

# Digital Switchover

Open Supplier Briefing

2 February 2007



# Agenda

- Introduction
- Switchover in context
- The Help Scheme - Requirements
- Key Challenges
- Procurement Process
- Q&A

# Help Scheme - Requirements

- Government policy - help to prescribed groups – announced September 2005
- Households with at least one person –
  - Over 75 years
  - With a serious disability
  - Registered blind or partially-sighted
- Those on certain income-related benefits will receive help free of charge - others will pay £40
- c.7.1m households will be eligible and estimated that c4.7m will use the scheme
- 9 month qualification period – 8 months before a transmitter switches and one month after

# Help Scheme - Requirements

- Indicative regional take-up assumptions - households
  - Whitehaven - 6,000
  - Border - 35,000
  - Isle of Man – 4,000
  - West Country – 168,000
  - HTV Wales – 300,000
  - Granada – 594,000
  - HTV West – 136,120
  - Grampian – 94,000

# Help Scheme - Requirements

- Take up assumptions – households
  - Scottish – 328,000
  - Yorkshire – 435,000
  - Anglia - 378,500
  - Central - 709,000
  - Meridien – 446,000
  - London – 639,000
  - Tyne Tees – 242,000
  - Ulster -171,000

# Help Scheme - Requirements

- Trade up
  - Within – provided by the scheme
    - integrated Digital TV
    - Personal Video Recorders
  - External – platform neutrality
    - satellite
    - cable
    - broadband related

Those opting to trade up will have to pay more.

# Help Scheme - Requirements

- The service
  - Contacting the eligible – DWP data
  - Processing applications
  - Linking to other platform operators
  - Call centre – platform neutral advice
  - Sourcing and despatching equipment
  - Installation or rectification visit, where necessary;
  - Seeking voluntary sector support for continued after care
  - Aerial upgrade.
  - Generic Communications are for Digital UK – need for good links

# Help Scheme - Requirements

## Lots

- Whitehaven - Switchover, October 2007
- Main Scheme
- Main Scheme Equipment

# The Key Challenges

- A large number of the most vulnerable people – needs very special communications
- Collecting the £40 charge
- Interfacing with the voluntary sector for some aspects of aftercare
- Complexity – lots of interdependent elements but the need for a unified front end
- Large geographical spread – overlapping time sequence
- Inevitable unpredictability

# Procurement

**WHAT?**

**HOW?**

**WHY?**

**WHEN?**

**digital** 

# Procurement Process

1. Pre-Qualification Questionnaire

2. Issue Outline Specification and Contract and Commercial Principles

3. Dialogue with bidders to determine potential approaches

4. Issue Invitation to Tender, Full Specification and Contract Terms & Conditions

5. BAFO Submission

6. Evaluate

7. AWARD

Competitive Dialogue

digital 

# Pre-Qualification Questionnaire

The optimum solution is an end-to-end, managed service delivered by a single organisation or consortium. However, we have built in:

- Flexibility to explore different service delivery models
- Lots that allow organisations with specialist skills to bid for part of the proposition

## Lot 1 Whitehaven

- Managed Service Required
- Challenging Timescales
- Anticipate service delivery to be drawn from existing capability

## Lot 2 Main Scheme; Customer Contact, Mgt & Fulfilment

- Longer procurement timescales reflect greater complexity
- Unpredictable and large volumes
- Geographical complexity

## Lot 3 Main Scheme; Equipment & Installation

CAPABILITY,  
EXPERIENCE &  
FINANCIAL  
STABILITY



# Outline Specification & Competitive Dialogue

This stage will serve to facilitate a confidential dialogue between the Contracting Authority and bidders to...

## Develop Contract

- Formalities of the relationship
- Obligations
- Principles

## Develop Commercial Deal

- Service pricing
- Cost certainty
- Risk allocation
- Incentivisation
- Service credits
- Change management

## Develop Service Delivery Model

- Full service definition
- Finalise service levels
- Performance Indicators
- Management
- Transition
- Governance

...as well as provide an opportunity for Bidders to outline their Unique Selling Points/Competitive Advantage...

... all of which will form an 'Output Based' Full Specification and Contract Terms & Conditions against which bidders will submit their...

**BEST AND FINAL OFFER (BAFO)**



# Invitation to Tender & Award

## 4. Issue Invitation to Tender, Full Specification and Contract Terms & Conditions

- Invitation to Tender
- Full specification detailing service delivery model and charging mechanism
- Contract Terms and Conditions

## 5. BAFO Submission

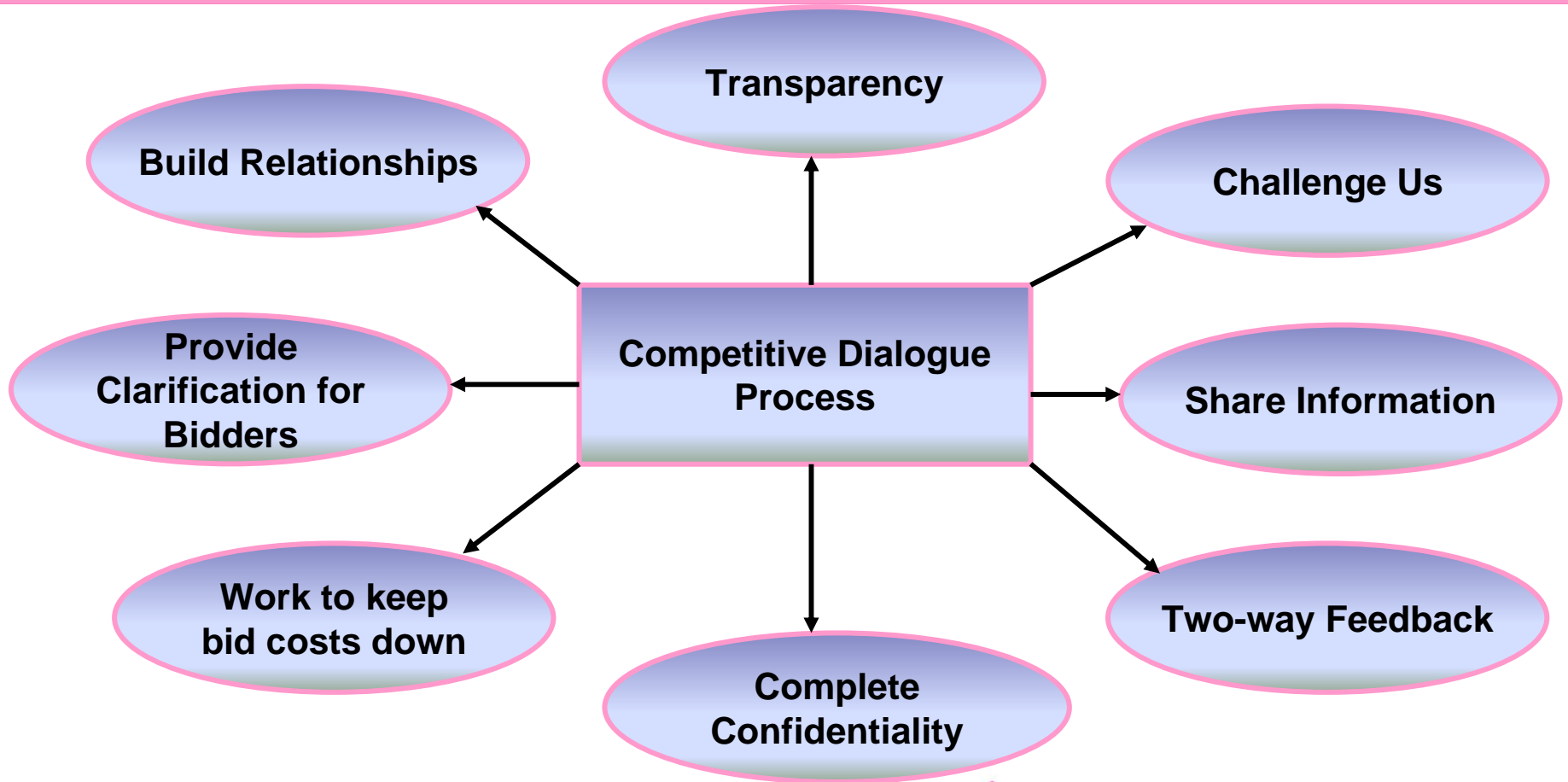
- Mandatory Proposals
- Variant Proposals

## 6. Evaluate

- Evaluation against Critical Success Factors

## 7. AWARD

# Key Principles



# Objectives and Commercial Principles

## Select the right supplier(s) to meet the requirements

- Deliver Whitehaven as a managed service offering the complete customer proposition
- Provide complete customer proposition for the Main Scheme through the optimum service delivery model and contract structure
- Flexibility in the process allows both contracts to be awarded to either the same or different suppliers

# Objectives and Commercial Principles

## Maintain Value For Money over the life of the Contract

- Optimum risk allocation addressing variables such as:
  - Unpredictable volumes
  - Geographical distribution
  - Complaints and Appeals
  - Emerging Technologies
- Effective charging mechanism that:
  - Provides Certainty whilst;
  - Incorporating Flexibility
- Efficient Service Delivery Model that ensures
  - Competitive Advantage

# Objectives and Commercial Principles

## Achieve Optimum Supplier Relationship

- Mutually agreed Key Performance Indicators
- Fair and transparent Performance Management process
- Incentivisation model to facilitate and encourage continuous improvement

## Establish Robust Governance Structure

- Oversee delivery
- Prioritise initiatives and manage forward planning
- Manage change
- Manage risks and issues

# Critical Success Factors

**Value For Money**

**Risk**

**Continuous Improvement**

**Ability to Meet Requirements**

**Innovation**

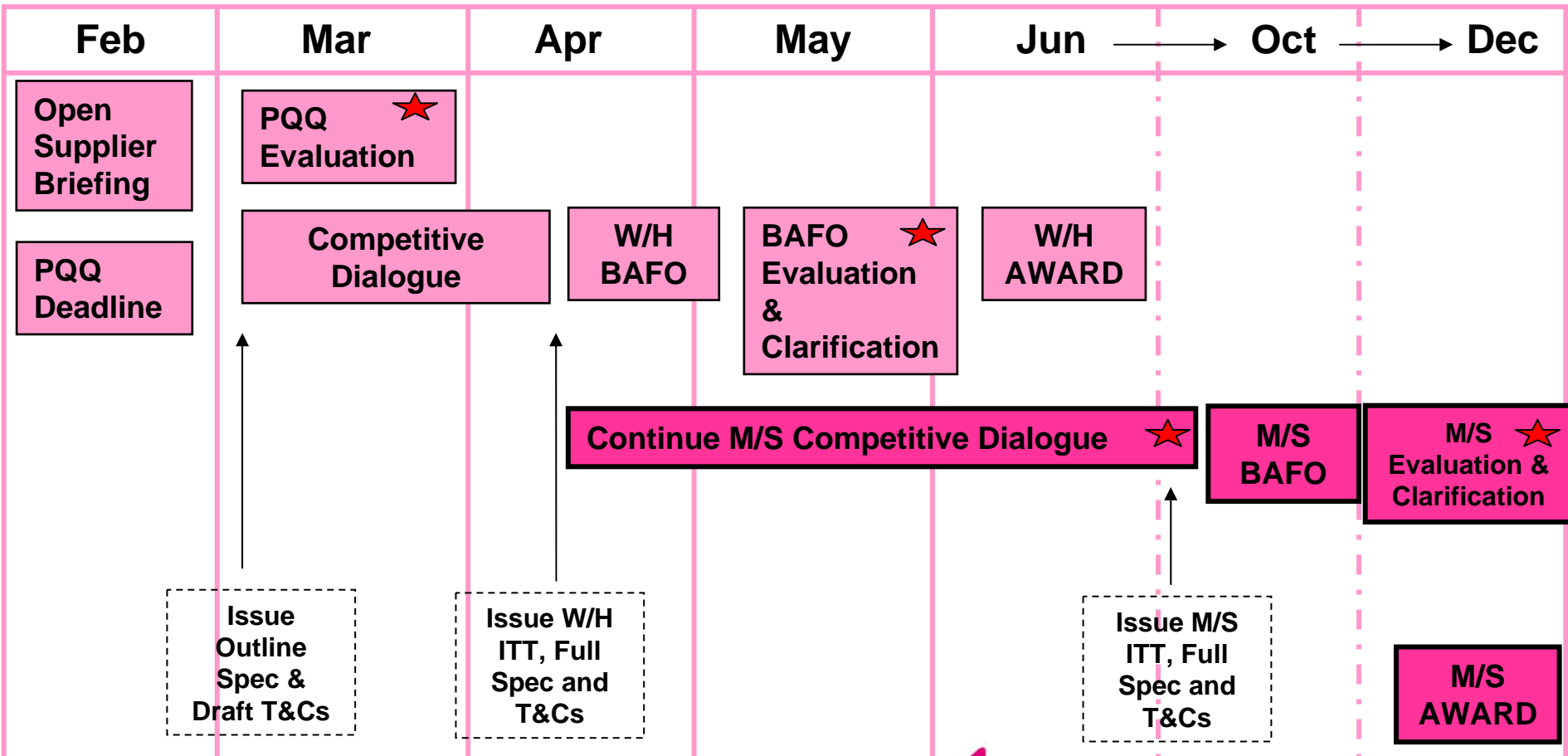
**Approach to Partnership**

**Business Continuity**

**Quality**

# Timeline

★ Potential Bidder De-Selection Point



# Summary

**WHAT**

**Competitive Dialogue**

**HOW**

**7-Step Procurement Process**

**WHY**

**Key Principles & Objectives**

**WHEN**

**Timeline**