



Skills Funding  
Agency

# Supply Chain Transformation Programme

## Prospectus

July 2014

Of interest to providers, employers and stakeholders

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We have produced this document to provide details of the scope of our new service framework and outline the business context within which the procurement is being undertaken. This document is a follow-up to the supply chain transformation programme prospectus which we published in June 2013.

This document is aimed at those stakeholders who may be interested to know what the Agency is doing to change its IT supply chain.

We provided comprehensive information about the Agency's requirements to the market / prospective bidders as part of the mobilisation stage of each procurement lot.

## Overview of the Skills Funding Agency

The Skills Funding Agency (the Agency) is a partner organisation of the Department for Business, Innovation and Skills (BIS), and directs and oversees the use of public funding to colleges, training organisations and employers (providers) in England. This investment enables the Agency to realise the government's aspirations for a skilled nation through implementing the policies set out in [Investing in Skills for Sustainable Growth](#), (BIS, November 2010), [New Challenges. New Chances](#), (August 2011) and in [Rigour and Responsiveness in Skills](#) (BIS, 2013).

Our role is to enable the government's skills priorities: to deliver more high-quality Apprenticeship and Traineeship opportunities; raising standards across vocational training, with a particular focus on English and maths; and reviewing our qualifications, not only to improve the standards of vocational courses but also so we can have a coherent and comprehensible skills system. The Agency invests about £3.5 billion of public funding annually to support over three million learners. The breakdown of how the funding is provided to the Agency in 2014 is available in the [2013 to 2016 Skills Funding Statement](#).

Within the Skills Funding Agency, there are two customer-facing services: the National Apprenticeship Service (NAS), which is responsible for increasing the number of Traineeship and Apprenticeship opportunities, and the National Careers Service, which provides impartial careers information and advice.

We support, fund and co-ordinate the delivery of Apprenticeships throughout England working with learners and providers. The National Careers Service provides information, advice and guidance to young people and adults on learning, training and work opportunities. In addition, we supply application support services to the Education Funding Agency (EFA).

We provide a unique package of technical services, including the procurement, allocation and management of funding. We also audit and provide assurance of funding and intervene if quality falls or funds are at risk to our customers, stakeholders and suppliers. This enables us to fund and regulate the sector for the benefit of learners and employers.

From June 2014, the Agency employs approximately 925 staff across England.

## Education Funding Agency

EFA is the agency which provides funding and compliance on behalf of the Department for Education (DfE). EFA provides revenue and capital funding for education for learners between the ages of three and 19, or the ages of three and 25 for those with learning difficulties and disabilities. It also supports the provision of building and maintenance programmes for schools, academies, free schools and sixth-form colleges.

EFA provides funding for education for learners to the value of £52 billion each year. The Skills Funding Agency's Operations division supports EFA by providing ICT services, including data collection, contracting, payment and funding systems.

### Our values

The Skills Funding Agency values are:

- Honesty** – being truthful and open
- Excellence** – being the best in everything we do
- Responsiveness** – solving problems rapidly and creatively for our customers
- Objectivity** – basing advice and decisions on rigorous analysis of the evidence
- Respect** – valuing differences and acting together
- Integrity** – putting the obligations of public service above personal interest
- Impartiality** – acting solely according to the merits of the case

## ‘Word from the top’

The Skills Funding Agency has a critical role in supporting skills development in England through funding a range of colleges and training organisations. We are responsible for giving providers the right funding to help young adults and the unemployed to get the skills they need for employment.

The Operations division of the Skills Funding Agency provides a range of critical ICT services to the Agency, EFA and the wider further education (FE) and skills sector. In moving to new supply chain arrangements, we will achieve greater alignment with the [government ICT](#) and [digital strategies](#) by using cloud-based computing while seeking to improve the user experience.

Through the ongoing reconfiguration of our ICT supply chain, we will look for future suppliers that can work collaboratively with us and other stakeholders to provide an efficient and effective service to all our users. They will enable us to work in an agile way and react to rapid changes within the FE and skills sector.



**Paul McGuire**  
**Director of Operations**  
**Skills Funding Agency**

A partner organisation of the  
Department for Business, Innovation  
& Skills

## Executive summary

The Operations division of the Agency provides all the ICT services for the Agency as well as some business applications for EFA and services to the wider FE and skills sector. The supplier contracts that provide these ICT services recently expired. The Agency is procuring a new supply chain of services that conform to the government's ICT strategy, where possible through the government's G-Cloud framework. G-Cloud is an online marketplace where suppliers offer their services to the public sector. This updated programme prospectus is designed to inform stakeholders of our target operating model and indicative timescales for future procurement opportunities of ICT services across the Agency.

The ICT services provided to the Agency range from end-user computing (EUC) and infrastructure through to the support of vital business applications. These business applications include the core systems that enable the Agency and EFA to contract with FE or academy (school) providers. In addition, the applications enable the collection of data on FE provision and enable us to make funding payments. The systems handle payments in excess of £55 billion each year to a range of providers across England.

The Agency provides the underpinning ICT services for Apprenticeships and careers services. The systems that support these services, such as the Apprenticeship vacancy matching service and NAS's customer relationship management (CRM) system for careers advisers, form part of this procurement. NAS enables over 500,000 Apprenticeship starts annually. The National Careers Service undertook over one million face-to-face and telephone advice sessions in the academic year 2012 to 2013 and five million hits on its website. The systems also support the Learning Records Service (LRS) to provide the education system identifier, the unique learner number (ULN), for 17 million learners, along with individual achievement records, and 8,000 education providers across England, Wales and Northern Ireland use them.

Historically, most of our ICT services have been contracted through one main IT supplier, with the exception being LRS, which has used a different supply

chain. As contracts came to an end, the Agency began a move to new supply chain arrangements that conformed to the government's ICT strategy using cloud computing services which provided opportunities for small-to-medium-sized enterprises (SMEs).

The Agency is currently reconfiguring the service and supply arrangements of its ICT services into a number of separate contracts. Where it has been sensible to do so, or when assets reached the end of their useful life, we have looked to suppliers to provide transformed services. One example of this was in our end-user computing requirement. In other service areas, we are designing the transition of services with the expectation that the new supplier(s) will work with us on further transformation, which will continue improve benefits to service users. In all cases, we have been looking for value for money and for suppliers that will work collaboratively with us and our partner organisations in the supply arrangements.

Our first procurements included: service integration and management (SIAM) and systems integration (SI), combined under the header of service management and integration (SMI); service desk; end-user computing and network services. Further information on the composition of these new contracts is provided later in this update as well as an overview of the service configuration in the second and third tranches.

# 1. Overview of the programme

## 1.1. Background

As an agency within BIS, the Agency must play its part in realising the government's commitments to reform the FE sector, as set out in 'Skills for Sustainable Growth' and ['Rigour and Responsiveness in Skills'](#). This focuses on giving providers greater freedom so that they can respond to the needs of employers and learners. The Agency's policy statement ['A New Streamlined Funding System for Adult Skills'](#), published in March 2013, compels it to free the FE sector from unnecessary controls, regulations and bureaucratic burdens, so that it can focus its resources and energy on achieving high-quality skills and learning provision.

Simplification of the funding system for adult skills training was part of the motivation to ensure that scarce resources could pass with minimum overhead costs to the front line, to give workers the skills they needed to compete better in the labour market. The BIS policy statement ['New Challenges. New Chances'](#) (December 2011) required that the policies of simplified funding to FE providers and the implementation of the concept of FE loans (now known as '24+ advanced learning loans') were in place for the academic year 2013 to 2014. The Secretary of State's 'priorities and grant in aid funding for 2013 to 2014 financial year' letter to the Agency's Chief Executive (dated 2 April 2013) reiterated that funding simplification and 24+ advanced learning loans were both priorities for the Agency and contributed to the long-term strategy of BIS.

As part of our response to the civil service reform schedule and the changing landscape in the funding of adult skills we are restructuring the Agency. The restructure should be completed in time for the start of the next spending review in the parliamentary year 2015 to 2016. Once the restructure is complete, there will be approximately 32% fewer staff at the Agency. The approach to technology therefore became very important to ensure that the same volume and an increased standard of work were provided. Specifically, the Agency's policy was to move its processes and technologies to arrangements that were standardised and configurable. The Agency has begun to move away from

highly individualised and bespoke technology solutions. Our business plan for the financial year 2013 to 2014 sets out supply chain transformation as one of our major business activities.

The supply chain transformation programme directly supports provision of a number of services as part of the wider government digital strategy:

- **National Careers Service capability uplift.** The Agency is procuring a range of services to support the build, commissioning, transition and operational management of a national data platform. The programme is working towards achievement of a fully integrated service across area-based contracts for careers advice provision, a National Careers Service national contact centre and, subsequently, a digital platform. This should enable seamless integration of services and data across the National Careers Service and enable significant improvements to process and data integration across multiple business service providers. The national data platform should be an extensible service that could support data integration across other services including NAS. This procurement is being supported by the service management and integration supplier to the SCTP.
- **NAS.** Each of the seven major government departments, which make up the largest user-base of citizen-facing transactions, agreed three significant exemplar service transformations with Cabinet Office. Within BIS, NAS was selected as one of the exemplar projects. NAS has a vision that 'all customer journeys across information and transactions will be integrated so individuals can find information tailored to their needs and search, view and apply for opportunities online in an engaging and inspiring way. Employers will be able to quickly and easily self-serve to engage with Apprenticeships and advertise vacancies and identify suitable candidates'.
- **FCT (Funding and contract transformation programme).** The FCT programme manages the work of moving the Agency and EFA to new services and systems for funding and contracting to replace the existing legacy systems. This will involve the creation of a public-

facing system that is fit for purpose and in line with the government's digital strategy (as identified in the Agency's business plan 2013 to 2014). It will also support the current Agency reorganisation.

A number of contracts which provide the Agency's ICT estate either have expired or are expiring. It was therefore necessary to make arrangements to ensure continuity of the provision of service and minimal disruption to the operations of the Agency, EFA and the wider education sector.

**The main factors behind the need for the transformation were:**

- to ensure business continuity beyond March 2014 and to move to a stable operating environment
- to ensure the Agency aligned to the government's ICT strategy, ensuring it reduces waste (in capacity and redundant applications) and project failure, stimulates economic growth, creates a common ICT infrastructure and supports change. This includes the recently announced policy of a procurement exercise using G-Cloud first
- to ensure that we provide value for money through reduced waste across the IT estate (for example, reducing software and hardware support for obsolete software/hardware)
- to ensure provision of fit-for-purpose technology through updates to software and hardware that is reaching obsolescence and supporting flexible working in addition to reducing software and hardware support
- to increase the capability to achieve projects in support of the education sector and
- to provide for changing business needs within the Agency including: funding simplification, support for growth in Apprenticeships, support for 24+ advanced learning loans and Traineeships, and greater involvement of employers and local enterprise partnerships (LEPs) in skills funding

## **1.2. Strategic vision**

Citizens and employers expect services which connect together, are easy to use and which do not require them to conform to the way the Agency chooses to work.

Our digital strategy, which was approved in May 2013, sets out how the Agency will be 'digital by default', fulfilling the requirements made in the civil service reform plan. The strategy targets digital services that are so straightforward and convenient to use that all those who can choose them will do so. The strategy supports service design, which places the service-user at its heart.

The Agency has applied the digital principles to individual services so far, but the strategy faces a challenge. A citizen or provider journey can involve more than one Agency IT service. A citizen who has come for careers advice may decide to apply for an Apprenticeship, or a citizen who is applying for an Apprenticeship may need to call on the careers service to help enhance their CV or interview technique.

Providing the levels of service to the citizen that the Agency is seeking will mean redefining the relationship between each transactional service and the associated user interfaces.

Our vision is for ongoing development of the ICT strategy, which will shape how the Agency will separate the digital services from the underlying transactional services. This will allow a more coherent cross-service user-journey, with rapid evolution as users change the ways in which they interact with us.

We are continuing to develop our systems and processes so that there is more automation for our suppliers and they can access their funding data in a more self-service format – in real time and when they want to.

Since the Agency was created in April 2010 the government has changed, skills policy has changed, our customers and stakeholders have changed, and our ways of working have changed. What has remained constant is our desire to improve what we do and how we do it.

**Our vision statement:**

***'Moving to a multi-supplier technology environment, and changing some of our services in the process enables us to provide better value for money, makes us 'cloud-compatible', and enhances the service we will be able to provide to customers and users.'***

### **1.3. The change imperative: why are we doing this?**

Having the right technology is necessary for the Agency to realise its vision of building the skills this country needs for economic recovery and future competitiveness. Over recent years this has involved partnering with several large service providers. We have also engaged with an 'ecosystem' of suppliers who have generally been subcontractors of our larger partners. However, government policy has since moved on, and the guidance now is to procure these technology services from multiple suppliers, providing opportunities for SMEs to participate. This increased competition will ensure the Agency gets better value for money for the technology services it procures.

When complete, the transition to the new supply chain will ensure that the Agency has moved to a 'cloud-compliant environment' (that is, using technology services in such a way that we can host the hardware and/or software externally, but the Agency can access it through the internet). This is again consistent with new government policy.

The move to a multi-supplier, 'cloud-compliant environment' is underway. We estimate that the current transition will be complete during the second half of 2014.

### **1.4. Strategic objectives**

We are keen to create a commercial structure that will encourage current and potential future partners to be collaborative, flexible and to seek best value at all times. This structure will provide a set of principles and processes that ensure rapid, effective agreement to change proposals throughout the life of the agreements, ensuring value for money and remaining flexible enough to accommodate potential future developments. Our strategic objectives may be summarized as:

#### **1.4.1. Ensuring business continuity and alignment with the government's ICT strategy**

The government's ICT strategy sets a directive to encourage greater use of cloud and utility-based services from multiple suppliers through government

frameworks. The Operations division supports the work of both the Agency and EFA, which together provide approximately £55 billion each year funding to the wider education sector.

Changes to this supply chain involve the implementation of new commercial arrangements and a handover from current suppliers to replacement contractors. New suppliers are now starting to work collaboratively with the current suppliers to achieve a smooth transition.

#### **1.4.2. The need to move towards a cloud-compliant, utility-based service model**

The Operations division works in a complex business and technical environment to achieve:

- programmes and projects that are provided on time, within budget and to quality standards
- business-critical services of high quality with minimal risk to agreed service levels
- core infrastructure support of high quality, with minimal risk and to agreed service levels
- shared services for the education sector commissioned by BIS and DfE to support sector change
- effective planning and strategy through the definition of strategies and architectures

#### **1.4.3. Providing a flexible and effective supply chain**

A flexible and effective supply chain is required to:

- enable a wide and varied portfolio of ICT programmes and projects to time, quality and cost
- demonstrate that we achieved value for money on every project
- mobilise diverse capabilities and resources needed to tackle challenging ICT projects

The Agency currently owns a complex ICT infrastructure which it is moving incrementally to a more flexible 'utility' model where the Agency 'rents' the ICT capacity it consumes. It will need to continue to be flexible and adaptable to meet the continually changing needs of the education sector.

This situation requires the need for:

#### **1.4.4. Flexibility to absorb changes in the education sector**

Flexible commercial and technical arrangements that can absorb the changes to business requirements in the short, medium and long term.

#### **1.4.5. Supporting the changing business needs within the Agency**

In line with the government's 'end-user device management' strategy and supporting documents, we have conducted a high-level analysis of its applications and user-base to inform its proposals. The main requirements are to:

- modernise the desktop environment
- provide a flexible and more reliable method of connecting to the corporate network through Agency-approved devices
- enable more effective collaboration within the Agency and partner organisations
- comply with space metrics and people-to-desk ratios specified by the government's Property Unit

### **1.5. Programme objectives**

At a practical level we are:

- purchasing from multiple suppliers, in line with government policy and the Agency's strategic vision for future service provision
- minimising the effect on day-to-day business operations during the transition period and beyond
- providing technologies to help to achieve flexible ways of working, in line with Agency policy
- leveraging user productivity gains from collaboration with internal colleagues and important partners
- improving user efficiency by providing a stable IT platform and increasing application usability
- simplifying IT operations and enabling fast rollout of future changes
- providing upgrades through a standardised desktop and application suite, in addition to simplified maintenance of line-of-business

applications

- improving supporting services to projects and IT-led solutions, which will enable the Agency and its partners in the wider education sector to achieve better service standards, for example the programme to improve the National Careers Service platform
- migrating services to a cloud-compliant environment in line with the government's ICT strategy

## **1.6. Anticipated benefits**

We anticipate both quantitative and qualitative benefits which include:

- continuity of IT services after existing contracts expire
- reduced operational services costs as well as costs of future projects through using a multi-supplier model
- flexibility to meet the changing needs of the Agency through the use of the G-Cloud framework
- more flexible and collaborative working through the replacement of end-user services
- improved performance and stability – we will underpin the applications environment by resilient hardware and connectivity to ensure minimum productivity loss caused by system lag time and performance issues
- reduction of the number of applications on the estate

Simplification of IT operations through rollout of standardised operating systems and applications will mean that the cost of future upgrades and migrations will be reduced. IT operations should become more cost effective with reduced cost of failures. This will provide the Operations division with agility and flexibility to respond to changing business needs.

## **1.7. Mobilisation and transition**

The Agency has begun to move its contracts and it is estimated that this process will be staged over a period of one year. We include further detail in sections 3 and 4 of this document.

Owing to the criticality of services, business continuity is the main priority for the Agency. Accordingly, a programme of operational and commercial

contingency measures is already underway to ensure appropriate contractual cover during the procurement and transition process. This includes the use of extension options for some current contracts and the re-competition of those contracts for which no legal extension options allows.

## **1.8. Transfer of Undertakings (Protection of Employment) Regulations 2006**

As part of the transition, some individuals who currently provide services to the Agency will have the opportunity to transfer their contract of employment (TUPE) across from existing to new suppliers. The Agency has experience of this and is supporting the transfer process. This is important for the Agency to maintain business continuity.

### **Major steps include:**

- a controlled withdrawal of staff
- the controlled introduction of new resources
- agreement of the principles of how to manage people transfers
- documenting a joint understanding of the process
- establishing a model of anticipated TUPE rights
- monitoring the actual situation against the model

## 2. Supply Chain Transformation programme target operating model

The Agency has defined its target operating model (TOM) for ICT in a manner that clearly differentiates between those functions which it is going to retain and those which are appropriate for outsourcing.

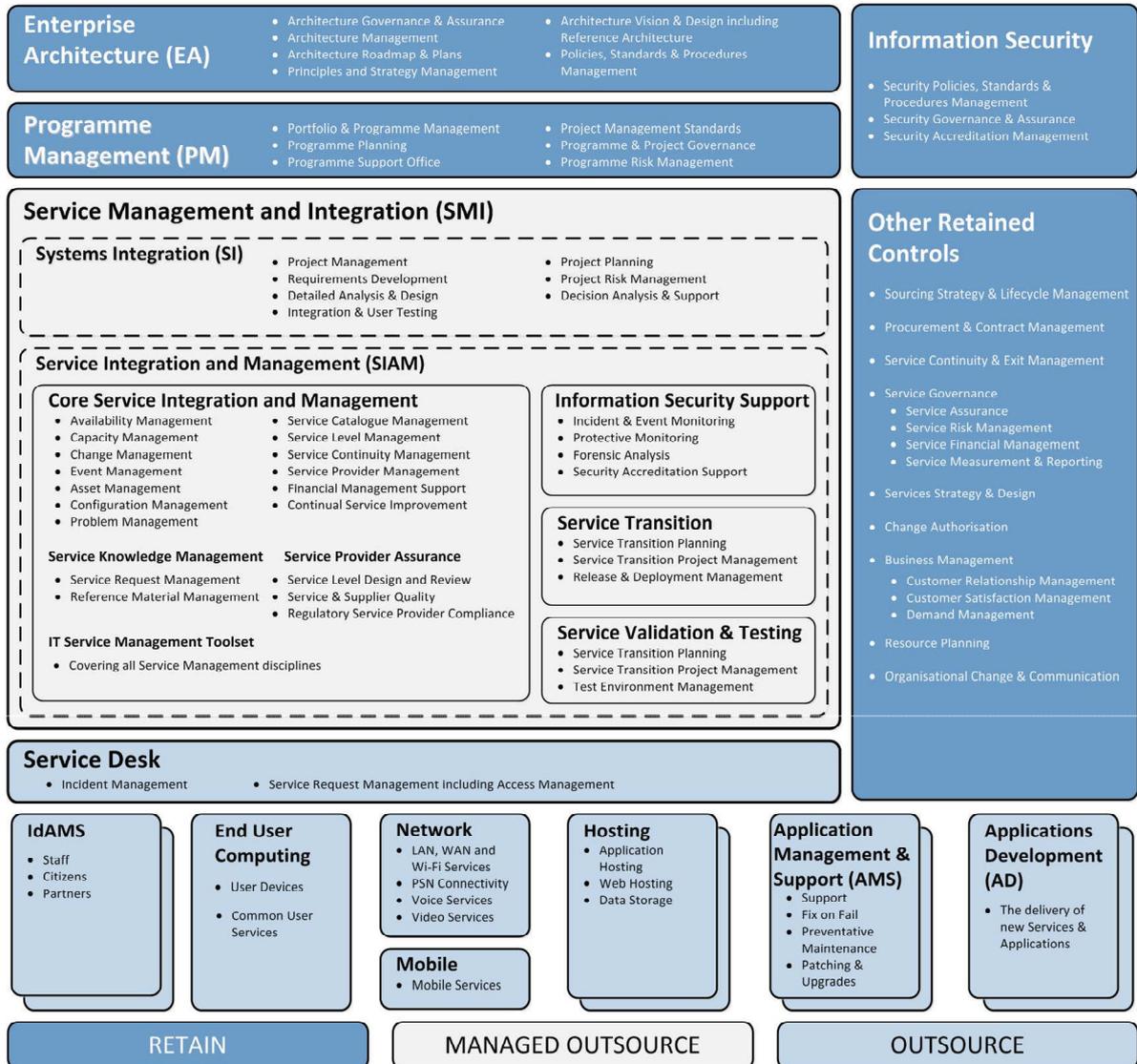


Figure 2.1: SCT programme target operating model

## **2.1. Functions that the Agency will retain**

### **2.1.1. Enterprise architecture**

We will continue to provide an enterprise architecture (EA) function. It shows how the building blocks of the enterprise fit together and identifies major dependencies and interface between them. It also includes the management of EA, setting the architectural direction for any business change by developing reference architecture, overseeing compliance with defined standards and guidelines and granting or denying exceptions, where necessary.

### **2.1.2. Information security**

We will continue to manage information security with a comprehensive set of security policies, standards and procedure that ensures the confidentiality, integrity and availability of the Agency's assets, information, data and services. These security policies, standards and procedures govern and assure the information security of the services that are developed on behalf of the Agency and its partners.

### **2.1.3. Programme management**

We will continue to provide a programme management function. This includes service transition and service transformation initiatives, as well as associated project management of subsequent changes to the Agency.

### **2.1.4. Other retained controls**

The other retained controls, which we will continue to provide, are essential so that we can govern and manage all aspects of the contracts, supplier and service performance and the overall relationships. This includes meetings of the various governance committees including those defined in the agreements.

## **2.2. Functions that the Agency is outsourcing**

### **2.2.1. Service management and integration (SMI)**

We are implementing a standard service model for operational services.

This will provide the flexibility for a range of suppliers to engage with the Agency and the consistency and structure to enable an effective service in a collaborative multi-supplier environment.

The Agency has exercised an option to select a call-off contract which was established by the Foreign and Commonwealth Office. Under the terms of this contract, other government departments were included in a call-off arrangement to select the services of the supplier. The supplier for this service management and integration (SMI) service contract is BAE Systems.

The appointment of an SMI supplier as a strategic partner will include the provision of a systems integration (SI) function and a service integration and management (SIAM) function. We have taken the recognised cross-government SIAM framework and combined it with an SI function to simplify the management of a complex multi-supplier landscape. We recognise the internal distinctions and characteristics within SI and SIAM as being discrete but closely associated.

As we move from existing arrangements to multiple suppliers in line with the government's ICT strategy, the number of suppliers engaged to provide services will increase. The role of an SMI is to engage with and manage multiple suppliers on behalf of and in partnership with the Agency.

### **SMI main business drivers**

- single/central contact point for all service towers
- responsible for end-to-end supply of service
- manage the full service management lifecycle including the supporting information and information flows
- lead, model and embed appropriate behaviours
- manage service tower suppliers
- provide standard and consistent services
- flexibility to adapt to changing contractual landscape
- aligning the Agency and EFA service provision with the government's

#### ICT strategy

- support the move from prime supplier to service towers and multi-sourced supplier model
- providing value for money through lower service costs
- aligning service validation testing and service transition management
- speeding up the Agency's ability and flexibility to implement changes

Our SMI partner will support the Agency through the final stages of the procurement of service tower contracts. They will also assist with the transition of services during the financial year 2014 to 2015, from the existing single supplier to a multiple-supplier landscape.

The SI approach is to manage the risk of business continuity through controlled business service change rather than 'big bang'. This approach should ensure continuity of service for the Agency and a smooth transition to our new operational landscape.

The SIAM operational approach is designed to define and implement end-to-end governance and standards at the outset to enable an effective and consistent approach to service and information management for all parties.

#### **The SI function within SMI will:**

- undertake detailed design and build, in accordance with the defined reference architecture, and implement into service as commissioned by programmes and projects
- provide overall management, direction, support and co-ordination for multiple internal and external suppliers required for the successful provision of a solution
- manage supplier performance against milestones and obligations, identifying and advising on deviations to plan

#### **The SIAM function within SMI will:**

- co-ordinate and consolidate the management of individual services from suppliers, to enable end-to-end business services, ensuring they provide services consistently to meet business objectives and requirements for performance, quality and cost

- measure, monitor and manage performance against supplier obligations of operational services
- provide leadership and support to manage the new multiple suppliers governed by an ITIL (Information Technology Infrastructure Library) service management framework.
- be responsible for service obligations in the SIAM framework. The SIAM partner will be responsible for the service management aspects across all service suppliers ensuring end-to-end co-ordination on behalf of the Agency
- include the provision of integrated IT service management (ITSM) tooling, including an interface specification that will enable service provider data feeds into a central location to enable the SIAM service to manage the end-to-end business services in real time. The SMI will supply the ITSM tool as a software as a service (SaaS) solution in collaboration with the Agency.

### **2.2.2. Service-desk service**

We have a number of service desks provided by internal and external parties. They provide information technology support for Agency personnel and partners. In addition, they provide extensive support to citizens and others in the form of information requests related to learners and learning. The Agency is changing the service-desk function to meet the needs of both users and IT providers. It will be recognised as the master source for IT service-related matters. The service-desk tool will interface with the ITSM toolset. The SMI partner manages the toolset and the Agency owns it.

Essentially, the provision of service desk functionality will be split across two service areas:

- service desk for end-user computing – this service will be managed under the EUC contract and the supplier for this is CGI
- service desk for wider system users – this service will be provided by our supplier under the SMI contract, which is BAE Systems

Our service desk service model will follow the ITIL approach (which

considers the service desk to be the central point of contact between service providers and users/customers on a day-to-day basis). It will be the focal point for reporting incidents, disruptions or potential disruptions in service availability or quality and for users making service requests.

The EUC service desk will handle incidents and service requests, as well as providing an interface to users for other ITSM activities such as:

1. Problem management	7. Availability management
2. Configuration management	8. Capacity management
3. Change management	9. Financial management
4. Release management	10. Service continuity management
5. Service-level management	11. User management
6. Asset management	12. Security management
	13. Service reporting

The EUC service desk will provide first-line support and call-handling facilities for incidents and service requests, including access management. The service desk for system users will be the single point of contact for all system-related issues.

Consolidation of known and common issues and problems will feed into the knowledge management function of SIAM. The SMI service desk will work closely with the Agency’s service providers, who will be responsible for providing second and third-line support for services they run and manage. The Agency will directly provide second-line resolution for business enquiries.

The service desk will monitor incident resolution by suppliers, based on the service level agreements (SLAs) set up between the Agency and the relevant supplier. Added to this, the service desk will provide the required metrics into the SMI, to enable the Agency to manage its supplier base effectively. As such, the service desk will ensure that suppliers provide a consistent and high-quality service to meet the Agency’s business objectives.

### 2.2.3. Mobile

We have a contract with a major telecommunication supplier for the provision of mobile voice and mobile data services. This contract will remain, but a level of integration will be required with the EUC service provider for email and SMS integration.

### 2.2.4. End-user computing and the network

The main components in scope for an EUC contractor are:

- **infrastructure and devices** where the primary responsibility of the EUC contractor is to supply, manage and maintain the end-user environment. These responsibilities include, but are not limited to:
  - the provision, management and maintenance of desktops, laptops, local IT hosting environments and the associated common workplace productivity applications (for example, word processing) to agreed standards
  - the packaging and provision of business application elements required on these devices
  - the management of business peripherals (including printers and scanners)
  - the provision, management and maintenance of appropriate storage and access to electronic data, the management of local area networks (LANs)
  - the management and maintenance of the Agency's site-specific team rooms. The Agency will retain the GPS framework contract for multiple-function devices (printers/scanners).
- **common services** required by other contractors, such as authentication (identification of people and systems), directory services (information about people, systems and the rights they have), productivity and collaboration services and messaging facilities (including email and calendar services)
- **network services** provide functionality for members or users of the network to securely communicate with each other and are based on defined service protocols such as Transmission Control

Protocol/Internet Protocol TCP/IP:

- we have a contract for provision of our wide area network (WAN) and fixed line telephony through the government procurement service managed telecommunications convergence framework (GPS MTCF)
- network provision in the future should be in accordance with the requirements for connection to the public sector network (PSN)

The Agency has a contract for the provision of its LAN and wireless network (wi-fi) and fully-managed network services for Agency offices as follows: LAN and wi-fi for 'pass-through' Agency staff access to Agency corporate systems and Agency-authenticated guest internet access. The LAN and wi-fi services will also be required to interface with current WAN services.

The LAN services within the hosting service will be provided by data centre service providers themselves, not the Agency's LAN supplier. Similarly, firewalls, load balancers and other localised networking hardware will be provided by data centre service providers within their own infrastructure.

### **2.2.5. Hosting**

The hosting environments provide secure provision and management of application hosting, application operations, storage, bulk outputs and sorting and external data feeds and interfaces.

The hosting service provider will be required to provide centralised IT hosting environments that are capable of running the Agency's business applications and services to the agreed standards and security requirements.

They will be responsible for the management and maintenance of these environments, including hardware/software maintenance and batch management. This involves ensuring that there is sufficient computing power and data storage to run the business applications to the agreed

warranty and quality criteria, and that we can recover the business applications and data to the agreed recovery points.

#### **2.2.6. Application management and support**

Application management and support (AMS) provides a comprehensive application lifecycle management service that includes maintenance of, adding new functionality to and providing support for existing applications including fix on fail, preventative maintenance, patching and upgrades.

The AMS service provider(s) is/are intended to be responsible for the management and support of the application layer of the in-scope business applications that are supported from the Agency's hosting environments.

They will act as a support function, ensuring that the business applications perform to the agreed criteria and standards. This involves:

- providing production support life cycle processes, tools and procedures required to repair application faults and issues
- maintaining software at agreed versions
- proactive monitoring, to ensure that preventable operational errors do not cause service disruption/outage

#### **2.2.7. Application Development**

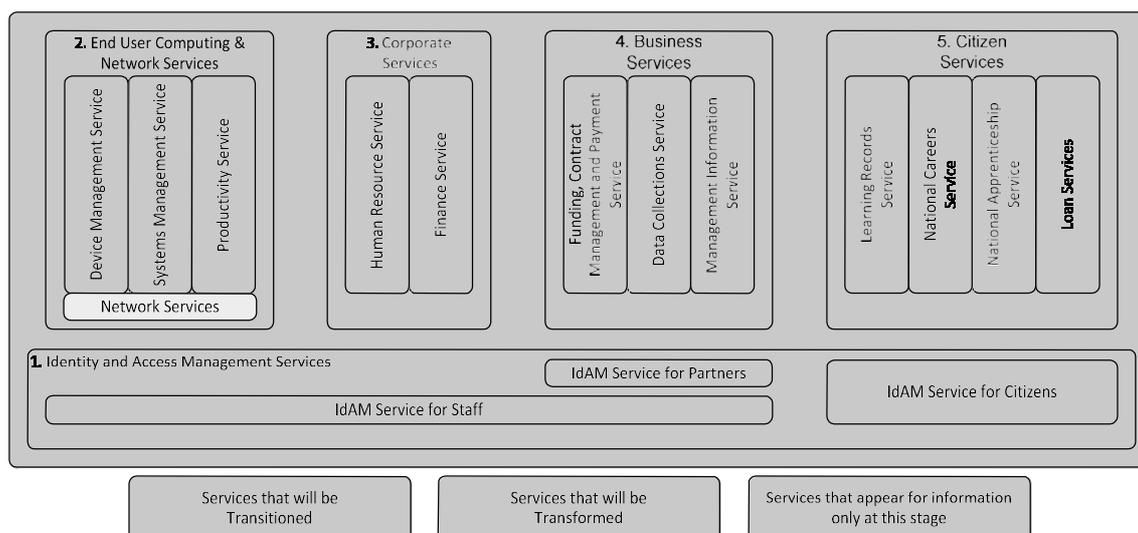
Application development (AD) is the process of conceiving, designing, coding, testing and rolling out computer software programs. There are several formal development methodologies available including agile, extreme and rapid application development (RAD).

The AD service provider(s) will be responsible for new development programmes or projects to support new or replacement business functionality (including interfaces and integrations with existing applications) to the in-scope business applications in response to business IT change. It is also intended that the AD service provider(s) will be responsible for the rollout of large-scale work packages (including major releases) and providing change for existing applications as required by the Agency.

### 3. Skills Funding Agency services

#### 3.1. The Agency ICT services

The Agency provides for itself and its partners a number of information communication and technology (ICT) services to support the FE and skills sector. These include but are not limited to the service areas detailed in the diagram below:



**Figure 3.1 – Agency services**

Against the backdrop of the Agency reform programme, we have split the SCT procurement activity into a number of service towers. The high-level configuration of the towers is included for information in figure 3.1 above.

The diagram reflects the following services which are further explained below:

#### 1. Identity and access management services (IdAMS)

- i. IdAMS for staff service
- ii. IdAMS for partners service
- iii. IdAMS for citizens service

#### 2. End-user computing service and network services

#### 3. Corporate services

- i. human resources service
- ii. finance service

#### 4. Business services

- i. funding, contract management and payment service
- ii. data collections service
- iii. management information (MI) service

## **5. Citizen services**

- i. Learning records service
- ii. National Careers Service
- iii. National Apprenticeship Service
- iv. Loan services – *please note: this service will be provided by a different agency in the future and so will not be referred to again in this document*

The remainder of this section is intended to provide stakeholders with a brief overview of some of the Agency's current ICT services. It is not intended to be a comprehensive list of all the Agency's ICT services as there are other, smaller third-party services which may also be considered for transition in the future.

Stakeholders should also note that not all the services described here are being transitioned 'as is' into the TOM. A number of services are being changed to replace legacy technologies, improve user experience and/or reduce the total costs of ownership (TCO) of running and managing these services.

### **3.2. Identity and access management services (IdAMS)**

Our Identity and access management services (IdAMS) enable us to securely control access to the services, applications and resources that are required to undertake the business activities of the Agency and its partners. Using these services we can create and manage users and groups and assign them permissions which allow them access to the applications they have permission to use.

IdAMS are grouped as follows:

- IdAMS for staff service
- IdAMS for partners service
- IdAMS for citizens service

They provide the following important service capabilities:

- identity life-cycle management service, which includes provisioning, self-service provisioning and delegated provisioning, verification, credentials management and user administration including delegated user administration
- access management service, which includes registration, enrolment, entitlements management (including permissions setting), authentication and authorisation at the point of access to control what users can access and security auditing
- directory services, which include directory federation and directory synchronisation services to enable business services to connect to the IdAMS service to support single sign-on across the services, applications and resources that a user has been granted access to use

### **3.2.1. IdAMS for staff service**

The Agency's IdAMS for staff service allows Agency staff and contractors to securely access services within the estate. The service is currently based on manual and semi-automated processes using a bespoke Microsoft .Net application. It manages users, groups and permissions which sit on top of Microsoft Active Directory and Microsoft Active Directory Federation services.

### **3.2.2. IdAMS for partners service**

Our IdAMS for partners service enables our stakeholder organisations to access FE and skills sector services. Major stakeholders include:

- BIS
- DfE
- EFA
- the Office for Standards in Education (Ofsted)
- awarding organisations
- Higher Education Statistics Agency (HESA)
- Higher Education Funding Council for England (HEFCE)

- colleges, training providers and academies
- employers, local authorities and LEPs.

There are currently 20,000 individual accounts being managed in total, of which over 70 per cent are accessing services on a regular basis. The service is based on semi-automated processes and bespoke customisation, for the management of users and groups, IBM Tivoli Suite and Microsoft Active Directory Federation services.

The existing service will transition to the new supply chain model and be integrated within the EUC tower. Future activity will consider options to integrate the IdAMS for staff and IdAMS for citizens solutions and partners.

### **3.2.3. IdAMS for citizens service**

The Agency's IdAMS for citizens service, 'ID assurance service', provides online, validated and verified citizen identity credentials to the education sector. It was launched in February 2013. It is integrated with the National Careers Service to provide level 2 access so that citizens can access their lifelong learning account, including their personal learning record (PLR). This enables citizens to access other education skills services data requiring level 1 and level 2 access.

The service has been designed and built as a cloud-based service. It uses 'black-box' technologies, combined with Microsoft Active Directory Federation services, Security Assertion Mark-up Language (SAML) and bespoke Microsoft .Net components. It is currently hosted in a traditional data centre.

**The current position:** The Agency is planning to adopt the Cabinet Office identity and access management service which will be established during 2015.

### **3.3. End-user computing and network services**

Our end-user computing (EUC) services support Agency staff and contractors with direct access to the infrastructure, applications and resources that they use to undertake the business activities of the Agency.

We have awarded a contract to CGI, for a service which is more intuitive to users and which will remove ICT barriers, permitting users to be productive regardless of where they are. It should include new seamless connections between locations, such as our corporate network, public wi-fi, and home networks and enable seamless online/offline access wherever you are. We also want a technology suite that forms a set of well-defined and manageable services that will reduce the total cost of operating of the EUC service.

The Agency has contracted through the iTECC contract which was established by the Department for Energy and Climate Change (DECC). Under the terms of that contract, service requirements for BIS and partner organisations, including the Skills Funding Agency, were included in the scope of the procurement.

Given the complexity of the EUC services, the Agency accepts that it may need to support this service through one or several suppliers in the future including:

- **device management service:** a potential future supplier for the device management service may be required to provide services such as device procurement, replacement, warranty, distribution, end-of-life destruction and onsite break-fix support.
- **systems management service:** a potential future supplier for the systems management service may be required to provide services to support multiple end-user devices, including desktops, laptops, tablets and mobile devices. This will include operating system (OS) image creation and rollout, application provision, software updates, patches and remote administration and support
- **productivity services:** a potential future supplier of the productivity services would be expected to include collaboration tools and software for:
  - email
  - instant messaging presence and calendaring including a room-booking facility
  - conferencing including online, meetings, web conferences, ad hoc video conferences and desk top sharing for remote administration

- **EUC supporting services:** a potential future supplier of the EUC supporting services would be expected to provide directory services for Agency staff, federated services; certification services, address services for name resolution, smartcard and secure token services to provide two factor authentication and file and print services.

Before this current round of procurements, our EUC footprint consisted of approximately 800 desktops and 1,400 laptops operating with Windows XP, Microsoft Office 2003/2007/2010 applications and a number of niche desktop applications for onsite break-fix. There were also approximately 800 Blackberries in use and 15 tablet devices. Our email platform is an on-premise version of Microsoft Exchange 2007 and our collaboration platform is an on-premise version of Microsoft SharePoint 2007/2010. Our vision for the replacement service includes some users at EFA and will be provided to approximately 1100 users (including contingency users). The service will operate with a mixture of smartphone mobile devices, laptops and hybrid tablets running Windows 8.1, Microsoft Office 2013 applications and a consolidated catalogue of desktop applications. Productivity services including email, collaboration tools and file storage/organisation will be supported through an online Office 365-based solution.

### **Network services**

Our network services enable members or users of the network to communicate with each other securely and are based on a defined service protocol such as TCP/IP.

The WAN, operator services and fixed line telephone services will remain with our current service provider, Level 3. We have used the MTCF call-off contract to retain the service of our network service supplier.

## **3.4. Corporate services**

### **3.4.1. Human resources service**

The human resource (HR) service provides HR management for Agency staff and contractors.

The Agency's HR service is provided using Oracle HR on-demand. Our long-term plan is to transfer this service to BIS, UK Shared Business Service (UKSBS). The current plan aims to transfer to UKSBS in the financial year 2015 to 2016.

**The current position:** This is for information only at this stage.

### **3.4.2. Finance service**

The finance service manages the financial accounts of the Agency and the payments made to providers for both the Agency and EFA. These have a value of £3.5 billion for the Agency, which is used to fund adult 19+ FE and skills provision; and £52 billion for the EFA, which is used to fund 16 to 19 FE provision and academies.

Our finance service is an on-premise implementation of Unit 4 CODA Financials. The long-term plan is to transfer elements of this service to UKSBS. The current transition plan aims to transfer to UKSBS in the financial year 2015 to 2016.

### **3.5. Business services**

The FE and skills sector comprises more than 220 FE colleges, 900 independent training providers, and some 2,500 subcontracted training organisations.

To support our work with these groups we provide the following services which include, but are not limited to:

#### **3.5.1. Funding, contract management and payment service**

The funding, contract management and payment service is a suite of applications used by the Agency and EFA to fund, contract and pay organisations which provide learning to citizens. They are critical systems that support the core business of both agencies by recording and funding contracts.

A major component of the service is a centralised contract management (CCM) system, which is based on Upside Software's 'UpsideContract' and

'UpsideForms' applications. These applications, which have been tailored for the Agency and EFA, support the Agency and EFA. They validate the agreement of contracts for training provision with providers, track actual performance against those agreed contracts and process regular payments to providers against those contracts.

The service also communicates electronically with the Agency's financial system CODA to process the resulting payments against those contracts. The Upside technology sits on a Microsoft SQL server and Microsoft Biztalk platform.

The applications within the service were subject to a number of necessary business-as-usual (BAU) changes during the financial year 2013 to 2014 to support policy changes. The service is investigating options for a transformation programme which is scheduled to complete by the end of the financial year 2014 to 2015. This will involve replacing the systems within the service over the next 12 months.

### **3.5.2. Data collections service**

The data collections service is a suite of applications that enables the Agency and EFA to gather data from all stakeholders within the FE and skills sector. The service provides collections for all major stakeholders including: the Agency, BIS, DfE, EFA, Ofsted, HESA, HEFCE, providers, academies, employers, local authorities and LEPs.

The service includes relationship management capabilities used by the Agency and EFA to manage FE and skills sector relationships with all stakeholders. It also includes portal services that enable partners to engage online with FE and skills systems. It can be used to enable partners to return data as part of a data collections process. The service can provide a view of vital information held in other business services, such as funding and contract data, and also provides a platform for the Agency and EFA to encourage self-service functionality to reduce bureaucracy across the sector.

A number of reference data services have been used to provide support to

the education and skills sector. These include the employer data registration service (EDRS) which has 20,000 registered employers and the learning aims reference service (LARS), which has 90,000 funded and monitored learning aims.

The service is already undergoing a transformation and migration to the cloud environment and represents the Agency's first implementation of cloud-based services. We have provided a flexible and configurable platform to collect and process significant volumes of information from colleges and training providers and partners.

Our service is based on a combination of Microsoft SharePoint 2010, Dynamics CRM 2011 and SQL Server 2012 technologies along with bespoke Microsoft .Net components and the Oracle Policy Automation (OPA) business rules engine.

### **3.5.3. Management information service**

The management information service produces around 200 annual reports for a number of stakeholders including: the Agency, BIS, DfE, EFA, Ofsted, awarding organisations, HESA, HEFCE, colleges and training providers, academies, employers, local authorities and LEPs. We also produce 50 annual reports which relate to the statistical first release and also provide ad hoc reports to various stakeholders to support prime minister's questions (PMQs) and a Freedom of Information request.

This service processes the large volumes of data collected by the Agency and converts it into meaningful reports and information that are used by the Agency and our education sector partners such as EFA. It is primarily based on Microsoft SQL server database warehousing technologies.

The applications within the service were subject to a number of BAU changes during 2013 to 14 to support policy changes. The service will require further redevelopment to fully take advantage of the benefits of moving it to a cloud computing environment. We have not yet planned this activity. It will be considered during the financial year 2014 to 2015.

### 3.6.Citizen services

We are dedicated to funding and promoting adult further education and skills training in England. We also host a number of citizen services. These include but are not limited to:

#### 3.6.1. Learning records service

The Learning Records Service (LRS) is at the heart of the learner experience and is designed to support learners at all levels to access, manage and use their own achievement information such as qualifications, awards or training received as they move through education and lifelong learning.

Our service has more than 19 million learners with unique learner numbers (and associated profiles) of which 13.5 million have a personal learning record (PLR). It covers England, Wales and Northern Ireland. We support over 9,000 customer organisations, which include schools and further education providers, higher education institutions, awarding organisations and career services.

LRS includes the following important functionality:

- **manage learners:** education and skills providers use LRS to create or retrieve a unique learner number (ULN). Management of learners starts with registering learners for a ULN and then continues with keeping the learner details up to date to ensure the learner record is maintained throughout their lifetime.
- **verify learner:** other sector organisations, such as awarding organisations (AOs), use LRS to check that a ULN transferred to it by education and skills providers is correct for a specific learner. Once a learner has achieved an award (a qualification or credit) the AO will use LRS achievement management capability to add the award to the learner's personal learning record.
- **personal learning record (PLR):** the service stores achievement and participation data for learners. The PLR application offers access to verified participation and achievement records of individual learners

and can be accessed by education and skills providers with the learner's permission. The academic and vocational records data is from 2009 onwards but does not typically cover education completed at university.

- **qualification and credit framework (QCF):** PLR supports credit accumulation and transfer (CAT). Every unit and qualification in QCF has a credit value. CAT enables learners to accumulate their achievements within PLR and provide evidence to transfer credit for those units between learning providers and awarding organisations. PLR also provides functionality to search different routes to achievement. This allows advisors to identify the best combination of units and calculate the credit needed to achieve a qualification. It can also be used to monitor an individual's development by unit or qualification against their chosen route to achievement.
- **learner plan:** providers/prisons use this specific piece of functionality to support offender learning. The learner plan sets out goals, activities and tasks and can be used to support the development of offenders even if they move from one custodial location to another.
- **UK register of learning providers (UKRLP):** this function provides core identity data on 30,000 education and training organisations in England, Northern Ireland, Scotland and Wales. Management of identity data starts with validating and registering organisations for a UK provider reference number (UKPRN) and then continues with keeping the organisation details up to date to ensure the record is maintained throughout its lifetime.
- **learner access to the PLR:** citizens can access their PLR by registering for a lifelong learning account which is part of the National Careers Service. They may view the participation and achievement data contained in their own record and also choose to share their data (or not) with education sector organisations.

The Agency's LRS is currently based on mixed technology of Microsoft Windows Server, Microsoft SQL Server platform, RedHat Linux, IBM WebSphere and Oracle technologies. We are in the process of moving to a Microsoft Windows server, Microsoft SharePoint and Microsoft SQL server

platform. In addition to the live operational service, the platform also supports a data analysis capability (DAC) which is accessed by LRS data managers and analysts. DAC is used to model and analyse data and to produce MI reporting for the Agency.

The LRS is an important strategic data exchange mechanism for the education sector. It has a full 'warm standby' disaster recovery capability.

**The current position:** This is for information only at this stage.

### 3.6.2. National Careers Service

The National Careers Service provides citizens with high-quality information, advice and guidance to help them make decisions on learning, training and work opportunities. It offers these options through a number of channels including a customer web portal, national contact centres and face-to-face advisers. Advice takes on many forms including job profiles, course/learning opportunities, interactive tools, phone-based telephony and interviews with qualified face-to-face advisers.

Our service has approximately 800,000 unique customers each year and receives approximately 35,000 visits each day. We have a national call centre which is supported by a network of 3,000 advisers who provide 90,000 concurrent face-to-face advice sessions per month. The National Careers Service operates a service in 95% of job centres and receives 25,000 calls to the adult line each month and one million website visits each month. There are 750,000 people with a lifelong learning account (LLA).

The National Careers Service includes the following primary service functionality and capabilities:

- **customer web portal:** this is the website and digital reference data including course information and FE choices quality data, job profiles, job market information and presentation through a highly usable website and mobile offerings.

- **careers tools:** this service provides a range of online tools which citizens can use to assess their own skills including skills diagnostic tools, course search tool, cv builder, action plan and *my funding information*. They can keep track of any funding they have received, any money they have paid towards their education and any searches they have done to see if they can access funds.
- **lifelong learning account (LLA):** the service provides citizens with the ability to register for an LLA. They can also use the service to permanently store the results and records from all of the tools available within the service including an online identification capability, action plans, skills diagnostic tools, cv builder and course search results. It also enables the citizen to self-assert achievements in combination with the PLR.
- **customer relationship management (CRM) system:** both the national contract centre and face-to-face advisors record the outcomes from conversations and interviews in the National Careers Service CRM system to create a centralised record of all interactions with the citizen.

National Careers Service systems are based on Microsoft SharePoint 2007, Microsoft Dynamics CRM 4.0, Microsoft SQL server reporting services and bespoke Microsoft .Net components to support business requirements.

The applications within the service were subject to a number of service improvements during the financial year 2013 to 2014 to support policy changes including the move towards 'digital by default'. In addition the National Careers Service started a two-year transformation programme in April 2013 which is scheduled to complete by the end of the financial year 2014 to 2015. This will involve changing the outputs of customer service interactions with the CRM systems.

### **3.6.3. National Apprenticeship Service (NAS)**

Apprenticeships exist to support business growth and give young people and adults the skills they need to succeed at work. NAS exists to support

the government's and employers' ambitions for high-quality Apprenticeships in England. Up to 17,000 high-quality Apprenticeship vacancies are available online at any one time at Apprenticeships.org.uk. In 2012, over one million applications were made online – an average of 10 applications for every Apprenticeship vacancy.

NAS uses a number of systems to modernise the supply of Apprenticeships through colleges, training providers and employers:

- **NAS Apprenticeship vacancies system:** allows colleges and training providers (and their sub contractors), working with employers, to publish vacancies for Apprenticeships which candidates can search and apply for.
- **NAS CRM system:** works with a form structure to capture referrals (from training providers) and interest from prospective customers to help the service convert those to sales. This may result in a funded Apprenticeship place with a college or training provider and a start date.
- **NAS Management Information System (MIS):** provides reports that summarise data to be used for performance management and feedback.

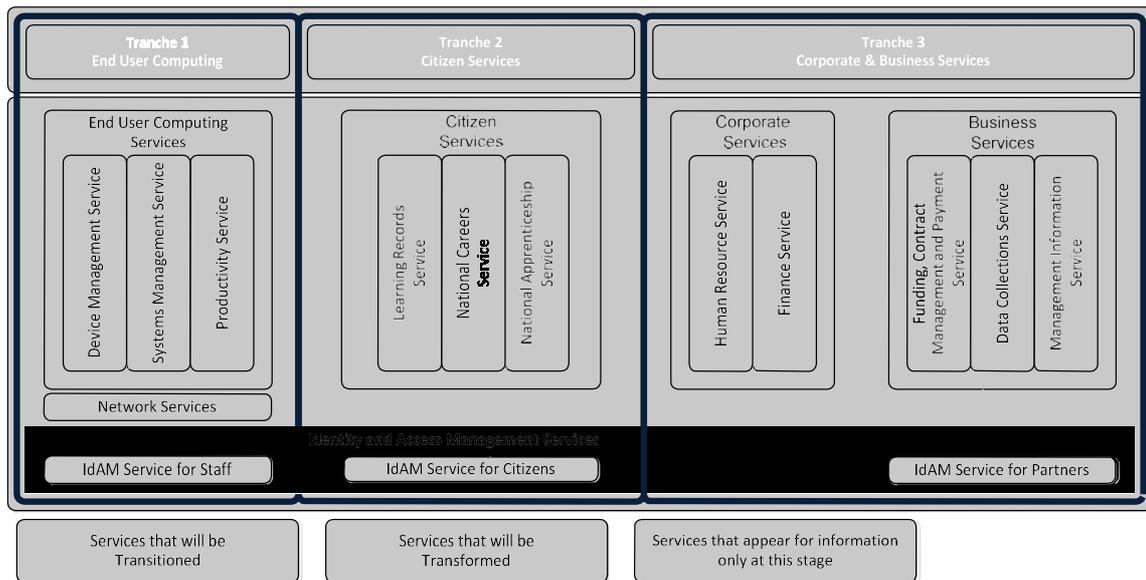
NAS systems are based on Microsoft SharePoint 2007, Microsoft Dynamics CRM 4.0, Microsoft SQL server reporting services and bespoke Microsoft.Net components to support business requirements.

The applications within the service were also subject to a number of BAU changes during the financial year 2013 to 2014 to support policy changes. NAS service has started a two-year transformation programme which is scheduled to complete by the end of the financial year 2014 to 2015. This will involve changing the systems within the service over the next 12 months.

## 4. Tranche structure and current contract status

We have divided the SCT Programme into three tranches, grouping services that have common characteristics as follows:

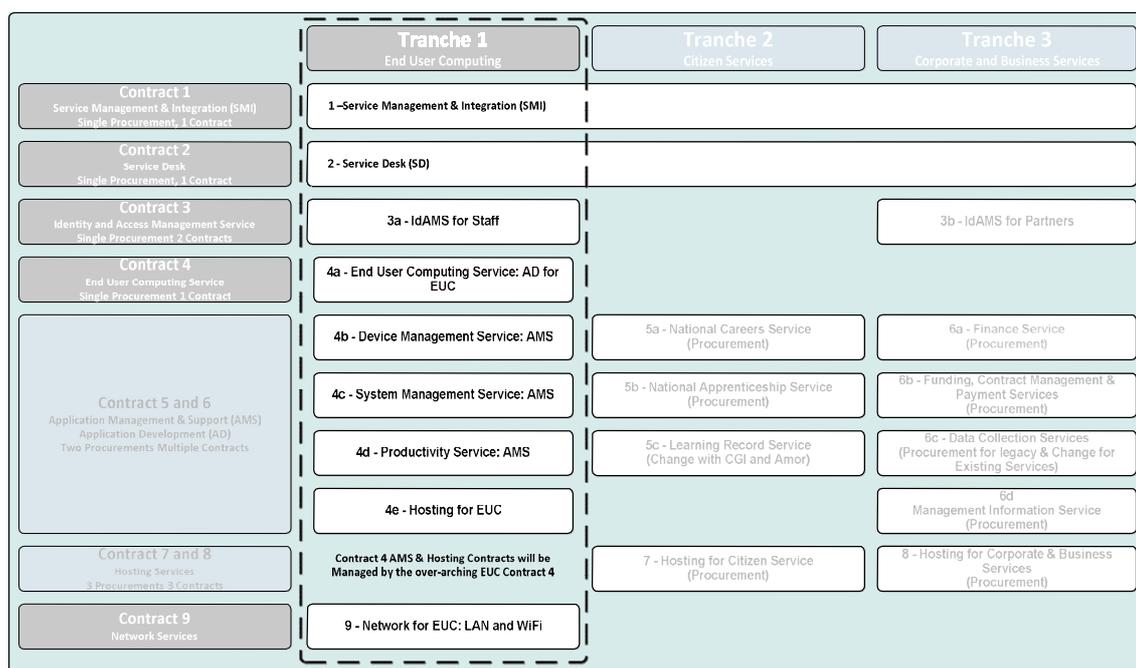
- tranche 1 – end-user computing
- tranche 2 – citizen services
- tranche 3 – corporate and business services



**Figure 4.1 – Tranches**

The following section describes the content of the three tranches and associated contracts. Contract award status, expected dates for award and contract durations are included in section 5. Note that the IdAMs for staff service crosses over tranches one and three. These tranches will run sequentially.

## 4.1.1. Tranche 1 contracts



**Fig 4.1.1 – Tranche 1 end-user computing contracts**

Tranche 1 comprises hosting, network services, application maintenance and support and application development of the Agency's EUC Services.

The contract structure in tranche 1 is as follows:

- **Contract 1 – service management and integration (SMI) service**

Contract 1 is a single procurement with one contract being awarded.

**The current position:** we have awarded a contract to BAE Systems. This contract also includes provisions of a service desk facility for partners and citizen services.

- **Contract 2 – service desk service**

Contract 2 is a single procurement with one contract being awarded, with a phased rollout aligned to the tranches.

**The current position:** we have awarded a contract to BAE Systems for the service desk.

- **Contract 3 – identity and access management service (IdAMS)**

- 3a – IdAMS for staff

Contract 3 is a single procurement with 1 or 2 contracts being awarded. In tranche 1 the contract will be let for IdAMS for staff. It may also include IdAMS for partners.

**The current position:** we are finalising the contract with the preferred supplier, Fordway, based on the transition plan to replace our current staff identity assurance service. The procurement included the migration of existing staff-user accounts and access permissions to the new solution. A replacement for the provider identity assurance service has not been decided yet – the existing solution is being retained.

- **Contract 4 – end-user computing (EUC) service**

- 4a – AD for EUC
- 4b/c/d – AMS
  - 4b – AMS for device management service
  - 4c – AMS for systems management service
  - 4d – AMS for productivity service
- 4e – hosting services for EUC

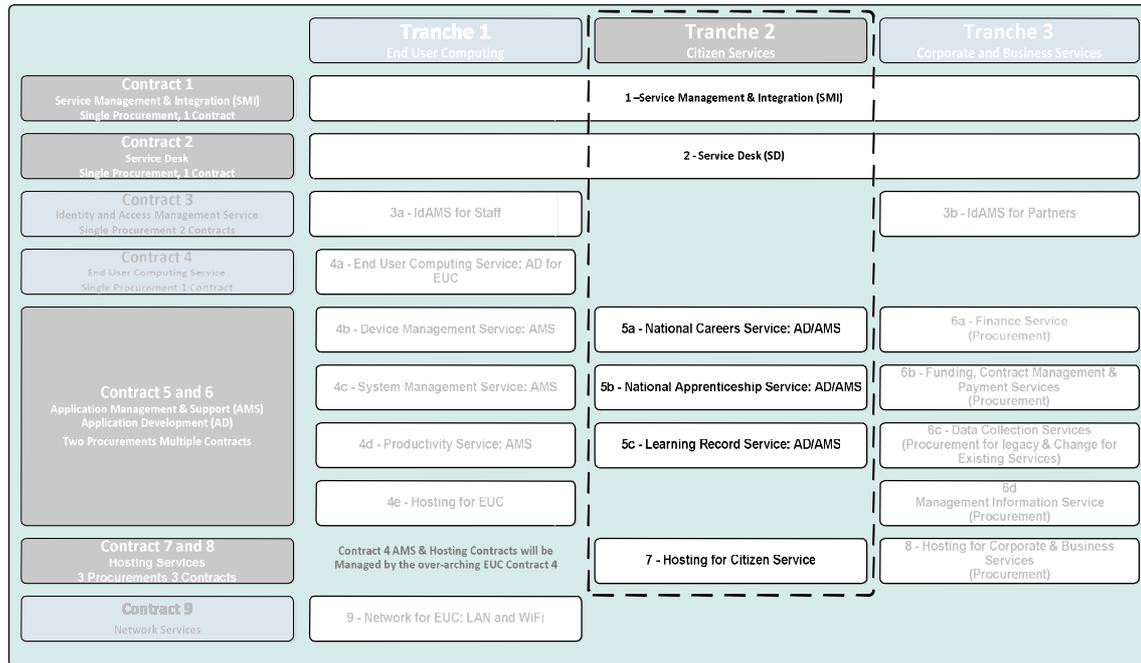
Contract 4 is a single procurement with one contract being awarded for AD to design and build the new EUC environment using commodity services. It therefore includes AMS contracts for the commodity services which will be managed by the EUC contract. It will also include the provision of any hosting required to support the EUC environment.

- **Contract 9 – network services**

Network services include the LAN and wi-fi network services for the 15 Agency offices across England.

**The current position:** we have awarded a contract to CGI for end-user computing (Contract 4). This contract incorporates network (LAN) services (Contract 9). The Agency is contracting through the ITECC contract established by DECC which is also used by BIS.

## 4.1.2. Tranche 2 contracts



**Fig 4.1.2 – Tranche 2 citizen services contracts**

Tranche 2 comprises application management and support and application development of Agency's citizen-facing services including LRS, NCS and NAS.

The contract structure in Tranche 2 is as follows:

- **Contract 1 – Service management and integration (SMI) service**

Contract 1 will continue as the SMI supplier will continue to support the Agency during Tranche 2.

- **Contract 2 – Service desk service**

Contract 2 is a single procurement with one contract being awarded, with a phased rollout aligned to the tranches.

- **Contract 5 – AMS and AD for citizen services**

- 5a – AMS and AD for National Careers Service
- 5b – AMS and AD for National Apprenticeship Service
- 5c – AMS and AD for learning records service

Contract 5 is a single procurement with one, two or three contracts being awarded.

**The current position:** we have awarded a contract to Lockheed Martin for Contracts 5a and 5b. We are finalising the contract with the preferred supplier (Lockheed Martin) for Contract 5c.

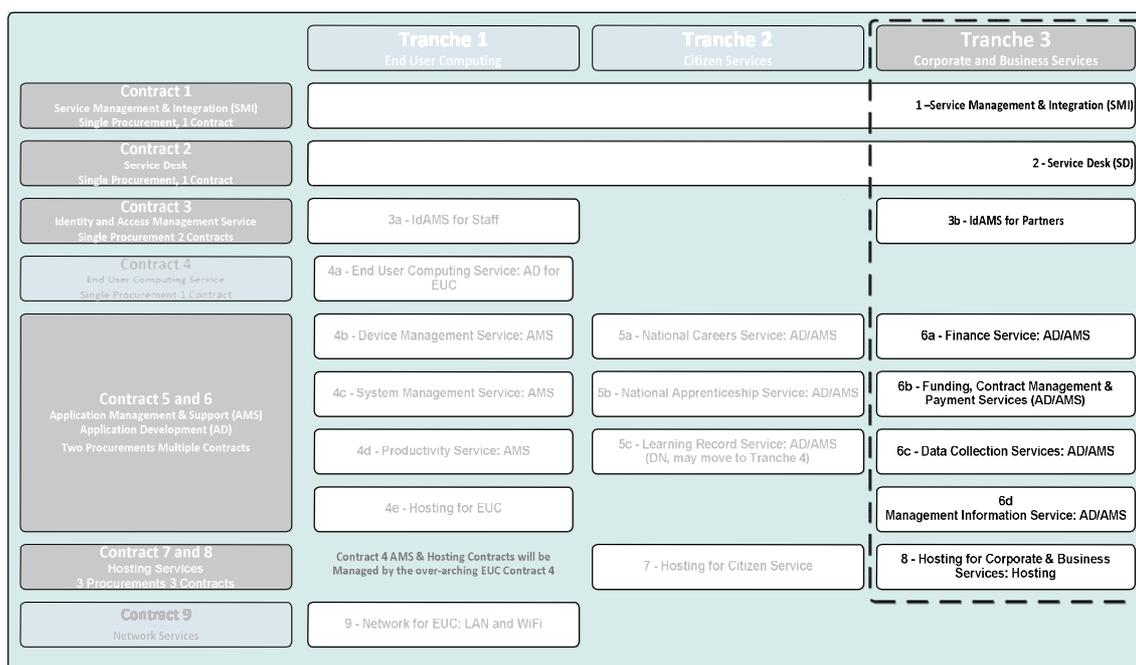
- **Contract 7 - hosting services for citizen services**

Contract 7 is a single procurement with one contract being awarded.

Citizen-facing services have been grouped together because they have similar service characteristics in terms of availability, scalability, disaster recovery and support. Essentially these services require high availability with 'warm' standby recovery capabilities and need to be accessible by citizens 365 days each year with limited overnight outages being allowable.

**The current position:** we have awarded a contract to Fordway. This service is to be provided as a managed Infrastructure as a Service.

### 4.1.3. Tranche 3 contracts



**Fig 4.1.3 – Tranche 3 lots**

Tranche 3 comprises application management and support and application development of all the services used by the Agency and our partners in support of FE and skills sector funding. This includes the human resources service, finance service, funding contract management and payment service, data collections service and the management information service.

The contract structure in Tranche 3 is as follows:

- **Contract 1 – service management and integration (SMI) service**

Contract 1 will continue to be delivered as the SMI supplier will continue to support the Agency during tranche 3.

- **Contract 2 – service desk service**

Contract 2 is a single procurement with one contract being awarded, with a phased rollout aligned to the tranches.

- **Contract 3 – identity and access management service (IdAMS)**

- o 3b – IdAMS for partners

Contract 3 is a single procurement with one or two contracts being awarded. In tranche 1 we will award the contract for IdAMS for staff

and subject to supplier response in tranche 3, a contract may also be awarded for IdAMS for partners (if not awarded previously to the same supplier as tranche 1).

**The current position:** a replacement for the provider identity assurance service has not been decided yet – the existing solution is being retained.

- **Contract 6 – AD and AMS for corporate and business services**

- 6a – AD / AMS for finance service
- 6b – AD / AMS for funding, contract management and payment services
- 6c – AD / AMS for data collections service
- 6d – AD / AMS for management information service

Contract 6 is a single procurement with one, two, three or four contracts being awarded.

**The current position:** the preferred supplier for contracts 6a/b/c is Capgemini. The Agency has run a robust and transparent Supply Chain Transformation procurement for Lot 6 - Corporate and Business Systems, which took place from 12th November 2013 to 7th March 2014. Whilst the Agency has been successful in awarding contracts under other Lots in its SCT Programme, it has decided to review its procurement approach and strategic intentions for Lot 6d. To this end, it has decided to cancel the Lot 6d procurement process, refreshing its procurement strategy with the aim of a sourcing decision later this year.

- **Contract 8 - hosting services for corporate and business services**

Contract 8 is a single procurement with one contract being awarded.

Corporate and business-facing services have been grouped together because they have similar service characteristics in terms of availability, scalability, disaster recovery and support. The services will be expected to be available for use during extended office hours (for example, 8:00 – 20:00, Monday to Friday excluding bank holidays and support light usage during weekends).

**The current position:** the requirement for this service was included in the competition for contract 7, 'hosting services for citizen services'. The technical approach for this has not been determined yet and no notification of a preferred supplier can be made at this time.

## 5. The current contractual position

### 5.1. Indicative timetable

This table shows what stage the current procurement activities have reached. It also provides the contract durations (where known). It is subject to validation and change.

Tranche	Contract Number	Contract Description	Preferred Supplier Appointed	Contract Award (estimated)	Contract Duration (estimated)
1	1	Service management and integration (SMI)	Jan 2014	May 2014	5 years
1	2	Service desk	Jan 2014	May 2014	5 years
1	3a	Identity & access management service (staff)	Oct 2013	(Nov 2014)	2 years
1	4	End user computing	Oct 2013	June 2014	4 years
1	9	Network services	Oct 2013	June 2014	4 years
2	3c	Identity & access management (citizen)	Oct 2013	TBC	TBC
2	7	Hosting services for citizen services	Feb 2014	(Nov 2014)	2 years
2	5	AD/AMS for citizen services	Jan 2014	(Nov 2014)	2 years
3	8	Hosting for corporate & business services	Feb 2014	TBC	TBC
3	6	AD/AMS for corporate & business services	Mar 2014	(July 2014)	2 years
3	3b	Identity & access management (partner)	Oct 2013	TBC	TBC

Legend	
Qtr 4 2013	Qtr 1 2014
Qtr 3 2013	Qtr 2 2014
Qtr 4 2013	Qtr 3 2014

Fig.5.1 – indicative timetable

## 5.2. Procurement steps

We will procure through the G-cloud unless this is not viable. The G-cloud framework is managed by Crown Commercial Services (CCS) and is refreshed approximately every six months. To become part of the G-cloud framework please refer to [CCS website](#). We will follow the G- cloud process as outlined below.

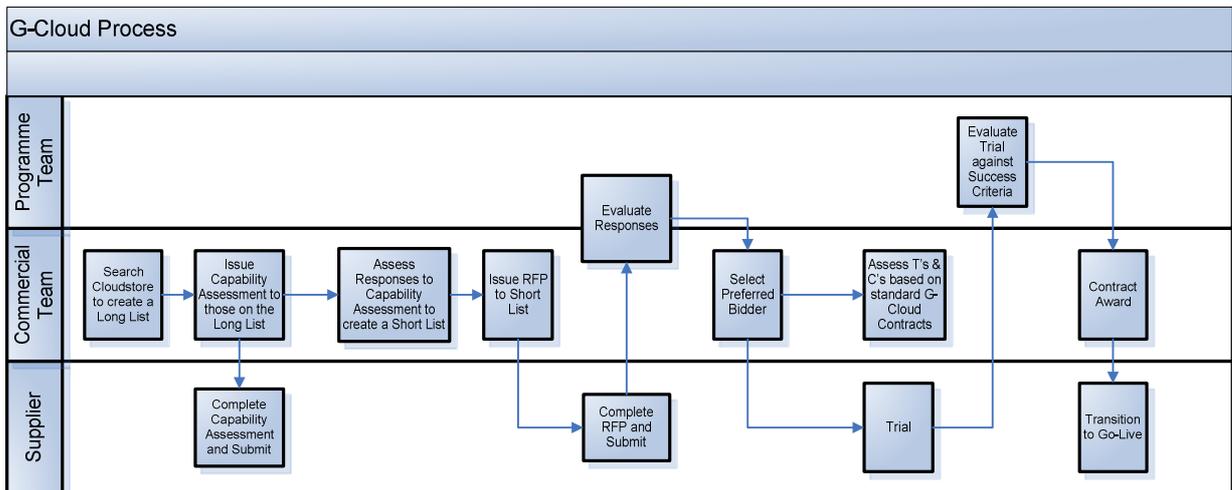


Fig 5.2 the G-cloud process

### 5.2.1. The G-Cloud simplified (10 steps)

**Step 1:** suppliers need to have signed up to the CCS G-cloud framework agreement and their service definition documents needs to be published on the cloud store.

**Step 2:** we will search the cloud store for suppliers who appear to be able to provide a similar service to those required. This will create a long list from which we will then conduct a 'capability assessment' with potential suppliers for our requirements, from which we will create a shortlist.

**Step 3:** an evaluation questionnaire in the style of a request for proposal (RfP) document will be published to the shortlisted potential suppliers who will be invited to submit a response.

**Step 4:** clarification questions and answers will be posted for all suppliers' information.

**Step 5:** response to RfP submitted and, where appropriate, we may request presentations to support the submission.

**Step 6:** evaluation against 'most economically advantageous' (MEAT) criteria, scoring and feedback.

**Step 7:** Preferred supplier selection and references.

**Step 8:** agreement of terms and conditions based on the G-cloud framework terms and conditions.

**Step 9:** design and run a trial for defined period. This is a lot-dependent stage and may not be required for all lots.

**Step 10:** contract award following successful trial and start transition

### 5.2.2. MEAT process

The most economically advantageous (MEAT) process is an assessment of quality and cost over the lifetime of the contract and will take into account the following mandatory criteria:

- price
- quality
- aesthetic and functional features
- efficiency
- after-sales service
- technical assistance
- date of supply
- environmental performance
- lifecycle cost, and so on.

The framework defines the MEAT criteria against which offerings can be assessed should be divided into four areas described in the table below.

Criteria Number	Criteria
1	Whole life cost effectiveness; price and running costs
2	Technical merit and functional fit; coverage, network capacity and performance as specified in relevant service levels
3	After-sales service management; help desk; account management function and assurance of supply of a range of devices and good value accessories
4	Non-functional characteristics

Table 5.2.2 – MEAT criteria

### **5.3. Where to find out more**

The programme's procurement team will field enquiries from interested parties:

[SFA-Procurement@sfa.bis.gov.uk](mailto:SFA-Procurement@sfa.bis.gov.uk).

Material relating to the SCT programme will be available on [GOV.UK](https://www.gov.uk).

## 5.4.The prospectus

- i. The information contained in the prospectus and this update and all supporting documentation has been prepared in good faith. It is designed to provide stakeholders with information regarding the implementation of the supply chain transformation programme and the contract structure of the Skills Funding Agency's IT supply chain.
- ii. Suppliers should particularly be aware that, at this stage in the programme, the service requirements are indicative only and may be subject to change. The Skills Funding Agency reserves the right to make changes to, and further develop, service requirements during the course of the programme.
- iii. Suppliers are solely responsible for obtaining the information which they consider necessary in order to make decisions regarding the content of their responses to the evaluation questionnaire. Suppliers must form their own opinions, making such investigations and taking such advice as is appropriate, without reliance upon any opinion or other information provided by the Skills Funding Agency.
- iv. The prospectus and any further information provided to any supplier as part of the evaluation process is not intended to form the basis of any investment decision, and should not be considered as an investment recommendation made by the Skills Funding Agency or any of its advisors.
- v. While every effort has been made to ensure the consistency of the information provided in the event of any inconsistency, perceived inconsistency or conflict between the evaluation questionnaire and this prospectus, the evaluation questionnaire shall take precedence.
- vi. Neither the Skills Funding Agency nor any of its advisors accepts any responsibility in relation to the accuracy or completeness of the information contained in this prospectus [or on which the prospectus was based] and any supporting documentation. Any liability [including for actions in misrepresentation, breach of warranty or negligent mis-statement] in relation to such information is, therefore, expressly disclaimed.

## 6. Glossary

<b>Abbreviation</b>	<b>Description</b>
<b>aaS</b>	As a service
<b>AD</b>	Application development
<b>AD/AMS</b>	Applications development/application management and support
<b>Agency</b>	Skills Funding Agency
<b>AMS</b>	Application management and support
<b>BAU</b>	Business as usual
<b>BIS</b>	Department for Business, Innovation and Skills
<b>CCM</b>	Contract management system
<b>CODA</b>	Financial system (not an acronym)
<b>DfE</b>	Department for Education
<b>EDRS</b>	Employer data registration service
<b>EFA</b>	Education Funding Agency
<b>EUC</b>	End-user computing
<b>FE</b>	Further education
<b>FOI</b>	Freedom of Information
<b>G-Cloud</b>	Government procurement process
<b>GPG</b>	Good practice guide
<b>HEFCE</b>	Higher Education Funding Council for England
<b>HESA</b>	Higher Education Statistics Agency
<b>HMG</b>	Her Majesty's Government
<b>ICT</b>	Information and communications technology;
<b>IL</b>	Impact level
<b>IS</b>	Information systems
<b>IT</b>	Information technology
<b>ITHC</b>	IT health check
<b>ITIL</b>	IT infrastructure library
<b>ITN</b>	Invitation to negotiate
<b>ITSM</b>	Information technology service management
<b>LAN</b>	Local area network
<b>LARS</b>	Learning aims reference service
<b>LEP</b>	Local enterprise partnership
<b>LLA</b>	Lifelong learning account
<b>LRS</b>	Learning records service
<b>MEAT</b>	Most economically advantageous (procurement evaluation criteria)
<b>NAS</b>	National Apprenticeship Service
<b>OFSTED</b>	Office for Standards in Education (Children's Services and Skills)
<b>OJEU</b>	Official Journal of the European Union
<b>PC</b>	Personal computer
<b>PDF</b>	Portable document format

<b>PIN</b>	Prior information notice
<b>PLR</b>	Personal learning record
<b>PPMS</b>	Portfolio & programmes managed service
<b>PQQ</b>	Pre-qualification questionnaire
<b>PSN</b>	Public services network
<b>PSTN</b>	Public switched telephone network
<b>SIAM</b>	Service integration and management
<b>SI</b>	Service integrator/integration
<b>SR</b>	Spending review
<b>SMI</b>	Service management integrator/integration
<b>TOC</b>	Total operating costs
<b>TOGAF</b>	The open group architecture framework
<b>TOM</b>	Target operating model
<b>UK</b>	United Kingdom
<b>UKRLP</b>	UK Register of Learning Providers
<b>UKSBS</b>	Uk Shared Business Services
<b>ULN</b>	Unique learner number
<b>VC</b>	Video conferencing
<b>VFM</b>	Value for money
<b>VIP</b>	Very important person
<b>VPN</b>	Virtual private network
<b>WAN</b>	Wide area network



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