

## **Market Engagement Event: DVLA's IT Contract Let Procurement Programme**

**29<sup>th</sup> July 2013**

**Question:** With regards to migration to a new systems landscape; is data migration still a plan or will the approach be to start afresh?

**Response** It is not the intention to build a total Greenfield site. DVLA is in the process of establishing a roadmap of change and work is underway to understand the best way to migrate systems in an incremental and controlled manner.

**Question:** Will there be a requirement to adhere to compliance and security standards?

**Response** Yes. For example compliance with standards such as PCI and IL3 is imperative.

**Question:** You mentioned you will be encouraging interest from SME's. Are there any forums to encourage SMEs to work together or for SME's to engage and communicate with larger companies?

**Response:** We will publish the names and contact details of attendees (unless you tell us otherwise) on the CLPP web site following this session and encourage you to work together. As the programme progresses further events will be organised specific to each procurement exercise. Supplier solution/innovation days may be considered but would have to be based on a specific need or requirement. An SME specific event may also be considered.

**Question:** In terms of the digital transformation - how much of the work will be done through GDS and how much would be outsourced?

**Response:** It is our intention to build capability and develop a version of GDS internally. Case by case assessments will be made based on who is best to deliver.

**Question:** Will the SIAM supplier be precluded from bidding for the Towers?

**Response:** DVLA cannot mandate that a supplier does not bid, but we strongly favour an independent SIAM.

**Question:** Offered feedback based on the presentation of the SIAM: the length of the contract is too short; TUPE implications for the supplier need to be considered; and the ultimate aspiration to bring SIAM in-house make it unattractive to suppliers in the room. Where is the incentive to bid?

**Response:** The two year term is based on Cabinet Office guidance around maximum contract lengths. We would like to propose a longer term contract and we will work with stakeholders to gauge the right length of contract.. The aspiration to bring the SIAM in-house will mean a ramp down of the provision over time based on a number of factors, in particular the requirement to up-skill in specific areas. It is unlikely this will ramp down to nothing, but DVLA understands the proposal may not be attractive in terms of risk versus revenue. We need to get the balance right. We would welcome your views to feed them back to stakeholders.

The point is extremely valid.

**Question:** Four years would be the sensible minimum for the SIAM. Is there any way for suppliers to influence the Cabinet Office with regards to the contract timeframes?

**Response:** The reason for organising this event was to seek feedback on these critical issues. Suppliers are encouraged to express their views in the survey that will be issued following the event. Gathering real evidence will be critical to aid in influencing decision makers.

**Observation:** SIAM is not a mature discipline in government, or in the IT services sector. The length of contract needs to be considered alongside the maturity of the organisations making the bid. The market may surprise you.

**Observation:** Competitive Dialogue often gives the market the impression that the customer does not know what it wants. There are some good exemplars in local government; Norfolk is a particular example of a customer with a limited but well defined Competitive Dialogue. Front load the PQQ and then ask the market to give explanation of how they would do it.

**Question:** What are the plans for cultural change in your organisation?

**Response:** At present DVLA could be described as a factory environment with digital services grafted on. Cultural change will be a huge challenge over the next 3 to 5 years. Jobs will need to change, the current command and control operation has got to change. This all needs to happen alongside IT change. DVLA is getting more involved in social media, we're just at the beginning of the transformation – which is not within the scope of CLPP but is critical to its success.

**Question:** What have you learned from customers?

**Response:** We have a Customer Insight team tasked with understanding what the customer needs and wants. Compliance rates have improved by understanding customer behaviour – the tax reminder is a small example – it goes in to the pending pile and is forgotten about. We're also working with customers in the motor industry and

are considering how we may work with intermediaries. We need to better understand how customers can use our data in a lawful way.

**Question:** Please explain more about the knowledge transfer to your own staff?

**Response:** We have begun work on the Operating Model and understand that the up and re skilling of our staff will be complex. We are looking for an Engagement Partner to support us but also expect supply chain contracts (particularly the SIAM) to include up skilling.

DVLA is not standing still; we're already looking at current skills and job profiles. Bench marking exercises will need to take place also. The right skills need to be in place to make sure we can effectively manage the SIAM.

**Observation:** Suppliers are attending a number of these Intellect events, with similar themes about assets that have been sweated to the extreme resulting in old fragile kit etc. Suggests there is an economy of scale to be made by gripping the problem across government.

Also observes the perceived expensive and competent incumbent supplier and their strong position in procurement competitions.

**Response:** There is an aspiration to be more joined up across government, but it is yet to be proven how achievable this may be.

DVLA is very aware of the perception of its incumbent supplier. DVLA is already working on an exit plan and are making contractual amendments to de-risk the transition. All procurements will be fair, open and transparent.

**Question:** Please elaborate on the concept of application development as a marketplace?

**Response:** DVLA would previously have been encouraged to have a framework, but are now advised against it as it's perceived to lock down competition. We'll go to market each time following a process priority order of Cloud first, GDS Digital Framework second and a bespoke procurement if necessary.