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**United Kingdom-London: Information technology services
2014/S 136-244533**

Contract notice

Services

Directive 2004/18/EC

Section I: Contracting authority

I.1) Name, addresses and contact point(s)

The Cabinet Office
4th Floor, 1 Horse Guards Road
Contact point(s): Crown Hosting Project Office
SW1A 2HQ London
UNITED KINGDOM
E-mail: supplier@ccs.gsi.gov.uk

Internet address(es):

General address of the contracting authority: <http://www.cabinetoffice.gov.uk>
Address of the buyer profile: <https://gpsesourcing.cabinetoffice.gov.uk>

Further information can be obtained from: The above mentioned contact point(s)

Specifications and additional documents (including documents for competitive dialogue and a dynamic purchasing system) can be obtained from: The above mentioned contact point(s)

Tenders or requests to participate must be sent to: The above mentioned contact point(s)

I.2) Type of the contracting authority

Ministry or any other national or federal authority, including their regional or local sub-divisions

I.3) Main activity

General public services
Other: Public Procurement

I.4) Contract award on behalf of other contracting authorities

The contracting authority is purchasing on behalf of other contracting authorities: yes

Section II: Object of the contract

II.1) Description

II.1.1) Title attributed to the contract by the contracting authority:

Crown Hosting.

II.1.2) Type of contract and location of works, place of delivery or of performance

Services
Service category No 7: Computer and related services
Main site or location of works, place of delivery or of performance: United Kingdom.
NUTS code UK

II.1.3) Information about a public contract, a framework agreement or a dynamic purchasing system (DPS)

The notice involves the establishment of a framework agreement

II.1.4) Information on framework agreement

Duration of the framework agreement

Duration in years: 4

Estimated total value of purchases for the entire duration of the framework agreement

Estimated value excluding VAT:

Range: between 50 000 000 and 700 000 000 GBP

II.1.5) Short description of the contract or purchase(s)

This Contract Notice relates to the provision of Data Centre space and the related services (energy, cooling, connectivity and physical security) necessary to house and provide an operating environment for physical computing infrastructure ('Data Centre Colocation Services') from at least two separate locations subject to appropriate minimum separation requirements.

The Cabinet Office ("CO"), acting as the Contracting Authority, and Government Digital Service ("GDS") on behalf of HM Government are seeking a private sector partner (the 'Facilities Partner') to subscribe for a majority shareholding (up to 75 % less one share) in 'DatacentreCo', a new private company limited by shares to be established by the Cabinet Office to provide Data Centre Colocation Services. The operating environment is to be capable of housing computer infrastructure that initially handles information with UK Government security classification 'OFFICIAL' but there may be a future requirement for Data Centre Colocation Services that handle information with 'SECRET' and 'TOP SECRET' security classification. The provision of SECRET and TOP SECRET would be subject to separate security accreditation. security classification.

The successful bidder for the role of the Facilities Partner will, through the procedure contemplated by this Notice, acquire and hold equity share capital in DatacentreCo through a Shareholders' and Subscription Agreement, Articles of Association and other relevant documents. HM Government intends to retain a significant minority shareholding in DatacentreCo (anticipated to be a minimum of 25%+1 share).

The selected Facilities Partner is expected to bring a combination of:

- Proven ability to deliver reliable, value for money, high quality, efficient, secure data centre facilities in the UK;
- Existing high quality data centre capacity sufficient to meet Founder Customers' (as defined below) initial requirements and the ability to accommodate expected future demand both from Founder Customers and other future Customers;
- Experience of working successfully in a joint venture or partnership in the public or private sector
- Initial funding for DatacentreCo; and
- The ability to grow a sustainable, profitable business

Desired outcomes for HM Government are:

- Increased efficiency and better value for money;
- Greater transparency over service utilisation, costs and supplier margins;
- Increased agility by moving to scalable, service-based ('utility') models;
- UK growth by enabling a broader range of suppliers, including SMEs, to compete and offer services;
- Data centres compliant with relevant HMG security standards;
- A commercial approach that ensures more flexible, cost-efficient contracts; and
- Creation of a successful and profitable partnership between HM Government and the selected Facilities Partner.

Under HM Government's Cloud First policy (<https://www.gov.uk/government/news/government-adopts-cloud-first-policy-for-public-sector-it>) the hosting of many existing and new applications will move to the public cloud over the next few years. DatacentreCo will support and compliment this policy by providing 'legacy' (non - public cloud) hosting for applications not suitable or not ready for cloud hosting or for which conversion to cloud readiness would be uneconomic.

HM Government, acting through the Cabinet Office, will award DatacentreCo a Framework Agreement in accordance with the terms of this Notice. Call Off Contracts will then be entered into between DatacentreCo and the founder customers who are expected to be the Department of Work and Pensions, the Home Office and the Highways Agency (the "Founder Customers"). (the scope of the Highways Agency's requirement is only in relation to the hosting of highway management application software, not office based hosting). Potential bidders should note that the composition of the Founder Customers could be subject to change during the procurement process. The Founder Customers reserve the right not to pursue with a Call Off from the framework agreement.

Initial demand from Founder Customers will include specific latency performance requirements that may impact the location of these data centres. In particular, a proportion of DWP's current application demand may be subject to the requirement for any Data Centre it uses to have a latency of less than 0.5 milliseconds (Round Trip Delay (RTD)) from either of DWP's current sites at Wynyard and Doxford in North East England, (ideally with a further smaller paired facility within a latency of 0.5 milliseconds RTD from that Data Centre). DWP is continuing to assess the scope and requirements for demand that will enhance geographic flexibility. At the ITN stage those bidders selected for negotiation will need to consider how they respond to DWP's latency requirements when proposing data centre locations in order to allow the full benefit to be achieved from DWP's Data Centre Colocation Services demand.

Initial demand is anticipated to be for:

- Multiple data centres, with n+1 operational capability for both power and cooling, operational at OFFICIAL;
- Contiguous floor space for:
 - 150 standard 42u racks;
 - 350 sq. metres contiguous floor space;

However, scalability will be a prerequisite and the selected Facilities Partner should have experience of, and be able to support DatacentreCo in, providing capability above and beyond the initial requirements. More details of the anticipated initial volumes demand from Founder Customers can be found in the Initial Information Document ('IID') which will be made available as part of the Pre Qualification Questionnaire ('PQQ') process. In addition to the Founder Customers referred to above, it is intended that the Framework Agreement will allow DatacentreCo to provide the services specified above to other public sector bodies including but not limited to all UK Government Departments and their Arm's Length Bodies and Agencies; Non Departmental Public Bodies (NDPBs); NHS bodies, Local Authorities and devolved administrations of Scotland and Northern Ireland (together the "Participating Bodies"). See Section VI for further details of those Participating Bodies that will be able to use the Framework Agreement and enter into Call Off Contracts under it.

II.1.6) **Common procurement vocabulary (CPV)**

72222300, 30236000, 30237110, 32400000, 32421000, 32424000, 48821000, 72514000, 72514100, 72514300, 72700000, 79993100

II.1.7) **Information about Government Procurement Agreement (GPA)**

The contract is covered by the Government Procurement Agreement (GPA): yes

II.1.8) **Lots**

This contract is divided into lots: no

II.1.9) **Information about variants**

Variants will be accepted: no

II.2) **Quantity or scope of the contract**

II.2.1) **Total quantity or scope:**

A single supplier Framework Agreement between Cabinet Office as the 'Contracting Authority' and DatacentreCo. The Framework Agreement will be open to a wide range of participating Bodies (See Section VI for further details of those Participating Bodies) and will provide a 4 year period during which they may enter into Call-Off Agreements to access the services of DatacentreCo. The Framework Agreement will then continue in force for so long as a Call Off Agreement remains in operation. The initial customers will comprise Founder Customers with the aim of increasing the number of Government Departments and wider UK Public Sector bodies which call off the services through the Framework Agreement.

Estimated value excluding VAT:

Range: between 50 000 000 and 700 000 000 GBP

II.2.2) Information about options

Options: yes

Description of these options: The Framework Agreement will have a duration of 4 years. Call Off Contracts under the Framework Agreement may be awarded for a period of up to 5 years with options for customers to extend for a further 2 years (1 year plus 1 year).

II.2.3) Information about renewals

II.3) Duration of the contract or time limit for completion

Section III: Legal, economic, financial and technical information

III.1) Conditions relating to the contract

III.1.1) Deposits and guarantees required:

No Deposits are required. The Contracting Authority's particular Guarantee requirements will be set out in the PQQ documentation.

III.1.2) Main financing conditions and payment arrangements and/or reference to the relevant provisions governing them:

More information will be available in the Invitation to Negotiate documentation.

III.1.3) Legal form to be taken by the group of economic operators to whom the contract is to be awarded:

The Contracting Authority intends to enter into a Framework Agreement with the DatacentreCo which will initially be 100 % owned by HM Government. At completion, the Contracting Authority will enter into arrangements with the Facilities Partner and DatacentreCo under which the Facilities Partner will subscribe for a majority of the equity in DatacentreCo. The successful Facilities Partner whether being a single contractor, prime contractor (which may be an existing company or special purpose vehicle) or consortium, will, as a shareholder, be required to be a single legal entity.

III.1.4) Other particular conditions

The performance of the contract is subject to particular conditions: yes

Description of particular conditions: More information will be available in the Invitation to Negotiate documentation.

III.2) Conditions for participation

III.2.1) Personal situation of economic operators, including requirements relating to enrolment on professional or trade registers

Information and formalities necessary for evaluating if the requirements are met: Potential bidders will be assessed in accordance with Part 4 of the Public Contracts Regulations 2006 (as amended) on the basis of information provided in response to the PQQ Documentation.

Any bidder may be disqualified if any of the circumstances listed in Article 45 of the Public Procurement Directive 2004/18/EC (Regulation 23 of the UK Public Contracts Regulations 2006) apply to their organisation

and each bidder will be asked to complete an appropriate 'declaration' by responding to the PQQ Documentation.

Further information is provided in the PQQ Documentation.

This procurement will be managed electronically via the Crown Commercial Service's e-Sourcing Suite. To participate in this procurement, participants must first be registered on the e-Sourcing Suite.

If you have not yet registered on the eSourcing Suite, this can be done online at <https://gpsesourcing.cabinetoffice.gov.uk> by following the link 'Register for CCS eSourcing'. Please note that, to register, you must have a valid DUNS number (as provided by Dun and Bradstreet) for the organisation which you are registering, who will be entering into a contract if invited to do so. Full instructions for registration and use of the system can be found at

<http://ccs.cabinetoffice.gov.uk/i-am-supplier/respond-tender>

Once you have registered on the eSourcing Suite, a registered user can express an interest for a specific procurement. This is done by emailing ExpressionOfInterest@ccs.gsi.gov.uk.

Your email must clearly state: the name and reference for the procurement you wish to register for; the name of the registered supplier; and the name and contact details for the registered individual sending the email. Crown Commercial Service will process the email and then enable the supplier to access the procurement online via the e-Sourcing Suite. The registered user will receive a notification email to alert them once this has been done.

As a user of the e-Sourcing Suite you will have access to Emptoris email messaging service which facilitates all messages sent to you and from you in relation to any specific RFX event. Please note it is your responsibility to access these emails on a regular basis to ensure you have sight of all relevant information.

For technical assistance on use of the e-Sourcing Suite please contact Crown Commercial Service Support Desk email: eenablement@ccs.gsi.gov.uk

Responses must be published by the date in IV.3.4.

III.2.2) **Economic and financial ability**

Information and formalities necessary for evaluating if the requirements are met: More information will be available in the PQQ Documentation. It should be noted that a number of criteria will be assessed on a pass/fail basis. The PQQ and associated documents can be accessed as per instructions detailed in III.2.1

Minimum level(s) of standards possibly required: More information will be available in the PQQ Documentation. The PQQ and associated documents can be accessed as per instructions detailed in III.2.1 The minimum standard for reliability having regard to past performance is that the Authority is satisfied that the contracts which each potential bidder is required to provide have been satisfactorily performed in accordance with their terms or, where that has not occurred, the reason or reasons why that has not occurred, will not recur in the performance of the Framework Agreement the subject of the OJEU Notice or of any Call Off Contract under it.

In addition, under the policy, the Authority will re-assess reliability based on past performance before key points in the procurement process (i.e. short listing, preferred bidder status, conclusion of contract etc.). Bidders will accordingly be asked to update the evidence they provide in relation to past performance to reflect more recent performance on new or existing contracts (or to confirm that nothing has changed).

The Authority will also assess whether the minimum standard is met on request from any potential user of that Framework Agreement prior to conclusion of a Call-Off Contract with a value of GBP 20 000 000 or greater (excluding VAT). Failure to meet the minimum standard set will render the selected supplier ineligible for that Call-Off Contract.

Pursuant to the Cabinet Office Procurement Policy Note 09/12 'Taking Account of Bidders Past Performance' as part of your company's response to this PQQ, <https://www.gov.uk/government/publications/procurement-policy->

[note-09-12-taking-account-of-bidders-past-performance](#)), please provide a list comprising a statement of the relevant principal services provided by you, in the previous 3 years.

For the purposes of assessing reliability having regard to past performance the list should include contracts in respect of services which are similar services to those covered by the Contract Notice within the past 3 years and/ or which have a contract value greater than GBP 5million per annum. In addition to the list you will be required to provide performance certificates for these contracts as set out in the PQQ document.

III.2.3) **Technical capacity**

III.2.4) **Information about reserved contracts**

III.3) **Conditions specific to services contracts**

III.3.1) **Information about a particular profession**

Execution of the service is reserved to a particular profession: no

III.3.2) **Staff responsible for the execution of the service**

Legal persons should indicate the names and professional qualifications of the staff responsible for the execution of the service: no

Section IV: Procedure

IV.1) **Type of procedure**

IV.1.1) **Type of procedure**

Negotiated

Some candidates have already been selected (if appropriate under certain types of negotiated procedures)
no

IV.1.2) **Limitations on the number of operators who will be invited to tender or to participate**

Envisaged minimum number 3: and maximum number 4

Objective criteria for choosing the limited number of candidates: Pre-qualification criteria as set out in the PQQ.

IV.1.3) **Reduction of the number of operators during the negotiation or dialogue**

Recourse to staged procedure to gradually reduce the number of solutions to be discussed or tenders to be negotiated yes

IV.2) **Award criteria**

IV.2.1) **Award criteria**

The most economically advantageous tender in terms of the criteria stated in the specifications, in the invitation to tender or to negotiate or in the descriptive document

IV.2.2) **Information about electronic auction**

An electronic auction will be used: no

IV.3) **Administrative information**

IV.3.1) **File reference number attributed by the contracting authority:**

RM1069

IV.3.2) **Previous publication(s) concerning the same contract**

Prior information notice

of 4.4.2014

IV.3.3) **Conditions for obtaining specifications and additional documents or descriptive document**

IV.3.4) **Time limit for receipt of tenders or requests to participate**

15.8.2014 - 11:00

IV.3.5) **Date of dispatch of invitations to tender or to participate to selected candidates**

IV.3.6) **Language(s) in which tenders or requests to participate may be drawn up**
English.

IV.3.7) **Minimum time frame during which the tenderer must maintain the tender**

IV.3.8) **Conditions for opening of tenders**

Section VI: Complementary information

VI.1) **Information about recurrence**

This is a recurrent procurement: no

VI.2) **Information about European Union funds**

The contract is related to a project and/or programme financed by European Union funds: no

VI.3) **Additional information**

For the avoidance of doubt potential bidders should note that the return date for the completed selection PQQ via the Crown Commercial Service eSourcing Suite is 12.00 on the 15.8.2014 British Summer Time.

Potential bidders should also note that, in accordance with the UK Government's policies on transparency, the Authority intends to publish the PQQ, the Invitation to Negotiate document and the text of any resulting contractual arrangements, subject to possible redactions at the discretion of the Authority. The terms of the Framework Agreement will also permit a public sector contracting authority, awarding a contract under the Framework Agreement, to publish the text of the contract, subject to possible redactions at the discretion of the contracting authority.

Further information on transparency can be found at: <https://www.gov.uk/government/publications/procurement-and-contracting-transparency-requirements-guidance>

It should also be noted that Crown Hosting will be running a separate procurement to establish an IaaS (Infrastructure as a Service) framework, from which the public sector can call off selected IaaS services. Further information will be available at a later stage.

This Contract Notice also refers to an IID (which will be made available to bidders who enter into a Non-Disclosure Agreement with the Contracting Authority). Please note that the IID is directed only at persons who are:

- (i) 'investment professionals' falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the 'Order');
- (ii) are high net worth entities falling within Article 49(2) (a) to (d) of the Order; or
- (iii) are other persons to whom the Initial Descriptive Document may be otherwise lawfully communicated, ('Eligible Recipients').

Any person who is not an Eligible Recipient may not rely on the IID and investment in DatacentreCo will not be available to such persons.

Nothing in this Notice, the PQQ documentation, the IID or any related document constitutes investment advice. The Authority expressly reserves the right (i) not to award or enter into any Framework Agreement, Call Off or other contract as a result of this procurement process commenced by the publication of this Contract Notice; and (ii) to make whatever changes it may see fit to the content and structure of the tendering competition and in no circumstances will the Authority be liable for any costs incurred by any bidder. If the Authority decides to enter into a Framework Agreement with DatacentreCo this does not mean there is any guaranteed minimum level of contracted business or subsequent Call Offs. Any expenditure, work or effort undertaken prior to contract award is accordingly a matter solely for the commercial judgement of potential bidders.

The Framework Agreement will be available for use by the following UK public sector bodies (and any future successors): the Department for Work and Pensions, the Home Office, the Highways Agency and all other

Central Government Departments, Executive Agencies, NDPBs and UK Contracting Authorities listed in Annex F to the PQQ.

VI.4) **Procedures for appeal**

VI.4.1) **Body responsible for appeal procedures**

See VI.4.2

Body responsible for mediation procedures

See VI.4.2

VI.4.2) **Lodging of appeals**

Precise information on deadline(s) for lodging appeals: Precise information on deadline(s) for lodging appeals: The Contracting Authority will incorporate a minimum 10 calendar day standstill period when information relating to the award of the contract is communicated to tenderers.

The Public Contracts Regulations 2006 (SI 2006 No 5) (as amended) provide for aggrieved parties who have been harmed or are at risk of harm by a breach of the rules to take action in the High Court (England, Wales and Northern Ireland). Interested service providers who are unsuccessful shall be informed as soon as possible after the decision has been made as to the reasons why they were unsuccessful. If an appeal regarding the award of the contract has not been successfully resolved, The Public Contracts Regulations 2006 (SI 2006 No. 5) (the 'Regulations') provide for aggrieved parties who have been harmed or are at risk of harm by breach of the rules to take legal action. Any such action must be brought within the applicable limitation periods (in general 30 days beginning with the date when the economic operator first knew or ought to have known that the grounds for starting the proceedings had arisen). Where a contract has not been entered into, the Court may order the setting aside of the award decision or order the contracting authorities (as defined in the Regulations) to amend any document and may award damages. If the contract has been entered into the Court may, depending on the circumstances, award damages, make a declaration of ineffectiveness, order the contracting authorities to pay a fine, and/or order that the duration of the contract be shortened. The purpose of the standstill period referred to above is to allow an application to be made to the Courts to set aside the award decision before the contract is entered into.

VI.4.3) **Service from which information about the lodging of appeals may be obtained**

See VI.4.2

VI.5) **Date of dispatch of this notice:**

15.7.2014