



Crown
Commercial
Service

RM6187 Framework Schedule 6 (Order Form and Call-Off Schedules)

Order Form

CALL-OFF REFERENCE:	HMTFCP2022
THE BUYER:	HM Treasury, on behalf of HM Government
BUYER ADDRESS	1 Horse Guards Rd, London SW1A 2HQ
THE SUPPLIER:	KPMG
THE SUPPLIER:	KPMG LLP
SUPPLIER ADDRESS:	15 Canada Square, London, E14 5GL
REGISTRATION NUMBER:	OC301540
DUNS NUMBER:	42-391-6167
SID4GOV ID:	N/A

Applicable framework contract

This Order Form is for the provision of the Call-Off Deliverables and dated 25th August 2022. It's issued under the Framework Contract with the reference number **RM6187** for the provision of **HMG Functional Convergence Programme**

CALL-OFF LOT(S):

Lot 2

Call-off incorporated terms

The following documents are incorporated into this Call-Off Contract. Where schedules are missing, those schedules are not part of the agreement and cannot be used. If the documents conflict, the following order of precedence applies:

1. This Order Form includes the Call-Off Special Terms and Call-Off Special

Schedules.

2. Joint Schedule 1 (Definitions and Interpretation) RM6187
3. The following Schedules in equal order of precedence:

Joint Schedules for RM6187 Management Consultancy Framework Three

- Joint Schedule 1 (Definitions)
- Joint Schedule 2 (Variation Form)
- Joint Schedule 3 (Insurance Requirements)
- Joint Schedule 4 (Commercially Sensitive Information)
- Joint Schedule 5 (Corporate Social Responsibility) RM6187
- Joint Schedule 6 (Key Subcontractors)
- Joint Schedule 7 (Financial Difficulties)
- Joint Schedule 10 (Rectification Plan)

Call-Off Schedules for RM6187

- Call-Off Schedule 1 (Transparency Reports)
- Call-Off Schedule 3 (Continuous Improvement)
- Call-Off Schedule 5 (Pricing Details)
- Call-Off Schedule 4 (Call Off Tender)
- Call-Off Schedule 5 (Pricing Details)
- Call-Off Schedule 6 (ICT Services)
- Call-Off Schedule 7 (Key Supplier Staff)
- Call-Off Schedule 8 (Business Continuity and Disaster Recovery)
- Call-Off Schedule 9 (Security)
- Call-Off Schedule 10 (Exit Management)
- Call-Off Schedule 13 (Implementation Plan and Testing)
- Call-Off Schedule 14 (Service Levels)
- Call-Off Schedule 15 (Call-Off Contract Management)
- Call-Off Schedule 16 (Benchmarking)
- Call-Off Schedule 18 (Background Checks)
- Call- Off Schedule 20 (Call Off Specification)

4. CCS Core Terms v2
5. Call-Off Schedule 4 (Call-Off Tender) as long as any parts of the Call-Off Tender that offer a better commercial position for the Buyer (as decided by the Buyer) take precedence over the documents above.

Supplier terms are not part of the Call-Off Contract. That includes any terms written on the back of, added to this Order Form, or presented at the time of delivery.

Call-off special terms

The following Special Terms are incorporated into this Call-Off Contract:

Special term 1 – Call Off Schedule 10 is amended so that (i) the words “licences for Supplier's Software, licences for Third Party Software” are removed from the definition of “Transferable Contracts”, and (ii) Paragraph 2.3.2 is deleted in its entirety.

Special term 2 – 9. Intellectual Property Rights (IPRs) of the CCS Core Term will be replace in its entirety by the following as specified in the CCS Core Term v2 as part of the tendering documents:

1. Intellectual Property Rights (IPRs)

9.1 Each Party keeps ownership of its own Existing IPRs. The Supplier gives the Buyer and Her Majesty's Government a non-exclusive, perpetual, royalty-free, irrevocable, transferable worldwide licence to use and change the Supplier's Existing IPR to the extent necessary to enable it to both:

- (a) receive and use the Deliverables, in the ordinary operation of HMG business; and
- (b) make use of the deliverables provided, by an Alternative Supplier.

9.2 The Supplier is responsible to provide ongoing updates to the Existing IPRs that it has granted perpetual licence to the Buyer under this agreement at the minimum frequency of once per annum.

9.3 Any New IPR created under a Contract is owned by the Buyer. The Buyer gives the Supplier a licence to use any Existing IPRs and New IPRs for the purpose of fulfilling its obligations during the Contract Period.

9.4 The Supplier will develop and keep updated an Intellectual Property Register to record all new IPR created under this Contract, including any existing IPR that was modified as part of the Deliverables of the Contract. The Buyer will agree the content of the register with the Supplier.

9.5 Where a Party acquires ownership of IPRs incorrectly under this Contract it must do everything reasonably necessary to complete a transfer assigning them in writing to the other Party on request and at its own cost.

9.6 Neither Party has the right to use the other Party's IPRs, including any use of the other Party's names, logos or trademarks, except as provided in this Clause 9 or otherwise agreed in writing.

9.7 If there is an IPR Claim against the Buyer arising directly or indirectly from any act or omission of the Supplier, the Supplier indemnifies CCS and each Buyer against all losses, damages, costs or expenses (including professional fees and fines) incurred as a result.

9.8 If such an IPR Claim is made or anticipated the Supplier must at its own expense and the Buyer's sole option, either:

- (a) obtain for CCS and the Buyer the rights in Clause 9.1 and 9.2 (or equivalent rights that do not impair the Buyer's ability to receive and use the Deliverables in accordance with the contract) without infringing any third party IPR; or
- (b) replace or modify the relevant item with substitutes that do not infringe IPR without adversely affecting the functionality or performance of the Deliverables.

9.9 In spite of any other provisions of a Contract and for the avoidance of doubt,

award of a Contract by the Buyer and placement of any contract task under it does not constitute an authorisation by the Crown under Sections 55 and 56 of the Patents Act 1977 or Section 12 of the Registered Designs Act 1949. The Supplier acknowledges that any authorisation by the Buyer under its statutory powers must be expressly provided in writing, with reference to the acts authorised and the specific IPR involved.

Call-off start date: 5th September 2022

Call-off expiry date: 30th May 2023

Call-off initial period: 9 months

Call-off deliverables:

See details in Call-Off Schedule 20 (Call-Off Specification)

Deliverables and ways of working including the acceptance process shall be detailed within the two implementation plans (Schedule 13) as below:

First plan: Prepare Phase which includes an Implementation Plan for the project. This will confirm the milestones, timing and key priority areas.

Second plan: Delivery Review – following the first process sprint, a Delivery Review exercise will reflect on lessons learnt, and update the Implementation Plan set out in the Prepare Phase

Schedule 13 shall be mutually agreed after contract award and incorporated into this order form.

Call-off charges

See details in Call-Off Schedule 5 (Pricing Details)

The total value of the contract is £1,979,770.00 excluding VAT.

All changes to the Charges must use procedures that are equivalent to those in Paragraphs 4 and 5 in Framework Schedule 3 (Framework Prices)

The Charges will not be impacted by any change to the Framework Prices. The Charges can only be changed by agreement in writing between the Buyer and the Supplier because of:

- Specific Change in Law
- Benchmarking using Call-Off Schedule 16 (Benchmarking)

Payments will be made at the completion of each agreed milestones. The delivery schedule of milestones will be mutually agreed in Schedule 13 (the implementation plan) taking into account aim to be broadly cashflow neutral and incorporate where possible the basis of the milestones defined in schedule 20 (call off specification) including the 7 milestones and associated sprints

Reimbursable expenses

None.

Payment method

BACS

Buyer's invoice address

1 Horse Guards Rd, London SW1A 2HQ and by email

Buyer's authorised representative

Redacted

Buyer's security policy

Per Part A of Call-Off schedule 9 Security (Short Form Security Requirements)

Supplier's authorised representative

Redacted

Supplier's contract manager

Redacted

Progress report frequency

To be defined in schedule 13

Progress meeting frequency

To be defined in schedule 13

Key staff

Redacted

Key subcontractor(s)

Redacted

Commercially sensitive information

KPMG proposal as defined in schedule 4 and in schedule 5

Service credits

Not applicable

Additional insurances

Not applicable

Guarantee

Not applicable

Buyer's environmental and social value policy

The Supplier agrees in providing the Deliverables and performing its obligations under the Call-Off Contract that will comply with the social value commitments in Call-Off Schedule 4 (Call-Off Tender).

Social value commitment

The Supplier agrees, in providing the Deliverables and performing its obligations under the Call-Off Contract, that it will comply with the social value commitments in Call-Off Schedule 4 (Call-Off Tender)

Formation of call off contract

By signing and returning this Call-Off Order Form the Supplier agrees to enter a Call-Off Contract with the Buyer to provide the Services in accordance with the Call-Off Order Form and the Call-Off Terms.

The Parties hereby acknowledge and agree that they have read the Call-Off Order Form and the Call-Off Terms and by signing below agree to be bound by this Call-Off Contract.

For and on behalf of the Supplier:

Redacted

For and on behalf of the Buyer:

Redacted

Call Off schedule 4- Call Off Tender

Redacted

Call Off schedule 5- Pricing

Redacted

Call Off Schedule 20- (Call- Off Specification)

This Schedule sets out the characteristics of the Deliverables that the Supplier will be required to make to the Buyers under this Call-Off Contract

Bid Pack

Attachment 3 – Statement of Requirements

Contract Reference: Functional Convergence Programme

CONTENTS

1. PURPOSE	9
2. BACKGROUND TO THE CONTRACTING AUTHORITY	9
3. BACKGROUND TO REQUIREMENT/OVERVIEW OF REQUIREMENT	10
4. DEFINITIONS	12
5. SCOPE OF REQUIREMENT	13
6. THE REQUIREMENT	15
7. KEY MILESTONES AND DELIVERABLES	19
8. MANAGEMENT INFORMATION/REPORTING	21
9. VOLUMES	21
10. CONTINUOUS IMPROVEMENT	22
11. SUSTAINABILITY	22
12. QUALITY	22
13. PRICE	22
14. STAFF AND CUSTOMER SERVICE	23
15. SERVICE LEVELS AND PERFORMANCE	23
16. SECURITY AND CONFIDENTIALITY REQUIREMENTS	25
17. PAYMENT AND INVOICING	26
18. CONTRACT MANAGEMENT	26
19. LOCATION	27
20. ANNEXES	1

PURPOSE

The Functional Convergence Programme will work with an external delivery partner to acquire:

pre-configured business process content for HR, Finance and Commercial functions to validate against existing Crown IP and create a leading practice organisational agnostic UK Government Reference Model. This will include process taxonomy; process maps to L4, with tech specific overlays; data standards/definition and dictionary and (KPI/PPI) performance metrics for leading ERP software vendors, encompassing but not restricted to those currently deployed in government, i.e., Oracle, Workday, SAP.

support and advice from the Supplier to migrate and ingest content into a commercial off-the-shelf enterprise business process modelling (BPM) and mining tool, owned and operated by the Authority. The contracting Authority has procured the AG Software ARIS SaaS Enterprise BPM tool for this purpose.

BACKGROUND TO THE CONTRACTING AUTHORITY

HM Treasury is the government's economic and finance ministry, maintaining control over public spending, setting the direction of the UK's economic policy and working to achieve strong and sustainable economic growth. This requirement is owned by the Government Finance Function (GFF), which is hosted by HMT.

The Government Finance Function (GFF) exists to enable the delivery of high-quality public services and to ensure that public money is spent efficiently and effectively. GFF leads on

finance functional standards and convergence as part of the delivery of the [GFF Strategy](#).

GFF are leading the Functional Convergence Programme and this procurement on behalf of a number of government functions, including:

[Civil Service HR](#) (CSHR) is made up of over 3,500 colleagues across government, CSHR supports departments, professions and other functions to build a modern, effective Civil Service. CSHR is hosted by [the Cabinet Office](#).

[The Government Commercial Function](#) (GCF) is a cross-government network procuring or supporting the procurement of goods and services for the government. GCF is hosted by [the Cabinet Office](#)

The Functional Convergence Programme (FCP) remit is to deliver cross government alignment of functional (finance, HR & commercial) processes and data standards to ensure interoperability between functions and future Shared Services ERP solutions. We have procured a BMP and are now seeking to procure pre-configured business process content for HR, Finance and Commercial functions for the whole of government (HMG), to drive functional transformation in the operation of corporate functions across UK Central Government.

BACKGROUND TO REQUIREMENT/OVERVIEW OF REQUIREMENT

The Government Finance Function (GFF), Civil Service HR (CSHR) and Government Commercial Functions (GCF) have individually been working to achieve greater process and data standardisation that exploits shared services, automation, and other technology opportunities to deliver services more effectively and efficiently.

Over the last five years we have established high-level Global Design Principles (Finance & HR); partial data & reporting standards for (Commercial & HR) and systems guidance (Commercial), progress has been slow, and we are restricted by the lack of comparable data and insight across the functions.

Through developing a greater shared understanding of how we operate individually and collectively, civil service organisations will be better equipped to identify & adopt leading-practice and converge to common standards to meet business needs.

Work to establish a fuller programme of convergence activity was delayed by COVID-19 priorities over 2020; however, a design project was initiated in March 2021 to scope out a new delivery approach with approval of an outline business case in January 2022.

The business case seeks to accelerate individual plans and merge the functional global design for the three functions which will deliver a better-quality service and enable delivery at pace.

GFF are working closely with Government Business Services (GBS), part of Cabinet Office, to align and accelerate the delivery of [The Shared Services Strategy for Government](#) which was launched in March 2021. In particular, the Functional Convergence Programme shares the following objectives with the Shared Services strategy:

Data convergence, which will enable insight-driven decisions from accurate and accessible corporate data (HR, Finance, and Commercial) for the whole of the Civil Service

Process convergence and transformation to enable automation, interoperability, and improvements

Quality and performance, where a common framework and core set of KPIs will allow comparison across government, and where continuous improvement and best practice will encourage maximum efficiency.

The 2021 Shared Services Strategy for Government provides important context underpinning the Functional Convergence Programme. The Programme will be key in supporting delivery of the Strategy through the accelerated convergence to five Shared Service Centres which will merge and centralise many important back-office functions across the 16 Government Departments. The Strategy also represents a move towards single instance Enterprise Resource Planning (ERP) and automation, delivering the following aims: 1) Better experience for all users; 2) Efficiency and value for money; and 3) Standardised processes and data.

The Functional Convergence programme aims to:

Enable the functions to generate efficiency data and benchmark functional performance of departments in real-time—enabling continuous improvement and de-risking investment in functional transformation of shared and retained services.

Complete a step change from manual to digital, cloud-based technology. This will revolutionise ways of working, both for the central functional teams and embedded functional professionals across the Civil Service.

Drive a holistic, cross-functional approach across Finance, HR & Commercial. This will result in a better integrated and interoperable product.

The Functional Convergence Programme will operate in alignment with the Shared Services Strategy and underpin current and future functional transformation creating the foundation for process optimisation, data interoperability and automation. Critically, it will deliver and enable:

Standardised data architecture as a prerequisite for automation.

Standardised, processes to benchmark, identify efficiency & risk reduction.

Future convergence beyond clusters to ALBs and the wider public sector.

The contracting Authority is also considering data governance tooling separately from the BPM and may require the Supplier to accommodate migration of data artefacts/assets, provided as part of the holistic reference model, to that tooling. The Authority has not procured such data governance tooling at this time.

This requirement has been derived from a previous failed procurement exercise in March 2022, which sought to secure a single supplier to provide both the BPM tooling and leading practice business process and data reference model content.

Market feedback from that Invitation to Tender (ITT) demonstrated that the breadth of the requirement was too large and there was insufficient capacity and capability in the marketplace for one supplier to meet the needs of the Statement of Requirements (SoR) in total, in a cost-effective manner.

Consequently, the programme has devised an alternative delivery approach, bringing the software (SaaS) BPM tooling acquisition and deployment in-house and shortening the 'design & configuration' phase of Crown IP with external leading practice assets to enable a more targeted and efficient transfer of knowledge and capability. Versus the original 18-month design phase, this requirement is for a 9-month rapid 'design & build'.

The contracting Authority expects to deliver within this reduced timeframe by both prioritising the amount of Crown IP used to validate the Supplier's reference model; and by minimising the amount of additional cross-government SME validation within the 9-month delivery window, assessed on risk-basis to ensure a minimum viable quality is still achieved. Intensive engagement and validation with cross-government SMEs and Shared Service Clusters will be led internally by the FCP once the UK Government Reference Model has been completed over the following year (23/24).

We expect the Supplier to consolidate various versions of process & data content, working virtually and collaborating digitally where possible with relevant stakeholders to expedite the design process. The Supplier will provide expertise and support in configuring and migrating their leading practice assets (IP) into HMG BPM tool, working with the BPM supplier, AG Software, to accelerate the development of a UK Government Reference Model.

We are seeking the Supplier to bring and utilise their reference model/best practice assets (data definitions; process taxonomies; KPI's, etc.) and know-how to accelerate design of the Authority's reference model. All the Supplier assets will need to be utilised in a holistic manner that results in a fully operational and interoperable UK Government Reference Model. Supporting data definitions, model hierarchy and modelling frameworks must be fully integrated in the final UK Government Reference Model in the Authority's BPM, by the end of the contract.

The technical build of the UK Government Reference Model must be performed in a manner that the Authority has full access and transparency on work-in-progress in an environment that allows the Authority to visualise how the combination of Crown IP and Supplier IP results in a UK Government Reference Model. The Supplier will need to assist with knowledge transfer of their assets and assist/advise the Authority with understanding how/why their reference model (and underlying technology models/overlays) are constructed in this way. i.e., demonstrate why is this leading practice.

DEFINITIONS

Expression or Acronym	Definition
BPM	means an Enterprise Business Process Modelling, digital tool. This is software that allows users to build, analyse and store process maps, data and reporting standards. Some also have the functionality to simulate and test process efficiency.
Contracting Authority / Authority	Means Her Majesty's Treasury (the UK's economic and finance ministry) on behalf of Her Majesty's UK Central Government.
Crown IP	means the collection of current process maps, data definitions/standards, (KPI/PPI) performance metrics and system controls artefacts that exist across government in general support of on-premise and Cloud ERP instances, covering Finance, HR and Commercial functional processes.
CSHR	Civil Service Human Resources, one of the government functions whose processes are in scope for the FCP, hosted in the Cabinet Office
ERP	means an Enterprise Resource Planning software. This is software that allows entities to manage their financial and HR systems and operate basic corporate functional operations.
FCP	Functional Convergence Programme (HM Treasury)
GBS	Government Business Services (Cabinet Office)
GCF	Government Commercial Function, one of the government functions whose processes are in scope for the FCP, hosted in the Cabinet Office
GFF	Government Finance Function, the lead government function whose processes are in scope for the FCP, hosted in HMT
HMG	Her Majesty's Government

KPI / PPI	means Key Performance Indicators and Process Performance Indicators. These are the metrics by which efficiency, effectiveness and quality are evaluated.
SaaS	means Software as a Service. This is a software licensing and delivery model in which software is licensed on a subscription basis and is centrally hosted.
SME	Subject matter experts. Knowledgeable and experienced Finance, HR and procurement professionals with specific capabilities in certain functional areas.
SSfG	Shared Service for Government
SSDA	Shared Service Design Authority
Process Levels	<ol style="list-style-type: none"> Level 1 – Category, represents the highest level of process in the enterprise. Level 2 – Process Group, indicated the next level of process and represents a group of related processes. Level 3 – Process, is the next level of the decomposition after a process group. This can include core elements needed to accomplish the process as well as elements related to variants and rework. Level 4 – Activity, indicated key events when executing a process Level 5 – Task, represents the next level of hierarchical decomposition after activities. Tasks are more granular and maybe consider sub-activity.
UK Central Government	5. All central government departments, their arm's length bodies and shared service delivery provider organisations. This also includes the devolved administrations in the UK.
UK Government Reference Model	6. A comprehensive, interoperable and integrated design model for use across all of the UK Central Government encompassing government Finance, HR and Commercial business functions which includes standardised approaches to process, data, technology, performance and control elements.

SCOPE OF REQUIREMENT

The Authority wishes to secure the Suppliers content and know-how; lessons learned and experience in building such generic functional reference models, to help co-design a UK Government Reference Model. Specifically, the Supplier will deliver:

Requirement	In Scope (For the Supplier to deliver)	Out of Scope (For the contracting Authority to deliver)
1. Provide and validate pre-configured business process content for HR, Finance and Commercial functions against existing Crown IP to create a leading practice UK Government Reference Model.	<ol style="list-style-type: none"> Agreeing the methodology for delivery of a leading practice UK Government Reference Model (to include process taxonomy; process maps to L4, with tech specific overlays; data standards/definition and dictionary and (KPI/PPI) performance metrics), including flexibility to adapt and improve during delivery. Lead and fully facilitate designing a UK Government Reference Model which will represent leading government practice across 	<ol style="list-style-type: none"> Preparatory analysis and inventory of existing Crown IP to determine which government functional assets will be used for comparison. Departmental / Shared Service Centre Cluster stakeholder engagement Global Process Ownership model and governance, including Subject Matter Expertise. Acquiring and loading government functional assets from recent departmental transformation programmes

	<p>21 functional service areas (ref.6.1.4). This will be verified and evaluated by the Authority, through collaboration with the Supplier.</p> <p>iii) Within this design approach: validation and comparison of separable process models, with a view to recommending a single leading practice approach. This content should be evidenced, such that decisions taken on government leading practice are auditable, i.e., why/how did we make the decision?</p> <p>iv) The Supplier will provide an IP asset register that evaluates the proportions of IP used from the Supplier and Crown IP to form the UK Government Reference Model. This register should be updated and presented to the Authority at the end of each sprint/tranche.</p>	<p>to the Authority's BPM tool. For example, but not limited to process maps, enterprise architecture and system configurations.</p>
<p>2. Support and advice from the Supplier to migrate and ingest content into a commercial off-the-shelf enterprise business process modelling (BPM) and mining tool, owned and operated by the Authority.</p>	<p>i) Preparing for, enabling and undertaking the migration of the content to the contracting Authority's BPM tool. Such content being the Suppliers reference model(s) covering all functions specified and all generic processes therein.</p> <p>ii) Delivering recommendations on appropriate business process modelling methodology and frameworks for UK Government. Justifying the recommendations.</p> <p>iii) Delivering an overall proposal for a UK Government process taxonomy and advising, in conjunction with the BPM tool supplier, tool configuration.</p>	
<p>3. Provide Knowledge Transfer</p>	<p>i) Delivering coaching, mentoring and technical training in the understand of, use of and ongoing development and design of, the UK Government Reference Model, through the course of the programme. This knowledge transfer is to the Authority's identified team members.</p> <p>ii) Supporting lessons learned exercises during and at the end of the programme.</p>	<p>iii) Functional resource for the programme and identifying the long-term capability to utilise the UK Government Reference Model and run the BPM.</p> <p>iv) Technical training on the use of the BPM.</p>
<p>4. Governance & Reporting</p>	<p>i) The Supplier to provide suitable mechanisms that evidence the degree of assurance gained from content developed. To work with</p>	<p>iii) Engagement independent of the Authority, with SME's.</p>

	<p>the Authority to manage SME's expectation and involvement. To provide reports to, (attendance at) Programme Board and SRO/PD, on SME's assurance levels that design content is fit for purpose.</p> <p>ii) The Supplier to provide support to the Authority PMO on progress of programme, including reports, risk analysis, timelines, RAID logs etc. The Supplier will be required to produce content on the delivery of the programme, suitable for discussion at the Programme Board.</p>	<p>iv) A central, shared programme office across the lead functions.</p> <p>v) Overall operation of programme and functional governance.</p> <p>vi) Supplier and contract management of the supplier as the external delivery partner, including approval of payment milestones</p>
5. Launch communications, engagement materials	<p>i) The Supplier to provide, at the end of the contract, a suite of stakeholder engagement media, to include slide presentations, whitepaper(s), video content that will promote the work completed, such that the Authority can use this material to publish and promote the work across Government.</p> <p>ii) The materials should demonstrate to the lay person the capability achieved and potential for delivery of greater efficiency in the delivery of Government functional processes. The material should promote the success achieved; highlight the new capability deliver and horizon scan next steps and opportunities, like process mining.</p>	vii)

THE REQUIREMENT

Requirement 1: Provide and validate pre-configured business process content for HR, Finance and Commercial functions against existing Crown IP to create a leading practice UK Government Reference Model.

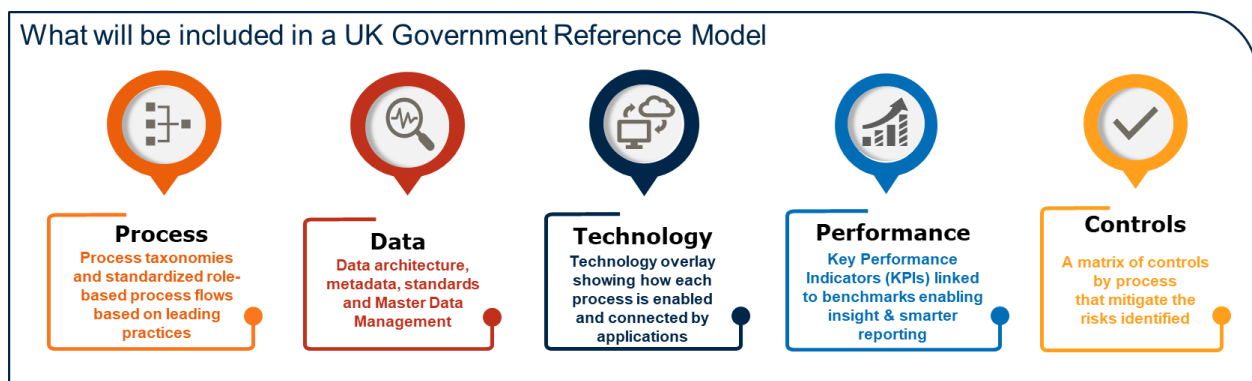
The FCP has a requirement to secure generic corporate functional process map/model content and associated data assets (a licence to Supplier reference model IP) with technology overlays for ERP Vendors to help populate its BPM with examples of leading practice in process design. The consequential evaluation and collaboration on these examples of leading practice will form the basis of the UK Government Reference Model.

This shall act as an organisation agnostic blueprint, setting out leading practice processes, data, technology, performance & controls. It will be used as the foundation for all finance, HR and commercial provision across the UK Central Government.

The UK Government Reference Model will be based upon consolidating and expanding upon existing cross-government departmental best practice and central functional design and leveraging leading practice from the Supplier. This blend allows end-users in departments and wider civil service organisations to feel confident that they are managing their Finance, HR and Commercial operations consistently with each other, interoperably and in accordance with leading practice.

The Supplier will deliver codified and standardised leading practice approaches to the 21 global process areas for Finance, HR and Commercial delivery across the Civil Service, using a mix of existing internally developed materials, private sector leading practice reference models and Authority/ SME consultation. The 21 global process areas in scope are:

Global Process Area (As per published Government Functional Standards)			
1	People Strategy & Planning	12	Grants Administration
2	Managing Organisation & Position	13	Record to Report
3	Joining Work	14	Non-Current Assets
4	Building the Workforce	15	Inventory
5	Managing the Workforce	16	Expenses
6	Reward the Workforce	17	Payroll
7	Leaving Work	18	Project Accounting
8	Managing Service	19	Investment Appraisal
9	Source to Pay (Source to Contract & Purchase to Pay)	20	Tax
10	Order to Cash	21	Finance Master Data (NEW)
11	Cash Management		



Working collaboratively with the Authority, central government functions and Government Business Services, the Supplier will lead on migrating and delivering appropriate leading practice process design and artefacts to the contracting Authority's BPM solution, to enable the creation of the UK Government Reference Model. Delivering for each global process / service area to defined process flows to an activity level on a technology agnostic basis (L3) and at a task level (L4/5) with tech specific overlays against leading ERP software vendors, encompassing but not restricted to those currently deployed in government, i.e., Oracle, Workday, SAP.

The purpose of ingesting the Crown IP is to establish divergence from the Supplier reference content and settle on the UK Government Reference Model TO-BE. Neither the Authority nor the Supplier will devote significant time to understanding the current AS-IS position in legacy on-premises government ERP systems. The Crown IP will be collated and consolidated by the Authority, in its BPM tool, with an expectation that the Supplier will compare and contrast, no more than two existing Crown IP examples with that of the Suppliers reference model, identifying variations for discussion with the Authority.

Where no IP exists on the Supplier or Crown side, the expectation is that the Supplier leads on the development of that new IP in full collaboration with the Authority. This may entail the collation and validation of more than two independent sources as a baseline to further new content creation.

The Functional Convergence Programme will be run based on an agile delivery method to create, test and assure, the UK Government Reference Model. The Supplier will therefore be required to work under Agile programme management methodologies as a key delivery partner for the programme.

The [Annexes](#) provide high-level diagrams for the full FCP delivery lifecycle, outline delivery approach and milestone & activity plan, which will be validated with the Supplier upon contract commencement as part of the Prepare stage.

As a pre-requisite, the Authority will secure any government leading practice process, data and performance content that constitutes, agreed and prioritised Crown intellectual property (IP). The Authority will assess this content against the government process taxonomy of 21 processes using a gap analysis for quality / completeness, which together with a MoS-CoW analysis will evaluate the global process areas by strategic importance and effort-required, to help prioritise subsequent delivery. The Supplier will utilise and expand this analysis as necessary to recommend a delivery methodology, in terms of content of each tranche of delivery and associated milestones. The first governance Gateway for the Supplier will be the presentation of this delivery plan to the Functional Convergence Programme Board.

The Supplier will provide a report at the end of each sprint/tranche to explain how the agreed final UK Government Reference Model assets delivered, deviate from the Suppliers reference model, to allow the Authority to assess the extent that Crown IP has been included in the final solution. This report should be provided one week after the Authority has signed-off that the sprint/tranche is completed. The Supplier will develop an IP asset register that will record, for every sprint/tranche, the degree of Supplier/Authority mix in that final IP co-created. The Supplier will grant the Authority a non-exclusive, transferable, perpetual, irrevocable, royalty free licence to use the Supplier IP embedded in the final co-created IP. The Supplier will discuss with the Authority mechanisms to alert the Authority to any subsequent amendment/ update to that Supplier IP over time, outside the timeline for this contract.

The Supplier will be paid in accordance with an agreed delivery cycle with phased payment triggered by the Authority's acceptance of a successful delivery of each sprint/tranche of the plan. During the initial 'Prepare' phase and in consideration of the Supplier's proposed delivery plan, agreement can be reached on the subsequent weight, resource effort and amount payable of each sprint/tranche within the consideration of the total contract value, recognising that more/less effort maybe required in earlier/later stages of delivery.

The Authority requires a gateway report after the first sprint/tranche to identify any issues, risks, concerns or blockers evident from the delivery of the first sprint/tranche that may have negative connotations for the programme delivery cycle in terms of cost, time, resources and quality. A similar report will be provided at the end of the engagement. The Programme Board will evaluate the gateway report to ascertain the Functional Convergence Programme's and Supplier's progress and key risks/issues identified.

The supplier will provide consultancy services in an assist, apply, enable, ensure, and advise capacity, to help create/appropriate/deliver:

Migration, ingestion, and configuration of existing/procured process content, including some pre-existing government assets. Technical support. Assessment of existing process flows compared to leading practice processes and gap analysis for all 21 processes set out in paragraph [6.1.4](#).

Creation of data standards, data definitions, business glossaries and all associated data artefacts, assets, and architecture necessary to help accelerate and inform future government ERP Shared Service implementations. The effective collation and indexation of metadata for core government functional data standards, for all 21 processes set out in paragraph [6.1.4](#)

Creation of cross government corporate functions (HR, Finance, Commercial and Property) Key Performance Indicators / Process Performance Indicators to ensure that key reporting metrics are built into the reporting suites of future ERP Shared Services statements of requirement, for all 21 processes set out in paragraph [6.1.4](#).

Requirement 2: Support and formal advice from the Supplier to migrate and ingest content into a commercial off-the-shelf enterprise business process modelling (BPM) and mining tool, owned and operated by the Authority.

The Authority expects the Supplier to be competent in use of the AG Software ARIS enterprise business process modelling (BPM) tool and to be capable of ultimately uploading any Supplier reference models/content into the Authority's procured BPM tool (as this is the Authority's chosen SaaS solution). We are content for the reference model to be created in the Suppliers tool or the Authority's tool, but finalised UK Government Reference Model content must be transferred to Authority's tool after each sprint/tranche. Staged payments are dependent on the Authority's acceptance of this content and its quality. The Authority has defined a proposed, outline programme Gantt timeline (see [6.1.9, Annexes](#)) to illustrate how the series of sprints/tranches may work. Bidders should present their proposal on the number and timing of sprints/tranche within the overall timeline set out in this statement of requirements document.

AG software will load, via their migration service, the shortlisted, prioritised Crown IP to the Authority's BPM tool. AG Software will liaise with the Supplier to evaluate the Suppliers proposed reference model frameworks and configuration (i.e., BPMN 2.0, etc), with a view to match the framework structure deployed by the Supplier, or recommend to the Authority, deviations, and reasons why the Authority should not adopt the Suppliers modelling framework. The Supplier must agree with AG Software the most effective build for the Authority, to ensure the Authority has access to the full functionality of ARIS post contract and can be self-sufficient in that usage. If both suppliers cannot reach agreement, the Authority will consider the arguments from both sides and make a decision.

This collaboration between suppliers is required to ensure that migration between Supplier BPM solution and Authority BPM solution is seamless. We wish to avoid complications of incompatibility between the Authority's configuration of the BPM and any contradictory configuration of the Suppliers reference model content.

Requirement 3: Provide Knowledge Transfer

The Supplier will evaluate and undertake comparison exercises between the agreed, prioritised Crown IP and the Supplier's reference model. Specifically, they will identify the variation and advise the Authority on leading practice in such scenarios. The Authority will work with the Supplier to evaluate the differences and agree the new UK Government Reference Model processes. The Supplier will provide the technical capability in ARIS, to make this comparison possible and visible to the Authority. There will be knowledge transfer to the Authority during this phase, in business process modelling and leading practice methodology.

The Supplier is required to coach and mentor the Authority in use of the Supplier reference model content, with a level knowledge transfer provided, so that the Authority are self-sufficient in the use and understanding of the Suppliers reference model by the end of the engagement. The Supplier will produce, during the Prepare phase a capability build plan that demonstrates how knowledge transfer will be delivered. The completed and actioned plan to be presented at the end of the contract.

Requirement 4: Governance & Reporting

In addition to Section 8. detailing the Suppliers requirements in respect to Management Information, the Supplier will work within the existing Programme Governance structure.

The complex cross-government delivery environment requires a matrix of governance to work cohesively together to drive functional convergence. FCP work with GBS colleagues in the governance matrix structure laid out below:

Governance:

HM Treasury (within which the Government Finance Function resides) will act as the contracting Authority on behalf of the three functions, with a Programme Board of key stakeholders, and a single Senior Responsible Officer reporting to the 3 Heads of Functions (i.e., Finance, HR and Commercial).

FCP will establish a new group of Senior Process Sponsors representing each Global Process Area; responsible for assuring that the design represents high-quality leading practice.

The existing Shared Services Design Authority (SSDA) supported by GBS will act as the single authority of functional standards and the UK Government Reference Model design in shared service centres.

Existing functional leadership groups will maintain oversight of their full end-to-end processes, monitoring process performance and driving the use of the new benchmarking capabilities and insight created through the BPM to drive continuous improvement.

FCP works with the GBS Portfolio office to provide joined-up reporting and risk management to Shared Service Board, ensuring that the dependencies with each of the SSfG 5 workstreams are well understood and actively managed.

The Supplier will be required to work with the FCP PMO to report through to these various Governance Boards as and when required, providing appropriate content to service the governance and assurance requests. This will require the Supplier to provide reports, assurances and demonstration of progress against targets in the timeframes dictated by the various Board's requirements, interest and dependencies. The Supplier must be able to react to prompt request for such management reports to senior stakeholder levels.

Requirement 5: The Supplier to provide, at the end of the contract, a suite of stakeholder engagement media, to include slide presentations, whitepaper(s), video content that will promote the work completed, such that the Authority can use this material to publish and promote the work across Government. The materials should demonstrate to the lay person the capability achieved and potential for delivery of greater efficiency in the delivery of government functional processes. The material should promote the success achieved; highlight the new capability deliver and horizon scan next steps and opportunities, i.e., process mining; robotic process automation, etc.

KEY MILESTONES AND DELIVERABLES

The following Contract milestones/deliverables shall apply, for all processes set out in paragraph [6.1.4](#):

The supplier shall develop a programme plan against the milestones and deliverables set out under Section 7 as part of the preparation phase of the programme.

Milestone/ Deliverable	Description	Timeframe or Delivery Date
1	<p>Provision of consultancy:</p> <ul style="list-style-type: none"> i) This is primarily guidance in helping the Authority understand the Suppliers reference model. ii) Recommending best practice in the field of BPMN. iii) Helping the Authority work with the BPM supplier on configuration of the modelling framework. iv) Advice on how to tackle migration of data. v) How to maximise strategic benefit from the Supplier IP, existing Crown IP and resultant UK Government Reference Model. vi) Support in delivery of the programme outputs/outcomes, such that the Authority can deliver at pace. 	To start within 1 week of contract commencement
2	<p>Prepare Phase, successfully complete, with:</p> <ul style="list-style-type: none"> i) agreed design principles/criteria and methodology for comparative analysis between Supplier reference model processes and existing government reference models. ii) agreed scope of government assets to be used in each sprint/tranche iii) gap analysis complete to identify missing content and set out plan to undertake change/design activity to mitigate gap. iv) agreed detailed implementation plan, with delivery phased in a series of sprints/tranches covering the 21 process areas 6.1.4, over a 7-month period. Prioritisation of these process packages to be agreed by the Authority based on the Suppliers recommendations on analysis performed by the Authority. The Supplier is responsible for production of the implementation plan. v) agreed programme RACI and capability building approach and knowledge transfer plan. vi) agreed process taxonomy [L3]. vii) agreed business process model framework to diagram processes in the BPM, with aligned configuration between Supplier and BPM Supplier or suitable methodology agree to migrate content between BPM platforms with minimal conflict. 	Within 4 weeks of contract commencement
3	<ul style="list-style-type: none"> i) Process Sprint 1 (PS1) complete with approved/signed off process flows based on evidenced, comparative analysis between Supplier reference model processes and existing 	Within 4 weeks of completion of Prepare Phase

	government assets for the agreed global process areas in scope, uploaded into the Authority's BPM. ii) If required, perform Gap analysis to identify missing content and undertake change/ design activity to mitigate/ create holistic UK Government Reference Model assets.	
4	Delivery Review to include test and learn on sprint/tranche 1 methodology and a fully updated and re-baselined implementation plan.	Within 1 week of completion of sprint/tranche 1
5	Data & Performance sprints/tranches complete with defined best practice data standards/definitions and PPI/KPIs uploaded into Authority's BPM (and/or data governance tool)	Completed by 31 st December 2022
6	All remaining Process Sprints complete with approved/signed off process flow and fully operational UK Government Reference Model for all remaining global process areas uploaded into Authority's BPM. Delivered through a maximum of 6 sprints/tranches	Completed by 30 th April 2023
7	i) Complete delivery of the agreed capability building approach and knowledge transfer plan. ii) Agreed IP Asset Register, including valuations and cost variation. iii) Launch communications products iv) Delivery Review / Programme Close	Completed by contract end.

MANAGEMENT INFORMATION/REPORTING

The supplier will provide weekly programme-level and workstream-level reporting on the progress of the programme phases, deliverables and milestones to the Programme Director and Senior Responsible Owner.

The supplier will contribute to programme board pack reporting regarding overall performance of the programme including progress of the programme phases, deliverables and milestones. The supplier may be expected to attend some or all of the programme board, as agreed by the programme director.

The supplier will provide monthly updates on the following to programme's commercial lead and programme manager as part of regular supplier management meetings.:

their resources and cost utilisation

Key delivery risk and issues

The supplier will attend the Functional Convergence Programme Board at the request of the Senior Responsible Owner to present outputs, summaries of progress and any issues or risks arising from delivery.

VOLUMES

Given this is a relatively novel programme for UK Government there are currently no effective volumes or metrics beyond the 21 global process areas stated in section [6.1.4](#).

CONTINUOUS IMPROVEMENT

The Supplier will be expected to continually improve the way in which the required Services are to be delivered throughout the Contract duration.

The Supplier will run a delivery review after the first process sprint/tranche to improve the quality, speed, resourcing, collaboration and effectiveness of the methodology. The findings and recommendation of this review will be then incorporated into the delivery of the programme.

The Supplier(s) should present new ways of working to the Authority during monthly Contract review meetings, suggesting areas where efficiency, effectiveness and programme delivery could be improved.

Changes to the way in which the Services are to be delivered must be brought to the Authority's attention and agreed prior to any changes being implemented.

SUSTAINABILITY

The supplier must consider their sustainability as part of the overall delivery of the Functional Convergence programme to align to HM Government policy on sustainability to achieve net zero carbon emissions and

In terms of travel, the supplier must look to reduce CO² emissions where possible. This should include remote and hybrid working practices as part of agree ways of working with the contracting authority and where these do not conflict with programme delivery or the needs of the contracting authority.

If travel is necessary, the supplier should look to use methods of travel with a lower carbon footprint, such as the use of public transport over private car travel. As well as the use of train travel over domestic air travel.

The supplier should consider the sustainable use of technology as part of HM [Governments' Greening Government ICT and digital strategy](#) including transparency of CO² emissions of consumed by the digital toolset as well as choosing energy efficient technologies where suitable and available.

The supplier may be required to report on their sustainability and CO² emissions as a result activity related to the delivery of this programme.

QUALITY

In respect of the leading practice, pre-configured business process content, that they are quality assured by working collaboratively with the central functional Subject Matter Expert's and Senior Process Sponsors.

Any and all quality issues are reported and understood. They are discussed openly, and the Authority reserves the right to obtain third party validation as to the quality, where it is questioned.

The Supplier should be accredited ISO 9001:2015.

PRICE

Potential suppliers of leading practice, pre-configured business process content should provide a total fixed price contract cost and specify exactly what content will be provided for that price. The Authority requires a fixed price for the deliverables set out in Section 7 to meet all the requirements in Section 6, with the exception of specific consultancy set out in 6.4.

Potential suppliers for consultancy should provide a cost based on SFIA (Skills Framework for the Information Age) rates for support of each element under paragraph 6.4 for a period of 9 months.

Prices are to be submitted excluding VAT and including all other expenses relating to Contract delivery.

STAFF AND CUSTOMER SERVICE

The Supplier(s) shall provide a sufficient level of resource throughout the duration of the Contract in order to consistently deliver a quality service.

The Supplier's staff assigned to the Contract shall have the relevant qualifications and experience to deliver the Contract to the required standard. Supplier personnel shall be subject to pre-employment checks that, as a minimum, should be at least equivalent to the Government Baseline Personnel Security Standard.

Supplier personnel working directly on the Functional Convergence Programme environment with system administrator access rights shall be required to hold National Security Vetting to Security Check (SC) level as a minimum. Supplier staff expected to work in Contracting Authority Premises that do not hold Security Check (SC) clearance (or as a minimum Counter Terrorist Check (CTC) clearance) must be escorted at all times by a designated representative of the Contracting Authority

The Supplier shall ensure that staff understand the Authority's vision and objectives and will provide excellent customer service to the Authority throughout the duration of the Contract.

The Supplier is expected to engage with the Authority in an open, honest and collaborative manner in line with the [Civil Service' values and standards of behaviour](#)

SERVICE LEVELS AND PERFORMANCE

The objectives of the Service Levels and Service Credits are to:

- ensure that the Services are of a consistently high quality and meet the requirements of the Customer;

- provide a mechanism whereby the Customer can attain meaningful recognition of inconvenience and/or loss resulting from the Supplier's failure to deliver the level of service for which it has contracted to deliver; and

- incentivise the Supplier to comply with and to expeditiously remedy any failure to comply with the Service Levels.

The Supplier shall provide a proactive service manager to ensure that all Service Levels and Key Performance Indicators are achieved to the highest standard throughout the contract period.

The Supplier shall provide a managed service through the provision of a dedicated service manager where required on matters relating to:

- Supply performance;

- Quality of Services;

- Customer support;

- Complaints handling; and

- Accurate and timely invoices.

The Supplier accepts and acknowledges that failure to meet the Service Level Performance Measures set out in the following tables will result in Service Credits being issued to the Contracting Authority.

The Supplier accepts that:

Timings start from when the Authority, any end user or monitoring jobs notify the Supplier by any form, including but not limited to verbal, SMS, instant message, and email.

Business hours are defined as between 08:00 and 18:00 (UK time) Monday to Friday excluding Public Holidays in England.

The Contracting Authority will measure the quality of the Supplier's delivery by:

In terms of the Global Functional Design activity:

7. KPI	8. Service Area	9. KPI description	10. Service Level Performance Measure	11. Service Credits (for each service period)
12. 1	13. Formal document reviews	14. The supplier will allow formal document reviews will allow a minimum of three working days from submission to return, unless agreed in advance by the Programme Director or delegated authority.	15. 100%	16. 0.5% Service Credit gained for each percentage under the specified Service Level Performance Measure
17. 2	18. External workshop scheduling. (physical or virtual attendance included)	19. The supplier will give two-week notice of External Workshops to attendees, where these are organised by the supplier, unless agreed in advance by the Programme Director or delegated authority.	20. 95%	
21. 3	22. Provision of workshop materials	23. The supplier will allow provide workshop materials with no less than 48 hours' notice, excluding weekends, unless agreed in advance by the Programme Director or delegated authority.	24. 95%	
25. 4	26. Provision of papers and materials to Programme Governance	27. The supplier will supply final draft papers and materials for programme governance to the Functional Convergence Programme Office / Board Secretariat with no less than 48 hours' notice, excluding weekends.	28. 95%	

29. 5	30. Billing	31. The supplier will bill the Contracting Authority in a timely and accurate way.	32. 98%	
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The Service Credits shall be calculated on the basis of the following formula:

Formula: x% (Service Level Performance Measure) - x% (actual Service Level performance)	=	x% of the Charges payable to the Buyer as Service Credits to be deducted from the next Invoice payable by the Buyer
Worked example: 98% (e.g. Service Level Performance Measure requirement for accurate and timely billing Service Level) - 75% (e.g. actual performance achieved against this Service Level in a Service Period)	=	23% of the Charges payable to the Buyer as Service Credits to be deducted from the next Invoice payable by the Buyer]

To ensure the supplier is focussed on delivery the Contracting Authority will reserve the right to charge Delay Payments, which are the amounts payable by the Supplier to the Contracting Authority in respect of a delay in respect of a Milestone as specified in the agreed Implementation Plan. These Delay Payments will accrue on a daily basis from the relevant Milestone Date and shall continue to accrue until the date when the Milestone is agreed as Achieved, unless otherwise specified and agreed in writing by the Contracting Authority.

If the supplier's initial performance is deemed unsatisfactory during the first three months of the contract, then the Authority reserves the right to enact a three-month break clause to terminate the contract early.

SECURITY AND CONFIDENTIALITY REQUIREMENTS

Security Certification and Compliance

The Supplier shall demonstrate that they have certification for ISO 27001 and a robust security management system which addresses risks relating to physical, personnel and technical/cyber security.

The Supplier should maintain a risk management strategy including:

- Produce and maintain a risk management strategy which is in line the security requirements and risk appetite set by HM Treasury

- Documenting a risk management process and risk assessment

- Demonstrating how they identify and manage risks

The Supplier must ensure, as a minimum, that the provided solution:

- Is fully compliant with the NCSC Cloud security principles

- Is aligned with ISO 27001 and all relevant National Cyber Security Centre (NCSC) Standards and Guidance.

- Is hosted in secure and resilient ISO27001 certified data centres.

where possible and appropriate, makes use of some of the cyber security tools available as part of NCSC's Active Cyber Defence Services.

The Supplier must ensure that any provided solution has an effective and proactive security monitoring regime in place at all times and produce sufficient evidence in the form of logs and other documents to the Contracting Authority to confirm this. The Supplier should:

Ensure that the protective management regime adheres as a minimum to current [NCSC guidance on Security Monitoring](#).

Engage with the Contracting Authority incident management processes.

Ensure that the proactive security monitoring capability extends across the supply chain.

Provide operational security management reports to the contracting authority.

Where appropriate the Supplier must demonstrate the ability to ensure all necessary patches and upgrades are applied to any software they intend to utilise with the customer. Ensuring they maintain security, integrity and availability in accordance with the Cloud Security Principles.

PAYMENT AND INVOICING

Payment can only be made following satisfactory delivery of pre-agreed certified products and deliverables in line with the contract milestones.

Before payment can be considered, each invoice must include a detailed elemental breakdown of work completed and the associated costs.

Invoices should be submitted to: InvoiceQueries@hmtreasury.gov.uk or Accounts Payable, HM Treasury, Rosebery Court, Central Ave, Norwich, NR7 0HS

CONTRACT MANAGEMENT

The supplier will attend regular contract review meetings with the contracting authority which have a minimum frequency of monthly. The frequency of contract review meetings may increase at the request of the Programme Director or the Programme's Senior Responsible owner on any reasonable grounds, such as perceived performance or quality issues with the supplier.

The scope of the supplier meeting will include, but is not limited to, performance on delivery of the programme, including cost, time, quality, delivery against milestones, staffing and resources. More detail of the scope of the performance review will be agreed between the contracting authority and the supplier as part of programme mobilisation.

The contract review meetings may include the performance on the delivery of the programme of any sub-contractors which have been appointed by the supplier.

The supplier will provide senior representation at the contract review meetings at no lower than a senior manager level. The contracting authority retains the right to mandate that more senior level, such as partner, managing director or director level attends where there are reasonable grounds to do so.

The supplier will prepare for all performance supplier meetings by providing performance reporting in advance of the programme meeting unless agreed in advance by the Programme Director. Detail of the performance reporting for the contract review will be agreed as part of programme mobilisation.

As part of the Government Transparency Agenda, the Contracting Authority may be required to publish relevant KPIs from this service provision.

Attendance at Contract Review meetings shall be at the Supplier's own expense where these are in person.

LOCATION

The location of the Services will be carried out at in a flexible and hybrid way.

Office working may be required for in person meetings and workshops may be required as agreed between the programme team on behalf of the contracting authority and the supplier. This may be at any location within the United Kingdom including, but not limited to, UK Government Offices and the supplier's offices

Working locations and patterns will be agreed in more detail as part of the supplier's mobilisation and be kept under regular, active review as part of contract review meetings.

ANNEXES

