



Ministry of
JUSTICE | **ICT**

ICT CONTRACT LET

SME CONCEPT VIABILITY

ASHLEY CROMPTON – PROGRAMME MANAGER

*An executive agency of the
Department for
Transport*



CabinetOffice

Strategic Communication

Getting full value from SMEs for DVLA

DVLA

7 March 2012

Stephen Allott

Crown Representative for Small and Medium Enterprises

The Coalition Agreement



“We will promote small business procurement, in particular by introducing an aspiration that 25% of government contracts* should be awarded to small and medium-sized businesses and by publishing government tenders in full online and free of charge. “

May 2010

Chapter 2 – Business

** Central Government, by value including both direct spend and in the supply chain*

The Prime Minister's speech on 11 February 2011

“Today, we are announcing big changes to the way government does business.”

“No one should doubt how **important** this is.”

“It's important for getting to grips with our deficit – as it will help us tackle waste **and control public spending.**”

“...the system doesn't encourage **small and medium-sized businesses**, charities and social enterprises to compete for contracts...
...the very firms who can provide the competitive pressure to **drive down costs.**”

“.... wherever possible, we're going to **break up large contracts into smaller elements, so that SMEs can make a bid** and get involved”



”His task will be to build a more strategic dialogue between HM Government and smaller suppliers – giving those suppliers a strong voice at the top table.”

press release
11 February 2011

The screenshot shows a web browser window displaying the Cabinet Office website. The page title is "Crown Representative for SMEs - Stephen Allott". The main content area features a navigation menu with categories like "About the Cabinet Office", "National Security", "Constitutional Reform", "Government Efficiency", "Transparency", "Big Society", and "Government: How it works". Below the navigation, the page is titled "Crown Representative for SMEs - Stephen Allott" and "The role of the Crown Representative for SMEs". A quote from David Cameron is displayed: "His task will be to build a more strategic dialogue between HM Government and smaller suppliers – giving those suppliers a strong voice at the top table". The page lists two main ways Stephen Allott will do this: 1. Understanding the concerns of SME suppliers, and 2. Enable Government to give more business to SMEs. A "Stephen's biography" section is also present, including a photo of Stephen Allott and a brief description of his background. On the right side, there are sections for "Related News and Media" and "Related links".

Crown Representative for SMEs - Stephen Allott

The role of the Crown Representative for SMEs

"His task will be to build a more strategic dialogue between HM Government and smaller suppliers – giving those suppliers a strong voice at the top table" – David Cameron, 11 February 2011.

There are two main ways that Stephen Allott, as SME Crown Representative, will do this:

- 1. Understanding the concerns of SME suppliers**
Stephen will listen and understand the issues and concerns that SMEs have, and there are a number of ways in which SMEs can feedback.
 - [Extended Supplier Feedback Service](#)
 - [Small business – your problems with procurement](#)
 - On 11 February the Prime Minister, Francis Maude, the Minister for the Cabinet Office and Baroness Eaton of the Local Government Group launched a number of initiatives to open up Government Procurement to more competition and participation by small and medium sized enterprises. One of the measures announced was an extension of the Cabinet Office's Supplier Feedback Service and an invitation to small businesses to become a 'mystery shopper'. Suppliers were asked to tell the Supplier Feedback Service about tenders they did not understand or instances of what they believed to be poor procurement practice, with a commitment that procurers would be challenged to be more transparent and open. The Supplier Feedback Service committed to publish the results of the investigations into the cases received. The document sets out the issue and the resolution of the cases investigated in the first 3 months of the scheme between February and May.
 - **SME panel** - Stephen also engages with SME representative organisations, getting feedback and passing information back through them as well as providing updates to the SME community through this website.
- 2. Enable Government to give more business to SMEs**
As well as strategic dialogue, Stephen will work to enable Government to give more business to SMEs in three ways.
 - **Organise Product Surgeries** - where SMEs can present direct to Government buyers. The surgeries are intended to improve Government buyers' awareness of SME offerings, but they are not linked to specific procurements.
 - Input into the redesign on the **public procurement process** to make it more SME friendly.
 - Give input to officials when they are considering procurement practices and policy, giving SMEs a voice at the top table.

Stephen's biography

The appointment of Stephen Allott was announced in the Prime Minister's [speech on Government Procurement](#) at the [Strategic Supplier summit](#) in February 2011

He has over 16 years of experience in the SME sector. He has chaired the boards of seven technology SMEs and led the successful growth of one SME from 50 to over 800 people. He has also

Related News and Media

- [Plans to open up Government to small businesses](#)
- [Innovation Launch Pad](#)
- [Government opens up contracts to small business](#)
- [£10million to kick start Big Society public services](#)
- [Government saves over £1 billion on procurement](#)

[View all news](#)

Related links

- [SME departmental action plans](#)
- [Contracts Finder](#)
- [Innovation Launch Pad](#)
- [SME Contracts](#)

Most recent resources

- [Independent Transparency and Privacy Review](#)
- [Role of the Telecommunications Industry in Emergency Planning](#)
- [Big Lottery Fund - Consultation on proposed policy directions](#)
- [Social Mobility and Child Poverty review - Call for evidence](#)
- [Commercial Interchange Programme Pilot](#)

[View all resources](#)

Supplier Feedback Service – “Mystery Shopper”

Supplier Feedback Service | Cabinet Office - Windows Internet Explorer

http://www.cabinetoffice.gov.uk/content/supplier-feedback-service

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Pages - home Crown Representative for S... Small Talk: Whitehall needs t... Supplier Feedback Servic... x

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CabinetOffice

About the Cabinet Office National Security Constitutional Reform Government Efficiency Transparency Big Society Government: How it works

Supplier Feedback Service

The Efficiency Reform Group supplier feedback service where you can give comments on suppliers good or bad.

Feedback Form

Contact details for the nominee

Title:
Please select

Full name:*

Organisation:

Address:*

Related News and Media

- Top suppliers asked to contribute to Government's efficiency drive
- Cabinet Office Minister's speech to supplier summit
- Supplier representatives to cut costs for Government
- The Crown and suppliers: a new way of working

[View all news](#)

Most recent resources

- Government Construction newsletters
- Government Construction Task Groups
- Government Construction cost benchmarks
- Charities Act Review - Calls for Evidence
- Individual Electoral Registration Command Paper

[View all resources](#)

UNCLASSIFIED

“Pre-market engagement”: what should suppliers do?

Review the procurement pipelines increasingly being published to look for possible opportunities

Sign up for email alerts on Contracts Finder in areas of interest

Monitor PINs and register interest in future procurements

Attend any information days, boot camps or relevant product surgeries

Build on your customer base: use them for references

Your goal is to help the buyers shape their procurement specification during informal pre-market engagement

Successful bidding: what I have learnt

Answer the questions in the procurements!

Remember that public procurement is largely a paper based exercise and you will be judged on the quality of your paper responses rather than your technical abilities or your delivery track record.

Make sure your responses are top quality

Get expert help if you are inexperienced in public sector bidding

ICT CONTRACT LET



Simon Tse
DVLA CEO

Hello and welcome to DVLA. I'm Simon Tse and I'm Chief Executive of DVLA. I'm sorry I can't be with you in person today but I'm pleased to have the opportunity to welcome you to this event. Today is part of the market sounding activity we are undertaking and a continuation from the plenary event that took place on the 18 January.

I'd like to welcome back those who attended on the 18th and extend a warm welcome to those who have joined us for this session.

I am delighted that today we have been joined by colleagues from MoJ because they are embarking on a similar ICT journey to our own.

DVLA is not only keen but also actively encouraged to seek out opportunities for cross agency working. The new Government ICT strategy builds on this position.

It also means the Agency, as the ICT Futures programme moves forward, is positioned to

enable me to start to realise my vision for DVLA and how it fits with the DfT family and wider Government of the future.

A moment ago you saw a presentation from Stephen Allot. This clearly outlines the direction Government is taking and the commitment to offer equal opportunities to SMEs in future Government procurement offerings. So how does this fit with my vision of DVLA's future?

Well, it fits perfectly. This organisation is aiming to be modern, efficient and accurate. I want to continue to provide good, solid customer service.

I want us to be digital by default and I know that to do that there is a need to innovate and transform to deliver this aspiration.

I hope you know by now – or starting to understand - that I am committed to the SME agenda laid out in the Government ICT strategy.

DVLA already directly engage with 189 SME vendors out of an active base of 550, spending c. £10m. every year.

A total of c£50m reaches SMEs each year as a result of Agency commercial activity. So we are using SME expertise now but we want to do it differently. We need to do it differently.

We need to do it differently to achieve that productive mutually beneficial relationship that will allow me to deliver my aspirations. We need to do it differently for you to achieve the

market share and add value in a way you may not have been able to in the past.

My challenge to you is ...help me shape this opportunity...tell me what will encourage you to want to work with DVLA. Help me plan the journey..... What is it you need from us to be able to take that step?

How do you see your role in the 'tower' model that has been presented to you? How can we improve the model?...it is continually evolving as we understand more from the market and we know it will do so for some time

If we haven't got it right – if we can make it better tell us. This is genuinely your opportunity to shape something that could – we hope would - be a part of your future.

I said earlier our MoJ colleagues have a similar procurement similar – this gives us the chance to collaborate. And don't forget collaboration is the key to this. For us and for you so we can reduce burden on SMEs and make these opportunities real for you.

As the day progresses you further understand the current thinking for DVLA & MoJs and where there are synergies between our organisations.

I would like to thank you for taking this time to join us and help shape the future of DVLA.

Iain Lovatt

FITS Transition Lead

MoJ ICT Strategy & SMEs

MoJ Vision – Foundation for changes across the Ministry

“The justice system will punish the guilty, protect our liberties and the independence of the judiciary and introduce a revolution in the rehabilitation of offenders.

Despite the ambition and determination of those working within the justice system, there is too much litigation, too many people re-offending and too much money spent on systems. By 2015, the Department will provide services in a completely different way.

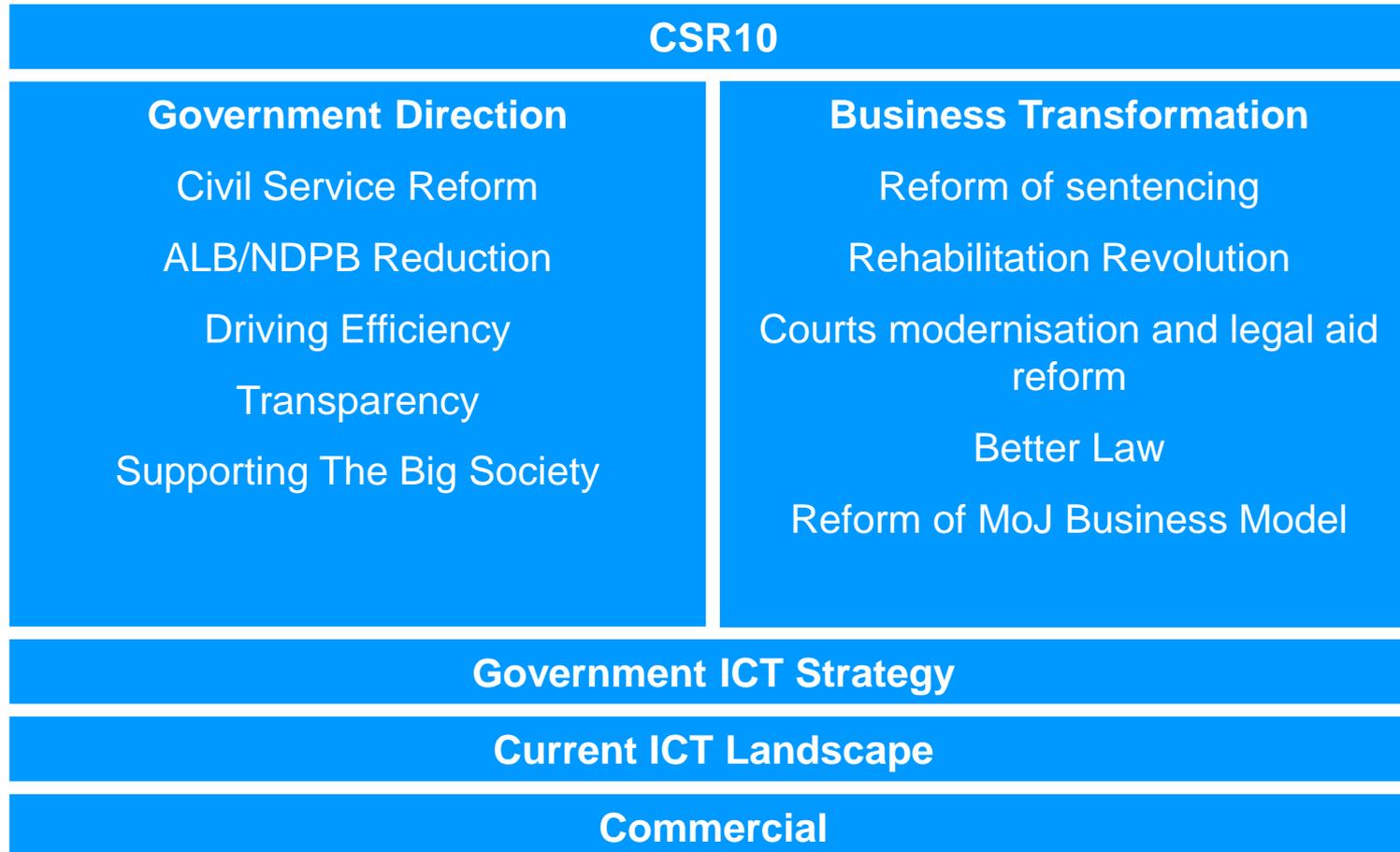
Our programme of fundamental reform will result in a revolution in rehabilitation that will reduce re-offending. We will ensure that those who break the law are punished. But by helping offenders get off drugs, move into work, and manage mental illness we will see fewer of them slipping back into lives of crime. Prisons will be places where meaningful work and opportunities to reform are the expectation for prisoners, not a matter of choice. We will provide a clear sentencing framework. It will punish those who break the law, and help reduce re-offending.

We will provide a legal aid system that supports those at greatest risk, not those who are most litigious. We will develop better methods to settle more disputes without resorting to the courts and adversarial litigation. We will create a new relationship between the citizen and state that protects fundamental British values and the liberties that underpin our society - there will be better law.

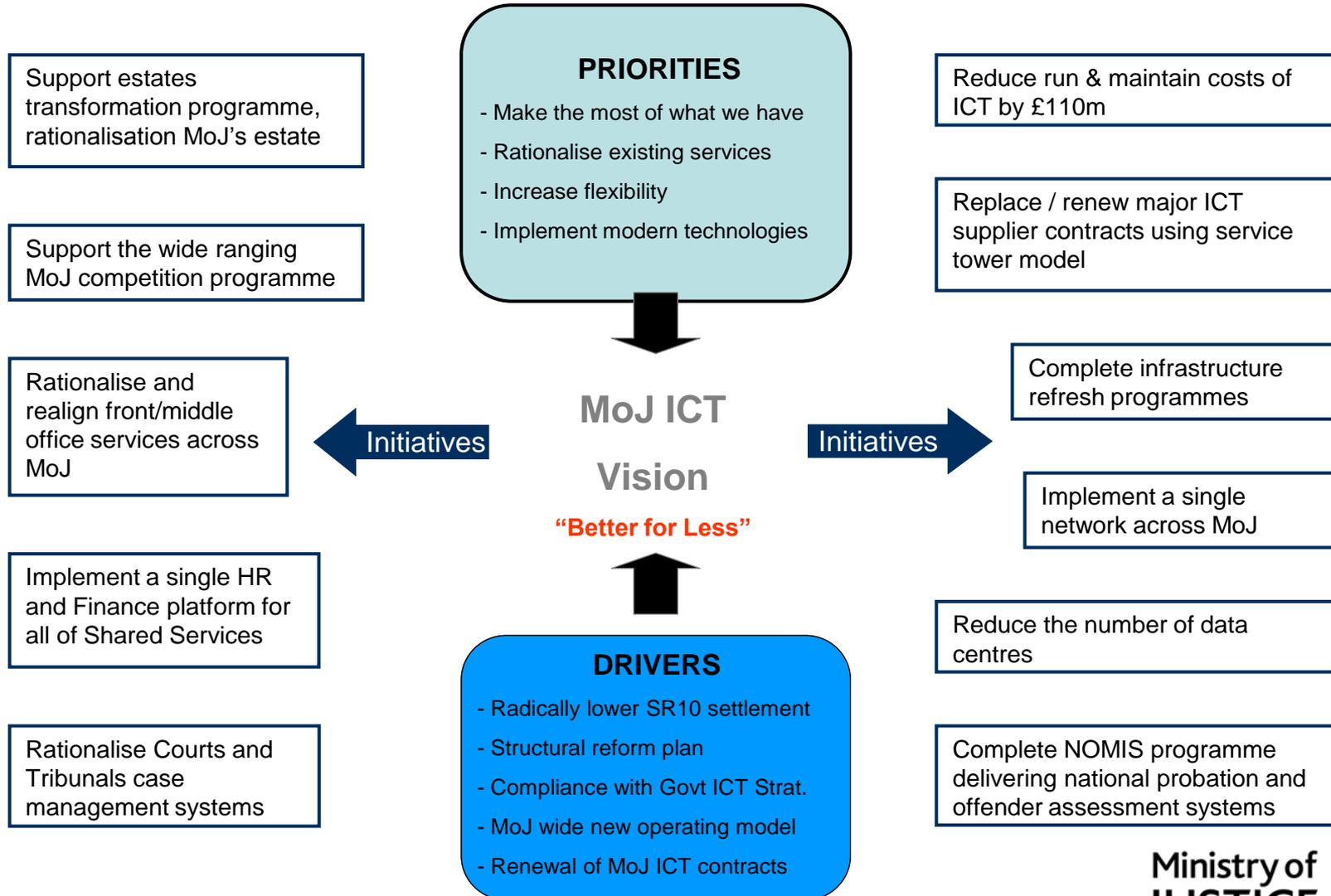
Lastly, the Ministry of Justice will work very differently. There will be a functioning market in the provision of legal aid, offender management and rehabilitation. Our aim will be to ensure that justice services are provided by whoever can most effectively and efficiently meet public demand. We will not pay for good intentions, or for ticking procedural boxes, but by the results achieved.

Rt Hon Kenneth Clarke QC MP, Secretary of State for Justice”

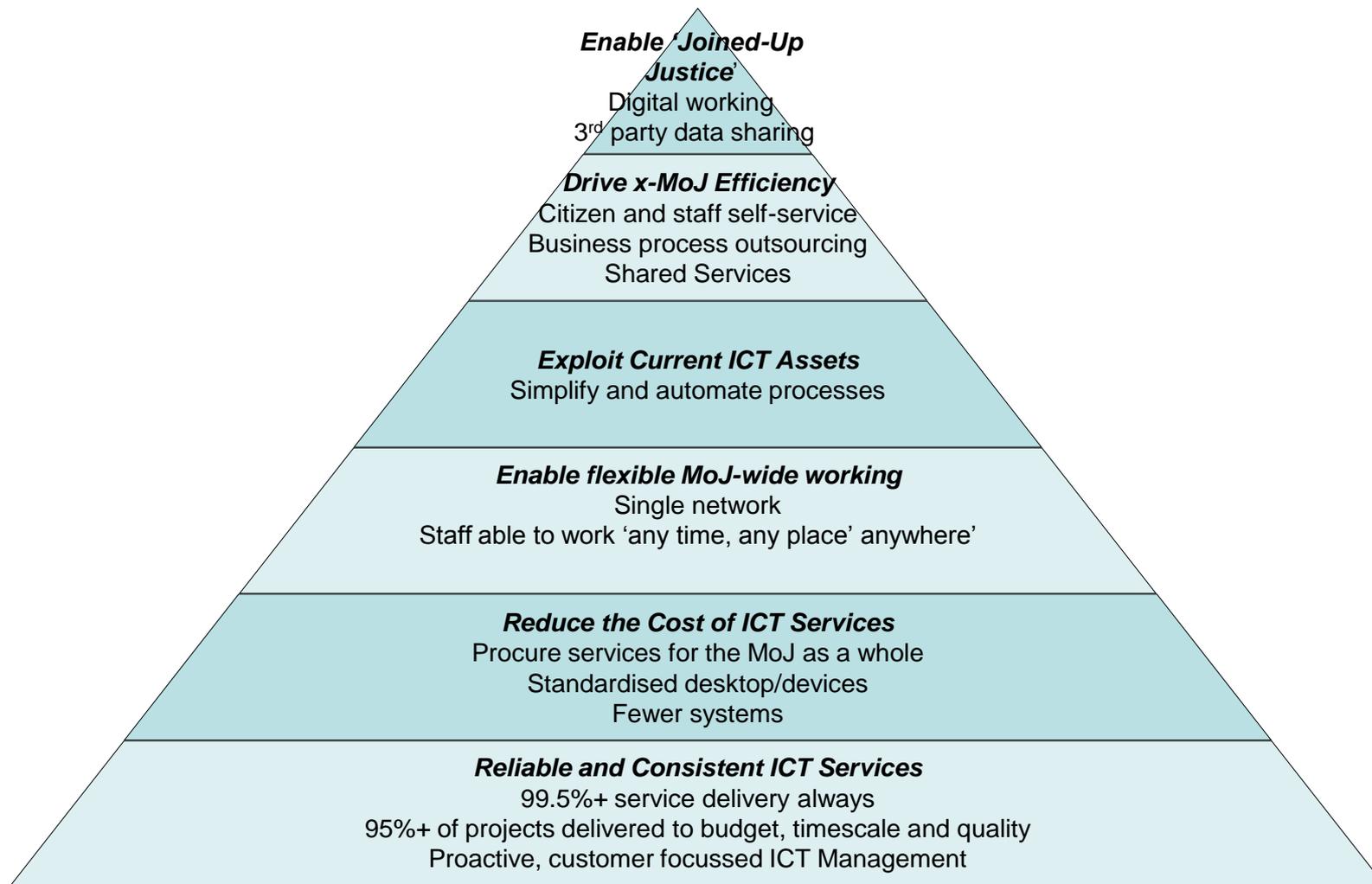
Strategic Context - MoJ Vision & SR10 Settlement



MoJ Vision & Strategy - Implications for ICT



MoJ ICT Strategy for SR10 Period

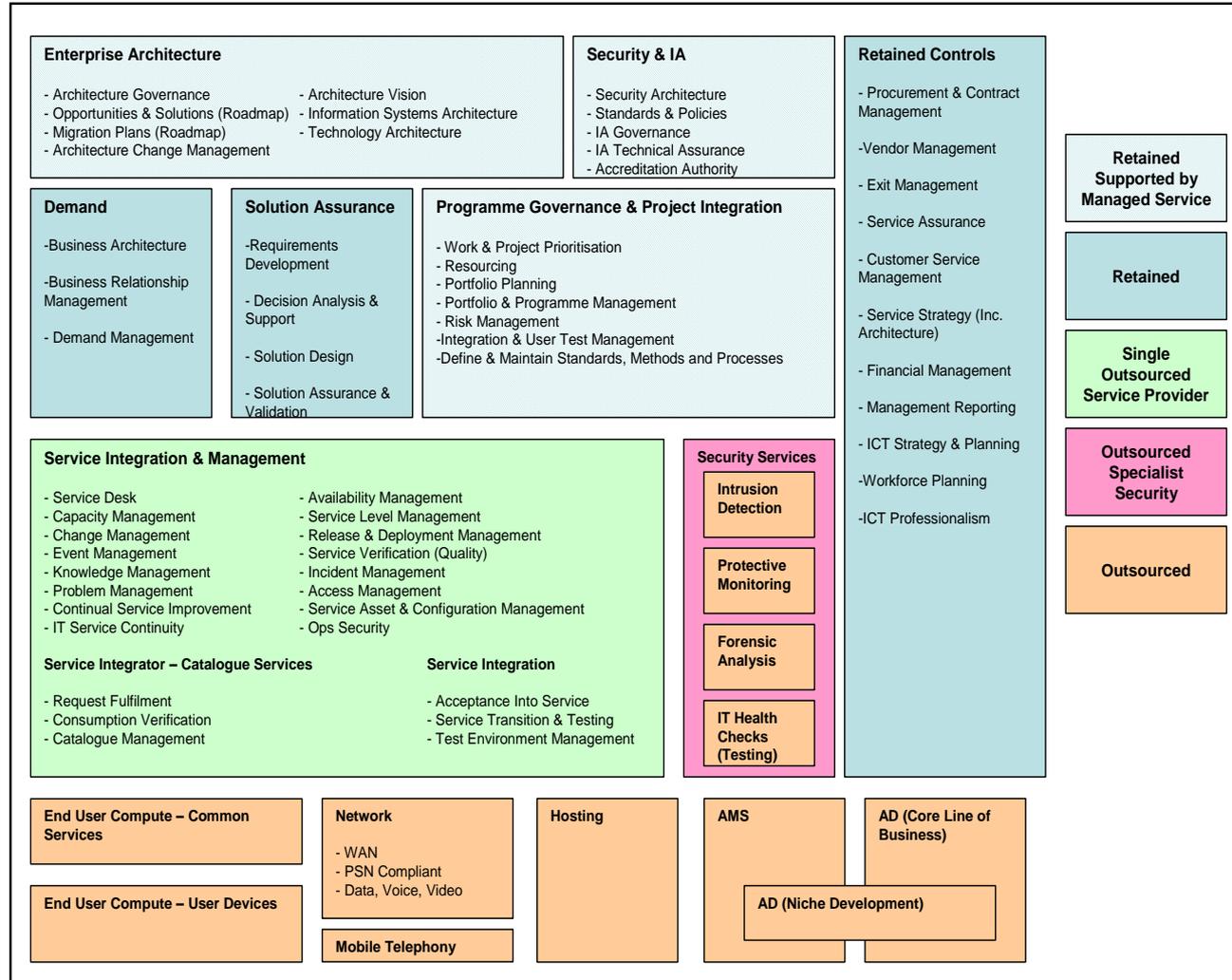


MoJ ICT Target Operating Model

The image opposite represents a high level view of the ICT Operating Model we will be moving to.

We are also change our supplier model from one in which we buy a full range of services from prime contractors by line of business (e.g. the Prisons Service Quantum contract from HP), to one which is “service tower” based (e.g. we buy a desktop service **for all of MoJ** from one supplier).

Moving to the . “**Service Tower**” model will help us to reduce the level of expenditure on running and maintaining our current infrastructure and systems – and therefore meet the MoJ ICT Vision of delivering “better for less”.



What this means for SMEs

- MoJ's service towers are close to fully defined – but we are still considering Contract Lot structure
- We are still refining our Competition Strategies for all Service Towers (except Service Integration and Management) – plenty of opportunities for SME input to shape the Contract Lot structure for competitions within and across the Service Towers to make these attractive/feasible for SMEs
- Supply chain – direct where possible but we are also considering how best to facilitate SMEs sub-contracting to Primes

Janet Rogers

Procurement Manager – FITS

MoJ Service Tower Procurement

MoJ FITS Procurement Strategy - Recap

- FITS Procurement strategy reflects:
 - the complex nature of transition to a new supplier model whilst maintaining business continuity in a critical service environment; and
 - latest Government led procurement initiatives including “lean”, Greening, SME engagement, and transparency provisions.
- Considerable thought given to the timing, sequence and structure of service tower competitions.
- FITS programme will comprise a range of procurement activities including:
 - Full competitive process using Negotiated procedure (with prior notification)
 - Framework competitions
- Negotiated procedure will enable MoJ to work with suppliers to develop solutions capable of delivering end to end services consistent with the proposed target operating model

FITS Service Tower Competitions

- Competitions will be staged commencing with SIAM, and leading to the award of contracts from Q1 2013.
- Competitions will be run concurrently requiring multiple bid teams.
- MoJ is in the process of mobilising cross functional competition teams for each of the main service towers.
- A range of market engagement activities has been arranged to test and validate numerous aspects of technical and operational requirements.
- A number of questions and themes have been circulated – your feedback is valuable.

MoJ/SME engagement

- We already have an MoJ SME “Action Plan” as follows:
 - Publishing details of known pipeline business over £10k for next 12 months on MoJ Procurement website
 - Identifying 5 key suppliers and agreeing methods of increasing SME participation in supply chain including advertising sub-contract requirements
 - Category based “Meet the Buyer” events and support SME Crown Rep in delivery of product surgeries;
 - Including section addressing role of SMEs in all category/Sourcing strategies;
 - Provide mentoring & advice service to Departments breaking contracts into smaller lots so that they are SME friendly.
- In the context of the FITS Programme:
 - We wish to identify which Contract Lots are likely to attract SME interest and hold specific market engagement events for these
 - Considering method for increasing SME engagement in the larger FITS contracts including:
 - Additional briefings during market engagement stage
 - Circulation of details from PQQ questionnaires
 - “Speed dating” type events with selected prime contractors
 - Obligations on prime contractors to increase and report on SME activity within supply chain

MoJ FITS Market Engagement Themes

A number of questions and market engagement themes were circulated with the FITS Prospectus as follows:

- Industry Standard Mix & Match
- Elasticity: ICT 'as a Service'
- Collaborative assembly of solutions
- Embrace Government Initiatives
- Efficient, Effective Platform
- Lean, effective governance

Your feedback on these themes from an SME perspective is valuable

What this means for SMEs

- Cost of ICT Services in MoJ for 2010/11 – approx £590m, of which £390m is “run and maintain” costs on current systems;
- Aim is to reduce “run & maintain” costs by over £100m pa by the end of 2014/15;
- “Digital Britain” driving greater staff and citizen self-service, reduction in cost of ICT is essential but staff & citizen expectation of services is also being raised;
- Next generation of ICT contracts must support innovation, flexibility, agility and re-usability

Current major MoJ ICT contracts all expire during the SR10 period – providing an almost unprecedented opportunity for SMEs to bid for a share of MoJ’s future ICT Services

We want to test that our approach to procurement of new ICT Contracts will allow more SMES to provide more of MoJ’s ICT Services

What else can we do to encourage SMEs to want to work with MoJ?

MoJ - Immediate Next Steps

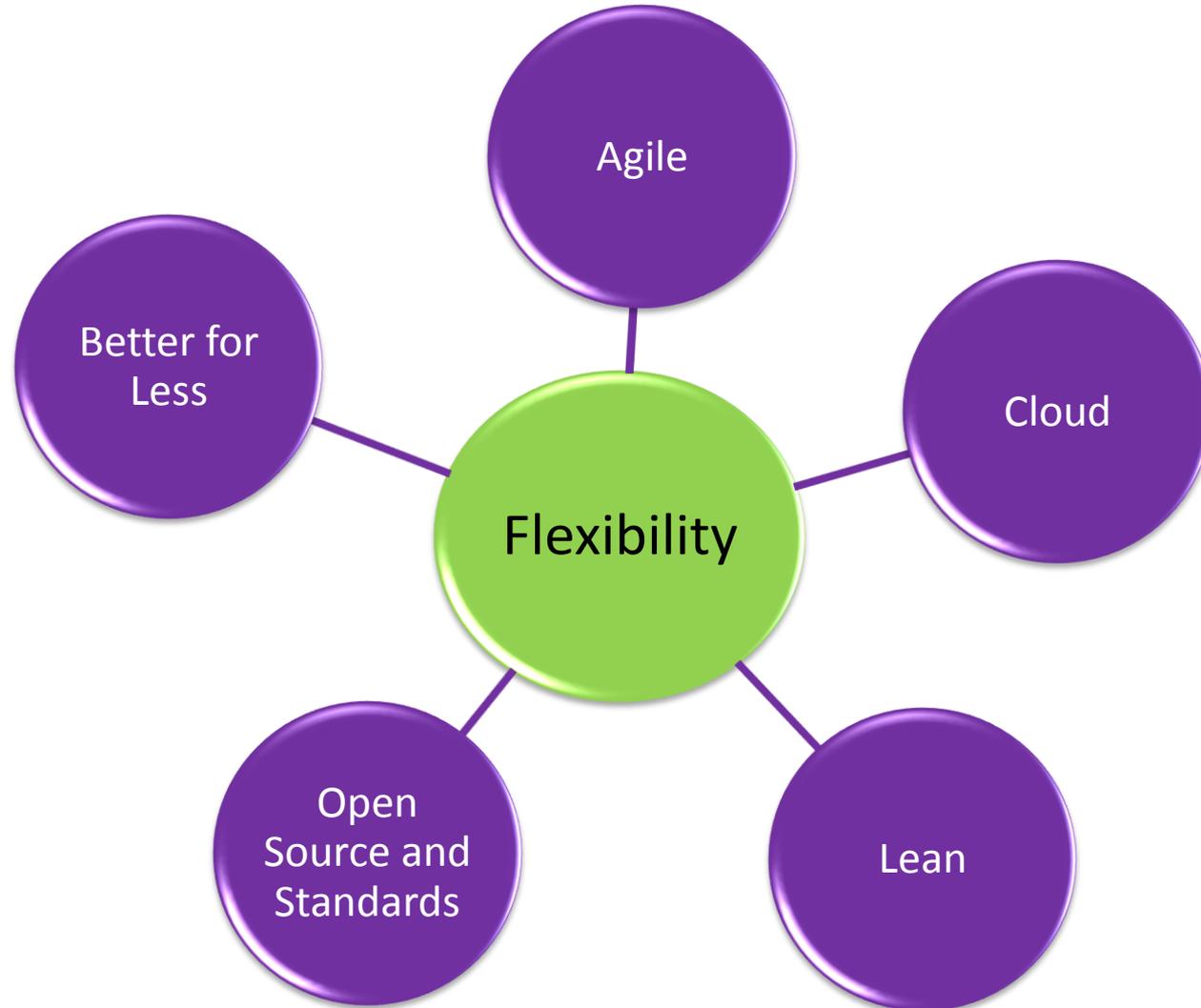
- ‘Cross Tower’ Market Engagement has commenced;
- Plan to hold FITS-wide “Meet the Prime” events soon;
- SME specific Service Tower engagement events will be arranged as each Service Tower competition gets underway. Likely to include “Meet the Bidder” events once shortlist for each Tower competition has been announced;
- Engagement with MoJ is via the MoJ eSourcing Portal
- If you have not yet registered interest in FITS then you can still do so

Programme Overview

Ashley Crompton

Contract Let Programme Manager

A Common Theme



Flexibility at DVLA

- Target Operating Model
 - From: large silos organised by business
 - To: smaller teams organised by function
- Technology
 - From: Mainframe systems with code written to perform data presentation, validation and handle business rules
 - To: Service Oriented Architecture with business rules, data validation and presentation all being independent
- Database
 - From: Drivers and Vehicles Databases each containing its own view of the customer
 - To: A separate customer record that can be accessed and updated by other authorities, or hosted elsewhere, or owned elsewhere
- Contractual
 - From: Single long term contract with single prime
 - To: Smaller, shorter term contracts with many suppliers

Benefits

- ✓ Allows for specialisation
- ✓ Allows for economies of scale
- ✓ With open standards allows for resource sharing and re-use
- ✓ Smaller (so simpler) swapping in and out of components (business, technical and commercial)

ICT CONTRACT LET

Core Operations

Intelligent Customer

Technology
Delivery
Partner

Application
Development

Application
Development

Apps Support

Hosting

Network

Desktop

Service
Integration &
Management

Overview

2012

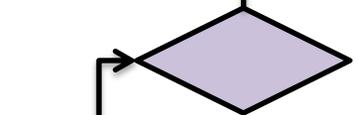
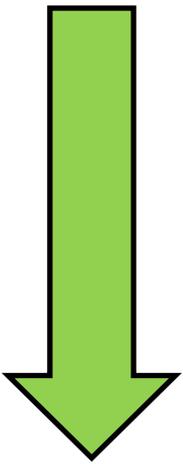
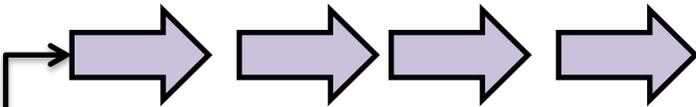
2015

2020

ICT Platforms
And Systems



Phased Transition



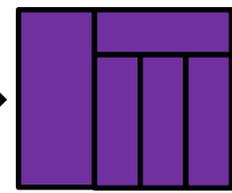
Target Architecture



Proposed
Supply Chain



Transition to



Supported By
ICT Supply Chain

SME Presentation
DVLAs
Technical Architecture

Richard Hixson

Head of Enterprise Architecture Group

Structure

- The case for change
- High level definition of our current architecture
- Current issues with this architecture
- Possible Target Architecture
- Potential ways in how SME's could work within the Operating Model
- Q&A

Business Drivers for Change

DIGITAL BY DFFAULT

**Single View
of Customer**

Efficiency Challenge

Business Strategy

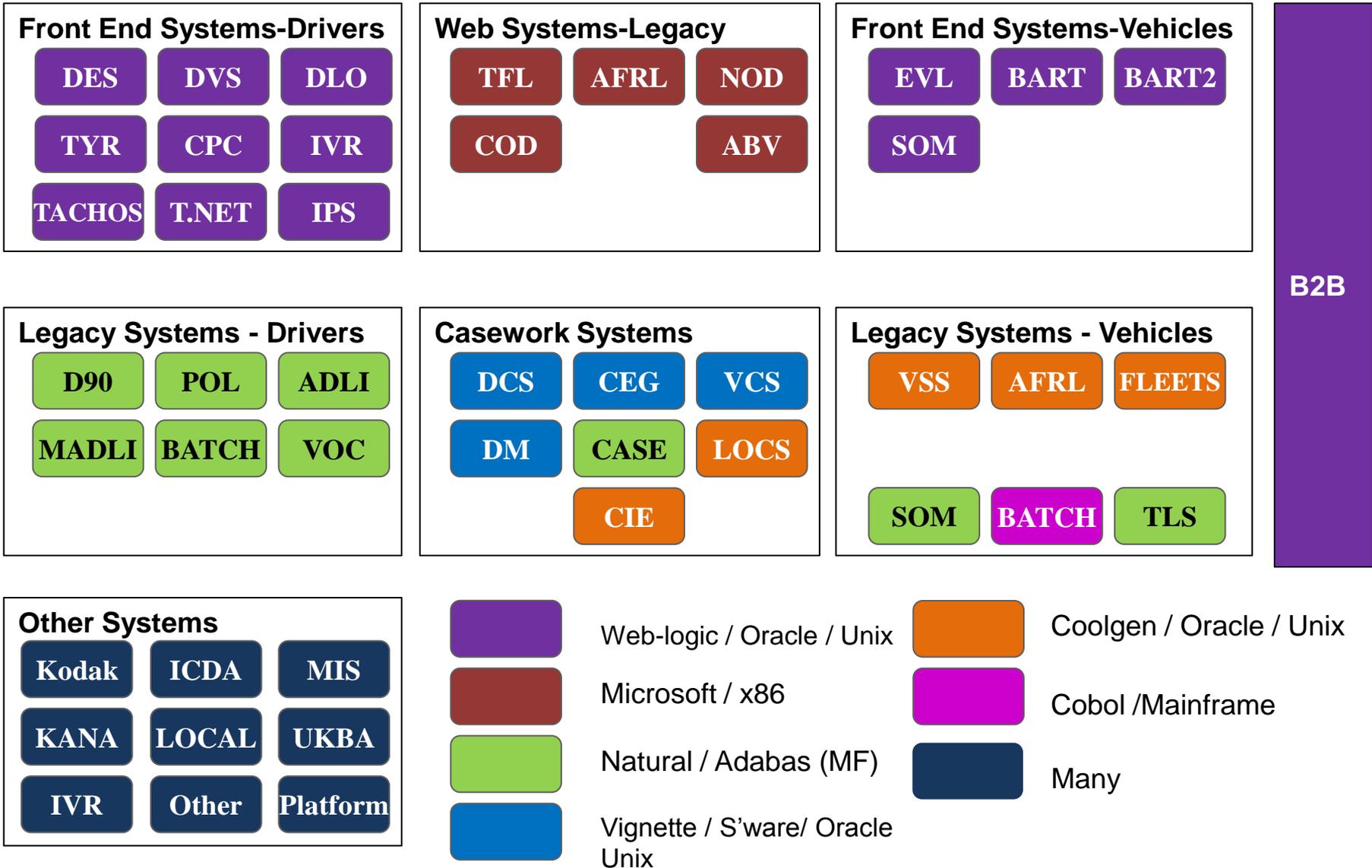
Keeping the lights on!

**RED TAPE
CHALLENGE**

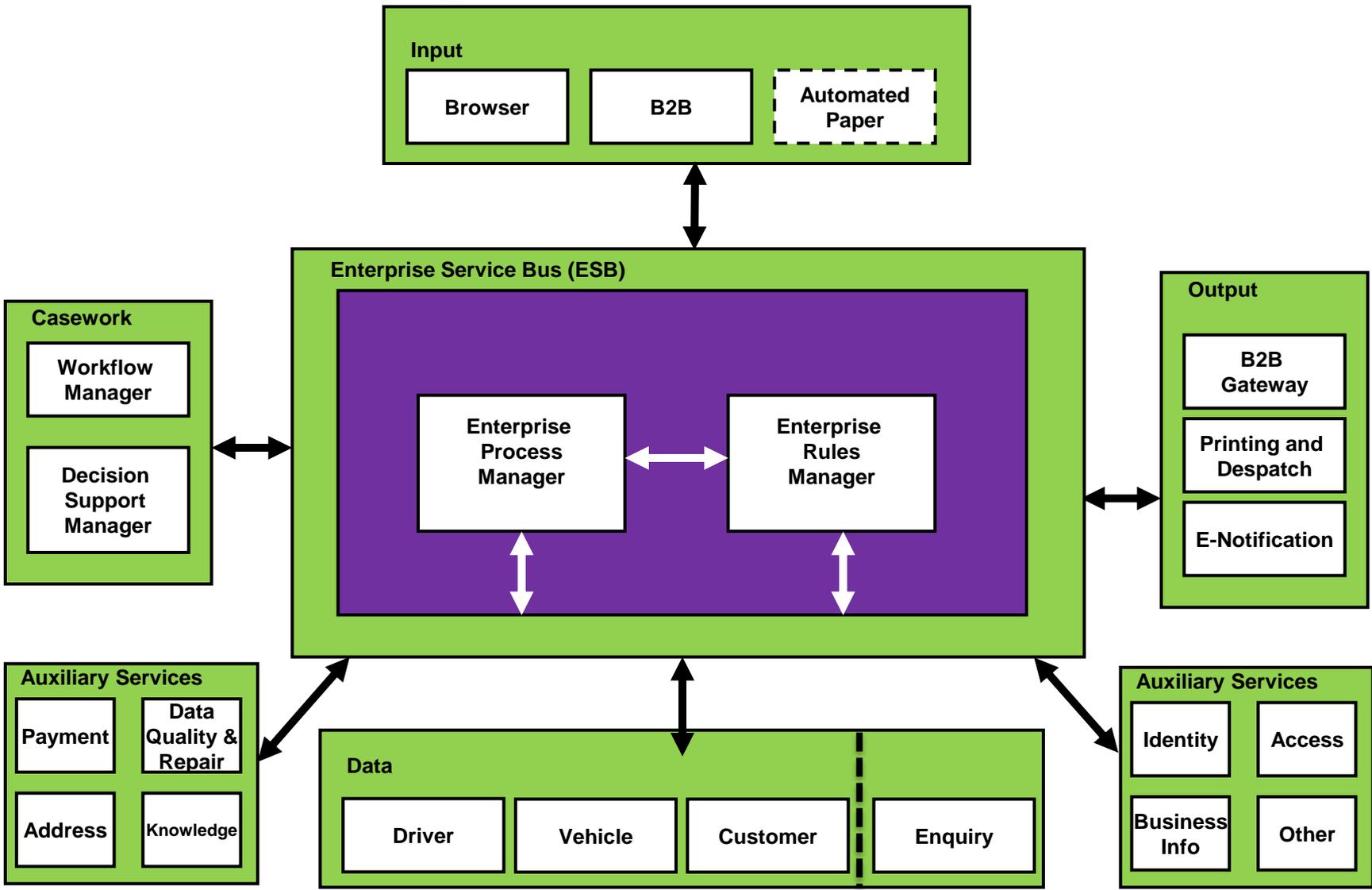
**Government
ICT Strategy**

Current Programmes

Current Primary Business System Architecture



Possible Target Technical Architecture



ICT CONTRACT LET

Core Operations

Intelligent Customer

Technology
Delivery
Partner

Application
Development

Application
Development

Apps Support

Hosting

Network

Desktop

Service
Integration &
Management

ICT CONTRACT LET



**TOWERS AND THEIR
POTENTIAL ROLES
IN THE DVLA
SERVICE
DEVELOPMENT
LIFECYCLE**



How SMEs **could** work within the **TDP Tower**

PEOPLE

ADVICE & GUIDANCE

SERVICES

PRODUCTS

How SMEs **could** work within the remaining **Towers**

PEOPLE

ADVICE & GUIDANCE

SERVICES

PRODUCTS

Potential impacts of Gcloud and Gov / DVLA strategy

TDP

SIAM

APP DEV AND SUPP

HOSTING, NETWORKS AND
DESKTOP

Emerging Commercial Thinking

Andrew Falvey

Head of Commercial Services

Context

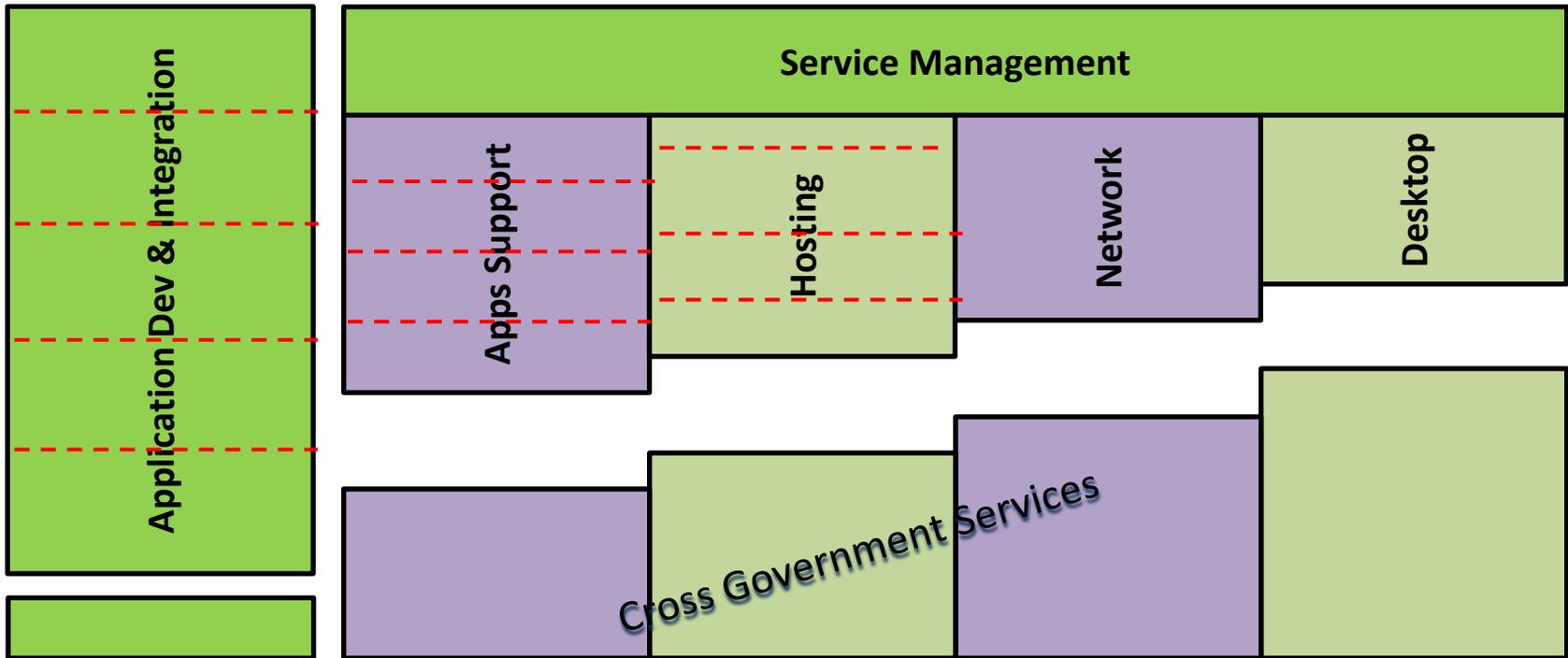
What we need to do:

- ✓ Finalise the 'tower' model to be adopted by the Agency
- ✓ Understand the views of the market on the proposed model
- ✓ Seek feedback on how the model may need to evolve to engage the market, particularly at SME level

What we are committed to do:

- ✓ Explore the potential within the SME supply chain
- ✓ Focus on SME capability throughout the supply chain
- ✓ Understand what SMEs need from DVLA to remain engaged

The Original Model.....

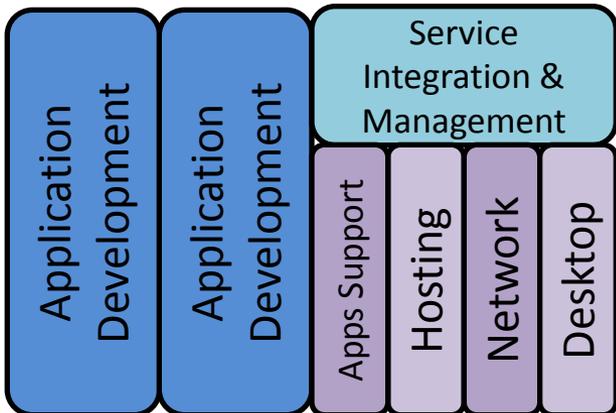


Or this?

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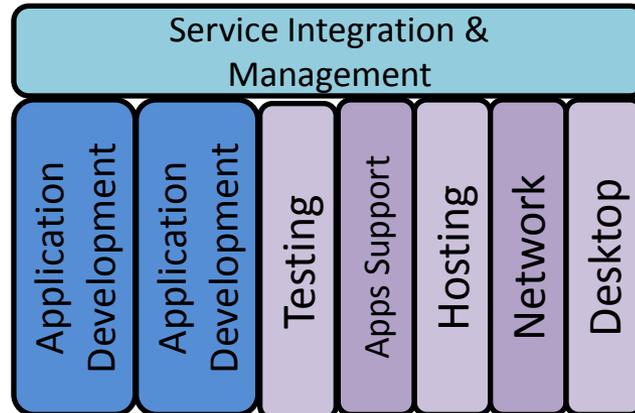


Or this?....

Core Operations

Intelligent Customer

Technology
Delivery
Partner



How to Engage.....

Pre procurement

- ✓ you can participate in Product Surgeries
- ✓ we may facilitate meetings
- ✓ you can talk to us
- ✓ you can talk to each other

Bidding

- ✓ you can bid on your own
- ✓ you may form consortia / SPVs

Service Genres

infrastructure as a service

what's new

[Cloud Compute - Silver](#)

[CSC Computer Sciences](#)

No description provided. Please view the service for more information.

what's new

[BizCloud - Silver](#)

[CSC Computer Sciences](#)

No description provided. Please view the service for more information.

[BizCloud - Gold](#) [Dynamic Hosting](#) [RESTRICTED](#)

[CSC Computer](#) [Capita Business](#) [Capita Business](#)

No description provided.

No description provided.

No description provided.

[See All](#)

platform as a service

what's new

[Document Management](#)

[Capita Business Services](#)

what's new

[Cloud Compute - Gold](#)

[CSC Computer Sciences](#)

[BizCloud - Silver](#) [BizCloud - Silver](#) [Document](#)

[CSC Computer](#) [CSC Computer](#) [Capita Business](#)

No description provided.

No description provided.

No description provided.

Emerging Thoughts.....

- ✓ We must align with the Government ICT strategy
- ✓ We need to determine what the TDP role looks like and what it will deliver
- ✓ We shouldn't restrict above / below the line opportunities
- ✓ Clear acceptance of the SME agenda by large organisations
- ✓ Innovate or align to the model?
- ✓ We are serious about engaging the SME market

?

QUESTIONS

Lunch

**Melissa Frewin
(Intellect)**

Breakout Session

Coffee

Feedback

Barriers / Inhibitors

Q.1 What are the top 5 barriers / inhibitors from a SME viewpoint?

Barriers / Inhibitors

Q.2 How can DVLA/MoJ help to reduce or remove these barriers / inhibitors?

Innovation & Agility

Q.3 How can DVLA/MoJ design its procurement that would provide maximum opportunity for SMEs?

Innovation & Agility

**Q.4 How can DVLA/MoJ
design the lowest cost
procurement process to support
SMEs?**

Innovation & Agility

Q.5 Where do SMEs see their “natural” entry point within the proposed tower/service operating models outlined by DVLA and MoJ ?

Contractual Opportunities and Relationships

Q.6 How can DVLA/MoJ create opportunities for SMEs to work together for these procurement opportunities ?

Contractual Opportunities and Relationships

Q.7 How can DVLA/MoJ create opportunities for SMEs to work with large size organizations for these procurement opportunities?

Contractual Opportunities and Relationships

Q.8 What is the SME view on the creation of mutuals or joint venture opportunities to tender for these procurement opportunities ?

Contractual Opportunities and Relationships

Q.9 How can such mutuals and joint ventures be developed ?

Contractual Opportunities and Relationships

Q.10 How can DVLA/MoJ help support SMEs who may wish to contract via consortia?

Contractual Opportunities and Relationships

Q.11 What is the SME view on Intellect running “partnering sessions” for such procurement opportunities (between large & SME and SME to SME)?

Contractual Opportunities and Relationships

Q.12 What advise and best practice can SMEs provide to ensure contractual relationships across a multi-vendor landscape are optimized?

Procurement Process

Q.13 What other opportunities exist for streamlining the procurement process that would support additional SME engagement?

Procurement Process

Q.14 Are such opportunities likely to be effective for SMEs?

Procurement Process

Q.15 What have SMEs learned from other government ICT Contract Lets that you would wish DVLA/MoJ to include in this procurement opportunity?

Managing Delivery & Risk

Q.16 What sort of governance arrangements for the Tower model would best support involvement of SMEs whilst satisfying the delivery needs of the client?

Structural Impact on SME's

Q.17 How can DVLA and MoJ ensure its middle function role does not negatively impact SMEs?

Environments

Q.18 What are the benefits and dis-benefits for DVLA/MoJ to this proposition for (a) DVLA/MoJ and (b) SMEs?

Environments

Q.19 How cost effective could this be for DVLA/MoJ?

Government Security Requirements

Q.20 To what extent do SMEs view the breadth and relative inflexibility of HMG security requirements as a barrier to engage in such ICT contracts – and in particular for those that may be engaging with Government for the first time? How can this be addressed ?

Communications & Market Knowledge

Q.21 From a SME viewpoint what are the best communication channels?

Communications & Market Knowledge

Q.22 What further information would SMEs find beneficial?

National / Regional Approach

Q.23 In respect of MoJ, what are SMEs views on how services might be organized / delivered regionally to allow greater SME involvement, whilst maintaining control and protecting continuity & commonality of services and VfM?

National / Regional Approach

Q.24 If the scope of the DVLA contract was flexible to include the DfT family what issues and opportunities may this present to both DVLA and SMEs?

Client Activity

Q25 What (a) behaviors and (b) actions do SMEs require from DVLA/MoJ in order to deliver outcomes in a multi-vendor landscape?

Intellect summary of the graffiti wall.....

Q.26 what else would SMEs wish to ask DVLA/MoJ?

Q.27 What further information do SMEs need to progress these procurement opportunities?

Next Steps

Ashley Crompton

Coffee & Depart