capabilities.

The Low Income Benefits Project aims to design, develop and implement processes and systems required to administer Best Start Grant, Funeral Expense Assistance, Job Grant, Winter Fuel Payments and Cold Weather Payments. Winter Fuel Payments and Cold Weather Payments are out of scope of this engagement.

Scope of Contract

The Supplier will deliver a solution for Low Income Benefits (LIB). Work is on-going to evaluate platforms solutions for the delivery of all benefits being devolved to Scotland. The Supplier will be required to plan and undertake migration to, and make use of, any other platforms – in addition to their own – as they become available within the timescale of the contract.

The components used for the delivery of the Low Income benefits solution will be evaluated as part of on-going technology appraisal work and may form part of the platforms solutions for delivery of all benefits. The Supplier will collaborate to design and deliver the LIB solution to go live, including support to the maximum length of the contract.

Activity has already taken place to establish a Service Pattern and the capabilities that a Social Security System for Scotland will require, alongside early prototyping and market research, details of which will be available within the tender documentation. Prototyping has established that multiple benefits could be managed within a single case management platform integrating with other platforms required for delivery of the end-to-end service.



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The Supplier should be prepared to integrate their platform with different commercial and public-service offerings and to provide input into the evidence gathering to allow decisions to be made through the Programme Governance channels. There will also be a need to provide alternative channels to digital e.g. paper applications.

Key questions and constraints which will inform platform selection include:

- The need for solutions to integrate with master data existing out with the platform;
- Whilst the intention is to use cloud-based technology there may be a need for some data to remain on-premise and therefore solutions should also have the ability to be able to have the potential to be based on-premise, or have hybrid options both in terms of the platform and where data is stored.

The Supplier will work with SSD – including the Programme Management and Delivery (PMD) Division and the Chief Digital Office (CDO) Division. The Supplier will work as part of a co-located team and will be embedded with members of SSD and SG's Digital Directorate at SG offices in both Victoria Quay in Edinburgh and Atlantic Quay in Glasgow.

The successful Supplier will be expected to align development with existing teams and existing suppliers working across other Social Security projects, specifically the Business Architecture project. The Supplier will also be expected to share learning across wider digital projects in SG.

This tender covers the provision of Discovery, Alpha and Beta implementations for Low Income Benefits being devolved to Scotland. The scope of this contract is to assist in the delivery of three Low Income Benefits consisting of two defined benefits (BSG and FEA) and a third, to be defined, type of assistance and an option for a fourth further assistance to an initial launch of a full end-to-end service from initial application, to gathering of and assessment of evidence, to award decision and finally payment. The Supplier will collaborate to design and deliver the required solutions through to go live and will provide support.

For the benefits to be delivered the following will be required:

- Best Start Grant – Alpha, Beta;
- Funeral Expense Assistance – Discovery, Alpha, Beta – building on capabilities delivered for Best Start Grant;
- A third assistance with a similar service design pattern such as Job Grant – Discovery, Alpha, Beta – again building on capabilities already delivered;
- Option for a fourth assistance with a similar service design pattern - Discovery, Alpha, Beta – again building on capabilities already delivered.



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The contract will be for an initial term of 2 years. There will be an option to extend the contract by a period of up to 6 months. The maximum period of contract allowed under DOS2 terms and conditions is 2 years and 6 months including the said option to extend.

The estimated contract value for this service is between £8m and £12m excluding VAT for the full term of the contract including any extension periods.

Due to the value of the contract exceeding £5m and the risks associated with a contract of this scale, the project is subject to the Office of the Chief Information Officer (OCIO) ICT Assurance Process. The Pre-Procurement Gate was completed successfully on 21 June 2017.

Recommendations and Key Actions

After comprehensive consultation with Stakeholders the recommendation is to go to market through the Crown Commercial Service's (CCS) Digital Outcomes and Specialists Framework 2 (DOS2).

The rationale for selecting the DOS2 framework is:

- DOS2 provides access to a number of suppliers currently contracted to DWP for the provision of similar services. The Customer would benefit from being able to access this group of suppliers who are capable of providing technologies currently in place to deliver benefits transferring.
- DOS2 provides access to a wide range of the latest technologies in the market that the Customer would wish to benefit from.
- The DOS2 framework is a quick route to market and will help to meet timescales for delivery.
- It provides the opportunity to a large and diverse range of suppliers with the required specialisms.
- It provides access to a broad range of Small to Medium Enterprises (SMEs).
- It is potentially a more competitive route than other frameworks available due to having a larger pool of suppliers.

The Social Security Business Architecture Project Board will have final approval of the Statement of Requirements.

Lisa Baron-Broadhurst, Social Security Programme Director, and [REDACTED] Senior Manager, More Powers Implementation Team will have final approval of the Procurement Strategy.



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Benefits, Justification and projected savings

In order to identify savings, comparisons will be made between the rates within the bids and the rates received for previous work of this nature (Alpha 2 contract). Comparisons will also be made between the rates within the bids received and the rate card for the SG Digital and Technical Services (DATS) Framework.

Responses will be evaluated for Fair Work Practices as part of the tender evaluation, aligned with the Statutory Guidance under the Procurement Reform (Scotland) Act 2014.

Community Benefits (CBs) will be sought following a non-scored approach, aligned with SG policy on this matter. If CBs are proposed as part of the successful bid these will form part of the contract and their delivery will be monitored throughout the period of the contract.

Key Risks and Resource Implications

- If changes due to agile delivery are not carefully monitored and controlled the contract could become difficult to manage and costs could escalate.
- Due to the timescales and time of year (summer leave period) the number of bids may be lower than expected.
- If the contract is fixed price only, the supplier may not be able to sustain appropriate service levels if there is significant, additional, unforeseen activity required. If the contract is for time and materials with no fixed element then the price could escalate without the means to control it appropriately. A balance between fixed price and variable price is being considered.
- If the contract exceeds 2 years in length there is only an option to extend by 6 months. If the contract is longer than this it will breach the rules of the framework.

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2. Key Stakeholders

Area of Business	Title	Name
Scottish Ministers	Minister for Social Security	Jeane Freeman
Scottish Government Senior Stakeholders	Social Security Programme Director	Lisa Baron-Broadhurst
	Chief Digital Officer, Project executive of Business Architecture Project Board	Andy McClintock
	Social Security Service Design Manager	[REDACTED]
	Programme Co-ordinator (Risk)	[REDACTED]
	Head of Transformation and National Change Programme	[REDACTED]
	Deputy Director for Collaborative and SG Procurement	Ian Howie
	Head of Services Procurement & Capability	[REDACTED]
	Senior Manager, More Powers Implementation Procurement Team	[REDACTED]
	Programme Manager	[REDACTED]
	Deputy Director, Social Security Policy	Ann McVie
Scottish Government	Social Security Directorate –	[REDACTED]
	Digital Directorate	[REDACTED]
	More Powers Implementation Procurement Team	[REDACTED]
	Office of the Chief Information Officer	[REDACTED]
	Chief Digital Office	[REDACTED]
	SG User research team	[REDACTED]



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	UIHC (UC Flex, Ill Health and Carers Project Board) Executive Director, Social Security Agency Implementation & Perf	David Wallace
	Head of Corporate Services	[REDACTED]
	Director of Disclosure Services	[REDACTED]
	Social Security Directorate – Head of Local Delivery	[REDACTED]
Public	User research participants	
Other	DWP	

3. Market Analysis/Consultation

Extensive market analysis was not undertaken as the DOS2 Framework provides access to a wide range of suppliers who have the capability to delivery this requirement.

Previous Social Security development contracts for Discovery, Alpha 1 and Alpha 2 phases have been let through the DATSFramework. There are 14 suppliers on this framework.

The CCS Digital Outcomes and Specialists Framework (DOS2 - RM1043iv) also has suppliers who would be suitable for this type of work. There are 1586 suppliers registered with the framework, 1051 of these will consider providing a service in Scotland, 483 of these provide all of the following disciplines:

- Service delivery
- Software Development
- Support and Operations
- User Experience and Design
- User research

Services can be purchased through the CCS Digital Marketplace



digital-outcomes-suppliers.csv

The CCS ConsultancyONE framework provides ICT expertise for the development and pre design solutions for a wide range of ICT projects to deliver business improvement.



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The open market has a large number of suppliers who could be accessed through an open or restricted process.

4. SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • Lessons learned from previous Programme contracts have been factored into the specification and evaluation questions e.g. clearer deliverables, more detail about the individual roles, additional time for supplier induction, improved evaluation questions. • Estimated total contract value is likely to be attractive to the market. • Wide range of suppliers available with appropriate skills. 	<ul style="list-style-type: none"> • Suppliers have not been assessed for compliance with cyber security requirements. • Need to ensure that the specification encourages as many bids from DOS2 as possible including SMEs • Short timeframe provided to conduct a tender exercise • Considerable unknowns with respect to the delivery model and how this should be priced. • Change control could be difficult to manage
Opportunities	Threats
<ul style="list-style-type: none"> • Opportunity for consortia bids • Opportunity for SMEs to bid as part of consortia bids or provide services via sub-contracting. • Opportunity to access expertise in agile service design. • Opportunity to ensure that best value is achieved. • Transfer of skills and knowledge • Access to technologies either new to the market or proven to work for others (e.g. DWP). 	<ul style="list-style-type: none"> • Timescales to evaluate large number of bids could delay award; • An agile methodology is being used which could change the direction of the contract or identify the need for additional services. • Reliance on DWP who are difficult to obtain information from • Cyber security • Short length of contract & timescales for delivery.

5. Roles and Responsibilities

The roles and responsibilities of those involved are detailed at Annex B.



6. Potential Procurement Route to Market

Procurement Regulations

The estimated expenditure of the project will be above the threshold (£106,047) for a Public Services Contract and regulated by The Public Contract (Scotland) Regulations 2015. These require an open, transparent and competitive procurement. There are, however, a number of existing frameworks that can be considered as well as following a full OJEU 'Open' or 'Restricted' procedure.

Available Procurement Procedures/Routes

Consideration has been given to all procurement routes available in accordance with The Public Contracts (Scotland) Regulations 2015. The key factors to consider in assessing the most appropriate procurement approach include:

- the service to be sourced – an IT delivery project
 - the technologies required to deliver the contract
 - Purchaser methodologies with regard to user-focused agile software development
 - aligning service design and development to the Digital First Service standard mandated for all new public services in Scotland.
 - co-locating with the Purchaser team in Victoria Quay, Edinburgh.
 - using agile working practices and ceremonies including stand-ups, show and tells, retrospectives, throughout the delivery.
 - undertaking user research with end users aligned to the Scottish Approach to Service Design
- requirement for robust commercial arrangements to avoid significant costs through change;
- encouraging SME participation (in accordance with SG Procurement Guidance)
- the approach which provides best risk reduction for Scottish Ministers
- Contract duration – 2 years + 6 month option to extend

The main public sector procurement option for the customer to consider, is to utilise an already established **SG Framework** or **CCS Framework**.

Based upon the information available, the following Frameworks have been identified as potential viable options.

- SG's DATS Framework
- CCS's DOS2 Framework

These options are outlined below with an assessment of benefits and risks for each.



7. Procurement Route – Options Analysis

SG Frameworks are the preferred option unless the customer can identify clear, objective and defensible reasons not to do so, prior to considering other frameworks which may be open to SG, specifically from CCS.

- i. Procurement options that have been considered and discounted are summarised below. These have been considered but ruled out as there are a number of compliant routes to market via Frameworks. Use of a framework will ensure that the timescales for delivery can be met whilst following a compliant procurement route. Using a framework will also require considerably less resource for conducting the process and evaluating submissions. **Negotiated with a call for competition and negotiated without a call for competition:** this would normally be main route for consideration for this type of purchase but there are suitable frameworks available, insufficient time to follow this route and it is not compatible with agile delivery.
- ii. **Open Procedure:** is not deemed an appropriate route as there are potentially many suppliers which would make the process difficult to manage. As there are framework options that would be viable these would be considered first.
- iii. **Restricted Procedure:** is not deemed an appropriate route as there are potentially many suppliers which would make the process difficult to manage. It may be difficult to assess and score to shortlist suppliers with the correct skill set for the service are subsequently invited to tender As there are framework options that would be viable these would be considered first.
- iv. **Competitive Dialogue Procedure:** The nature of the requirement and the limited timescales available do not allow sufficient time to undertake this process. If a longer timeframe was available this procedure could be considered as a viable option.
- v. **Crown Commercial Service – Consultancy One RM1502:** The focus of this framework is primarily on consultancy support which is not aligned with the technology element of this contract.



Option 1 - DATS Framework

There are 14 suppliers on this framework. At least 9* of the suppliers are identified as providing agile approaches within the DATS catalogue. 5 operators submitted a bid for the previous contract, Alpha 2 (highlighted in yellow below) and demonstrated capability to deliver the work required.

Cap Gemini*	Northgate Public Services
Methods Group*	Computacenter
Leidos (formerly Lockheed Martin)*	Fujitsu Services Limited
Sopra Steria*	SCC
PA Consulting*	Atos IT Services Limited
NVT*	MCSA Group Ltd (previously Maindec)
CGI IT UK Ltd*	-
Capita*	-

SG DATS FRAMEWORK	
Benefits	Risks
Quick route to market	Limited Supply Base
No limitation to contract duration or value or requirement.	T&Cs not bespoke
Manageable number of suppliers	Flexibility must be built transparently into the requirement from the outset
All suppliers have a presence in Scotland	Few SMEs
Terms and Conditions are all in Scots law	
Suppliers work to Scottish digital standards.	
SG has 3 month termination clause	
Financial probity checked prior to framework appointment	
No minimum/maximum advertising timescales	
Central management of framework and suppliers by SG. Includes , sustainability, employability and workforce practices and CBs	
No disputes or issues with any framework contracts	



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Benefits	Risks
Public Contracts Scotland (PCS) to manage bid process – Q&A, noted interest, tender postbox	
Range of suppliers including SMEs	
Known, competitive rates	
Cyber Security assessed	
Flexibility to build in benchmarking, break points, milestones etc	

Option 2 – DOS2 (RM 1043 iv)

DOS2 is a framework with the specific aim of helping the public sector buy, design, build and deliver digital outcomes using an agile approach, by procuring the appropriate specialist resource to deliver agile software development.

The framework is split into four lots:

- Lot 1 – Digital outcomes: teams to build and support a digital service (**this is the recommended commercial solution for this requirement**).
- Lot 2 – Digital specialists: individual specialists to deliver a specific outcome with defined deliverables on a service, programme or project.
- Lot 3 – User research studios: space and facilities to carry out interviews, usability tests and focus groups; watch and record people as they engage with designs, prototypes and live public sector services.
- Lot 4 – User research participants: access to a diverse range of user research participants including people who are digitally excluded, as well as those who have low literacy or digital skills, and those who need assisted digital support.

CCS DOS2 FRAMEWORK		
Benefits		Risks
Supports Government Digital Strategy		No break clause included in the contract. Only option is to terminate. The buyer stipulates the period of notice that will apply in the Order Form. If SG terminates the Call-Off Contract without cause, SG will indemnify the Supplier against any commitments, liabilities or expenditure which result in any unavoidable Loss by the Supplier, provided the Supplier takes all reasonable steps to mitigate such loss.
Greater accessibility for SMEs		Published requirements – confidential information provided by email. Additional resource required.

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Benefits	Risks
Easy access to suppliers	Maximum contract length 24 months with 6 month extension
Large, diverse pool of suppliers	Framework does not address Fair Work, CBs, Living Wage, Sustainability etc but there is the option to add these clauses to individual contracts
Quick route to market (although 2 -3 weeks longer than DATS framework)	No indication of prices
Framework regularly refreshed	Large response would extend timescales. May not be possible to reduce to the minimum number in which case a new procurement process would be needed
Option to terminate with notice of 20% of SoR duration, up to 30 day maximum.	Cannot monitor noted interest. No prior notice of insufficient response.
Possible to extend with a contract change note (CCN), explaining reasons	Cannot change the scope of the original advertised contract. If this is required to be changed then the contract must be terminated
Prescribed process & timescale for shortlisting suppliers	Manual process required for Q&A – time consuming.
T&Cs require that any system development by the Supplier must also comply with the government's '10 Steps to Cyber Security' guidance	The original contract value can only be increased by 20% maximum value / 25% duration
-	Suppliers are not automatically notified of requirement, email required.
-	Terms and conditions require changes for Scottish Law as permitted by the framework.
	Cyber security is an element of the DOS2 terms and conditions but additional wording is required in the statement of requirements to address this more comprehensively.



Options Summary

Option 1 - DATS	Option 2 - DOS2
Not preferred as it's pool of specialist resources is considered by SSD/DEU to be narrow and doesn't offer the diversity or range of options in the areas of Service Design and User Research	This is the Customer's preferred option

The rationale for selecting the DOS2 framework is below.

Although there are a greater number of risks and disadvantages with DOS2 there is a strong Customer (SSD) and functional support (Digital) need to use DOS2 primarily to access the wider range of suppliers. SPCD's recommendation is to proceed with a DOS2 route to market for the following reasons:.

- DOS2 provides access to a number of suppliers currently contracted to DWP for the provision of similar services. The Customer would benefit from being able to access this group of suppliers who are capable of providing technologies currently in place to deliver benefits transferring.
- DOS2 provides access to a wide range of the latest technologies in the market that the Customer would wish to benefit from.
- The DOS2 framework is a quick route to market and will help to meet timescales for delivery.
- It provides the opportunity to a large and diverse range of suppliers with the required specialisms.
- It provides the opportunity to a broad range of SMEs.
- It is potentially a more competitive route than other frameworks available due to having a larger pool of suppliers.

The main risks of using DOS2 are associated with a limited contract length (2 years + 6 months), cyber security not being sufficiently addressed within the framework and the potentially large number of responses to the first (selection) stage.

Limited contract length will be mitigated by ensuring that a forward plan of procurement is in place for future requirements and by including an exit plan that will be updated every three months.

Cyber security will be addressed as a separate schedule to the Invitation to Tender, provided by the Chief Digital Office (see Annex C).

The potentially large number of suppliers has been mitigated by ensuring that the Contract Notice is as specific as possible about what is required. The Contract Notice will also provide an indicative Statement of Requirements. In this way suppliers will be able to deselect themselves.



8. Intellectual Property Rights (IPR)

██████████ SGLD has been consulted to ensure that the Crown will acquire IPRs over any software generated as part of the contract as this is a key feature of Agile. The following clauses will be added to the terms and conditions. This is a permissible change to the DOS2 framework terms and conditions.

1. Specially IPRs

1.1. All Intellectual Property Rights in those specific items of deliverables, reports, guidance, specification, instructions, toolkits, plans, data, drawings, databases, patents, patterns, models, designs or other material which from time to time during the Term the parties may agree in writing (and shall expressly set out in an agreed Order) are to be new Intellectual Property Rights created by or on behalf of the Supplier exclusively for the Buyer as part of the performance by the Supplier of its obligations under this Contract belong to the Buyer (“Bespoke materials”)

1.2. The Supplier assigns to the Buyer, with full title guarantee, all such Intellectual Property Rights which may subsist in the Bespoke Materials referred to in the above clause. This assignment takes effect on the Commencement Date or as an assignment of future rights that will take effect immediately on the coming into existence of such Intellectual Property Rights pursuant to the above clause. The Supplier must execute all documentation necessary to effect this assignment.

A clause on assignment will also be added to ensure that the contract can be assigned to the new Social Security Agency if required.

1.1. Subject to clause 1.2, the Buyer may assign, novate or otherwise dispose of its rights and obligations under the Contract or any part thereof to:

- (a) any Contracting Authority; or
- (b) any other body established by the Crown or under statute in order substantially to perform any of the functions that had previously been performed by the Buyer; or
- (c) any private sector body which substantially performs the functions of the Buyer,

provided that any such assignment, novation or other disposal shall not increase the burden of the Supplier’s obligations under the Contract.



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1.2 If the rights and obligations under the Contract are assigned, novated or otherwise disposed of pursuant to clause 32.4 to a body which is not a Contracting Authority or if there is a change in the legal status of the Buyer such that it ceases to be a Contracting Authority (in the remainder of this clause both such bodies being referred to as the “Transferee”):

(a) the rights of termination of the Buyer in clauses 57 (Termination on Default) and 58 (Termination on Insolvency and Change of Control) shall be available to the Supplier in the event of respectively, the bankruptcy or insolvency, or Default of the Transferee; and

(b) the Transferee shall only be able to assign, novate or otherwise dispose of its rights and obligations under the Contract or any part thereof with the prior consent in writing of the Supplier.

9. Risk Register

The programme has a robust risk management strategy and risks are formally recorded, monitored and mitigated against at a Project Board level following a process which has been commended by other parts of Government. This reflects management of procurement related risks. The main procurement risks identified for this project are below. A link to the project risk register is attached.



Business Architecture Project Board - PB2 - RAID Log - BTL Paper.obr

RISK	POSSIBLE CAUSE(S)	PROBABILITY	IMPACT	MITIGATING ACTIONS	OWNER
Cyber security not addressed sufficiently	Not sufficiently covered within the framework	Medium	Medium	Include schedule on cyber security from Chief Digital Officer – see Annex C.	MPIP
If the contract is needed for more than 2 years there is only the opportunity to extend by up to 6 months.	Work takes longer than anticipated due to unforeseen factors	High	High	Closely monitor contract and be prepared to put another arrangement in place without a contract break. Start procurement at least 6 months before the end of the contract.	Customer/ MPIP Team



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RISK	POSSIBLE CAUSE(S)	PROBABILITY	IMPACT	MITIGATING ACTIONS	OWNER
Large number of bids	Essential criteria too open encouraging many bidders	Medium	High	Essential criteria will clearly outline requirements. A 2 stage approach will be taken with up to 6 suppliers taken through to the second stage.	MPIP Team/ Customer
If the specification is not sufficiently detailed there is a risk that the appointed supplier can increase prices and the contract will be difficult to manage.	Unknown deliverables due to policy decisions not having yet been made.	High	High	Revise specification every 3 months	Customer leading with support from MPIP Team
Timescales Slip	Difficulty in shortlisting the number of tender responses. Availability of staff for reading tenders and evaluation.	Medium	Medium	Flexibility within teams to provide cover to deal with additional responses and evaluation.	MPIP Team/ Customer
Changes during delivery	Agile process identifies change required or additional requirements	Medium	High	Regular review and revision of Statement of Requirements and communication with the MPIP Team to vary contract or commence new procedure	Customer with support from MPIP Team.
Loss of knowledge and data during or at the end of the contract	Contract failure/ not managing exit arrangements	Medium	High	Escrow terms for data, on-going, regular transfer of knowledge and data, clear exit plan, detailed contract management arrangements	MPIP Team/ Customer



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RISK	POSSIBLE CAUSE(S)	PROBABILITY	IMPACT	MITIGATING ACTIONS	OWNER
Some of the evaluation panel may not have been involved in the procurement process before or be aware of their roles and responsibilities	Many new staff within the Social Security Directorate	Medium	High	Provide additional training on roles and responsibilities and evaluation	MPIP Team
Prices could escalate for unforeseen activities if they are not controlled	Prices not detailed sufficiently in the contract.	Medium	Medium	Have a fixed price element for the core delivery of the contract and a variable cost that is closely monitored.	MPIP Team/ Customer
If the contract is fixed price only then payment may be insufficient to cover unforeseen/ additional activities and Contractor service levels may not be sustainable.	No variable element to contract and unknown future activities required.	High	High	Have a variable element for any unforeseen/ additional activities that is closely monitored.	MPIP Team/ Customer



10. Call-Off Procedure

Based on going to market via tDOS2 the Customer to MPIP Team will require to devise an applicable contract award criteria and weightings based upon an appropriate quality / price ratio weighting contained in the framework terms and conditions as outlined below.

The call-off is a 2 stage process with an evaluation of must have and nice to have criteria at the first (selection stage) and a tender evaluation at the second stage. Up to 6 suppliers will be invited to submit a tender following the first stage evaluation.

Selection Stage

Essential skills and experience, the supplier must:

- Co-locate with members of the Social Security Directorate and Digital Directorate at SG offices in both Edinburgh and Glasgow for the duration of the contract pass/fail
- Be certified to ISO27001 or equivalent pass/fail
- Provide a brief description of the nature of your business, highlighting core functions, and any areas of specialism and explain their relevance to the delivery of this requirement. (25)
- Provide specific experience of agile projects (especially in public sector / highly regulated environments) and developing multi-channel services using agile through Discovery, Alpha, Beta and Live deployment. (25)
- Describe challenges you have experienced when delivering complex service design utilising commodity components and how you overcame them. (15)
- Provide specific experience of delivering user research to agreed ethics standards when engaging with vulnerable user groups on sensitive issues (10)
- Provide experience of co-located team working (10)
- Have demonstrable experience of shared delivery responsibilities and running several development teams in support of the one programme of work (10)

Nice-to-have skills and experience (Optional)

- Be familiar with the SG Digital First Service Standard, or relevant assurance process such as GDS's Digital Service Standard. (5)



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The weighting of the criteria is chosen to reflect what work is expected of the supplier and how it will need to be carried out, including the need for a high level of expertise across a range of areas. This also reflects lessons learnt from previous contracts when the Social Security Programme experienced challenges with the level of technical expertise and a limited understanding of the organisational context which hindered delivery.

The customer has heeded procurement advice to continue to allocate a significant weighting to price, to enable a value for money approach, but has balanced this against competing inherent challenges for this contract.

The DOS2 Framework requires a weighting within a set range for Technical, Cultural Fit and Price criteria.

Evaluation criteria	Criteria Weighting %	Sub-Criteria	Sub-Criteria Weighting %
Technical	65	See below	See below
Cultural Fit	5	See below	See below
Price	30	Tbc*	Tbc*

* work is ongoing to determine the weighting of the price elements.

Technical Criteria (65%)

Criteria	Weighting
1. Detail your approach to delivering the service, including how the requirement for co-located team working will be met, how you will provide added value and including an indicative timeline, in line with the Statement of Requirements	30*
2. Provide details of your team <ul style="list-style-type: none"> The individual you propose to <u>manage</u> this contract, highlighting their experience and specific skill set in relation to this commission. The senior core team to <u>deliver</u> this contract, a copy of their curriculum vitae (CV), highlighting their skills and experience set in relation to this commission. Other roles you propose to <u>deliver</u> this contract with CVs if available 	10*
3. Describe your delivery model to demonstrate a full and clear understanding of the requirements. This should include how you would apply experience and learning from similar previous projects	10*
4. Outline how the solution(s) you deliver will be realised with the system quality attributes outlined in annex H of the Statement of Requirements	10
5. Outline your approach to the Alpha Sprint Scenario documented in the Pricing Schedule	5
6. User research, engagement and developing user focused services – Describe how this requirement will be met and how you will ensure alignment to the Social Security Vision and Principles, Scottish Approach to Service Design and the Digital First Service Standard?	5*



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7. Outline an indicative technical architecture for the service	5
8. Outline your approach to Business Continuity, Disaster Recovery and Cyber Security.	5
9. SG have a requirement for 24/7, 365 support. Outline your operational support model in detail including escalation points level of support being offered in their submission e.g. enterprise, standard and any other relevant aspects. This should include response times based on incident levels	5
10. Detail any risks, constraints or conflicts of interest which may impinge on their ability to deliver this contract including how these will be managed	4
11. Provide a clear description of how you would ensure a smooth transition to any new Supplier at the conclusion of the contract.	4
12. Outline your approach to data management	4
13. Outline hosting proposals for your proposed solution(s).	3
14. Provide details of any quantifiable wider community benefit(s) you will deliver as part of this Contract through your approach to the delivery of the services. You must detail any specific actions, deliverables and resources to be utilised, along with accompanying timescales for delivery and a description of who will benefit from the proposal.	Not scored*
Total	100

* To be scored at 2% following [REDACTED] comments. Weighting to be updated accordingly

Cultural Fit Criteria (5%)

1. Provide details of how you will ensure continuity of service and manage any absence periods (including planned absence) and sickness. Describe how you will provide assurance that any alternative team members proposed are similarly or better qualified to undertake the role than those they are replacing. (Any proposed changes to team members must be reviewed by SG and confirmed in writing)	40
2. Describe how you will commit to fair work practices for workers (including any agency or sub-contractor workers) engaged in the delivery of this contract.	40
3. Describe your approach to working with clients with a mixed (low to high) range of technical expertise or experience of agile	20

* denotes questions that must reach a minimum value of 2 (met) in the assessment for the Supplier to proceed.

Fair Work Practices will be evaluated in alignment with the Statutory Guidance and will be assigned a weighting of 2% of the overall weighting.

A pre-evaluation training session will be provided by Procurement to the Customer's Technical Evaluation Panel (TEP) members to offer explanation and guidance regarding the evaluation process.. The TEP members will individually read and score the quality/technical elements of the tenders using the evaluation criteria and scoring system detailed with the ITT. A moderation meeting will take place where the TEP members will come together to discuss and finalise their individual scores given to enable mean average scores to be calculated live during the moderation meeting. The moderation process will be transparent and documented.



No member of the evaluation panel will assess both the quality/technical elements and the commercial elements of the tender. The Tender Evaluation Panel (TEP) shall consist of:

Panel Member	Role
██████████ (SSD)	Technical Evaluation
██████████ (DEU)	Technical Evaluation
████████████████████ (both SSD)	Technical Evaluation
████████████████████ (both SSD)	Technical Evaluation
██████████ (SSD)	Technical Evaluation
████████████████████ (both MPIP)	Commercial Evaluation

The TEP shall be issued with a *Declaration of Impartiality*. On signing this declaration, each member of the TEP undertakes to exercise an evaluator's responsibility honestly, fairly and objectively. In so doing, each TEP member asserts their independence from parties subject to evaluation. This process is designed to address any actual or apparent cases of **conflict of interest**. TEP members declare also to treat all information in confidence.

11. Pricing Strategy

The DOS2 Framework provides 3 pricing options : Fixed price, Time and Materials and Capped Time and Materials.

A combined approach of fixed price and capped time and materials will be taken. A fixed price approach will be taken with respect to elements that can be sufficiently defined. Due to the agile nature of the service delivery the Statement of Requirements will be reviewed every 3 months and amended as required. This is described further in the Contract Management Section, below.

Fixed prices sought at tender stage will be as follows:

- initial discovery phase – Funeral Payment Assistance
- mobilisation
- a scrum master for the duration of the contract (Indicative for evaluation purposes)
- 2 week Alpha Sprint Scenario – Best Start Grant (Indicative for evaluation purposes)
- exit arrangements
- A rate card will be required for all individuals/disciplines that will be involved in the contract. The rates will be fixed for the duration of the contract including any extension periods. Substitutions will be subject to prior approval from SG.



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The supplier will also be asked to state a maximum contract value for the initial 2 year period.

An indicative proposals will be sought on hosting and licensing costs according to the supplier's initial project outline. It is not clear at this stage of the process as to what will be required for hosting and licensing due to the agile approach. SG will have the option to seek prices from the supplier for these elements during the contract but will also reserve the right to purchase these outwith the contract.

The indicative prices will be sought in order to have a baseline for future discussions and will not be evaluated during the tender evaluation.

Pricing will be sought for the following elements for the purposes of evaluation.

1. Rate Card/Roles

The Supplier will provide a rate card for the following roles:

- Lead consultant
- Scrum master
- User research
- Business analyst
- Technical architect
- UX designer
- Content designer
- Software developer
- Test analyst
- Data architect
- Security lead

Rates cannot exceed those provided. The Purchaser reserves the right not to use these roles but if they are taken up the Supplier cannot exceed the rates shown. The rates will remain firm for the duration of the contract.

2. Discovery – Funeral Payment Assistance

The Supplier will provide a fixed price for a work package to deliver the Discovery phase for Funeral Expense Assistance. The Supplier will note the roles they will assign to this and will note any discount on the rate card provided at 1.

3. Mobilisation Period

The Supplier will provide a fixed price for the mobilisation period.

4. Scrum-master Scenario

A scrum-master will be required throughout for each development team. The number and split of development teams will be agreed between the Purchaser and



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Supplier for each statement of work. Scrum-masters will be required at different stages and for different lengths of time.

However, for comparator purposes and to provide an option to achieve better value for money, the Supplier will provide a fixed price for the services of one scrum-master for the initial period of the contract.

5. Alpha Scenario

Alpha phases will be required across 3 benefits/assistances, with an option of a 4th. These will be run in sprints. The number of sprints required will vary from benefit/assistance to benefit/assistance depending on what is to be achieved. The Supplier will use learning and development from one benefit/assistance to support the next, delivering a diminishing marginal cost of activity.

To provide a comparator for evaluation purposes, the Supplier will provide a price for the following scenario:

- A 2 week Alpha sprint to support Best Start Grant;

The Supplier will provide roles and rates to be applied. Although used for evaluation purposes, the Supplier will not exceed these rates during the lifetime of the contract.

6. Additional Roles

Notwithstanding the roles noted in this schedule, the Supplier will provide details of any additional or alternative roles they envisage will be required to deliver on this contract. These shall be added to the rate card as supplementary line items.

The Customer reserves the right not to use these roles but if they are taken up the Supplier cannot exceed the rates shown.

7. Review Points

Recognising that it is not possible to accurately define the exact and full requirements at the outset of the process the recommended approach is to review the initial Statement of Requirements (SoR) which, at this point in time, is as clearly detailed as possible and to review at regular points. Built in to the delivery process would be the ability to update the SoR following every two/three sprints as shown below:

Sprint 1 > sprint 2 > review deliverables for sprints 3 & 4 and amend contract to include.

Sprint 3 > sprint 4 > review deliverables for sprints 5 & 6 and amend contract to include.



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Sprint 5 > sprint 6 > review deliverables to be achieved by end of contract period/next two sprints and amend contract to include.

This will require close contract and supplier management but will allow amendments/ variations to the contract as it becomes clearer what the Supplier will be expected to deliver. The approach will help to support a common understanding between the Customer and the Supplier. It will also give flexibility to delivery and address the need for commercially taut contracts. This commercial approach will complement the Customer's agile approach.

12. Indicative Procurement Timetable

Annex A provides an indicative procurement timetable.

13. Contract Management & Service Levels

A joint Customer and MPIP Team contract management approach will be required during the period of contract. The nominated SG Contract Manager will be responsible for ensuring that the Contractor meets the service levels prescribed within the Contract and for monitoring agreed Key Performance Indicators (KPIs) that the Contractor will be required to fulfil.

The need for contract variations, including changes to staff providing the contract will require formal variation of the contract and will be notified to the MPIP Team. See Annex D and Annex E for contract management activities and roles and responsibilities.

As stated in the Call-Off Contract the Supplier will ensure that Key Staff are assigned to provide the Services for their Working Days (agreed between Supplier and Customer) and are not removed from the Services during the dates specified in the relevant Statement of Work(SOW).

In the event that any of the Supplier's Key Personnel cannot continue on the contract, the Supplier will promptly agree with the Customer and deliver a like for like replacement with knowledge of the project at no extra charge. All Supplier Personnel will need to be cleared to the level determined by the Buyer prior to the commencement of work. Supplier Personnel providing the Services may only be changed with the prior approval of the Customer.

Contract management meetings will be included in the SoR and it is envisaged that such meetings will be held fortnightly with a balanced scorecard approach used to monitor progress and milestones and resolve escalated risks and issues. The composition and frequency of these meetings may change in agreement between the Customer and the Supplier.

Due to the agile nature of contract delivery, the SoRs will be reviewed and formally varied every 3 months. Scottish Government will reserve the right to vary the review



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intervals as required. At this review stage an updated SoR will be provided by the Customer to cover the next period of work. SG will request that the Supplier will provide a resource plan, a project plan and a fixed price for the period specified. The price will be formulated using the fixed price rate card quoted within the tender submission, which will remain fixed for the duration of the contract. The Supplier will be asked to review their proposal if it does not meet the SoR.

The SoR will change as this agile project progresses. The SoR will be continually updated and will be reissued by the Authority to the Contractor prior to the end of each work period (a minimum of 3 weeks is recommended). The Contractor is expected to maintain continuity of service delivery throughout the change control process.

This will allow sufficient time for the Supplier to respond with their proposal and for amendments to be made. The process is designed to support continuity of service delivery and manage change control effectively.

The Customer and the MPIP Team will review the Supplier's proposal and ensure that it meets the SoR in terms of resources, project plan and pricing. The MPIP team will issue the appropriate change control notice to document the variation for audit purposes and as a project reference point.

14. Project Assurance

This Project is required to have a Business Case (BC). The Project will ensure the BC is maintained in order to continually demonstrate on-going viability. Thus far, the Project has started with a Feasibility Study before progressing to Outline Business Case which is currently in draft format.

The Programme has recruited a 'Measurable Improvement Manager' – essentially a Benefit and Value Manager. The Programme has a draft Benefit Management Strategy, and work is on-going to identify and document the various strategic outcomes – largely from policy intent – and ensure that these can be mapped back through intermediate benefits to project outputs. The Benefit Realisation Plan will articulate any necessary change activity that sits out-with the five project clusters.

Regarding assurance, the Project Team will continue to work closely with the MPIP Team. This planning will include engagement with other relevant colleagues, including the Office of the Chief Digital Officer, Digital Directorate and the Office of the Chief Information Officer (OCIO) assurance to ensure appropriate assurance is in place. Formal assurance will include Digital First Standard Assessments and OCIO gateways and/or reviews.

At each stage of development (Discovery, Alpha, Beta) a Digital First Standard Assessment will take place and require a pass prior to moving to the next stage. The Supplier will be required to prepare for and participate in all assessments. The anticipated dates for these assessments will be discussed with the Supplier well in advance.



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The Supplier will be required to take part in and support further assurance activity in place within the Social Security Programme. This will be discussed with the Supplier in advance, although may be subject to shorter notice than the Digital First Standard Assessments.

A contract renewal checkpoint will take place in April 2018. At the checkpoint a review of the deliverables will take place and be assessed against System Quality Attributes detailed within the SoR.

The Low Income Benefits Project is implementing a Project Management methodology aligned to that of the wider Social Security Programme which is a PRINCE2 Agile hybrid.

The Project Initiation Documents include:

- Project Brief
- Project Board Terms of Reference
- Project Risk Log
- Project Governance Structure and Roles and Responsibilities
- Project Stakeholder Map

Other elements of the PID currently in development are:

- Project Plan
- Project Risk and Issue Management Framework (again aligned to the already published Programme Risk Management Strategy but detailing at a Project level how this will operate)
- Project Monitor, Control and Reporting Framework (which articulates the internal project reporting cycle we have already implemented including the tools, mechanisms and roles involved in it)

14. Optimism Bias

The Social Security/ Digital/ CDO project team are aware of this. An estimated budget range of £8m to £12m has been calculated and is based on previous projects of this nature undertaken by the team with benchmarking of rates and prices. The range includes allowance for agile development and the contract will be closely managed with a detailed change control process in place. This met the OCIO process requirements.

15. Cyber Security

The Chief Digital Office have been consulted and has provided a schedule relating to information security requirements. See Annex C, below.



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DOS 2 requires that any system development by the Supplier must also comply with the government's '10 Steps to Cyber Security' guidance, as amended from time to time and currently available at: <https://www.ncsc.gov.uk/guidance/10-steps-cyber-security>

BPSS and Basic Disclosure are also required for this contract.

16. Mobilisation Plan

Security clearance is required for access to VQ and AQ in order for the team to co-locate. Basic Disclosure should be in place prior to the contract start date and is stated in the ITT. BPSS clearance will also be required and time for this is scheduled prior to the contract start date.

An induction period of 2 weeks is planned prior to the contract start date to ensure that the supplier is familiar with equipment, ways of working and policy and procedures.

An inception meeting will be scheduled for the first week of the induction period and fortnightly contract review meetings set up. Review meetings will also be set up to recur every three months.

17. Supplier Exit Strategy

An exit strategy will be requested from the supplier as part of the tender submission. It is subject to change throughout the period of the contract due to the agile approach. The Supplier will update this plan whenever there are material changes to the Services. A Statement of Work will be agreed between the Buyer and the Supplier to specifically cover the exit plan. This will be managed as part of the contract management process.

The exit plan will cover transition of delivery of benefit payments to the new contract which is being procured separately. The new contract will provide the long term, strategic solution.

18. Health and Safety

There are no significant Health and Safety risks arising in this procurement exercise. Health and Safety is addressed within the DOS2 Framework Terms and Conditions. The Supplier must comply with the Purchaser's policies concerning health and safety and will ensure that its health and safety policy statement (as required by the Health and Safety at Work etc Act 1974) is made available to the Buyer on request.

19. Sustainable Considerations

Responses will be evaluated for Fair Work Practices as part of the tender evaluation, aligned with the Statutory Guidance under the Procurement Reform (Scotland) Act 2014.



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Community Benefits will be sought following a non-scored approach. The DOS2 Framework does not specifically detail arrangements for including Community Benefits. This approach is aligned with SG policy on this matter. If Community Benefits are proposed as part of the successful bid these will form part of the contract and their delivery will be monitored throughout the period of the contract.

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Please see the table below for further considerations.

Sustainability Aspects	Consideration	Actions
Sustainable Procurement Test  Local Procurement Benefits - GB - St...	Employment – Skills and Training Security and Crime – improvement	Where possible SMEs will be encouraged to participate. The DOS2 Framework encourages participation. Fraud prevention/security measures will be addressed by consulting with Digital Directorate.
EqIA	An EqIA was completed and submitted with the Request for Procurement Assistance Form.	Relevant considerations in relation to the participants of the User Research elements of the contract. User research ethics and the 5 principles of the Social Security Programme have been incorporated into the SoR
Innovation	Consideration given	Limited opportunity to promote innovation
Living Wage/Fair Work	Nothing to suggest there are any issues with fair work.	A 2% weighting will be applied to fair work practices within the Cultural Fit criterion. The wording from the Statutory Guidance will be incorporated into the SoR.
Fair and Ethically traded Goods and Services	Not appropriate for this procurement.	-
Electronic Tendering	Considered for managing the process.	CCS Digital Marketplace & PCS will be used to conduct the process
Life Cycle Impact Mapping	Not appropriate for this procurement	-
Life Cycle costing	Not appropriate for this procurement	-
Environmental Benefits	Travel may be an issue if suppliers do not currently have a base in Scotland.	Suppliers will be expected to adhere to SG Travel Strategy. Travel costs will be included in the fixed cost and subject to evaluation.
CBs	The standard information on SG approach to CBs will be inserted into the ITT and bidders asked to outline their approach to CBs. The question on CBs will be scored in alignment with SG policy.	The successful contract will include any CBs proposed as conditions of the contract. Delivery will be monitored as part of contract management.



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Management Approval/Sign off

Procurement Strategy agreed by:

[REDACTED] Senior Portfolio Manager
Scottish Procurement and Commercial Directorate

Lisa Baron-Broadhurst,
Social Security Programme Director

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Annex A - Indicative Procurement Timetable

Below is a suggested timeline for the ICT development procurement. This is subject to change and assumes use of the CCS DOS2 framework and that the tender is issued to the market for a period of 3 weeks with 2 weeks for reading and evaluating tenders. Timescales can be affected by holiday periods and capacity and availability of both supplier and SG resources.

A supplier information session was discussed but due to the large number of suppliers on the DOS2 framework and the uncertainty of who will apply this is likely to be unmanageable within the timeframes below.

Task	Start Date	Completion Date
Procurement Strategy	10 May 2017	03 July 2017
Draft SoR	27 April 2017	09 May 2017
Statement of Requirements to Project Architecture Board	11 May 2017	11 May 2017
Finalise SoR	11 May 2017	14 June 2017
Approval Final SoR	w/c 19 June 2017	
Office of the Chief Information Officer – ICT Assurance Process	w/c 19 June 2017	
Procurement Strategy Approval Procurement – ██████████ ██████████	w/c 26 June 2017	
SSD – Lisa Baron-Broadhurst		
Prepare Digital Marketplace Notice	w/c 19 June 2017	
Release Opportunity on DOS2 Digital Marketplace	4 July 2017	
Prepare ITT	w/c 3 July 2017	
Legal Approval For Terms and Conditions	w/c 3 July 2017	
Receive Qualification Response	18 July 2017	
Read and evaluate qualification response	8 July 2017	21 July 2017
Evaluate qualification response	26 July 2017	
Issue ITT	4 Aug 2017	
Provide feedback to unsuccessful suppliers	w/c 7 August 2017	
Tenders due back	28 August 2017	



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Read Tenders	29 August 2017	12 September 2017
Evaluate Tenders (Moderation Meeting)	13 September 2017	
Period for Clarifications / Negotiations (if required)	13 September 2017	15 September 2017
Prepare Contract Recommendation Report & Award / Decline Letters	18 September 2017	22 September 2017
Approve Recommendation Report	w/c 25 September 2017	
Standstill Period (Voluntary)	27 September 2017	9 October 2017
Contract Award	10 October 2017	
Mobilisation	11 October 2017	17 October 2017
Service Commencement	18 October 2017	

Annex B

Roles and Responsibilities

ROLE/TASK	RESPONSIBILITY
Develop & Agree Procurement Strategy	SPCD with input from customer
Develop Specification, evaluation criteria and pricing schedule	Customer with input from SPCD
Develop Invitation to Tender documentation	SPCD with input from customer
Issue Invitation to Tender	SPCD
Receive Tenders	SPCD
Participate in Evaluation Panel	Joint
Conduct technical evaluation	Customer (Evaluation Panel Members)
Conduct pricing and commercial evaluation	SPCD
Obtain clarifications (where necessary)	Joint – questions routed through SPCD



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Conduct moderation meeting.	SPCD to chair with attendance from all evaluation panel members
Prepare Contract Award Recommendation Report (CARR) and approve	Joint
Issue contract award letter	SPCD
Debrief unsuccessful bidders (where applicable)	Joint
Contract Mobilisation	Joint. Initial engagement meetings during mobilisation period
Contract Management	Initially Joint. Post implementation stage – Customer with support from SPCD



Annex C – Cyber Security Schedule

Schedule XX

**Scottish Government Low Income Benefits
 Security & Information Assurance Requirements**

"Data"	'Data' refers to (a) the data, text, drawings, diagrams, images or sounds (together with any database made up of any of these) which are embodied in any electronic, magnetic, optical or tangible media, and which are: (i) supplied to the Supplier by or on behalf of the Scottish Government; or (ii) which the Supplier is required to generate, process, store or transmit pursuant to this Contract; or (b) any Personal Data for which the Scottish Government is the Data Controller;
"Departmental Security Standards"	means the Scottish Government's specification for security that the Supplier is required to deliver.
"Good Industry Standard"	means the implementation of products and solutions, and the exercise of that degree of skill, care, prudence, efficiency, foresight and timeliness as would be expected from a leading company within the relevant industry or business sector.
"IT Security Health Check"	means an assessment to identify vulnerabilities in IT systems and networks which may compromise the confidentiality, integrity or availability of information held on that IT system.
"NCSC"	is the UK government's National Cyber Security Centre and is the National Technical Authority for Information Assurance. The website is http://www.ncsc.gov.uk/

1. The Supplier will be expected to have achieved, and be able to maintain, independent certification to ISO/IEC 27001 (Information Security Management Systems Requirements) or equivalent. The ISO/IEC 27001 certification (or equivalent) must have a scope relevant to the services supplied to, or on behalf of,



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the Scottish Government and the statement of applicability must be acceptable to the Scottish Government, including the application of an appropriate selection of controls from ISO/IEC 27002 (Code of Practice for Information Security Controls).

2. The Supplier will adopt the UK Government Security Classification Policy in respect of any Scottish Government data being handled in the course of providing this service, and will handle this data in accordance with its security classification. In the event where the Supplier has an existing Protective Marking Scheme then the Supplier may continue to use this but must map the HMG security classifications against it to ensure the correct controls are applied to the Scottish Government data.
3. Scottish Government data being handled in the course of providing this service must be segregated from other data on the Supplier's own IT equipment to protect the Scottish Government data and enable it to be securely deleted when required. In the event that it is not possible to segregate the Scottish Government data then the Supplier is required to ensure that it is stored in such a way that it is possible to securely delete the data in line with Clause 9.
4. The Supplier, on their own ICT systems and endpoints will have in place and maintain technical safeguards to protect Scottish Government data, including but not limited to: Good Industry Standard anti-virus and firewalls; up-to-date patches for operating system, network device, and application software.
5. Any electronic transfer methods across public space or cyberspace must be protected via encryption which has been certified under a NCSC (e.g. CAPS or CPA) or NCSC-endorsed scheme. Where this is not possible, the encryption method used must be approved IN ADVANCE by the Scottish Government prior to being used for the transfer any Scottish Government data.
6. Any portable removable media (including but not constrained to pen drives, memory sticks, CDs, DVDs, PDPs, USB devices) which handle, store or process in any way Scottish Government data to deliver and support the service, shall be under the configuration management of the (sub-)contractors providing the service, shall be necessary to deliver the service, and shall be full-disk encrypted using a product which has been certified under a NCSC (e.g. CAPS or CPA) or NCSC-endorsed scheme, failing that, approved for use by the Scottish Government's security contact.
7. All paper holding Scottish Government data must be securely protected whilst in the Supplier's care and securely destroyed when no longer required using a cross-cutting shredder and/or a professional secure waste paper organisation.
8. Paper documents containing Scottish Government data shall be transmitted, both within and outside company premises in such a way as to make sure that no unauthorised person has access.
9. At the end of the contract or in the event of failure or obsolescence, all equipment holding Scottish Government data must be securely cleansed or destroyed using a NCSC approved product or method. Where this is not possible e.g. for legal or regulatory reasons, or technical reasons such as where there is storage area

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network (SAN) or shared backup tapes, then the Supplier must protect the equipment until the time (which may be long after the end of the contract) when it can be securely cleansed or destroyed. In the case of Cloud storage, the NCSC Cloud Security Principles must be followed.

10. Access by Supplier staff to Scottish Government data shall be confined to those individuals who have a “need-to-know” and whose access is essential for the purpose of their duties. All employees with direct or indirect access to Scottish Government data must be subject to pre-employment checks equal to the requirements of the HMG Baseline Personnel Security Standard (BPSS): Details of the standard are available at the HMG website <https://www.gov.uk/government/publications/government-baseline-personnel-security-standard>.
11. All Supplier employees who handle Scottish Government data must undertake annual awareness training in protecting information.
12. Any non-compliances with these Scottish Government conditions, or any suspected or actual breach of the confidentiality or integrity of Scottish Government data being handled in the course of providing this service, shall be immediately escalated to the Scottish Government by a method agreed by both parties.
13. The Supplier shall ensure that any IT systems and hosting environments that are used to hold Scottish Government data being handled, stored or processed in the course of providing this service are periodically (at least annually) subject to independent, NCSC CHECK level, IT Health Checks (ITHC), and that the findings of those which are relevant to the service provided to the Scottish Government are shared with the Scottish Government and necessary remedial work carried out as per the timescales recommended by the independent test. Where CHECK level testing is not permitted or possible, for example on a public cloud SAAS solution, the Supplier will obtain and provide Scottish Government with documentary evidence of the most recent independent IT Health Check, will provide the results of said ITHC and provide the resulting remediation plan, including any actions proposed or taken.
14. The Supplier will provide details of any proposal to store or host Scottish Government data outside the EU or to perform ICT management or support from outside the UK and will not go ahead with such a proposal without prior agreement from the Scottish Government.
15. The Scottish Government reserves the right to audit the Supplier with 24 hours’ notice in respect to the Supplier’s compliance with the clauses contained in this Section.
16. The Supplier will appoint a suitably qualified individual to act as a single point of contact on all security matters related to this contract, who will liaise with the primary point of contact within the Scottish Government, the Head of Digital Risk & Security for Social Security.



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17. Where Personally Identifiable Information (PII) is involved, the Supplier shall contractually enforce all of these Scottish Government Security conditions onto any third-party suppliers, sub-contractors or partners who could potentially access Scottish Government data in the course of providing this service.

18. Where no Personally Identifiable Information (PII) is involved, the Supplier shall contractually enforce all of these Scottish Government Security conditions, with the exception of clause 1, where the required standard is the HMG Cyber Essentials certification or equivalent, onto any third-party suppliers, sub-contractors or partners who could potentially access Scottish Government data in the course of providing this service. Exceptions to this to be agreed in writing with the Scottish Government's Head of Digital Risk & Security – Social Security Programme.



Annex D

Contract and Supplier Management Activities

Pre Award: Contract Management Activities	Frequency	Lead
- Post Contract Award/Inception Meeting - Checkpoint Meetings		Scottish Procurement
- Baseline Security - Mobilisation/Contract Start Up Plan		SSD/ Digital
Post Award: Contract Management Activities	Frequency	Lead
Contract Review Meetings Deliverables Issues Payment	Fortnightly	Scottish Procurement
Performance Management of Deliverables	Daily & Weekly during stand ups	SSD/Digital
Review of Statement of Requirements	Every 3 months, can be varied as required.	Scottish Procurement/ SSD/Digital
Change Control	As required	Scottish Procurement
Risk Management Plan	Monthly	SSD/Digital
OCIO Gateway	As required	SSD/Digital
Digital First Assessment	As required	SSD/Digital
Sustainability, Environmental & Community Benefits	Monthly	Scottish Procurement
Exit Strategy	To be updated every 3 months with review of SOR	Scottish Procurement/ SSD/Digital

Annex E

Contract and Supplier Management Roles and Responsibilities

The contract management activities can be broken down into the following main areas:

Day-to-Day Contract Management – SSD Contract Manager – [REDACTED]

The Contract Manager should have the capability to ensure that the supplier exceeds, rather than meets required goals, deal, if necessary, with change control affecting the set of requirements, and have excellent communication and stakeholder management skills. They should be the principal owner of the supplier relationship and contract performance, and be responsible for business to business relationships, contract management performance and contract management competencies.



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The responsibilities that form the day-to-day contract management include the following;

- Gathering and analysing performance management information including monitoring of contract and supplier performance against KPI's and other specified performance indicators in partnership with contract management contributors and end users;
- Managing validation and payment and undertaking related checks;
- Chairing and managing performance reviews with the supplier, including customer feedback, and disseminating outcomes and attending all scheduled meetings as well as any ad hoc;
- First port of call for queries raised by the supplier is through the SSD Contract Manager.
- Ensuring a good working relationship with the supplier through regular communication;
- Improving future performance through the application of continuous improvement initiatives;
- Managing any major performance issues, dealing with complaints / dispute resolution and managing any reactive/unplanned issues which arise in relation to the contract;
- Facilitating and championing supply chain innovation, continuous improvement initiatives and best practice;
- Managing contract agreement variations including notifying Procurement, and disseminating outcomes;
- Managing the extension of any optional extension periods (and/or the re-tender process and the supplier exit strategy including execution of Exit Management process);
- Providing guidance and advice to customers as necessary;
- Promotion and marketing activity;
- Monitoring 'take-up' and spend through the contract and demand management.
- Reporting to Ministers.

Commercial Contract Management – Scottish Procurement – [REDACTED]

The responsibilities that form the commercial contract management include the following;

- Change control (contract amendments);
- Attendance at fortnightly and 3 monthly meetings as required;
- Pricing;



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- Terms and conditions;
- Management of escalation procedures i.e. complaints that cannot be managed through the standard complaints process;
- Monitoring payments to sub-contractors where there are any, to ensure contractual terms are met; and dealing with any concerns or complaints arising
- Support day to day contract manager on any reporting requirements to Scottish Ministers.

[REDACTED]

From: [REDACTED] (t)

Sent: 19 July 2017 09:55

To: [REDACTED]

Subject: Low Income Benefits Agile Service Design - Stage 1 Evaluation

Attachments: Low Income Benefits - 05 - Stage 1 - Supplier Responses.ods; Low Income Benefits - 07 - Evaluation - 1st Stage - Individual Scoring Template.xlsx

Dear all

OFFICIAL – SENSITIVE [COMMERCIAL]

In relation to the opportunity for Low Income Benefits Agile Service Design, Stage 1, please find attached:

- The evaluation sheet for the above commission,
- The supplier responses
- The draft Statement of Requirements that was attached with the notice
- The contract notice and additional information that was provided to the suppliers.

These documents are not to be shared outwith the evaluation panel and all information in relation to the procurement must remain confidential throughout the entire procurement process.

Please read all of the above background information before starting your evaluation. Suppliers are only responding to the Stage 1 for this evaluation.

There are 14 tender submissions in total. You should allow at least a day to read and score these.

Please read and provide scores for each of the evaluation criteria described in column B of the evaluation sheet. Scores should be entered into column D for the first supplier using the mechanism below. You should also provide comments in column E to justify each of your scores as these will be used for feedback and to support the decision in case of any scrutiny of the process. This should be repeated for each supplier in the relevant columns

- 0 – Unacceptable – Nil or inadequate response. Fails to demonstrate an ability to meet requirement;
- 1 – Poor – Partially relevant but generally poor response. Demonstrates some understanding of the requirement but contains insufficient/limited detail or explanation to demonstrate how the requirement will be met;
- 2 – Acceptable – Relevant and acceptable response. Demonstrates a broad understanding of the requirement but lacks detail or explanation to demonstrate how the requirement will be met in certain areas;
- 3 – Good – Relevant and good response. Sufficiently detailed to demonstrate a good understanding of the requirement and provides an explanation of how the requirement will be met;
- 4 – Excellent – Completely relevant and excellent overall response. Comprehensive and clear and demonstrates a thorough understanding of the requirement and provides a concise and persuasive explanation of how the requirement will be met in full.

All completed scoring sheets must be sent to [REDACTED]@gov.scot by 12 noon on Friday 4 August 2017.

A meeting has been set up to confirm the scores on Tuesday 8 August so please also bring printed copies of the completed sheets with you (or your laptop) to the meeting for discussion.

Please let me know if you have any questions.

Kind regards

[REDACTED]

[REDACTED] MCIPS
Senior Portfolio Specialist
More Powers Implementation Procurement Team
Collaborative & Scottish Government Procurement Division
The Scottish Government, 5 Atlantic Quay, 150 Broomielaw, Glasgow G2 8LU
Tel: 0141 [REDACTED]
[REDACTED]@gov.scot
www.scotland.gov.uk/procurement

Low Income Benefits Individual Scores & Comments

The Evaluator should ensure that the methodology below is applied to all questions.

0	Nil or inadequate response. Fails to demonstrate an ability to meet the requirement.
Unacceptable	Response is partially relevant but generally poor. The response addresses some elements of the requirement but contains insufficient/limited detail or explanation to demonstrate how the requirement will be fulfilled.
1 Poor	Response is relevant and acceptable. The response addresses a broad understanding of the requirement but may lack details on how the requirement will be fulfilled in certain areas.
2 Acceptable	Response is relevant and good. The response is sufficiently detailed to demonstrate a good understanding and provides details on how the requirements will be fulfilled.
3 Good	Response is completely relevant and excellent overall. The response is comprehensive, unambiguous and demonstrates a thorough understanding of the requirement and provides details of how the requirement will be met in full.
4 Excellent	

Section	Question	Question Weighting	Score (0-4)	Worth Internet Systems	Score (0-4)	LookingLocal - Kirklees Council	Score (0-4)	Capita Business Services Ltd	Score (0-4)
Essential skills and experience	Co-locate with members of the Social Security Directorate and Digital Directorate at SG offices in both Edinburgh and Glasgow for the duration of the contract yes/no	PASS/FAIL		Pass/Fail - CHOOSE AS APPROPRIATE AND PROVIDE JUSTIFICATION		Pass/Fail - CHOOSE AS APPROPRIATE AND PROVIDE JUSTIFICATION		Pass/Fail - CHOOSE AS APPROPRIATE AND PROVIDE JUSTIFICATION	
	Be certified to ISO27001 or equivalent yes/no	PASS/FAIL		Pass/Fail - CHOOSE AS APPROPRIATE AND PROVIDE JUSTIFICATION		Pass/Fail - DELETE AS APPROPRIATE AND PROVIDE JUSTIFICATION		Pass/Fail - DELETE AS APPROPRIATE AND PROVIDE JUSTIFICATION	
	Provide a brief description of the nature of your business, highlighting core functions, and any areas of specialism and explain their relevance to the delivery of this requirement. (25)	25%		Comments - must justify and explain the score given and must align with scoring definitions above.		Comments - must justify and explain the score given and must align with scoring definitions above.		Comments - must justify and explain the score given and must align with scoring definitions above.	
	Provide specific experience of agile projects (especially in public sector or highly regulated environments) and developing multi-channel services using agile through Discovery, Alpha, Beta and Live deployment. (25)	25%		Comments - must justify and explain the score given and must align with scoring definitions above.		Comments - must justify and explain the score given and must align with scoring definitions above.		Comments - must justify and explain the score given and must align with scoring definitions above.	
	Describe challenges you have experienced when delivering complex service design utilising commodity components and how you overcame them. (15)	15%		Comments - must justify and explain the score given and must align with scoring definitions above.		Comments - must justify and explain the score given and must align with scoring definitions above.		Comments - must justify and explain the score given and must align with scoring definitions above.	
	Provide specific experience of delivering user research to agreed ethics standards when engaging with vulnerable user groups on sensitive issues (10)	10%		Comments - must justify and explain the score given and must align with scoring definitions above.		Comments - must justify and explain the score given and must align with scoring definitions above.		Comments - must justify and explain the score given and must align with scoring definitions above.	
	Provide experience of co-located team working (10)	10%		Comments - must justify and explain the score given and must align with scoring definitions above.		Comments - must justify and explain the score given and must align with scoring definitions above.		Comments - must justify and explain the score given and must align with scoring definitions above.	
	Have demonstrable experience of shared delivery responsibilities and running several development teams in support of the one programme of work (10)	10%		Comments - must justify and explain the score given and must align with scoring definitions above.		Comments - must justify and explain the score given and must align with scoring definitions above.		Comments - must justify and explain the score given and must align with scoring definitions above.	
Nice-to-have skills and experience	Be familiar with the SG Digital First Service Standard, or relevant assurance process such as GDS's Digital Service Standard. (5)	5%		Comments - must justify and explain the score given and must align with scoring definitions above.		Comments - must justify and explain the score given and must align with scoring definitions above.		Comments - must justify and explain the score given and must align with scoring definitions above.	

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CGI	Score (0-4)	Kainos Software Ltd	Score (0-4)	Incremental Group	Score (0-4)	Sapient Ltd	Score (0-4)	Accenture (UK) Limited	Score (0-4)
Pass/Fail - CHOOSE AS APPROPRIATE AND PROVIDE JUSTIFICATION		Pass/Fail - CHOOSE AS APPROPRIATE AND PROVIDE JUSTIFICATION		Pass/Fail - CHOOSE AS APPROPRIATE AND PROVIDE JUSTIFICATION		Pass/Fail - CHOOSE AS APPROPRIATE AND PROVIDE JUSTIFICATION		Pass/Fail - CHOOSE AS APPROPRIATE AND PROVIDE JUSTIFICATION	
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The Evaluator sh
0 Unacceptable
1 Poor
2 Acceptable
3 Good
4 Excellent

Sopra Steria Ltd	Score (0-4)	Acuvate Software	Score (0-4)	PA Consulting Services Limited (UK)	Score (0-4)	Deloitte LLP	Score (0-4)	IBM United Kingdom Ltd	Score (0-4)
Pass/Fail - CHOOSE AS APPROPRIATE AND PROVIDE JUSTIFICATION		Pass/Fail - CHOOSE AS APPROPRIATE AND PROVIDE JUSTIFICATION		Pass/Fail - CHOOSE AS APPROPRIATE AND PROVIDE JUSTIFICATION		Pass/Fail - CHOOSE AS APPROPRIATE AND PROVIDE JUSTIFICATION		Pass/Fail - CHOOSE AS APPROPRIATE AND PROVIDE JUSTIFICATION	
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BJSS Limited	Score (0-4)
Pass/Fail - CHOOSE AS APPROPRIATE AND PROVIDE JUSTIFICATION	
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This is an **INDICATIVE** Statement of Requirements that is in **DRAFT** format. It is provided at this stage **FOR INFORMATION ONLY** to enable potential suppliers to make an informed decision of whether or not to respond to the contract notice. At this stage you should only respond to the **Essential and Nice to Have** requirements within the Digital Marketplace system. A full tender response to the Statement of Requirements is **NOT** required at this first stage. Following evaluation of responses at the first stage, up to 6 suppliers will be selected to respond to the Invitation to Tender that they receive.

Annexes are not provided with this document but will be made available to those suppliers who are invited to tender.

If you have any questions about the requirement please use the Q and A functionality provided within the digital marketplace.

SPECIFICATION

PROVISION OF AN END TO END SERVICE FOR LOW INCOME BENEFITS TO SUPPORT THE SCOTTISH GOVERNMENT'S STRATEGY FOR SOCIAL SECURITY AND DIGITAL TRANSFORMATION

1. INTRODUCTION

- 1.1 Scottish Ministers require a service provider to develop low income benefits (Best Start Grant, Funeral Expense Assistance, one type of assistance to be defined and an option of one further type of assistance) to initial launch for Social Security to support the delivery of the Scottish Government's strategy for social security and digital transformation.
- 1.2 The service provider will deliver a solution for low income benefits. Work is on-going to evaluate platforms solutions for the delivery of all benefits being devolved to Scotland. The service provider will be required to plan and undertake migration to, and make use of, any other platforms – in addition to their own – as they become available within the timescale of the contract.
- 1.3 The components used for the delivery of the low income benefits solution will be evaluated as part of on-going technology appraisal work and may form part of the platforms solutions for delivery of all benefits. The service provider will collaborate to design and deliver the Low Income benefits solution to go live, including support.

DRAFT

- 1.4 Activity has already taken place to establish a service pattern and the capabilities that a Social Security System for Scotland will require, alongside early prototyping and market research, details of which can be found in annexes A, B and C (not provided). Prototyping has established that multiple benefits could be managed within a single case management platform integrating with other technology components required for delivery of the end-to-end service.
- 1.5 The service provider will be prepared to integrate their platform with different commercial and public-service offerings and to provide input into the evidence gathering to allow decisions to be made through the programme governance channels. There will also be a need to provide alternative channels to digital, for example, paper applications.
- 1.6 Key questions and constraints which will inform platform selection include:
 - The need for solutions to integrate with master data existing out with the platform;
 - Whilst the intention is to use cloud-based technology there may be a need for some data to remain on-premise and therefore solutions should also have the ability to be able to have the potential to be based on-premise, or have hybrid options both in terms of the platform and where data is stored.
- 1.7 The service provider will work with the Scottish Government's (SG) Social Security Directorate (SSD) – including the Programme Management and Delivery (PMD) Division and the Chief Digital Office (CDO) Division. SSD referred to herein as the purchaser. The service provider will be responsible to the purchaser. The framework service provider will work as part of a co-located team and will be embedded with members of SSD and supported by SG's Digital Directorate at SG offices in both Victoria Quay in Edinburgh and Atlantic Quay in Glasgow.
- 1.8 The service provider will have extensive experience of using Agile techniques to design services and develop them through Discovery, Alpha, Beta to Live, and support using combinations of developed components and commodity cloud components. The service provider will also have specific expertise of co-located Agile project delivery (see phases of an agile project on the UK government website for an overview).
- 1.9 The successful service provider will be expected to align development with existing teams and existing service providers working across other Social Security projects, specifically the business architecture project. The service provider will also be expected to share learning across wider digital projects in the Scottish Government.

2. BACKGROUND

- 2.1 The Smith Commission proposed the devolution of significant welfare powers to the Scottish Parliament. Many of these powers are set out in the new Scotland Act 2016. Once fully enacted, social security benefits in excess of £2.7 billion will be transferred from the UK Parliament, including powers to create Scottish benefits. This will allow the SG to establish many elements of a Scottish social security system.
- 2.2 This tender covers the provision of Discovery, Alpha and Beta implementations for Low Income benefits being devolved to Scotland. For the benefits to be delivered the following will be required:
- Best Start Grant – Alpha, Beta;
 - Funeral Expense Assistance – Discovery, Alpha, Beta – building on capabilities delivered for Best Start Grant;
 - One assistance with a similar service design pattern such as Job Grant – Discovery, Alpha, Beta – again building on capabilities already delivered;
 - Option for one further assistance with a similar service design pattern – Discovery, Alpha, Beta – again building on capabilities already delivered.
- 2.3 This is a priority programme for the Scottish Government and the output of this work will influence the provision of social security services to the citizens of Scotland.
- 2.4 This work is informed by earlier work in the form of an initial Discovery, Alpha 1 and Alpha 2 development. Reports are attached as part of the Annexes (A,B,C).
- 2.5 Work to date:
- Discovery – May to September 2016
 - Alpha 1 – September to November 2016
 - Alpha 2 – January to April 2017
- 2.6 The Discovery phase provided a high-level understanding of the service required to administer devolved benefits, and the processes systems and technologies required to support a new social security service.
- 2.7 Alpha 1 developed a distinct element of that overall service, case management, looking at the generic and benefit-specific processes required to underpin that element of the service. See Annex D for an overview of the scope for Alpha 1.
- 2.8 Alpha 2 extended Alpha 1 work, prototyping the components of an end-to-end service for two benefits: Best Start Grant and Funeral Expense Assistance. See Annex E for an overview of the scope for Alpha 2.

Alpha 2 deliverables included:

1. Online application form for Best Start Grant
2. Wireframe development for Funeral Expense Assistance application form
3. Options appraisal for Case Management Systems
4. Options appraisal for ID verification
5. Prototype implementation of identity verification
6. Online application form for change of circumstances

3. THE SOCIAL SECURITY PROGRAMME

- 3.1 SSD within the SG is charged with taking forward the Scotland Act 2016 powers on devolved benefits. The Social Security Programme has been established to provide the governance and structure for delivering the required capabilities.
- 3.2 The SG has announced its intention to set up a new social security agency for Scotland that is part of the Scottish Government family.
- 3.3 The SG's overarching objective is for the agency to place people at the heart of the system and align with its principles for social security to create a service that treats people with dignity and respect. In March 2016, the SG set out its vision and principles for social security:
- Principle 1: Social security is an investment in the people of Scotland.
 - Principle 2: Respect for the dignity of individuals is at the heart of everything we do.
 - Principle 3: Our processes and services will be evidence based and designed with the people of Scotland.
 - Principle 4: We will strive for continuous improvement in all our policies, processes and systems, putting the user experience first.
 - Principle 5: We will demonstrate that our services are efficient and value for money.
- 3.4 Within the Social Security Programme, there are five projects:
- Business Architecture
 - Low Income Benefits
 - Disability Benefits
 - Ill-Health, Carers and UC Flex
 - Agency Implementation
- 3.5 The Low Income Benefits Project aims to design, develop and implement processes and systems required to administer Best Start Grant, Funeral Expense Assistance, Job Grant, Winter Fuel Payments and Cold Weather Payments. Winter Fuel Payments and Cold Weather Payments are out of scope of this engagement.

3.6 The Business Architecture Project oversees the design and delivery of the required technical business platforms, tools, services and capabilities together with the design of the cross-cutting processes and strategies, including for data, required for administering social security arrangements in Scotland.

3.7 The service provider will work closely with the Low Income Benefits and Business Architecture projects in particular but will have impact across all five Social Security Programme projects and will be required to engage with all five.

4. THE CHIEF DIGITAL OFFICER DIVISION

4.1 The Chief Digital Officer (CDO) Division, within SSD is responsible - via the Business Architecture Project - for delivering the infrastructure, capability and digital solutions that will support the Social Security Programme and ultimately the new Agency. Key focus areas of the CDO Division are:

- Architecture and overall design
- Technologies and platforms
- Digital Risk and Cyber Protection
- Operational Delivery and Capability
- Commercial Arrangements

5. THE DIGITAL ECOSYSTEM UNIT

5.1 The Digital Ecosystem Unit (DEU) sits within SG's Digital Directorate and is designed to inject further pace into the delivery of online digital public services and enhance the process of "digitising government". It aims to support Scottish Ministers in setting a direction of travel for the Scottish public sector that will:

- put users at the heart of the development and delivery of digital information and services
- hasten the development of online transactional services
- introduce and secure the use of common operational platforms and business capabilities
- increase the use of the cloud for commodity service components
- support the development and delivery of digital strategies and thinking across central Scottish Government
- realise significant customer service improvements and/or operational efficiencies as a result of the above

5.2 DEU is responsible for the implementation of the national digital transformation strategy for the Scottish public sector. The DEU works in partnership with other teams in the Digital Directorate, and alongside SSD and the CDO Division, and has already delivered a Discovery and two Alpha projects. This joint team is now engaged in taking forward a number

of projects with the aim of delivering live Social Security services.

See Annex D for an overview of our approach to digital transformation.

6. LOW INCOME BENEFITS

6.1 Best Start Grant (incorporating healthy start vouchers)

Scottish Ministers have made a policy commitment to create a new Best Start Grant (BSG). The BSG will replace the existing Sure Start Maternity Grant (SSMG) administered by the Department of Work and Pensions (DWP).

We have announced, subject to consultation, that we plan to integrate the administrative systems for BSG and Healthy Start Vouchers.

Currently, the SSMG is available to recipients or partners of recipients on a qualifying benefit and who are expecting their first child only.

Our aim is to design a benefit that is easy to access and that provides effective financial support to qualifying families at key points during early years, as part of a wider package of early years support. The Scottish Government has made commitments to:

- Increase the maternity payment for first children from £500 to £600.
- Introduce payments of £300 on the birth of second and subsequent children.
- Introduce new payments of £250 at two key points in the early years (around nursery and beginning school).
- Increase the application window for the maternity payment.

Currently, the Healthy Start Voucher Scheme is administered by a third party provider under contract to the Department of Health and entitles low-income pregnant women and families with children up to the age of 4 to receive vouchers for certain foods (£3.10 per week). Recipients are on a qualifying benefit, except for pregnant teenagers (under 18) who receive the scheme on a universal basis. Scottish Ministers are considering changes to the current scheme for Scotland, how it is delivered and what any transition arrangements may need to be put in place.

6.2 Funeral Expense Assistance

Funeral Payment (FP), currently administered by the DWP, is a payment for people on certain low income benefits who are responsible for paying for a funeral. The FP is available only to individuals who meet certain eligibility criteria (for example, being in receipt of a benefit) on their relationship with the deceased.

The FP currently provides financial support for:

- the cost of the purchase of graves and burial or cremation fees which is uncapped; and
- up to £700 towards other costs associated with the funeral, such as a coffin, a hearse, funeral director fees, minister's fees, and flowers.

The SG has committed to:

- reach more people with the FP to help reduce the need for borrowing by individuals on low incomes;
- create a more predictable benefit, so that people can make better informed decisions when they are committing to pay for a funeral; and
- process applications within ten working days of receipt of a completed application and make payments as soon as practicable thereafter.

This benefit will be known as Funeral Expense Assistance in Scotland.

6.3 Job Grant

SG is committed to introducing a Job Grant for young people, aged 16 to 24 years, who are returning to work after a period of 6 months unemployed. It is a payment of £100 for single people or £250 for people with children plus a 3 month bus pass. Our aim is to help young people meet the costs of getting into, or back to employment, and improve labour market and health outcomes for young people.

7. IMPLEMENTATION TIMEFRAME

- 7.1 Dates for the implementation of the service for each Low Income Benefit in scope will be agreed by the purchaser. The service provider must work to an assumption of delivering by summer 2018 a solution capable of public beta at some point thereafter with remaining functionality delivered during the remainder of the contract.
- 7.2 At each stage of development (Discovery, Alpha, Beta) a Digital First Standard Assessment will take place and require a pass prior to moving to the next stage. The service provider will be required to prepare for and participate in all assessments. The anticipated dates for these assessments will be discussed with the service provider well in advance.
- 7.3 The service provider will be required to take part in and support further assurance activity in place within the Social Security Programme. This will be discussed with the service provider in advance.
- 7.4 A contract renewal checkpoint will take place in April 2018. At the checkpoint a review of the deliverables will take place and be assessed against System Quality Attributes (Annex H).

8. METHODOLOGY AND WAYS OF WORKING

8.1 The purchaser, with the support of the service provider, will identify potential shared capabilities, evaluate which common capabilities add most value to social security and develop them so that they can be used across services in Scotland. Knowledge transfer from digital experts to key SSD staff will increase the capacity and capability within the core team.

8.2 The service provider will:

- adopt established purchaser methodologies with regard to user-focused agile software development. Annex G provides an overview of our methodology and ways of working.
- align service design and development to the Digital First Service standard mandated for all new public services in Scotland. This will include undertaking Digital First Service Assessments at key points (Discovery, Alpha, and Beta) throughout the development.
- co-locate with the purchaser team in Victoria Quay, Edinburgh. At times the service provider will be required to work in Scottish Government offices in Glasgow.
- provide resources that will work full-time (9am – 5pm) throughout the programme.
- bring resources, for example, developers onto the project at appropriate times and only when needed. This will be in agreement with the purchaser. Costs not subject to a fixed cost will be linked to agreed prices in a rate card.
- work onsite throughout the programme with a clear commitment to time on-site (travel time will not be considered to be time on-site)
- use agile working practices and ceremonies including stand-ups, show and tells, retrospectives throughout the delivery.
- undertake user research and service design with end users aligned to the Scottish Approach to Service Design¹ and ensure research findings and recommendations are applied to design and build iteratively throughout the contract. Proposed individuals should demonstrate experience in undertaking research on sensitive topics and supporting engagements with users with additional needs. The Scottish Government will take responsibility for recruitment of users through the Experience Panels, currently being established. At least 2,000 people with direct personal experience of the current social security system are being recruited to help shape Scotland's new system. An outline

¹ Scottish Government is driving development of the 'Scottish Approach to Service Design' – a shared, participatory approach to the design of public services. Defining a common approach to the people, methods and tools needed to design services with and not just for service users will ultimately help every citizen have the opportunity to contribute to the design of the public services they need and use.

job description for the expected user researcher role is attached at Annex I.

- have specific experience of delivering user research to agreed ethics standards when engaging with vulnerable user groups on sensitive issues.
- design services so that they can be shared and reused to deliver common business capabilities across the Scottish public sector.
- develop architecture artefacts to capture and communicate common understanding within the team and with wider stakeholders.
- develop services that provide an inbuilt capability to monitor and report on security log events (commonly referred to as Protective Monitoring) to government standards such as Good Practice Guide 13 or alternatively develop appropriate feeds to a separate monitoring facility owned by the purchaser.
- work with the purchaser during a two-week mobilisation period at the beginning of the contract to ensure SG security clearances (Baseline Personnel Security Standard) are completed and induction and project planning is completed. BPSS clearance is a requirement for access to SG buildings and/or systems.
- ensure that all proposed individuals for the contract have a certificate for basic disclosure, completed by Disclosure Scotland prior to the contract start date. This can take 2 weeks or more to complete.
- ensure appropriate attendance at open session Social Security Project and Programme Boards together with any other open session meetings or boards as required by the purchaser on behalf of the Social Security Programme.

8.3 The service provider will propose their own schedule of work as part of the response to this ITT. The schedule will outline key milestones including:

- a project kick off meeting to discuss the work to date, requirements, and proposed methodology
- regular meetings to manage the delivery of outputs through daily huddles/ stand-ups, sprint review and planning meetings
- regular updates (by phone or email) with the designated Scottish Government contact throughout the period of development
- daily stand-ups, show and tells, retrospectives
- Digital First Service Standard assessments

8.4 The service provider will provide staff profiles and a resourcing schedule for proposed individuals who will work as part of this contract. As part of this a resourcing overview for Low Income Benefits is provided at Annex H including job descriptions for some of the anticipated roles that will be filled by the service provider.

- 8.5 The service provider will supply a nominated point of escalation for the programme.

9. SCOPE AND DELIVERABLES

- 9.1 The scope of this contract is to assist in the delivery of three Low Income Benefits consisting of two defined benefits (BSG and FEA) and a third, to be defined, type of assistance and an option for one further assistance to an initial launch of a full end-to-end service from initial application, to gathering of and assessment of evidence, to award decision and finally payment. The service provider will collaborate to design and deliver the required solutions through to go live and will provide support.
- 9.2 The service provider will ensure that (a) benefit information across the in-scope benefits – including if the fourth option is taken up - is modelled into a single, integrated data model and (b) common data and business function across the 3 in-scope benefits is identified and delivered once.
- 9.3 Annex F provides an overview of the scope of the individual capabilities required to be delivered as part of this contract. The existing backlog of user stories developed as part of Alpha 1 and 2 are also included at Annex F.
- 9.4 The service provider will provide a solution for verifying the identity of individuals using data provided by them against social security systems and external third parties. This verification must be capable of being used by multiple channels including through social security staff where citizens utilise telephony or paper channels.
- 9.5 The service provider must demonstrate that the proposed solution is capable of integration with call centre scale telephony systems.
- 9.6 The service provider must deliver a solution capable of delivering on-line forms aligned to the Mygov.scot standards for all citizen interactions including Best Start Grant applications, Funeral Expense Assistance, applications for the one type of assistance to be defined and those for the option assistance and change of circumstances that affect benefits.
- 9.7 The service provider must deliver a solution capable of validating a citizen's ability to access partially-completed application forms and request changes of circumstances. The service provider will be required to plan and undertake migration to, and make use of, other solutions should they be identified and deployed within the project.
- 9.8 The service provider must deliver user research deliverables to capture all knowledge gained during user research including updated user journeys, user personas, interview results, usability testing results, user research scripts, and sense making session results as well as contribute to associated user stories.

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- 9.9 The service provider must deliver user experience (UX) deliverables to capture all knowledge gained during UX work including updated wireframes and paper form designs aligned to the Mygov.scot standards, as well as contributing to associated user stories.
- 9.10 The service provider must deliver business analysis (BA) deliverables to capture all knowledge gained during BA including interview results, business rules, workflows, process maps, third party interface specifications and financial analysis as well as contributing to associated user stories.
- 9.11 The service provider must provide data regarding technology decisions made by them in order to populate technical options appraisal documents which are required for digital first service standard compliance and future evaluation of decisions that have been made.
- 9.12 The service provider must provide a solution to enable agency staff access to the case and customer relation solution and associated elements. This solution must enable user registration, role based access control, user deletion, credential management and delegated account management. The service provider will be required to plan and undertake migration to, and make use of, other solutions should they be identified and deployed within the project.
- 9.13 The service provider must collaborate with other teams within the programme to share knowledge regarding chosen and potential solutions to help inform strategic thinking and facilitate migration planning.
- 9.14 The service provider must provide a document management solution integrated with other elements of the solution, including scanning services, to store digital copies of paper application forms and digital copies of evidence supplied by citizens. The service provider will be required to plan and undertake migration to, and make use of, other solutions should they be identified and deployed within the project.
- 9.15 The Service provider must provide an address validation solution integrated with other elements of the solution to validate UK postal addresses. The Service provider will be required to plan and undertake migration to, and make use of, other solutions should they be identified and deployed within the project.
- 9.16 The service provider must provide a bank and building society validation solution integrated with other elements of the solution to validate account numbers and sort codes. The service provider will be required to plan and undertake migration to, and make use of, other solutions should they be identified and deployed within the project.
- 9.17 The service provider must provide an organisational lookup solution integrated with other elements of the solution to validate or capture organisation details such as funeral directors and General Practitioner

surgeries.

9.18 The service provider must provide a solution for financial accounting to allow for the recording and reconciliation of financial transactions. The Service provider will be required to plan and undertake migration to, and make use of, other solutions should they be identified and deployed within the project.

9.19 The service provider must provide a solution capable of delivering case and customer relation services including:

- API based integration to interact with citizen facing on-line elements
- Web based on-line interface for social security staff to interact for all business processes
- Contact management
- Benefit claim storage and processing
- Benefit assessment
- Benefit payment calculation
- Appeals management
- Recalculation based on changes of circumstances
- Evidence capture
- Workflow management
- Rules management
- Bi-directional third party data integration through loosely coupled data integration solution
- Document composition, for example, letter, SMS and e-mail for citizen and organisation
- Loosely coupled integration to external services, if not part of core solution, such as address validation, bank validation, document repository, notifications, printing and telephony
- Ability to hold voucher management information

9.20 The service provider must provide a solution capable of utilising external notification services to deliver e-mail and SMS notifications produced by document composition element.

9.21 The service provider must provide a solution capable of managing debt, fraud and compliance. The service provider will be required to plan and undertake migration to, and make use of, other solutions should they be identified and deployed within the project.

9.22 The solution must be capable of integration with the DWP Customer Information Service (CIS), should we choose to utilise CIS, to manage personal details via their existing API service.

9.23 The service provider must provide a solution capable of managing payments. This will include: extracting payments, making payments via BACS or Faster Payments and handling error or rejection. The service provider will be required to plan and undertake migration to, and make use

of, other solutions should they be identified and deployed within the project.

- 9.24 The solution must be capable of integration with the DWP Central Payments System (CPS), should we choose to use CPS to manage payments to citizens.
- 9.25 The solution must be capable of integration with a third party voucher payment provider for Healthy Start Vouchers.
- 9.26 The service provider must provide a solution to consume migrated data in a third party format, transform it to agreed format and load into the core case and customer relation solution. The service provider will be required to plan and undertake migration to, and make use of, other solutions should they be identified and deployed within the project.
- 9.27 The service provider must comply with the security conditions contained within the security schedule.
- 9.28 The service provider must provide a solution that creates, extracts, stores and provides analysis for audit records. The audited activity must include all access or modification of personal, security and financial data. The service provider will be required to plan and undertake migration to, and make use of, other solutions should they be identified and deployed within the project.
- 9.29 The service provider must provide a solution that creates, extracts, stores and provides management information reports. The service provider will be required to plan and undertake migration to, and make use of, other solutions should they be identified and deployed within the project.
- 9.30 The service provider will be responsible for ensuring that solutions delivered as part of this contract are robust and capable of scaling to accommodate future benefits.
- 9.31 The service provider's solutions must be capable of exporting their data in a format consumable by another service. This is to facilitate data warehousing and data migration between solutions.
- 9.32 The service provider may be required to support the migration of existing caseload data from third parties, for example, DWP, and also the Department of Health.
- 9.33 The service provider must provide an exit strategy for all services delivered by them to facilitate migration planning and migration to alternative solutions. This exit strategy is subject to change throughout the period of the contract due to the agile approach being followed. The service provider must review the exit strategy regularly and present this for agreement by the purchaser at three month intervals to ensure their requirements are met. These requirements may be developed and

clarified further during the lifetime of the contract. In addition, the strategy must be reviewed, updated and presented for approval by the purchaser whenever there are changes to the requirement within the agreed scope of this specification.

- 9.34 The service provider must deliver all architecture artefacts and technical documentation to capture all knowledge gained during the project as well as contribute to associated user stories. This would include contributing to:
- Architecture description including context, concurrency, deployment, development, functional, informational and operational views
 - System quality specification
 - Architecture repository
 - Architecture building blocks
 - Solution building blocks
 - Architecture vision
 - Architecture principles

Our architectural standards provide more information.

10. HOSTING, SUPPORT, MAINTENANCE AND LICENSING SCOPE AND DELIVERABLES

- 10.1 The service provider will be responsible for providing full support and disaster recovery for the service. They will outline the support model to be provided at each phase of delivery through initial launch.
- 10.2 Hosting – The service provider will be expected to align with the SG's latest hosting strategy – this recommends Cloud in the first instance. The service provider must be capable of providing hosting services flexible enough to support hybrid or on-premise delivery of some or all components of the solution depending on emerging requirements identified during the project.
- 10.3 The service provider must provide details of how they will work with Scottish Government early in the project to develop a hosting cost model for the lifetime of the contract based on the information provided to date within the SoR. This model must include all quality attributes detailed in Annex H.
- 10.4 As the architecture develops the service provider is required to provide an updated cost model in relation to hosting for the lifetime of the contract.
- 10.5 The service provider during the contract will liaise with the purchaser and Digital Directorate regarding transfer of capabilities at contract end.
- 10.6 The service provider will be expected to align with the National Cyber Security Centre's Cloud Security Principles where cloud infrastructure is part of any proposed solution.

- 10.7 All data to be primarily hosting in the UK however for resiliency data can reside in the European Economic Area (EEA).
- 10.8 The service provider must provide secure connectivity between cloud, on-premise and hybrid elements of the service. The service provider must be capable of providing flexible connectivity including VPN and dedicated PSN connection between elements.
- 10.9 The service provider will enable the SG to monitor on-going costs for hosting.
- 10.10 Change Control. The service provider must provide details of their change control procedures and how these will be integrated into agency-wide change control processes.
- 10.11 System Quality Attributes. The full set of attributes needed to ensure the required quality for the service is attached at Annex H. These include:

<p>Scalability (applicant facing service)</p>	<p>It is expected that there will be peaks of activity in concurrent applications which will require the service provider to ensure scalability to meet demand.</p> <p>Taken at a flattened out average, this may be seen as:</p> <ul style="list-style-type: none"> • 30 concurrent applications for any of the Low Income Benefits • 80 applications per day, per benefit for each of the Low Income Benefits <p>However, peaks of activity will take place either within a 24 hour period, between different days of the week or between different weeks or months of the year requiring significantly higher concurrency scalability. The Service provider will work during Alpha and Beta to refine this understanding and ensure scalability to meet demand.</p>
<p>Availability (applicant facing service)</p>	<p>99.999% availability for online applications</p>
<p>Recoverability</p>	<p>Recovery time objective of less than 4 hours</p> <p>Recovery point objective of zero data loss.</p>

- 10.12 The service provider will provide advice and recommendations on licences required to the purchaser for the development and operational running of the service for a decision to be made by the Social Security Programme.
- 10.13 The service provider will provide full licence model details including licence maintenance and cost model where known. For example, CPU core, concurrency, proprietary or open source.
- 10.14 The service provider will be responsible for licence costs of individual components of the service (for example, Case Management System) during discovery and alpha stages and will acquire licences on behalf of the purchaser. The service provider will provide recommendations to the purchaser on licensing arrangements for once the service reaches Beta stage. This will include licence costs. These recommendations will require approval from the purchaser before accepting. Licence costs will be paid by the Scottish Government once the service reaches Beta stage. However, although the purchaser will seek costs for those licences from the contractor they reserve the right to purchase the licences out with the contract if there is a better value option available.
- 10.15 The service provider should provide full licence model details including licence maintenance and cost model where known.
- 10.16 The service provider will assist in transferring licence arrangements to Scottish Government.
- 10.17 The service provider will be required to plan and undertake transferring of software licensing arrangements to the agency.
- 10.18 The service provider will provide a solution for modifying or exiting a cloud service, used wholly or partially to deliver the solution directly or via a third party, should the service prove inappropriate. The types of conditions that would trigger modification must include:
- Delivering less than advertised service levels, contacts, support or expectations
 - Breakdown of relationship with provider
 - Provider modifying service levels for the service
 - Provider modifying pricing or pricing model for the service
 - Provider modification of terms and conditions for the service
 - Expiration of contract or agreement supporting the delivery of the service, for example, existing enterprise agreement
 - Data, security or privacy breach
 - Provider inability to stay competitive with industry features

[REDACTED]

From:
Sent:
Subject:

[REDACTED]
11 August 2017 15:20
Low Income Benefits Agile Service Design

Dear Sir/Madam

Following completion of the initial shortlisting stage for the above requirement, I regret to inform you that on this occasion you have been unsuccessful in making the final shortlist of suppliers.

It is intended that feedback on your submission will be provided within the next 2 weeks.

I would like to thank you for your interest and hope that this outcome will not deter you from bidding for any future Scottish Government requirements.

Kind regards

[REDACTED]
[REDACTED] MCIPS
Senior Portfolio Specialist
More Powers Implementation Procurement Team
Collaborative & Scottish Government Procurement Division
The Scottish Government, 5 Atlantic Quay, 150 Broomielaw, Glasgow G2 8LU
Tel: 0141 242 0120
[REDACTED]@gov.scot
www.scotland.gov.uk/procurement

[REDACTED]

From: [REDACTED]
Sent: 24 August 2017 11:50
To: [REDACTED]@accenture.com
Subject: Low Income Benefits - Stage 1 - Feedback

Dear [REDACTED]

Thank you for your submission for the above project.

The feedback below refers to each question where the Technical Evaluation Team (TET) felt you only partially met the requirement (Essential Criteria):

Q7 Provide experience of co-located team working (10)

The response appeared to offer [REDACTED] but did not provide sufficient evidence of [REDACTED]. Examples with details on how this is carried out could have supported the answer.

All of the other criteria were met.

As a result of not fully meeting the Essential Criteria you were not taken forward to the next stage

I trust this provides you with the necessary information regarding your submission and once again thank you for your interest.

Kind regards

[REDACTED]

[REDACTED]

Senior Portfolio Specialist
More Powers Implementation Procurement Team
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