CONTRACT AWARD RECOMMENDATION REPORT (CARR)

From: [redacted] Senior Portfolio Specialist, Scottish Government More Powers Implementation Procurement Team (MPIP)

To: Lisa Baron-Broadhurst, Programme Director, Social Security, Social Security Directorate, Scottish Government

Date: 2 October 2017

Executive Summary

Title of Purchase	Low Income Benefits Agile Service Design
Procurement Portfolio Manager (Lead)	[redacted]
Senior Portfolio Specialist	[redacted]
Customer	Lisa Baron-Broadhurst, Programme Director, Social Security, Social Security Directorate, Scottish Government
Recommendation	Contract is awarded to IBM UK Ltd
Contract Duration	30 October 2017 to 29 October 2019 with the option to extend by up to 6 months to 29 April 2020.
Original Estimated Contract Value within the ITT	£8,000,000 to £12,000,000 including VAT for the full term of the contract including any extension period. (£6,666,666.67 to £10,000,000 excluding VAT)

1. Purpose

1.1 The purpose of this report is to provide a summary of the procurement process undertaken to procure provision of Low Income Benefits Agile Service Design for the Social Security Directorate (SSD) within Scottish Government (SG). and award a contract to IBM UK Ltd

1.2 The outcome of the tendering process and the reasons for the proposed contract award have been discussed and agreed with the client representative.

1.3 This report confirms that the embedded Procurement Strategy has been adhered to.

2. Background to Tender and Market Analysis

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 £2.7bn 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.

2.2 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.

2.3 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.
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.

2.4 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.

3. Supplier Engagement

3.1 The Crown Commercial Services Digital and Outcomes Specialists 2 (DOS2) framework was identified as being the preferred route to market for this contract due

to the number and range of suppliers. There are 1586 suppliers registered with the framework, 1051 of these will consider providing a service in Scotland, 483 of these provide the required disciplines:

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

3.2 The following suppliers who are on the DOS2 framework had also been identified as potential bidders from previous tender opportunities :-

3.3 Due to the wide reach of the DOS2 framework further market analysis was not undertaken.

3.4 SG subsequently proceeded with a procurement exercise and issued a notice to the DOS2 framework Digital Marketplace, link below, on Tuesday 4 July 2017 to advise suppliers of the requirement.

https://www.digitalmarketplace.service.gov.uk/digital-outcomes-and-specialists/opportunities/4591

4. Risk Management

4.1 The table below shows the risks identified within the Procurement Strategy and how they were addressed during the procurement process. The measures taken have been sufficient to mitigate the risks to date.

RISK	MITIGATING ACTIONS	OUTCOME
Cyber security not addressed sufficiently	Include schedule on cyber security from Chief Digital Officer – see Annex C.	All points on the schedule were appropriately addressed.

RISK	MITIGATING ACTIONS	OUTCOME
If the contract is needed for more than 2 years there is only the opportunity to extend by up to 6 months.	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.	Management arrangements contained within the Invitation to Tender will be discussed with the supplier and closely monitored throughout the contract.
Large number of bids	Essential criteria will clearly outline requirements. A 2 stage approach will be taken with up to 6 suppliers taken through to the second stage.	The 2 stage process enabled a manageable process.
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.	Revise specification every 3 months	Revision of the Statement of Works is written into the Management Arrangements and will be closely monitored.
Timescales Slip	Flexibility within teams to provide cover to deal with additional responses and evaluation.	Timescales have been met, to date.
Changes during delivery	Regular review and revision of Statement of Requirements and communication with the MPIP Team to vary contract or commence new procedure	This will be managed through the contract management process by the Customer with support from MPIP Team.

RISK	MITIGATING ACTIONS	OUTCOME
Loss of knowledge and data during or at the end of the contract	Escrow terms for data, on-going, regular transfer of knowledge and data, clear exit plan, detailed contract management arrangements	These elements all form part of the contract and will be monitored as part of the contract management process by the Customer with support from MPIP Team.
Some of the evaluation panel may not have been involved in the procurement process before or be aware of their roles and responsibilities	Provide additional training on roles and responsibilities and evaluation	This was provided by the MPIP Team and evaluation by the panel was detailed and thorough.
Prices could escalate for unforeseen activities if they are not controlled	Have a fixed price element for the core delivery of the contract and a variable cost that is closely monitored.	A fixed price rate card will apply for the duration of the contract to be utilised within a Total Maximum Price . Deliverables and milestones within the Statement of Works will be closely monitored and are linked to payment.
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.	Have a variable element for any unforeseen/ additional activities that is closely monitored.	The contract allows for variable elements with a contract change process described within the management arrangements.

5. Current Contract Status & Spend Analysis

5.1 This is a new requirement, no existing arrangements are currently in place.

6. Office of the Chief Information Officer (OCIO) ICT Assurance

6.1 The requirement was subject to a pre-procurement gate as part of the OCIO ICT Assurance Framework. The assessment was completed on 21 June 2017. The checks carried out are detailed in the attached document, below.

Technology Assurance Fram...

6.2 There were 7 recommendations made following the assessment, detailed in the document below. Further detail on how these were addressed is provided at Annex 1.

Social Security Programme - I...

7. Procurement Process

7.1 A competitive tender exercise was undertaken utilising the CCS DOS2 Framework. This is a two stage process.

7.2 There were 14 completed applications in response to the Stage 1 notice.

7.3 Following Stage 1 evaluation, 5 suppliers were invited to tender with a tender return date of 12 September 2017.

7.4 A Tenderer's Briefing Session was held on 28 August 2017 with representation from all of 5 of the suppliers. A presentation was provided, followed by a Q&A session. Questions were submitted on paper at the end of the presentation. There were 42 questions in total from suppliers during the session with a further 38 questions received through the PCS portal before the closing date for questions.

7.5 Due to the number of questions received and a request to extend the deadline for submissions, the deadline was extended by a week to 19 August 2017

7.6 Three suppliers withdrew from the process following the tenderer's briefing.

- BJSS withdrew despite the additional time provided by extending the deadline, providing the following reason: [redacted] mean that we would be unable to provide [redacted]."

  Deloitte withdrew and provided the following overarching reason: "we couldn't meet your [redacted] given the context and constraints. I appreciate you said this is a [redacted]" In addition to this

comment Deloitte provided feedback on the Scope, Leveraged Delivery Model, User Volumes/Liscenses and the Q&A process.

- Kainos Software provided the following reason: "We have considered all the procurement documentation, combined with the Supplier Day briefing information and recent Q&A updates, and reached this conclusion with regret. We believe given the [redacted], and taking account of the [redacted] we would be unable to provide a [redacted]."

8. Tender Responses

8.1 There were 2 tender responses received on 19 September 2017 at 12:00 via PCS from the following organisations:

- IBM UK LTD
- PA Consulting

8.2 Both of the tenderers were large companies, with one being registered in Scotland.

Count	Region	Employee Range	Percentage of total
1	Edinburgh, City of	Large (over 250 employees)	50.00%
1	other UK - England	Large (over 250 employees)	50.00%

9. Tender Analysis

9.1 The evaluation criteria detailed in the ITT were:

Technical Requirements:	65%
Cultural Fit	5%
Commercial (Price):	30%

Cultural fit criteria are a requirement of the DOS2 Framework.

10. Technical Evaluation

10.1 The evaluation team for the ITT stage consisted of the following individuals, representing Scottish Government:

NAME	ROLE, DIRECTORATE	Area of Evaluation
Lisa Baron-Broadhurst	Programme Director, Social Security	Technical
Andy McClintock	Chief Digital Officer, Social Security	Technical
[redacted]	Delivery Manager - Low Income Benefits, Social Security	Technical
[redacted]	Technical Director, Digital	Technical
[redacted]	Transformation Manager, Digital	Technical
[redacted]	More Powers Implementation Procurement Team, Scottish Procurement & Commercial	Commercial

10.2 Copies of the Technical & Cultural Fit tender submissions as received on PCS Quick Quote were made available via eRDM (Protected file Case 381230) to the tender evaluation panel (excluding commercial content) for initial evaluation.

CSGPD_ More Powers Implementation Procurement Team_ Social Security_ Low Income Benefits Evaluation_ 2017-2022#2.obr

10.3 The members of the evaluation team conducted individual evaluations prior to the evaluation panel convening on 28 September 2017.

10.4 The evaluation team considered all tender submissions and following an evaluation of the Technical criteria and Cultural Fit criteria, tenders were point scored, based upon the scoring criteria (0 – 4). The More Powers Implementation Procurement Team then assessed the Commercial bids.

11. Technical & Cultural Fit Evaluation Scores

11.1 Details of the evaluation team's initial evaluation scores and their final evaluation scores, are detailed as follows. The document shows Pre Moderation Meeting Comments/ Scores, Post Moderation Meeting Comments /Scores and Moderated Comments/Scores.

Low Income Benefits - 07 - Evaluation - Consolidated Scoring Pre & Post Mod.obr

12. Minimum Threshold Questions

12.1 The ITT stated "Where a Supplier scores below 2 'Acceptable' for **the questions marked with an asterisk (*)** their response shall **not** be taken forward to the commercial element of the competition. Their bid shall be set aside and will take no further part in the competition." Questions 1, 2, 3, 5, and 6 of the technical questions and Questions 1 and 3 of the cultural fit questions of the evaluation were marked with an asterisk (*)

12.2 PA Consulting did not meet the minimum score of 2 for one of the technical questions within that required this (Q2). Their response was therefore not taken forward to the price evaluation.

Q2: Details of the team – score [redacted]

12.3 Robust comments from the evaluation panel support the score:

"The proposal highlights [redacted] to be brought in at various stages of project, however, there is a lack of evidence as [redacted] utilised, including ensuring that they would be [redacted] "

"Appears light on [redacted]

"I would have expected to see [redacted] The [redacted] also has [redacted] remit and it would be far preferable to have these [redacted] ."

12.4 IBM UK Ltd was the only supplier taken forward to the commercial element of the evaluation.

13. Commercial Evaluation

13.1 The Commercial elements carry an overall weighting of 30% which is broken down into the following sub criteria:

PRICE: 30%		Max Sub Criteria Score	Max Section Score
Section 1: Rate Card			**40%**
1.	Lead Consultant	5.0%	-
2.	Scrum Master	9.5%	-
3.	User Research	9.5%	-
4.	Business Analyst	9.5%	-
5.	Technical Architect	9.5%	-
6.	UX Designer	9.5%	-
7.	Content Designer	9.5%	-
8.	Software Developer	9.5%	-
9.	Test Analyst	9.5%	-
10.	Data Architect	9.5%	-
11.	Security Lead	9.5%	-
Section 2: Indicative Total Price			**50%**
12.	Maximum Total Price	100 %	-
Section 3: Case Study			**10%**
13.	Case Study	100%	-

13.2 Upon review of the tendered submissions received, the offers were as follows:

Low Income Benefits - 07 - Evaluation - Price Evaluat

13.3 Based upon the ratio of 30% for price the total commercial scores were rebased to 30%.

14. Price/ Technical & Cultural Fit Ratio

14.1 Following the Technical & Cultural Fit and Price evaluations the final Price/Technical & Cultural Fit Scores are summarised below, supported by the full spreadsheet. The most economically advantageous tender regarding best technical/cultural fit : price ratio was ranked 1 in the evaluation.

Tenderer	Price 30%	Technical 65%	Cultural Fit 5%	Overall Score	Rank
IBM UK LTD	30.00	42.74	3.35	76.09	1
PA Consulting	[redacted]	[redacted]	[redacted]	[redacted]	2

Low Income Benefits - 07 - Evaluation - 2nd Stage.obr

14.2 The table below shows what the evaluation outcome would have been if PA Consulting's bid had not been set aside for dropping below a score of 2 for Q2 and had been taken through to the commercial evaluation. It is clear that this scenario would not have changed the 'Rank'.

Tenderer	Price 30%	Technical 65%	Cultural Fit 5%	Overall Score	Rank
IBM UK LTD	30.00	42.74	3.35	76.09	1
PA Consulting	[redacted]	[redacted]	[redacted]	[redacted]	2

15. Pricing

The price of each Statement of Work (SOW) will be negotiated by considering the disciplines, numbers of each discipline and time required to meet the requirements of each SOW, using the Rate Card quoted by the supplier within their tender submission. The said rates are Fixed Price Maximum Day Rates and may be negotiated down for each SOW and the management arrangements support an agile and collaborative approach to resourcing and delivery. Prior to agreeing the price for each SOW both the Customer and Supplier will discuss and understand the SOW's deliverables and fixed price in correlation to the Contract's overall deliverables and agreed Total Maximum Price. The intention of this element of the process to identify, early, any risk of overspend and to mitigate accordingly. The licensing and other prices listed within the pricing schedule (in table 4 to 11, attached below) can also be negotiated.

IBM_Low-Income Benefits_ITT_Part 3_

16. Payment

The following arrangements for payment have been described within the ITT and will apply throughout the contract:

1. As part of the SOW process set out within this Schedule the Buyer and the Supplier shall agree Payment to accompany each SOW. Payment shall be based on the completion of agreed Milestones. The Buyer shall pay the Supplier in arrears following demonstration by the Supplier and verification by the Buyer that a Milestone has been achieved.

2. With exception of the final Milestone payment the Buyer shall pay the Supplier up to [redacted] of the agreed fixed price for the SOW spread out across the remaining Milestones. The % spread shall be proportionate to the scope of each Milestone.

3. The final Milestone shall be the completion of all activities described within the SOW. The final Milestone payment shall be no less than [redacted] of the agreed fixed price for the SOW.

4. The Buyer and the Supplier shall agree the fixed price for each SOW. The fixed price shall be calculated using the agreed fixed price elements contained within Schedule 2, Part 3 Pricing Schedule only.

5. Should the Supplier fail to achieve a Milestone by the agreed date the Buyer reserves the right to withhold payment for that Milestone until it has been achieved subject to demonstration by the Supplier and verification by the Buyer.

17. Terms and Conditions

17.1 The form of tender was signed by IBM. [redacted]

18. Financial Evaluation

18.1 Accounting Services completed their analysis on XX October 2017 and advised that IBM UK Ltd was financially sound. See file enclosed.

Attachment

19. Clarification

19.1 Clarification was sought from IBM on several points. The correspondence regarding these clarifications is attached below. The clarification responses were all confirmed as acceptable by the panel members.

Low Income Benefits - 07 - Evaluation - Clarification1 - IBM.obr

Low Income Benefits - 07 - Evaluation - Clarification2 - IBM.obr

19.2 There were no points of clarification required from PA Consulting.

20. Contract Management Plan

20.1 The contract will be managed by [redacted] (SSD's Supplier Relationship Officer).

20.2 The SG Contract Manager shall have overall responsibility for ensuring that all other interested parties/stakeholders are kept up to date with proceedings following contract award and throughout the subsequent system mobilisation.

20.3 MPIP shall support the Customer during the period of contract, specifically in relation to the lead-in stage, development of robust contract documentation following contract award, attendance at contract review meetings and procurement advice in relation to any potential changes to the contract.

20.4 An inception meeting is planned for Thursday 26 October 2017.

20.5 Contract management will be in accordance with Schedule 12 of the contract (see Annex 2 at the end of this document).

21. Savings / Benefits

21.1 Due to the agile nature of this contract and the incomplete detail of what is required during the contract, it has not been possible to identify potential savings.

22. Community Benefits /Sustainability

22.1 The tenderer proposed 2 types of quantifiable community benefits during the period of contract.

[redacted]

[redacted]

22.2 Sustainability is included within the management arrangements for the contract. The Supplier shall fully comply with the Buyer's environmental policies and practices. See Annex 2 Travel and Environmental Sustainability (paragraphs 71 to 80, below).

23. Fair Work

[redacted]

24. Recommendation

24.1 IBM UK Ltd is considered to have submitted the most economically advantageous tender (MEAT), using a combination of the Technical, Cultural Fit and Commercial (Price) scores and it is my recommendation that the contract is awarded to the stated organisation, for the period 30 October 2017 to 29 October 2019 with the option to extend by up to 6 months to 29 April 2020.

24.2 Standstill Period and Contract Award

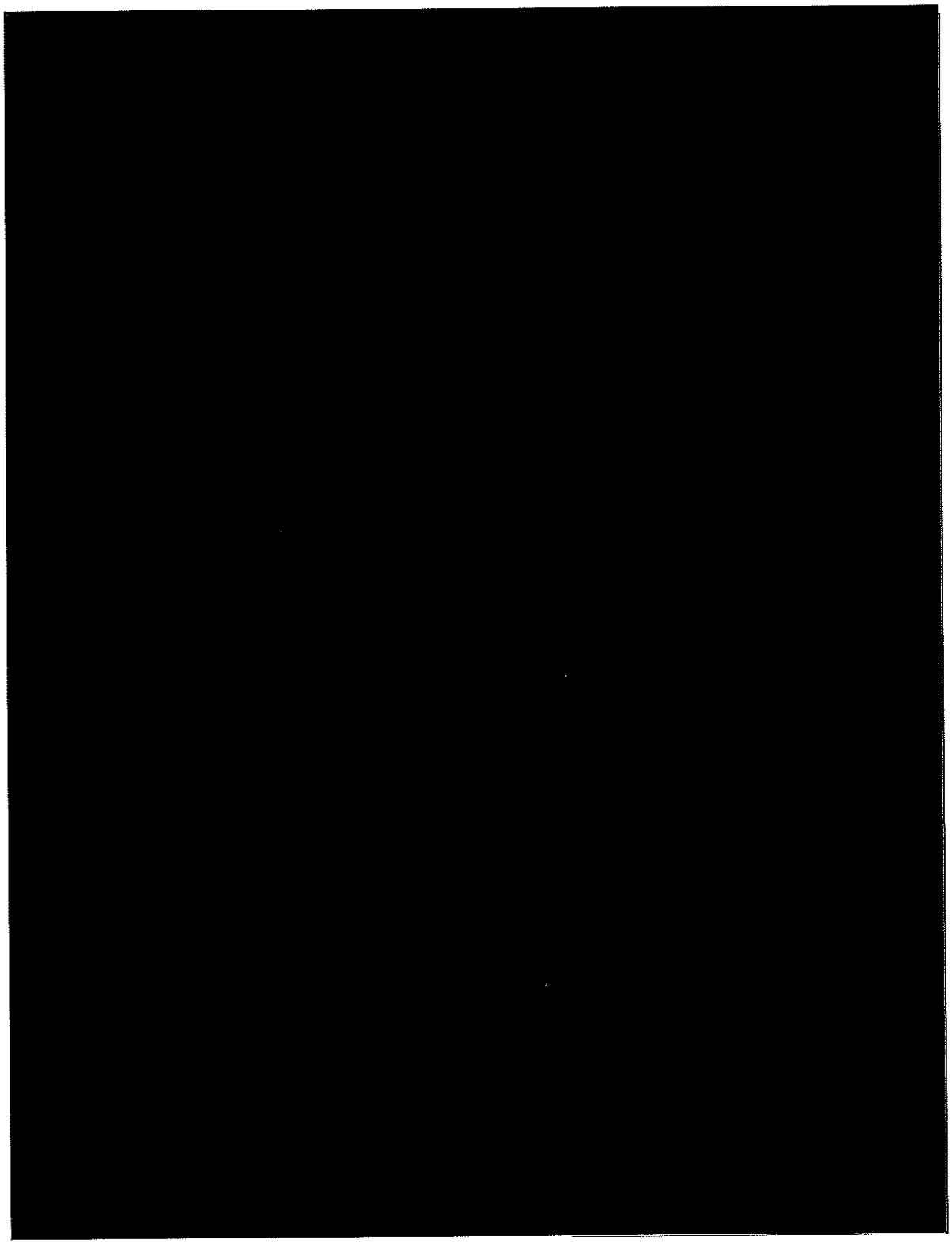
24.3 A standstill period is not required for this contract as it is a call off from the DOS2 framework. On approval of this Contract Award Recommendation Report, unsuccessful letters shall be issued to the unsuccessful tenderer and a contract award letter will be issued to IBM UK Ltd informing them to proceed.

[redacted]
Senior Portfolio Specialist
More Powers Implementation Procurement Team

Approved by:

[redacted] **Portfolio Manager** More Powers Implementation Team Scottish Procurement and Commercial Directorate	**Lisa Baron-Broadhurst** **Programme Director, Social Security** Social Security Directorate	**Committee Approval Confirmation**

Annex 1 – OCIO Recommendations



Annex 2

SCHEDULE 12 – Invitation to Tender for Low Income Benefits Agile Service Design

[redacted]

[redacted]

14 [redacted]

[redacted]

[redacted]

[redacted]

17 [redacted]

[redacted]

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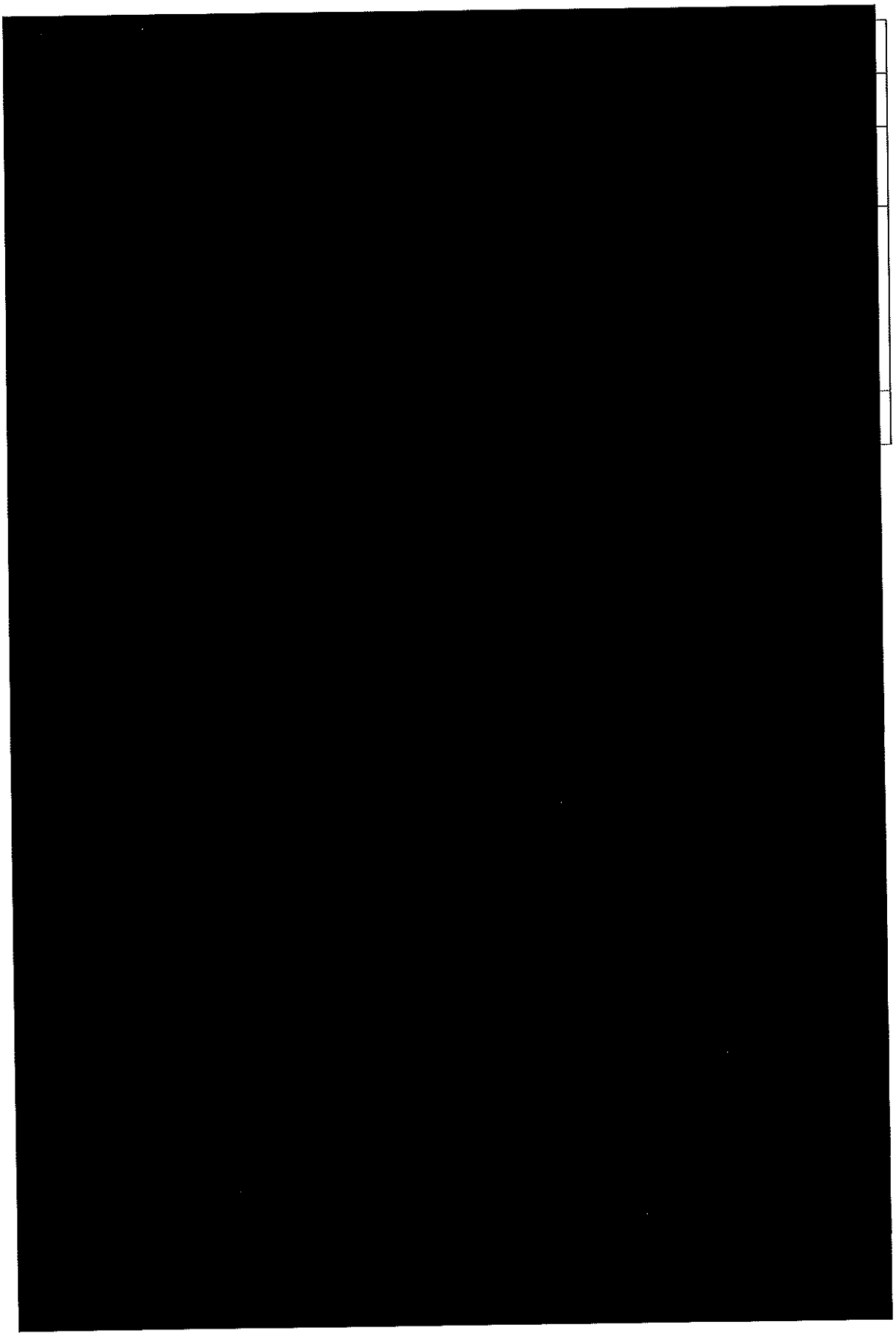

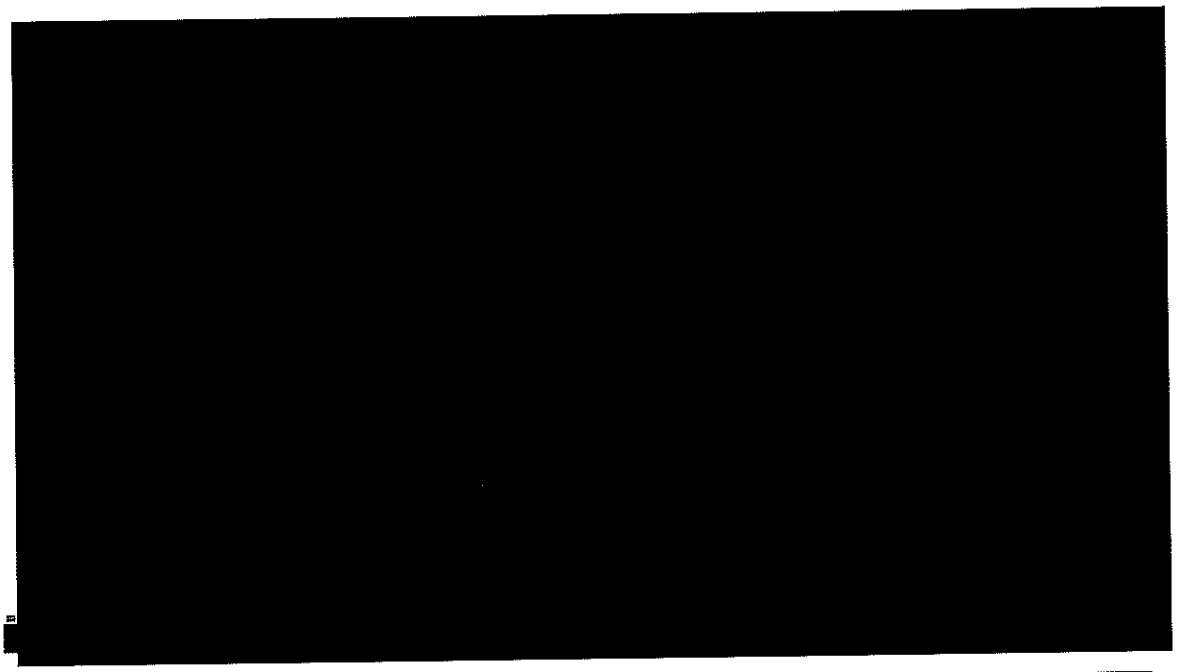

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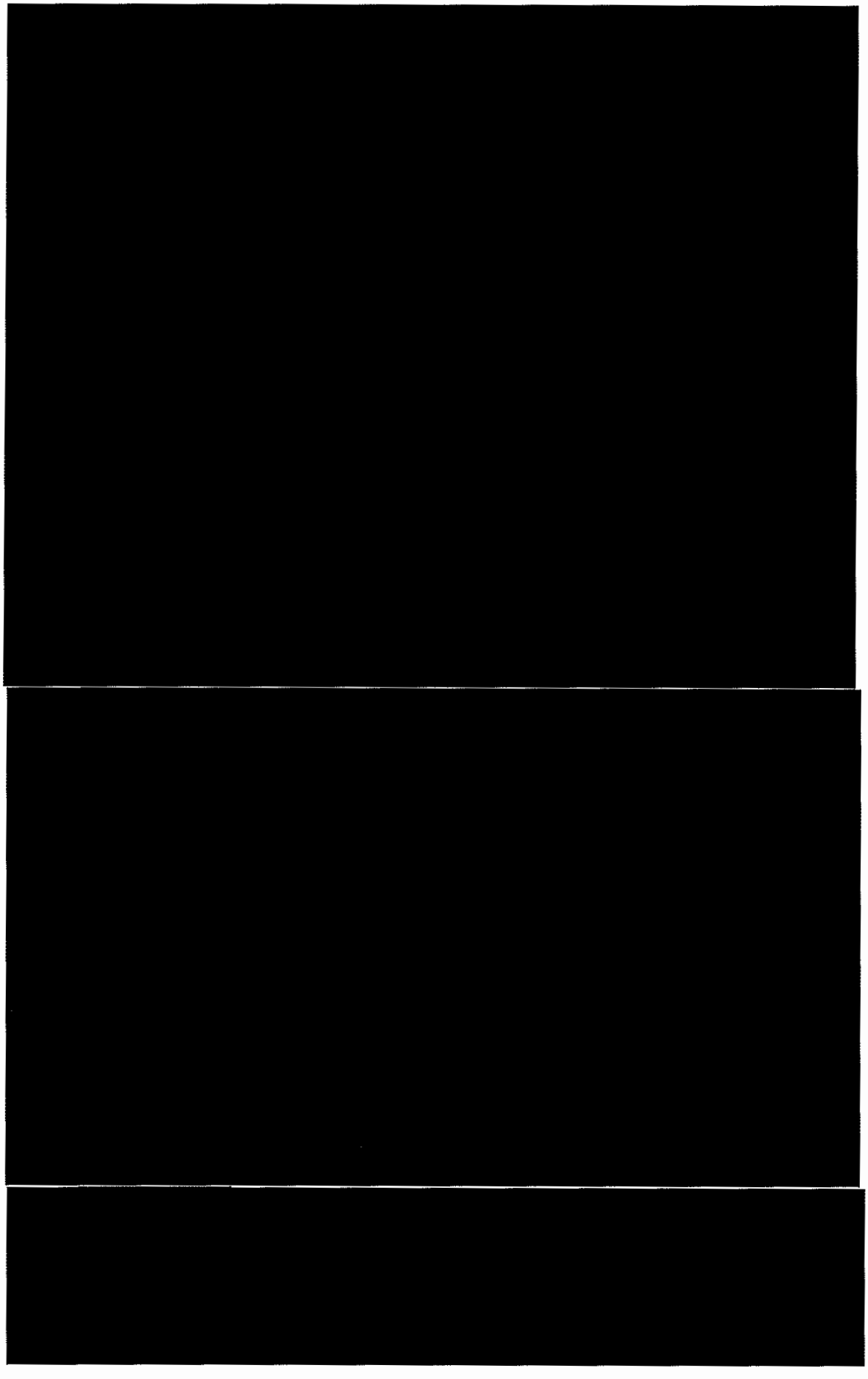

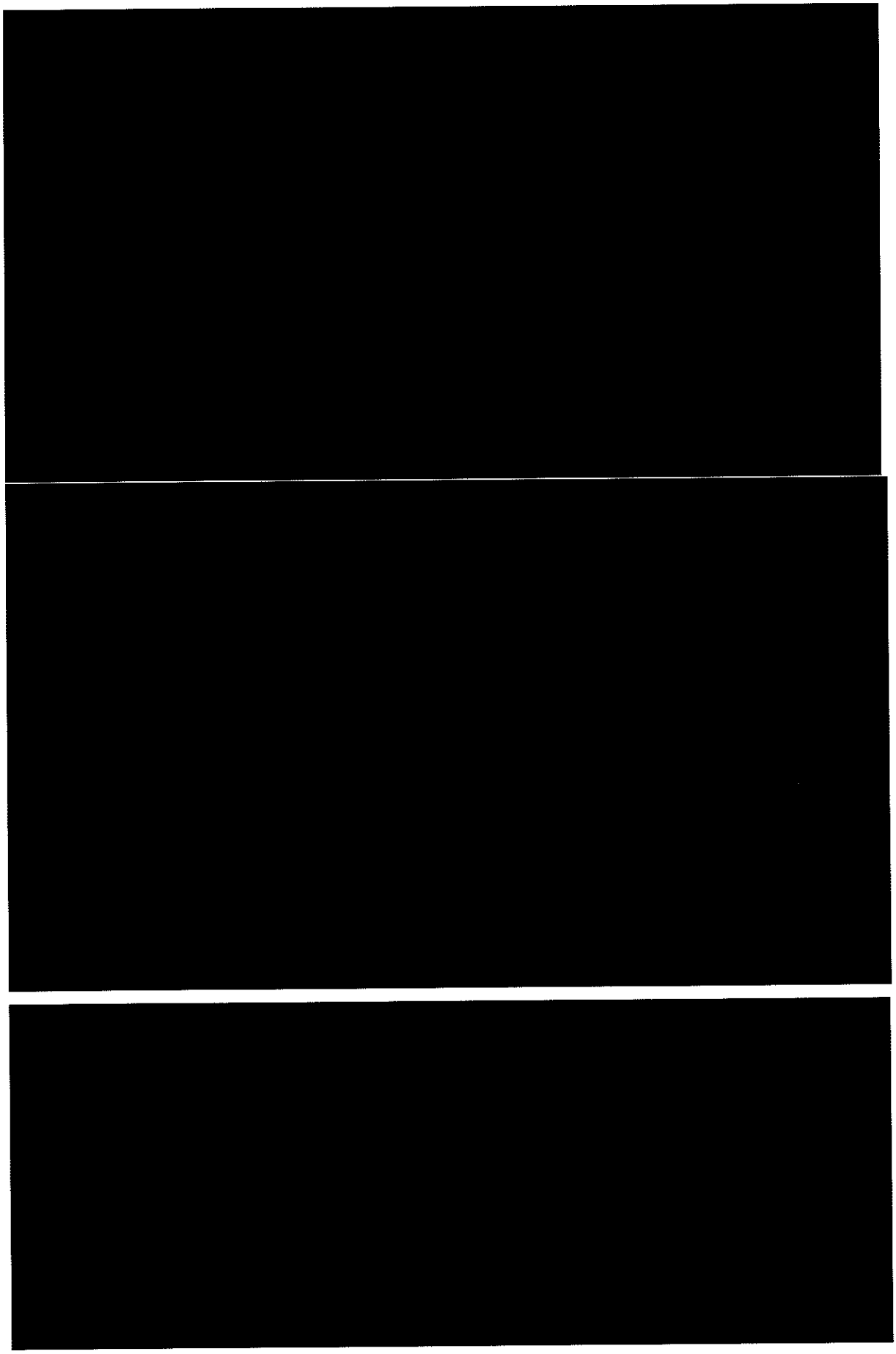

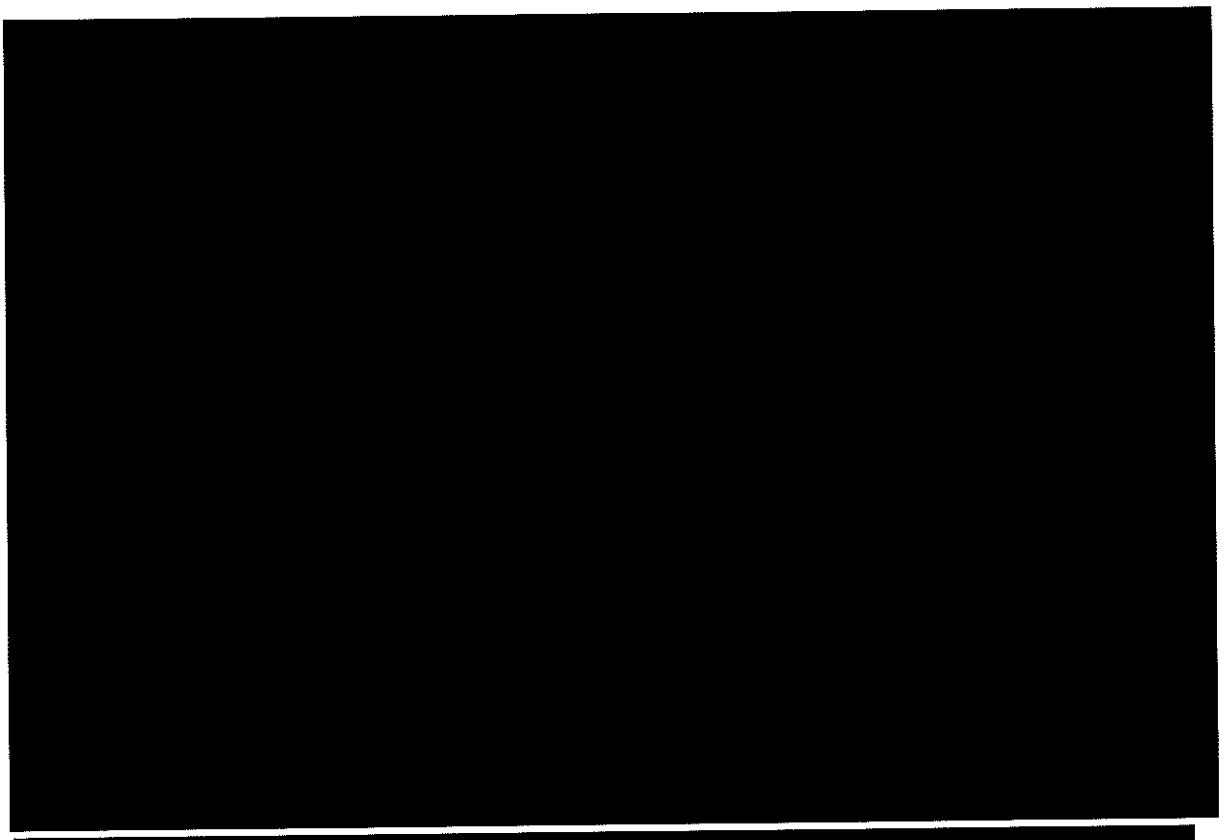

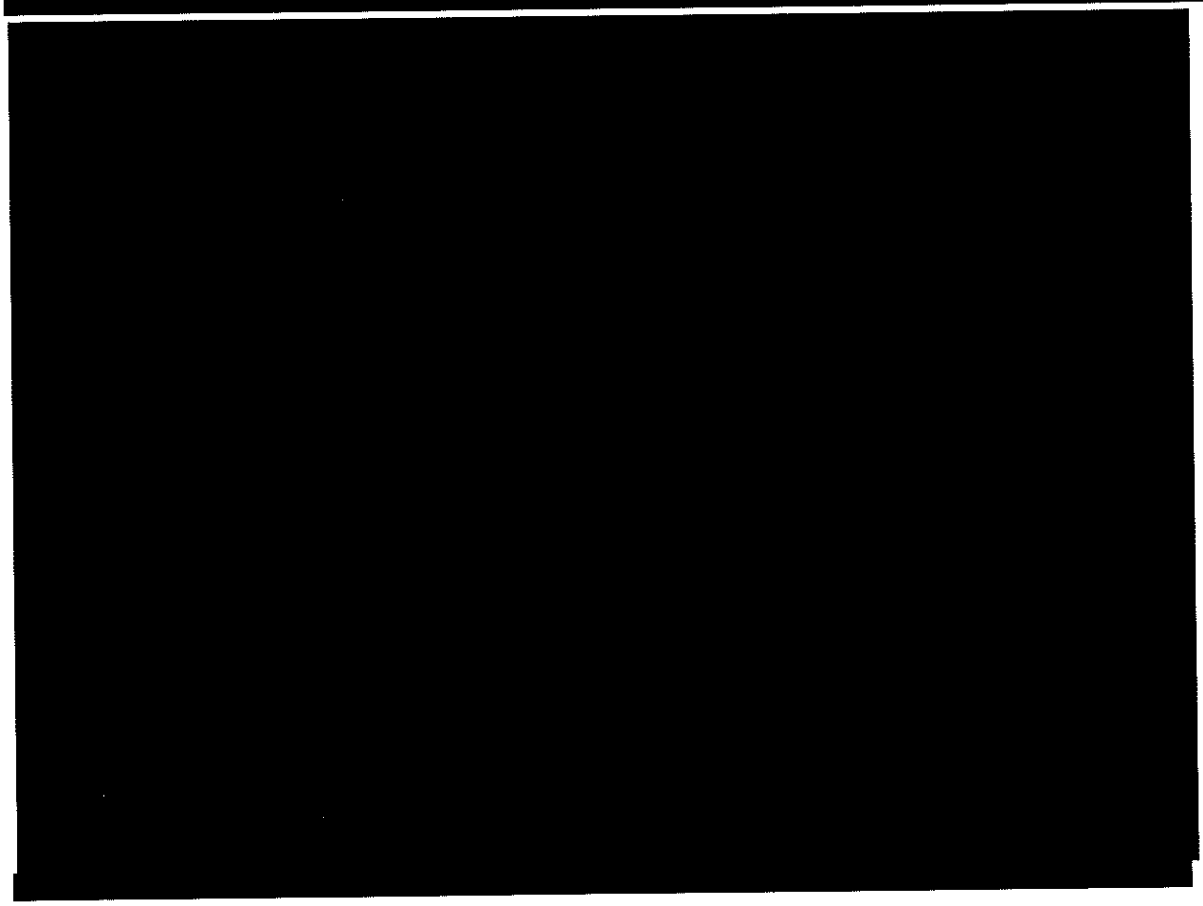

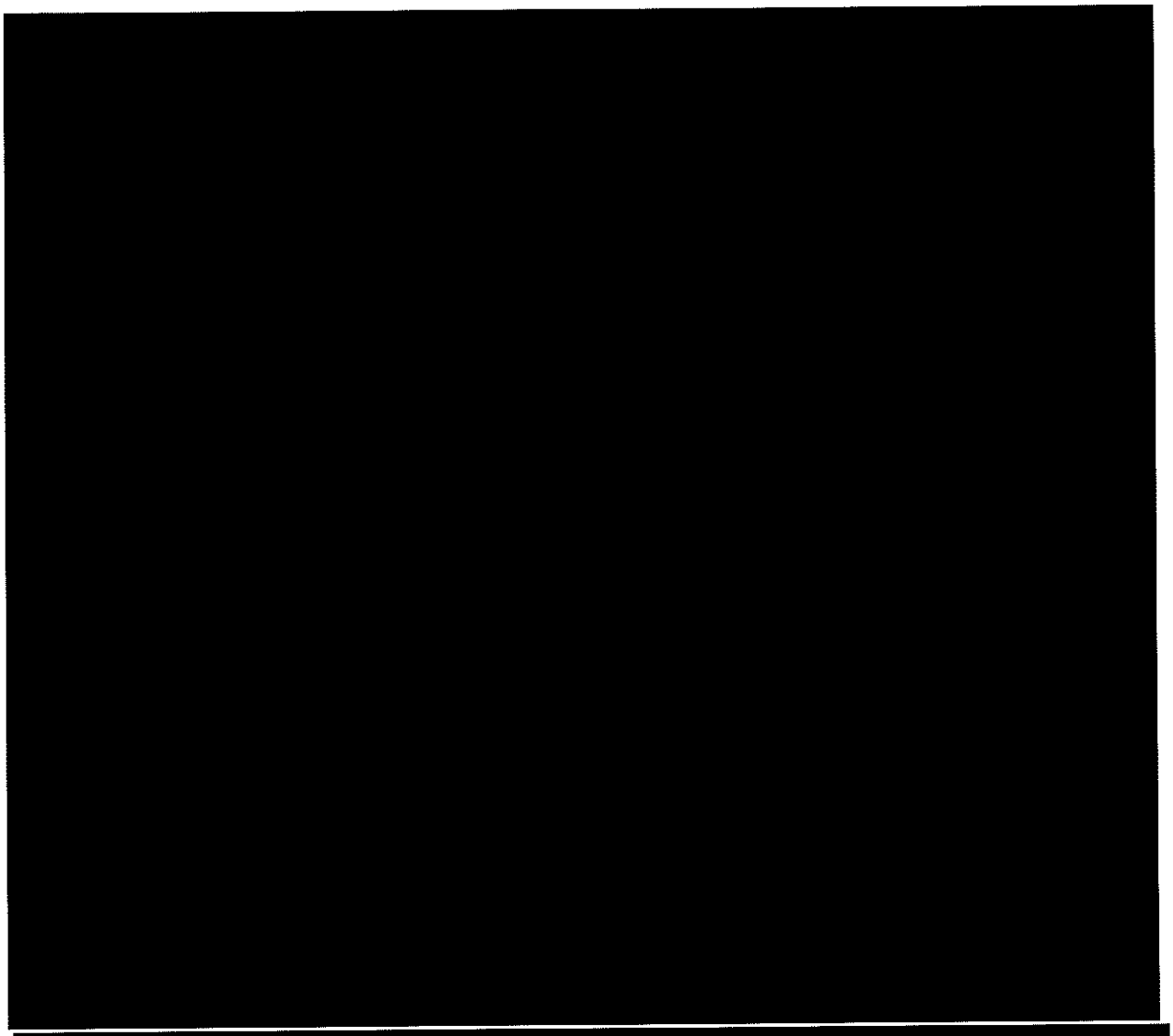

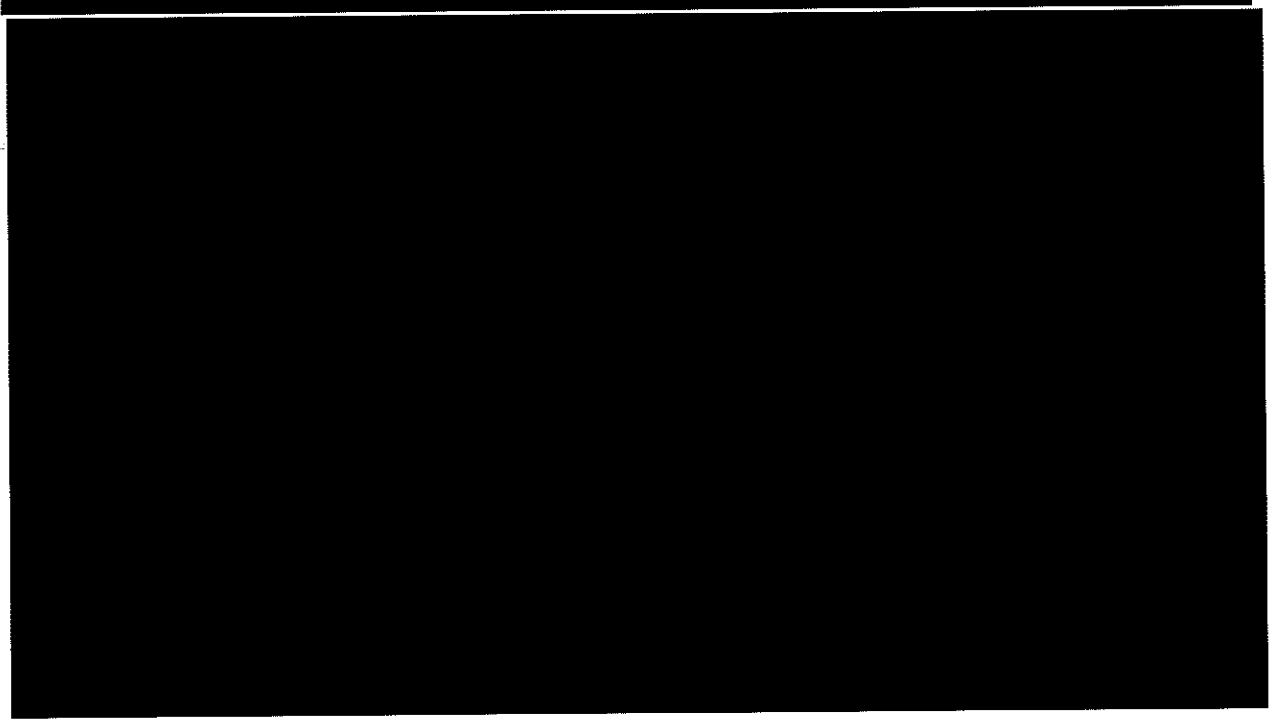

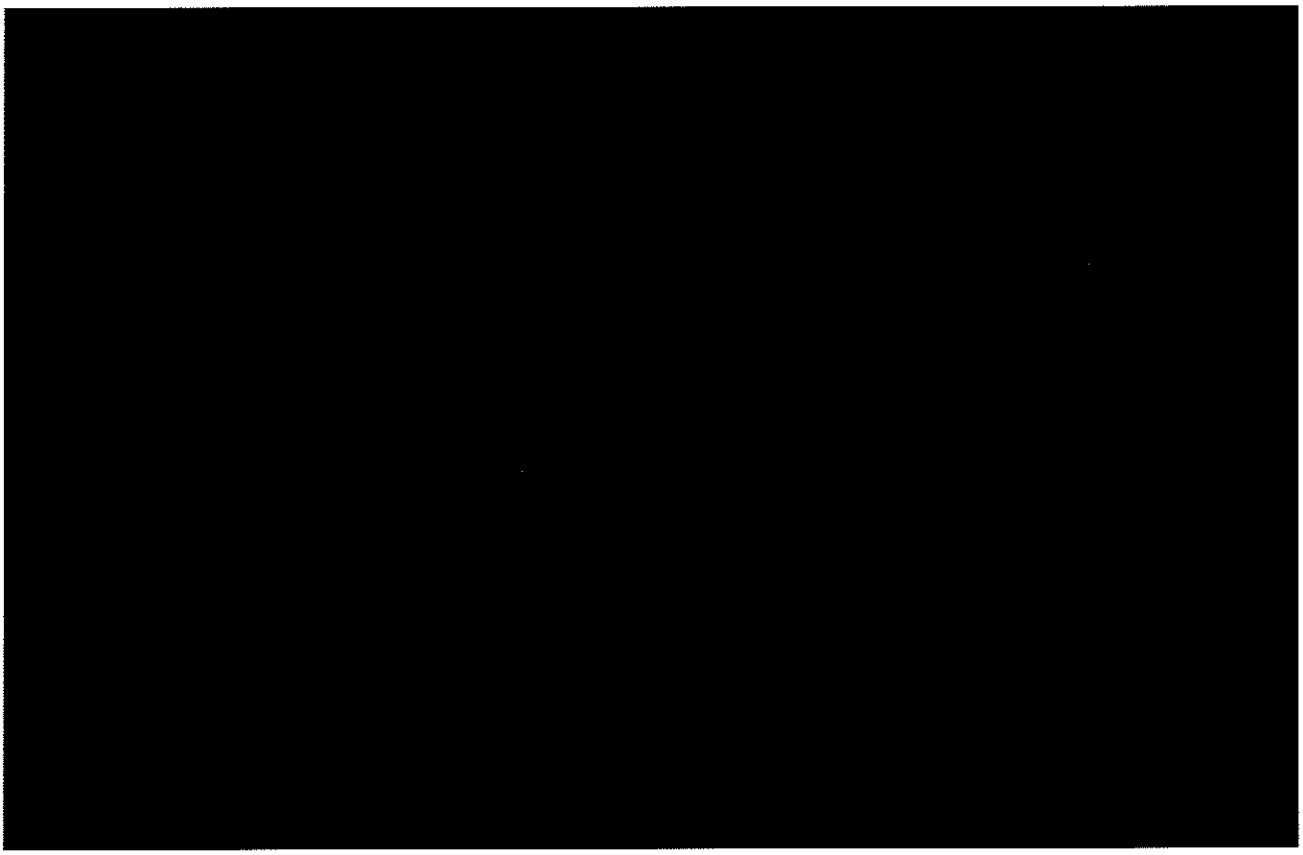

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More Powers Implementation Procurement Team
T: 0141 [redacted]
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Scottish Government
Riaghaltas na h-Alba
gov.scot

Our Ref: CASE/361756

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[redacted]

Scottish Procurement
and Commercial
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7th Floor
5 Atlantic Quay
150 Broomielaw
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G2 8LU

13 October 2017

Dear [redacted]

CALL-OFF CONTRACT FROM THE CROWN COMMERCIAL SERVICE DIGITAL OUTCOMES AND SPECIALISTS 2 FRAMEWORK - RM1043iv

PROCUREMENT OF LOW INCOME BENEFITS AGILE SERVICE DESIGN

TENDER REF: SP-17-014

Thank you for your tender dated 19 September 2017 for the Procurement of Low Income Benefits Agile Service Design. Having evaluated all the tenders received in response to the Invitation to Tender for this contract, I am writing on behalf of the Scottish Ministers, to inform you that your bid has been unsuccessful. The tables below display the individual scores given against the published evaluation criteria, together with those of the winning bidder, IBM UK Ltd.

NOTE - EMBARGO: It has been agreed that an embargo will be placed on any form of communication in relation to the award of this contract from the date of contract award until the end of the parliamentary recess, 23 October 2017. The embargo will apply to Scottish Government personnel and to those bidders who took part in the procurement exercise. We ask that you observe this embargo and that you do not disseminate details of this notification beyond those necessary within your organisation until 23 October 2017. Please cascade this embargo alert to those within your organisation you do inform.

INVESTOR IN PEOPLE
POSITIVE ABOUT DISABLED PEOPLE

Table 1: Technical Score 65%

Award Criteria	Section Weighting	Your Score	Winning Tenderer's Score
Service Delivery*	*30%	[redacted]	[redacted]
The Team*	*10%	[redacted]	[redacted]
Understanding of the Requirement*	*10%	[redacted]	[redacted]
Solutions – System Quality Attributes	10%	[redacted]	[redacted]
Alpha Scenario*	*5%	[redacted]	[redacted]
User Research, Engagement & Developing User Focused Services*	*5%	[redacted]	[redacted]
Indicative Technical Architecture	5%	[redacted]	[redacted]
Business Continuity and Disaster Recovery	5%	[redacted]	[redacted]
Operational Support Model	5%	[redacted]	[redacted]
Risks, Constraints, Conflicts of Interest	4%	[redacted]	[redacted]
Transition	3%	[redacted]	[redacted]
Data Management	3%	[redacted]	[redacted]
Hosting Proposals(s)	3%	[redacted]	[redacted]
Community Benefits - apprenticeships	2%	[redacted]	[redacted]
Community Benefits – schools and colleges	0%	[redacted]	[redacted]
Total Technical Score	**100%**	**50.90**	**65.75**

Table 2: Cultural Fit Score 5%

Award Criteria	Section Weighting	Your Score	Winning Tenderer's Score
Continuity of Service*	*40%	[redacted]	[redacted]
Fair Work	40%	[redacted]	[redacted]
Approach to working with Clients with Mixed Range Agile Technical Expertise/Experience*	*20%	[redacted]	[redacted]
Total Technical Score	**100%**	**58.00**	**67.00**

Table 3: Commercial Score 30%

Award Criteria	Weighting	Your Score	Winning Tenderer's Score
Total Commercial Score	**100%**	**n/a**	**100**

Table 4: Overall Score (Technical, Cultural Fit and Commercial Combined)

Award Criteria	Weighting	Your Score		Winning Tenderer's Score
Technical	**50%**	(65% x 50.90)	33.09	42.74
Cultural Fit	**20%**	(5% x 58.00)	2.90	3.35
Commercial	**30%**	(30% x 0)	-	30.00
Total	**100%**		**35.99**	**76.09**

Annex A to this letter provides a summary of the comments from the Tender Evaluation Panel, and the relative merits and characteristics of the winning bid.

May I take this opportunity to once again thank you for your interest in this contract and remind you that further contracting opportunities from the Scottish public sector can be found on the Public Contracts Scotland portal. http://www.publiccontractsscotland.gov.uk/.

Yours sincerely

[redacted]

[redacted]
Senior Portfolio Specialist

ANNEX A

PROCUREMENT OF LOW INCOME BENEFITS AGILE SERVICE DESIGN - TENDER REF: SP-17-014

Note: The Invitation to Tender's "Instructions to Suppliers' provided the following information: "Where a Supplier scores below 2 'Acceptable' for the questions marked with an asterisk (*) their response shall not be taken forward to the commercial element of the competition. Their bid shall be set aside and will take no further part in the competition". For technical question Q2 the score allocated was below 2. For this reason your bid was not taken forward.

The information below is provided to point out the areas of your proposal which the Tender Evaluation Panel consider could have been improved upon and to explain the relative merits of the winning tender. (Please note all scores are subject to rounding to 2 decimal places at each stage).

Although your bid was not taken forward to the commercial evaluation we have provided some further information below to enable a comparison between bids with respect to the commercial aspect.

Commercial 30%

Price Section	Section Weighting %	IBM	PA Consulting
1. Rate Card Weighted Section Score	40%	[redacted]	[redacted]
2. Total Maximum Price Weighted Section Score	50%	[redacted]	[redacted]
3. Case Study Weighted Section Score	10%	[redacted]	[redacted]
Total Sections Score		**87.69**	**86.84**

Technical 65%

Question	Your Score	Weighted Score	Summary of Your Bid The Tender Evaluation Panel concluded that aspects of your response to this question included:	Winning Tenderer Score	Weighted Score	Summary of the Relative Characteristics of the Winning Bid as Provided by the Tender Evaluation Panel
1. Service Delivery*	[redacted]	[redacted]	An acceptable answer, focused and to-the-point, that highlights the needs of the user up front, builds on learning from Alpha 2 work, in particular in relation to the specific challenges experienced by low income benefits users. Approach aligns with Social Security principles and the importance of Digital First assurance. It highlights, the agile and co-located approach that will be taken to deliver the project including the importance of key ceremonies - such as Show & Tells - to evidence work on an on-going basis. It makes sensible recommendations of how to phase the project citing relevant experience within Scotland and the wider public sector and the timeline is well structured and to an extent mirrors internal thinking. The answer outlines how knowledge sharing and up skilling, and the need to embed learning sustainably, will be a key part of co-location as well as the need to embed user-centred design throughout with emphasis on vulnerable/hard-to-reach users. The answer also embeds the importance of re-use and clearly articulates the areas this would focus on. The high level timeline is slightly confusing i.e. Public Beta Summer 2018 but Live service 2019. This still meets needs but is not clear. It would have been useful to have more context/reasons why the approach as a whole is being taken, and in particular align their recommendations more closely with specific delivery experience. The description of 'added-value' elements contains detail that could be expected to be part of standard service delivery. It states only five of the seven Social Security	[redacted]	[redacted]	An acceptable answer that breaks down in detail the way in which IBM would deliver the programme. The high level approach that outlines the building blocks of the project is clear and the approach to co-location highlights their willingness to work in the way we require the project to be delivered. It offers some value-added elements such as building a model office, training of SG staff, and a comprehensive transition strategy. The indicative timeline for delivery gives useful context of how responsibilities would transition to Scottish Government. The supplier has clearly demonstrated the approach to co-location with the teams targeted to fully support SG needs. They have demonstrated an understanding of delivery models and understanding of dependencies on other government departments in particular DWP. Significant added value in particular the apprentice positions. Good textural and graphical explanation of their Agile delivery approach.

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			principles despite the update at the Tenderer's Briefing Session. Focus on collaborative, or one team approach, and commitment to co-locate at both Edinburgh and Glasgow. However, the bid would have benefited from detailing some of the risks associated with two site locations and how these could be overcome. The response mentions passing on knowledge from the work on a previous Alpha to DEU but does not focus on the primary client (Social Security Directorate). The lessons learned from work on the previous Alpha could have benefited from elaboration. Reference is made to working with partners. More details on the joint delivery model with these partners would have been helpful. The response proposes use [redacted] without sufficient reasoning or justification. The response cites Organisational Change Management and Business Operational Readiness as being important but further detail on why these are important and how they will be addressed would have been useful.			
2. The Team*	[redacted]	[redacted]	Response is partially relevant but generally poor. The response includes CVs of all proposed team members - including grade, identifies the individual managing the contract, the senior core team, team structure diagram. The response is light on technical resources i.e. developers testers. One individual appears to be doubling up on content and UX. The proposal highlights access to specific subject matter experts to be brought in at various stages of the project, however, there is a lack of evidence as to when and how these would be utilised, including ensuring that they would be available if not fully dedicated to the project. The structure of the proposal makes it difficult to ascertain	[redacted]	[redacted]	This is an acceptable answer and aligns with roles identified in SG. Strong candidates for the roles. Key roles around user research, user experience, testing, product developers, all identified in the response. The response details the Executive team that will be responsible for managing the contract. The individuals proposed appear to have experience of working on similar projects within the UK public sector. Similarly, the proposed senior core team appears to have the relevant experience of working on similar projects, including within the public sector. Commitment for the whole Executive team to

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			the alignment between the proposed resources and the grade descriptors provided as part of the ITT. Although two partner organisations have been included within the proposal it is not clear if PA Consulting would take control and overall responsibility in the event of difficulties or delays. The bid could have been improved with greater clarity around how the partnership will work in practice.			be visible and accessible, at least during the early stages of the project.
3. Understanding of the Requirement*	[redacted]	[redacted]	An acceptable answer that covers the bases in terms of the required deliverables and uses insights gained from previous experience of Alpha 2 and other public sector work. It provides a clear and straightforward outline of the service delivery they are proposing, stepping through the individual benefits and the key components required to enable this including a named Programme lead, consistent user research and proposed technical architecture. There is useful further context and indication of where they will need to work alongside SG when it comes to ID Verification as well as acknowledgement of conforming to mygov.scot standards for multichannel delivery. The answer considers 're-use' in terms of re-using existing components/technology as well as building for further use within the Scottish Government. The proposal again only references 5 principles of Scottish social security instead of 7. Whilst the proposal recognises the dependency with and the need to integrate with some third party systems, it could have benefited from a more in-depth assessment of challenges associated with this, including the proposed solutions. The proposal is not clear as to when each of the identified requirements would be developed, i.e. Alpha or Beta. It would have been	[redacted]	[redacted]	Details a clear understanding of the SG requirements for Low Income Benefits. Evidence demonstrates a clear understanding of previous Discovery and Alpha stages of development and how these will be used in the next phases. Strong evidence of large scale delivery with both private and public sector bodies. The response explains in detail how IBM understand and will meet the requirements. Explanation of how each citizen channel can be addressed is described.

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			useful to get more context as to why certain choices are being made - in section 3 there is a lot of emphasis on how they propose to approach the process, the teams involved, the technology requirements, etc but little in the way of further context and no real linking of the various case studies that have been listed. Although they've addressed all of the relevant points some of the detail is too brief, for example Case Management will be the backbone of the solution but merits only three short paragraphs without a strong rationale. Document Management proposes a solution but doesn't elaborate on why this would be a good option. By relying so heavily on a Microsoft technology stack a full rationale would have been expected for this to be made at the start of the answer. The assumptions around re-using Alpha 2 will need to be challenged as this was built for prototype, rather than production, purposes. A significant statement in the PA response to this question places the onus on the integration challenges with DWP and on the Social Security Directorate and offers little mitigation of this risk or suggestions as to how PA and the other two partners might be able to assist with this complex area.			
4. Solutions – System Quality Attributes	[redacted]	[redacted]	A partially relevant response to this question which sets out an approach using the [redacted] platform as the route for delivery of the overall solution. Provides a high-level overview of how each of the system quality attributes will be realised, referencing specific technology choices where relevant. A fairly lightweight answer on accessibility and availability which could have offered a greater insight to the enterprise capabilities of PA and the two partners. The specific points on compatibility around browsers and	[redacted]	[redacted]	The response is good. It systematically documents and details all the system quality attributes outlined in Annex G of the Statement of Requirements. It also goes on to describe the approach to realising these, based on the existing processes deployed and experiences with the past and current projects.

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			mobile platforms could have been more comprehensive here. Overall, there is a lack of detail, and particularly so with areas like Localisability and Compatibility. There is very little mention of how they will work alongside Scottish Government to realise the SQA, or potentially challenge where these may need to evolve. Lacks detail on how the SQAs / NFRs will be measured, what tactics will be used to implement and example metrics. The response lacks confirmation (it implies) that the requirements will definitely be met i.e. under availability there is no clear commitment to the service being available 24/7 and under performance there is a lack of confirmation that the proposed solution will meet the clearly defined requirements. The response could have benefited from acknowledgment of the approach to be taken to work with the client on formalising draft KPIs and detail of past experience where similar requirements had been met.			
5. Alpha Scenario*	[redacted]	[redacted]	Acceptable response: Alpha 12 week plan clearly articulated, with emphasis on user research and iterative development. Clear proposal for initial inception to facilitate faster knowledge share and on-boarding. Clear definition of what is in the scope of the Alpha work and work to be undertaken as part of different iterations, including day by day split of work. Highlights their knowledge of agile practices and embeds user research throughout the timeline, and indicates the use of individual elements of both the Alpha 1 and Alpha 2 projects. The breakdown of the sprints also highlights how much focus there is on continuous testing and refinement of the backlog throughout the alpha phase. The answer also draws	[redacted]	[redacted]	Acceptable answer overall that sets out clearly how the Alpha scenario can be delivered in 10 weeks from start, building upon previous discovery efforts. Demonstrates an understanding of the concept of an Alpha phase. Timeline diagram supplied. Information supplied on roles, people and ceremonies required to support the alpha. The scope seems solid based on the information that's been provided, as do the proposed stages and exit criteria. The solution would give a working and testable prototype in a confined timeframe. The team structure makes sense.

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			attention to the importance of ceremonies throughout all sprints to continually demonstrate progress and iterate constantly. The assumptions list provides useful context, and challenge, about how we would achieve successful delivery. The overall plan looks highly ambitious, even with the 12 week allowance. The panel would have liked to have seen either a less fully-fledged prototype put forward, or caveats around what is proposed and where they would consider key areas of risk to be. The proposal indicates they will build out from the Alpha 2 prototype, which is not production ready. The proposal could have benefited from further detail on the integration between the payments platform and the corporate accounting solution. Significant assumptions are set out in the response, particularly around interfaces from DWP which need to be in place for project commencement. Assumptions in this response seem to indicate that Social Security will need to have (unspecified) environments up and running from project start.			
6. User Research, Engagement & Developing User Focused Services*	[redacted]	[redacted]	An acceptable answer that goes into detail on both the strategy behind the approach as well as the practical application of user research and how it would be built into every stage of the delivery process. It makes considerations about how user research can happen at various locations/Scottish-based facilities and, critically, brings in the role of content design. The answer gives some clear focus and direction around the needs of assisted digital users and also confirms the sensitive and vulnerable nature of some of the Low Income Benefit user base and provides clear evidence of alignment with various international ethical	[redacted]	[redacted]	Response is acceptable and relevant. The response addresses a broad understanding of the requirements which sets out the IBM approach to user research and engagement whilst developing user focused services. The response outlines an approach that is critical to the delivery of Low Income Benefits, getting to grips with the different user groups, ethics standards, techniques and testing that is fundamental to the service delivery we expect. It also recognises in detail the different citizen and internal/admin needs

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			standards. It expands on how their approach aligns with the Scottish Approach to Service Design. The response shows a good level of understanding of the specific requirements of 5 of the Scottish social security principles as they relate to users, including a high level approach to meeting those through user research activity. Although it is alluded to, it would have been useful to have had a more comprehensive breakdown between 'citizen' and 'internal/admin' user needs and where these may overlap or differ, as such the answer tends to lean towards answering the needs of citizens. There could have been more detail on the recruitment of users or the use of Social Security Experience Panels - as highlighted in the ITT, recruitment needs to be factored in. It would also have been useful to see the Digital First standards broken down further to highlight technology choices and their impact on user-focused services.			that will need to be covered, and the different approaches to user recruitment. Recognises the work done on experience panels and wider 3rd sector. Understands the importance of user research. Shows understanding of some of the user groups that will be engaged. Cites the techniques that will be used in UR. Commits to continuous UR. Understands the Social Security Vision. The response also recognises the Digital First Standards and commits to implementing a monitoring system into each sprint review aimed at assessing how the service is meeting 7 principles of Scottish social security and Digital First Standards.
7. Indicative Technical Architecture	[redacted]	[redacted]	A partially relevant but generally poor response which articulates overall high level solution architecture, including proposed capabilities for delivery. This includes recognition of the SG cloud first strategy. Suggests re-use of virtual infrastructure used in Alpha2 - response does not indicate how this would be re-used or what steps will be taken to make it re-usable. Strong dependency on MS stack. No indication of approach on mobile capability despite being mentioned in another question. The response lacks a significant level of detail in relation to a number of components. For example it is difficult to know how the support for multiple channels will be realised, including what the	[redacted]	[redacted]	The response is acceptable and sets out and outlines the technical architecture for the service, which includes multichannel, mobile capability detailing how the COTS products have been selected and details re-use. Sets out the overall architecture and graphically explains elements of reuse. Evidence of multichannel support including mobile. Response recognises the four citizen interaction channels and details how these would be managed consistently with the proposed platform. The proposal also recognises the needs of different user groups and proposes a solution that is based on

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			supplier recognises as application channels i.e. there is no reference to mail or face to face. There is also limited information on how the solution will support staff or facilitate third-party access.			roles with specific focus on security and data integrity. Detailed case evidence provided regarding the ability of the proposed platform to integrate with legacy systems as well as in relation to computer telephony integration.
8. Business Continuity and Disaster Recovery	[redacted]	[redacted]	A partially relevant response that provides an approach to development of business continuity and disaster recovery plans based predominantly on the [redacted] platform and the broader cloud capabilities to support the restoration of services. More detailed information around how the [redacted] platform could assist with the recovery of services following an incident would have been helpful, particularly around dual data centres, failover or recovery approaches. No mention of standards such as ITIL. Nothing on how they intend to stand-up services in the event of catastrophic failure or location loss (i.e. an office workspace).	[redacted]	[redacted]	An acceptable answer that provides a comprehensive overview of Business Continuity and Disaster Recovery, highlighting the processes required and contingency planning that would be put in place, appropriate to each stage of the project, and includes how they would interface with Scottish Government to draw up plans and align with existing practice. The plan encompasses people, technology, data, processes, premises. Commitment to have disaster recovery plan reviewed and iterated ahead of major phases of the project, including Discovery, Alpha and Beta.
9. Operational Support Model	[redacted]	[redacted]	Response details the operation support model, including the escalation process and target resolution times. It also provides for an example where a similar solution has been put in place elsewhere in the public sector. Overall response times for each line of escalation could have been clearer. Although, the proposal highlights that the proposed service desk provides a full 24/7 support, this appears not to be the case during Alpha and Beta phases of delivery. Similarly, the target resolution times, in particular for level 1 and level 2 category of incidents appear to be slow based on the high profile of the service and the vulnerable nature of the user group. Whilst the response as set out is clear and helpful it	[redacted]	[redacted]	A good response from IBM on the varying support model with clear graphical explanation of how 1st, 2nd, 3rd, and 4th level support could be triggered. The global capability with 'around the sun' support contacts is useful but would need to be tested . Outlines the approach to operational support in a lot of detail, and documents the service level agreement targets they will put in place, including a useful breakdown of how service management will integrate with existing agile processes. Details response goals and named escalation points.

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			lacks in-depth detail of an escalation path with named personnel who can be contacted in the event that normal reporting measures fail to deliver a timely response or fix. The approach to 'development days' is at odds with what should be considered as included within typical annual support costs. It is not clear how such days would be calculated or how any unused days in any given year would be accounted for or carried forward.			
10. Risks, Constraints, Conflicts of Interest	[redacted]	[redacted]	Acceptable response: Detailed approach and governance proposed for management of risks. A number of risks identified, including dependencies on third parties as well as a number of key constraints being highlighted. Some of the mitigation actions against identified risks are lacking. User engagement is a critical element of the work and no risks or constraints associated with this have been identified. Existing SG approach to risk management is not mentioned or alluded to.	[redacted]	[redacted]	The response is acceptable and sets out assumptions, risks, constraints and dependencies including those dependencies on SG and third parties, in particular DWP. It recognises the risks associated with user research (critical part of successful delivery). Highlights the need for clear and functioning governance, stakeholder engagement and specific technology risks.
11. Transition	[redacted]	[redacted]	Response is partially relevant but generally poor . The response commits to the development of a transition plan and development of a platform migration strategy. It breaks down the tasks required for a successful handover into sensible chunks and cites experience from both the work done in Alpha 2 as well as a relevant migration project from the Home Office as examples of transitioning to a supplier or other platforms. The response could have had more detail around detailed documentation that could be produced during the life of the contract which could assist with any transition to a new supplier. There does not appear to	[redacted]	[redacted]	A good response which sets out how any transition to a new service provider or the in-house capability could be achieved with a clear emphasis on both documentation from the outset and the phased delivery and handover process which should incrementally empower either SG resources or another supplier through shadowing and knowledge transfer. Includes a period of parallel operations.

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			be sufficient information on how software licences might need to be transitioned and if such a transfer could result in any impact to running costs. Further details on resource requirements, format and anticipated timescales could have been provided. The response could also have benefited from reference to any specific challenges and risks associated with transition.			
12. Data Management	[redacted]	[redacted]	A partially relevant response which covers most of the requirements stated out in schedule 9 of the ITT. Supplier notes ISO 27001 and Cyber Essentials Plus. There is more detail provided on data segregation, security, data centre physical security (for [redacted]). More comprehensive details around data destruction in the [redacted] platform could have been provided in the response and the specific answer around clearance for staff seems to be at odds with our requirements that all staff associated with this requirement will need to be BPSS cleared as a minimum. Details around the encryption standards and methods that would be used are lacking in the detailed answer. The response does not provide an adequate level of detail in relation to a number of requirements set out in schedule 9 of the ITT. It does not appear to provide sufficient information in relation to a Single point of contact on all security related matters being put in place; conformation of conditions being applied to all subcontractors and third party suppliers; and non-compliance being escalated to the SG. Additional details on NCSC guidelines on cloud security principles, obfuscation of data, safe destruction of data could have been provided.	[redacted]	[redacted]	Acceptable response. Cites appropriate ISO/IES standards, recognises that security has many perspectives (source code, application development, networking etc). The 19 requirements are answered in detail with each of the points set out in Schedule 9 including references to the repeatable models used.

13. Hosting Proposals(s)	[redacted]	[redacted]	Acceptable response. The proposed solution centres around [redacted] solution in line with the SG strategy and the National Cyber Security Centre's Cloud Security Principles - with the data being hosted within the EEA. The proposed solution also appears to be flexible enough to support hybrid or on premise delivery. Proposal also recognises some of the communication challenges (perceived and real) associated with [redacted] and is committed to working with the SG on these. The response highlights previous work where the similar hosting solution was used. The response details [redacted] capabilities and some solutions. Detail on why these choices have been made would have been good. Detail on the approach to deprecation and API lifecycle would have been good. The response appears to lack details around cost optimisation in a cloud environment and how the SG could manage the consumption of services and control these directly without the involvement of PA or [redacted] themselves. There is no mention of how [redacted] would interact with Active Directory or Federated Active Directory services within Social Security. More details around encryption in the Security Management section would have been helpful and might have increased understanding of the overall [redacted] solution. The proposal could have benefited from information on how the supplier 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. It could have been useful to describe any risks associated with the proposed solution.	[redacted]	[redacted]	Acceptable response. The response acknowledges the SG Hosting Strategy and presents a proposal consisting of three options that are capable of supporting cloud, hybrid and on-premise hosting, including the ability to leverage a combination of these.
14a. Community Benefits - apprenticeships	[redacted]	[redacted]	An acceptable response that addresses a broad understanding of the requirement but lack detail in how the response will be addressed in some areas. Detail of qualifications to be gained and the length of	[redacted]	[redacted]	A good response. Detailed response with strong emphasis on partnership with Skills Development Scotland. Length of the apprenticeship together with the confirmation

			apprenticeship is adequate as is the support mechanisms to be put in place. The proposal acknowledges that the Scottish living wage will be paid and that the apprentices will be directly involved in the project itself. Apprenticeship numbers are only indicated as targets rather than full commitments. The proposal could have had further information on the assessment arrangements as well as the longer term employment opportunities on completion of the qualification.			of Scottish living wage being paid appears to provide for a stable programme, at the end of which successful candidates have the potential to gain an SQA recognised qualification. Evidence of strong support to the candidates throughout the programme with a qualified assessor supporting the process.
14b. Community Benefits – schools and colleges	[redacted]	[redacted]	A good answer - highlights how workshops will be arranged with SG and/or Skills Development Scotland, hosted within schools or colleges and ongoing commitment of 7.5 hours per month.	[redacted]	[redacted]	An acceptable response indicating that IBM will commit to engaging with Schools on a monthly basis offering a range of support mechanisms to provide a basis for Science, Technology, Engineering, and Maths (STEM) skills.

Cultural Fit 5%

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1. Continuity of Service*	[redacted]	[redacted]	An acceptable response. To ensure continuity of service the response details a proposal for handling planned absences which in part relies on backfilling from the existing team and in part bringing additional resources in case of a longer planned absence. Planned absences to be shared with SG in advance on a 3 month rota basis. Commitment to share CVs of any proposed replacement team members with commitment for the client to sign off on the proposed replacement, including shared interviews with SG for senior positions. Project lead to work with Service Resource manager on planning and addressing absences across the supplier and its two contracting partners. The response focuses on the suppliers ability to access a wide pool of resources across the UK, however, it is not clear how readily available any replacement resource would be. The response does not appear to provide a timescale commitment to having a replacement resource in place for unplanned absences. Some concern around spread of absence risk across not just one, but three suppliers involved. It is not clear if other competing customer projects with any of the suppliers could take priority over the Social Security contract.	[redacted]	[redacted]	An acceptable answer. The three key areas: continuity of service, managing absence periods and assuring the quality of the replacement team members is detailed. The response highlights how continuity of service will be achieved, including oversight of planned absences and upfront planning to avoid issues. Backfill will be provided in cases of prolonged unplanned absence, with no additional cost if the post is more senior than the person who is off.

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2.Fair Work	[redacted]	[redacted]	Generally acceptable response covering a number of requirements ranging from the company's commitment to living wage, staff development, promoting equality and opportunity and work life balance. The response could have benefited from more detail on its equality and diversity policy and how it works in practice for different groups. Also not clear what the policies and arrangements are within the subcontracting companies.	[redacted]	[redacted]	Response is acceptable and relevant and covers IBM commitment to fair work practices for workers with reference to Schedule 13. Commits to fair worker practices, fair and equal pay, and recognises equality and diversity as well as the need to up skill staff.
3.Approach to working with Clients with Mixed Range Agile Technical Expertise/ Experience*	[redacted]	[redacted]	Acceptable response. Cites the need to strike the right balance of transferring knowledge, building technical skills and experience of agile. Response notes the need to have the right team members involved in key ceremonies. Support for the SG Product Owners and ensuring an understanding of SAFe are called out. Would have been good to see evidence of working with Scottish Government to consider the skills and expertise already in place and build a base from there. It doesn't go into specifics about how they would deliver training.	[redacted]	[redacted]	A good response. Case studies demonstrate the approach to working with clients with mixed technical and Agile experience. The approach proposed centres around collaboration and knowledge sharing from the supplier to the client and provides options for additional training of SG staff. Highlights how they would expect skills and knowledge to evolve over time, ensuring greater transfer of agile and technical skills to Scottish Government over the duration of the project.