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Market Sounding

2nd Generation Support & Maintenance

March 2016

Version: 1

Disclaimer

This document is provided solely for the purposes of obtaining feedback from interested organisations on the future provision of Rural Payment services. It does not commit Defra to any procurement scenarios outlined in this document or any subsequent decisions based on the output of the market sounding exercise. This document summarises certain aspects of a potential commercial exercise but does not purport to contain complete descriptions of such potential arrangements. Any services described in this document are proposals only and should not be taken as final. The recipient of this document should note that the information contained is preliminary in nature and is subject to amendment. No decision has been made as to the form of any commercial exercise and as with all public funded work, it is subject to approval. Accordingly, no reliance should be placed on any information contained in this document and no representation or warranty expressed or implied is being or will be made and no responsibility or liability is being or will be accepted by Defra, its agencies or any of its advisers as to the accuracy, adequacy or completeness of such information within this document (save where prescribed by law). This document is not intended to form the basis of any investment decision or evaluation by the recipient and does not constitute and should not be considered as a recommendation by any person in connection with Defra, its agencies or CAP Delivery Programme. Each party to whom this document is made available should, at its own cost, make an independent assessment of the opportunity set out in this document after making such investigation, as it may deem necessary.

Introduction and purpose of questionnaire

Department for Environment, Food and Rural Affairs (Defra) is seeking feedback and advice that will test its assumptions, from potential service providers who may be interested in supporting Defra's Common Agricultural Payments (CAP) Systems.

The document is made up of the following sections:
- Background
- Scope of Services and Lotting Approach
- Procurement Approach
- Questions

This is not a formal Invitation to Tender. Defra is carrying out a feasibility study, and wants to understand what potential providers could offer to help inform our recommendation to the Project Board.

It is worth stressing that there will be no supplier ranking or selection process as part of this exercise. We may however meet with organisations to discuss their responses in greater detail prior to presenting the Project team's recommendations to the Board. The conclusions of this market sounding will form no part of any tender evaluation.

Please note that this exercise is being undertaken by Defra purely for information seeking purposes and does not form part of a procurement process. Interested parties should note that a response to this notice does not guarantee an invitation to tender for any services which Defra may advertise, nor that Defra, will procure any such services or accept any proposals offered. Conversely, not participating in this market sounding exercise will not exclude any party from any involvement in any future procurement process.

Defra is required under the Public Contracts Regulations 2015 to take appropriate measures to ensure that competition is not distorted as a result of the participation by any supplier ("Participating Supplier") in this process. Such measures may include (but are not limited to) ensuring that any relevant information communicated by a Participating Supplier as part of this process will be shared with other tenderers to the extent necessary to ensure that any future tendering process treats tenderers equally and does not distort competition.

Instructions for responding

Please read this document carefully to gain a thorough understanding of our CAP Systems support requirement.

A self-explanatory questionnaire is contained towards the end of this document. Please answer the questions as fully as possible, referencing each answer with the relevant question number and state if response is commercially sensitive or confidential.

You can respond to any number of questions within a combined statement if you prefer. If this is the case please reference the relevant question numbers being covered. The length and detail of your answer is at your discretion.

We recognise that we are not allowing a great deal of time to complete this questionnaire; however we are not expecting a "full blown" pre-qualification or tender submission.

Any immediate queries relating to this Market Sounding should be addressed to Nicholas Wright (Commercial) either by email or telephone:

> Nicholas.Wright@rpa.gsi.gov.uk
> Direct line: 0118 9687 185

We would ask that you submit your written response by email to the same address to be received by noon Monday 21st March 2016.

We may hold follow up meetings with potential service providers.

If you do not intend to respond then we would be grateful if you could send us a brief email to confirm this to avoid us unnecessarily chasing your response.

Feel free to include any additional supporting information which you think may be useful to Defra in assessing your organisation.

Responses will be reviewed which will help us draw conclusions and develop our forward plans.

Confidentiality and Freedom of Information Act 2000

When providing information as part of this exercise Participating Suppliers should identify any information they consider to be commercial sensitive or confidential. Defra will endeavour to treat as confidential such information received as part of this exercise, subject to the following provisos:

- If a request to provide information under Section 1 of the Freedom of Information Act 2000 ("FOIA") is received relating to this exercise then Defra will notify the organisations involved of such a request for information, consult with them and invite them to make representations as to whether or not the information requested should be disclosed and/or whether information is Exempt Information. However, the final decision will remain with Defra.

- Defra will be entitled to use and disclose such information if such a measure is necessary to ensure that competition is not distorted in relation to any future tendering process. If this is the case, Defra will endeavour to consult with the Participating Supplier, before such disclosure is made.

In return we would expect that all organisations approached as part of this exercise maintain confidentiality and do not disclose this approach to any third parties without Defra's prior approval.

Background

Rural Payments Agency (RPA) is an Executive Agency of the Department for Environment, Food and Rural Affairs (Defra). It is the single paying agency responsible for Common Agricultural Policy (CAP) schemes in England and certain other schemes throughout the UK.

Managing change is at the heart of successful policy delivery. It requires the implementation of ever evolving policies through services that must achieve economic, environmental and social outcomes while being efficient and cost effective. These challenges must be overcome with the minimum disruption to customers and service standards.

The CAP is a framework of agricultural policies that are agreed by the European Union (EU) every seven years. The implementation of these schemes and programmes falls to each administration within the UK. The UK Government (as with all Member States and Devolved Regions) is subject to substantial disallowance penalties if the EU Commission auditors consider that key and ancillary controls are not in place or if they disagree with the local interpretation of the rules.

The CAP Delivery Programme was set up in 2012 by Defra to design and implement the service that will enable Defra to deliver CAP.

The overall CAP solution consists of a technical solution, a set of supporting services including Service Management and infrastructure. The 1st generation contracts for the design and implementation of IT systems that support the development CAP schemes are due to expire at the end of September 2016. Replacements will be required to ensure continuity of services.

The 2nd Generation Procurement (2GP) project has been initiated to define scope and procure new contracts which will be predominantly for the support, maintenance and hosting of applications with limited development capability going forward.

Defra ICT Programmes

The Defra group is in the process of actively taking forward two related, but at present separate, ICT programmes:

- UnITy Programme – this is focused on replacing the wide variety of ICT services currently provided to Defra (including delivery agencies) and the Environment Agency by IBM and CAP Gemini respectively.
- CAP DP – the 2nd Generation is procuring support & maintenance, hosting and environment support in respect of the Rural Payments solution built to administer Common Agricultural Policy scheme payments in England.

Whilst both programmes are set to procure ICT services, the timescales and scope differ to varying degrees, thus they will continue to run as separate programmes, but with the aim of alignment at the earliest stage. The planning assumption is that the services procured under the 2nd generation CAP DP procurement will transition into the wider UnITy scope/services at the end of the respective contracted periods.

Scope of Services

This section sets out the scope of services to be procured and the proposed lotting approach.

Overarching Principles

The optimum approach should encompass the following principles:

- Treat the Applications as an integrated business system.
- Flexibility – ability to flex up service provider resource to support existing in-house capability.
- Lotting will be used to achieve an optimum level of service consolidation.
- Use Government frameworks where available and appropriate
- Seek opportunities to optimise Value for Money
- Transition complete by 30th September 2016
- Comply with Government Commercial Standards
  https://www.gov.uk/government/publications/commercial-standards-for-government

High Level Architecture

The diagram below provides an overview of the Basic Payment Scheme (BPS) CAP solution.
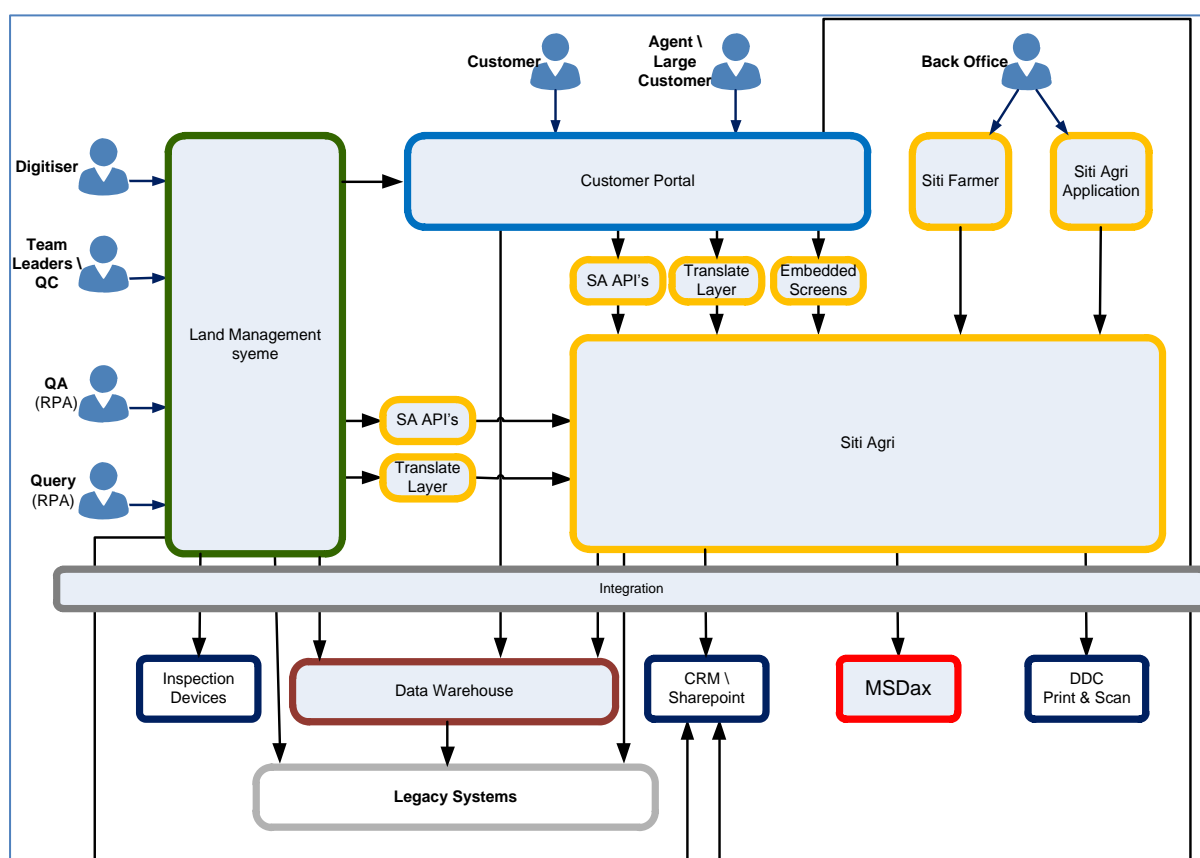
Land Management System

The Land Management System (LMS) application is built using 1Spatial, Geoserver, Mastermap and Oracle. LMS is a fundamental component of Basic Payment Scheme (BPS) processing with the service covering Incident diagnosis and resolution for Tier 2 and Tier 3 support.

Customer Portal

Rural Payments and RPA identity check are two applications which provide our end Customer access to the Policy Engine (SITI Agri/Farmer). This portal validates and confirms the Customers access and is used to record Customer details. The Application is largely bespoke using Java and linked to an Oracle back end.

Policy Engine (SITI Agri)

SITI Agri / SITI Farmer are the Agencies Policy and Case Management systems.

Designed and created to develop an Integrated Management and Control of the EU, Regional and National Common Agricultural policies.
The integrated frameworks available in SITI Agri solution can also manage LPIS, Farm Registry and Control Systems.

The SITI Agri product has close interfaces to the LMS and the Rural Payment Portal.

Finance & Payment System

People Portal (PP), Running Costs and Scheme Finance use MS DAX to deliver our HR service and Finance Services. The MS DAX package remains largely standard with very little bespoke development.
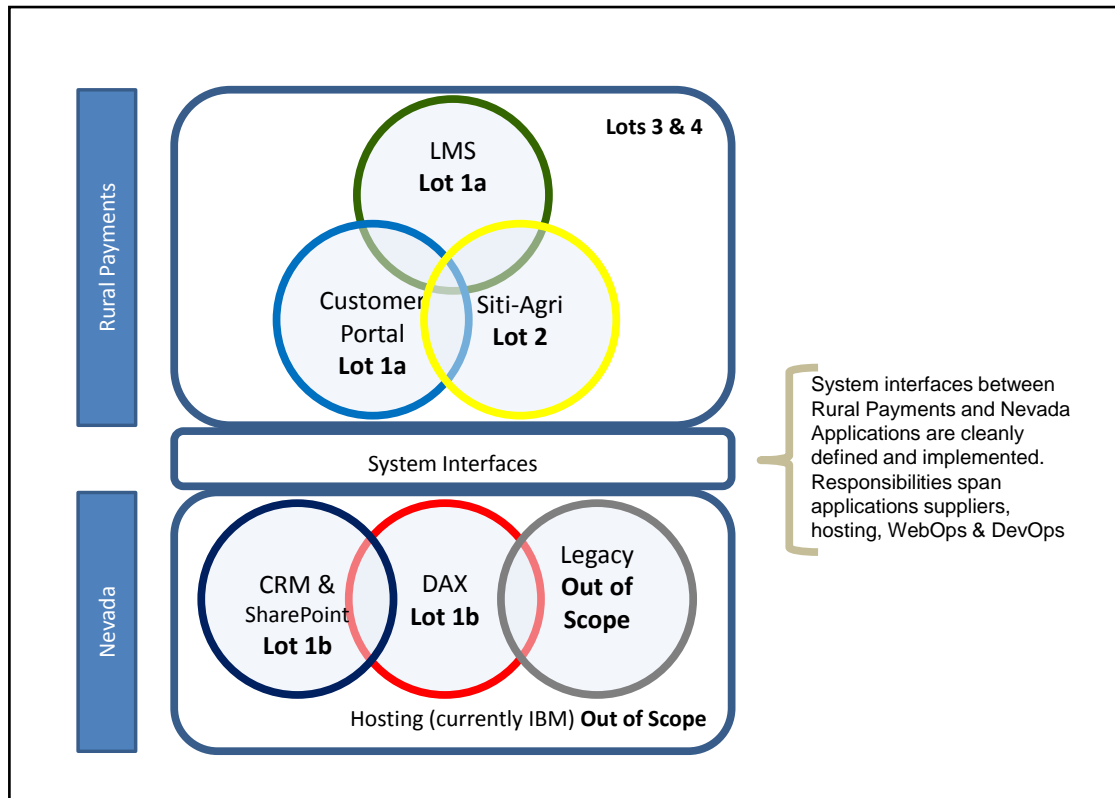
Hosting

Currently LMS, Customer Portal and Policy Engine are cloud hosted. Separate services are provided for Test & Development and Production.

MS Dax, Data Warehouse CRM/Sharepoint and Legacy Systems are provided on RPA's Nevada platform and are out of scope.

Lotting Approach

The Lots have been constructed by reference to the current architecture and by grouping applications.

- 1a.	Rural Payments Applications
- 1b.	Nevada Aplications
- 2.	Policy Engine
- 3.	Hosting
- 4.	Environment Support

Lot	Title	Description
1a	Rural Payments Applications	This lot will provide Tier 2 and 3 support for the predominantly java based applications and services and enhancement capability. The applications within this lot shall be hosted by Lot 3. The key Applications and services within the lot are: • The Land Management Service (LMS) application is built using 1Spatial, Geoserver, Mastermap and Oracle. LMS is a fundamental component of BPS processing with the service covering Incident diagnosis and resolution for Tier 2 and Tier 3 support. • Rural Payments and RPA identity check are two applications which provide our end Customer access to the Policy Engine

Lot	Title	Description
		(Siti Agri/Farmer). This portal validates and confirms the Customer's access and is used to record Customer details. The Application is largely bespoke using Java and linked to an Oracle back end. • Land Viewer is an application that gives Customers access to their land data that can be viewed on screen. Development currently underway will give the Customer the ability to change and or amend parcels. • The remaining requirements in this lot are functions the suppliers will be asked to carry out: Release management, Change Only Updates (Mastermap COU)
1b	Microsoft Applications	This lot will provide support Tier 2 and 3 for the predominantly Microsoft based applications and services. They are hosted on legacy Nevada platform which is out of scope. Applications and services within the lot are: • People Portal (PP), Running Costs and Scheme Finance use MS DAX to deliver our HR service and Finance Services. The MS DAX package remains largely vanilla with very little bespoke development. • Payment Filter and Transformation Layer are bespoke applications again supported by the In House Development Team and they are an integral part of the end to end payment function. • Nevada is the name given to our Windows platform and hosts the applications in this lot: CRM, SharePoint, BizTalk and MS Dax. The support and maintenance of these services is carried out by an In House Development Team. Suppliers will be required to provide additional resource to support the in house team on an ad hoc basis. • The remaining requirement in this lot is the function of Release management.
2	Policy Engine	This lot will provide Tier 3 support and enhancement for the core policy engine SITI Agri.
3	Hosting	This lot will provide the infrastructure to host the entirety of the applications and data that are part of the CAP solution except those applications under Lot 1b. Currently the hosting of the servers / systems used by the above applications is split between a single host for production services

Lot	Title	Description
		(approximately 120 servers and a mix of Unix and Windows) and a separate host for Development and Test services (approximately 422 servers and a mix of Unix and Windows). The requirements in this lot are functions required to maintain and support the hosting of the applications in Lots 1a, b and 2 to agreed service levels. Required services from suppliers include: • Managed Gateway Service • Backup/Restore • Extract, Transform and Load (ETL) • Systems Monitoring • Patching • Capacity Planning • Capacity Management
4	Environment Management	This Lot will provide a managed service. Environment Management is the Service Wrap across the Production, Development and Test environments. The functions listed are currently carried out by a mixture of contractors and suppliers. The skills required to maintain and support the environments are listed in this lot along with a number of functions that the team currently undertake (Release, batch, Systems Monitoring etc.). The team also provide support in Incident diagnosis and resolution for Tier 1 and should the Incident not be related to the Environments they will liaise with the relevant application support team to help diagnosis and resolution. The current team maintain and support the Environments hosted under Lot 3. Functions within this Lot include: • DevOps • WebOps • Linux • DBA (incl. Oracle, SQL, Postgres) • Release Management • Disaster Recovery Intrusion Detection and Prevention (IDS/IDP) • Identity Management • Batch Processing • Extract, Transform and Load (ETL) • Systems Monitoring • Capacity Planning

Generic Requirements

The requirements listed below will be required for all Lots.

Requirements are based on Standard ITIL 3 principles and suppliers are expected to adhere to those principles and to use the Agency's ITIL tool, Assyst.

RBAC (Role-based Access Controls) will be needed for Lots 1a, 1b, 3 and 4 when changes are required to be implemented to existing Role Based Access or new Roles have been defined by the changes to Applications.

Testing and Testing as a Service will be needed when certain Tests require input from the Suppliers of the service (Unit Testing, System Testing etc.).

- RBAC (Role-based Access Controls)
- Service Levels – internal / external and reporting
- Incident Management
- Supplier Management
- Change control
- Configuration Management Database (CMDB)
- Service Integration
- Continuous Service Improvement (CSI)
- Testing and Testing as a Service
- Security

Enhancements

The assumption is that major development of the CAP systems shall be completed by July 2016; therefore the emphasis shall switch from development service to a support service. Enhancements will cover a small development capability that will be driven by business need and managed via a Change Control Board. This may lend itself to a call off type framework. It will be primarily needed for Lots 1a, 1b and Lot 2.

The current expectation is that there shall be four major releases a year going forward.

Service Management and Integration

Defra is looking for suppliers to provide end to end support – managing all relevant elements and 3rd parties.

Tier 1 (Help Desk) support shall be provided by RPA with suppliers providing Tier 2 and 3 Support.

Prime, supplier or subcontractor – Defra are open to considering different approaches providing that the principle of an end-to-end management of service can be supported.

Procurement Approach

This section sets out current view on how the above services can be procured.

In line with government best practice the intention is to utilise existing frameworks when available and producing a good enough fit.

Each lot shall be procured separately and as a result contracts maybe awarded to multiple suppliers or a single supplier if successful across all lots.

Lot	Description	Proposed Framework	Contract Length
1a	Rural Payments Applications	Technology Services (RM1058) Lot 5 – Infrastructure and platform, maintenance and support	2 years - plus option to extend a further 2 years.
1b	Nevada Applications	Technology Services (RM1058) Lot 5 – Infrastructure and platform, maintenance and support	2 years - plus option to extend a further 2 years.
2	Policy Engine	Still under review	Minimum 4 years
3	Hosting	G Cloud 7 or Crown Hosting	Minimum 2 years
4	Environment Management	G Cloud 7 or Technology Services (RM1058) Lot 5 – Infrastructure and platform, maintenance and support	Minimum 2 years

Timeline

The timeline for the procurement of each lot shall be phased.

The procurement for Lots 1a and b shall be run together with the current intention to issue a tender to mid-April , contract award by early July and transition to be completed by the end September. Suppliers shall be given 5 weeks to respond to tenders.

The procurement of Lots 3 and 4 shall be run together but the timeline is still to be determined subject to which procurement route is selected. The overarching aim is still to transfer services by end of September.

Questions

No.	Category	Question
1	Capabilities	What do you think the main/minimum retained capabilities/skills/capacity might be?
2	Capabilities	Are there any capabilities which are missing and should be included?
3	Capabilities	Which capabilities would you be interested in providing as part of the solution or solutions?
4	Transition	How would you manage the transition from the current service provider/s?
5	Transition	What information should we provide to inform your proposed transition model and plan?
6	Transition	What approaches could be introduced to actively reduce the transition dependencies in multi-supplier environment?
7	Transition	How would you work with the exiting suppliers to de-risk the transition activity?
8	Solution	How could we best incentivise suppliers delivering in a multi supplier environment to ensure that the end to end solution delivers the required outcomes?
9	Solution	What would be your recommended approach to collaboration to ensure that an end to end service is provided and that there are no gaps in service or handoff between suppliers? Please advise if a hard (contractual) or soft collaboration would best support your approach.
10	Solution	Are there any other key design principles we should be considering to inform the procurement?
11	Solution	What innovative technologies/approaches could we use to deliver the service(s)? Please reference the relevant Lot when answering.
12	Solution	What would be your preferred location for delivery of these services and why?
13	Solution	What approach would best achieve:
		a) Successful delivery and risk mitigation;
		b) Reduced cost and; or enhanced value for money;
		Please provide a supporting rationale for your conclusion.
14	Solution	How can we incentivise suppliers to innovate throughout the life of the contract period?
15	Solution	What would be your preferred approach to hosting and how could this be procured?
16	Integration	How best should the capabilities be aggregated to ensure that both flexibility and maximum value for money is achieved?
17	Integration	What are the key integration issues and risks associated with this approach and how can they be most effectively overcome?
18	Procurement	What would be the main barriers preventing you from participating in any subsequent procurement?
19	Procurement	Are you interested in bidding for any subsequent procurement? If not, why not?
20	Procurement	What type of payment mechanisms would you expect for this work? Please give examples
21	Procurement	What will be the top 3 cost drivers for this work?
22	Procurement	What data/areas / artefacts would you require to undertake due diligence to allow you to bid?
23	Procurement	What lotting approach would you suggest and why?
24	Procurement	Which Lot(s) would you be interested in providing and why?

No.	Category	Question
25	Procurement	In what capacity would you bid (prime, supplier or subcontractor)?
26	Procurement	What sourcing approach would you recommend to secure each Lot and why?
27	Procurement	What would make the opportunity more attractive?
28	Risk	What approaches could be introduced to actively help minimise risk?
29	SME	Are you an SME?
30	SME	Are there any specific areas in the capabilities that we require which might be particularly suitable and attractive to the SME market?
31	SME	How can the requirements be made attractive to the SME community?
32	SME	What commercial approaches are most suitable for ensuring SMEs are best able to play a part in the required solution(s)?