

COMPANY SECRET
FSMC/05/24**AUGUST 2005**
Fujitsu Services Major Bids - Summary**Ongoing bids from previous report & summary of business offering**

	<u>Customer</u>	<u>Term & Value</u>	<u>Offering</u>
1	Walsall Metropolitan Borough Council	£650m over 12 years	Strategic Partnership Business Process Outsource
2	Northern Ireland Civil Service	£251m over 15 years	Outsourced HR & Payroll BPO Services and supporting ICT software & hardware systems
3	IRRELEVANT	£96m over 5 years	Desktop Managed Service
4	National Offender Management Service (NOMS)	£188m over 6.5 years	Infrastructure services
5	Post Office	£100m over 5 years	Software Development & Managed Services
6	BAE Systems (Defence)	£2bn over 5 years	Infrastructure and Applications Maintenance Outsource
7	Department of Constitutional Affairs	£400m over 10 years	IT Managed Services
8	United Utilities	£75m over 4 years	Managed IT Services
9	IRRELEVANT	£100m over 5 years (£160m over 10 years)	End to End Pos Managed Service

Newly emerged bids from previous report

	<u>Customer</u>	<u>Term & Value</u>	<u>Offering</u>
10	HMRC (Previously HMCE and Inland Revenue)	£210M over 9 years	Transition
11	NHS Connecting for Health	£222M over 9 years	PACS services for East and East Midlands and North East
12	Ditech	£70M over 5 years	Deal Based Aquisition

Other bids which were reported last time**A. The bids Fujitsu Services won**

13	IRRELEVANT	£62M over 4 years	Datacentre Services
----	------------	-------------------	---------------------

B. The bids which fell below the Major bids requirement value

<u>Customer</u>	<u>Term & Value</u>	<u>Offering</u>
None		

C. The bids Fujitsu Services lost/withdrew

	<u>Customer</u>	<u>Term & Value</u>	<u>Offering</u>
14	HMCE	£286M over 10 years	Automated Lorry Road User Charging System
15	Inland Revenue	£600M over 4 years	IT Procurement

COMPANY SECRET
FSMC/05/24

**Fujitsu Services Major Bids – Detail
Ongoing Bids from previous report (April 2005)**

Bid Summary No: 1

Customer Name: Walsall Metropolitan Borough Council

Siebel Reference: JNW/WAL/SP

Total Contract Value: circa £650-700M over 12 years

Bid Date:

ISOP	October 2003
ITN submission	July 2004
BAFO	October 2004
Preferred Bidder	December 2004

Contract Date: September 2005 (1st Oct. start date)

Offering/Service: Strategic Partnership Business Process Outsource

Bid Contact Name: Alan Fox

Bid Summary:

Walsall MBC seeking a Strategic Partner to assist them in delivering citizen centric services to the community. The scope includes all ICT Infrastructure, Business Process Re-engineering (BPR) and Change Management, Process Management and Property Services.

Fujitsu are leading a consortium formed to address all of these via best of breed suppliers and best practice.

Fujitsu – ICT Infrastructure and Programme Management,
Procurement, Print & Design
CGEY – Procurement Consultancy
Vertex – White Collar BPO services
Accord – Blue Collar BPO, Property FM

Status: **April 2005**

Contract negotiations were prolonged due to the complex nature of this deal and the number of service streams requiring further definition.

We awaited publication of the Councils' 05/06 Budgets, which required further Due Diligence (DD). As a result, the anticipated Contract date slipped to the end of June 2005.

Client relationships continued to be good during a period of negotiation for both sides and politicians also continued to be supportive.

COMPANY SECRET
FSMC/05/24

July 2005

Contract negotiations continue to take more time than originally planned due to the complex nature of this deal, the number of service streams requiring definition and the agreement of the in-scope service specifications.

The Council's budgets, as identified at ITN and BAFO, have been reduced due to "errors and/or duplications". This has resulted in further delay. Both the Council and Fujitsu are seeking a different affordability business case. The Council are seeking to redress budget shortfall, wherever they can and Fujitsu are endeavouring to reduce cost from either our prime contractor costs or our major sub contractors. Particular focus is upon Vertex as their costs (and price) are considered to be overstated by both the Council and Fujitsu.

We continue to have protracted dialogue with Vertex to redress their cost base further. Fujitsu are considering stepping into particular service streams where Vertex are not cost effective eg HR

An objective of both the Council and Fujitsu, is to reduce the reliance on risk/reward business cases that existed at BAFO stage.

Issues:

Reconciliation of council's 05/06 budgets/affordability model
Service Schedules for approximately 25 work streams
Completion of Principal Agreement/Schedules
Completion of Sub Contracts

COMPANY SECRET
FSMC/05/24

Bid Summary No: 2

Customer Name: Northern Ireland Civil Service

Siebel Reference: BH200302

Total Contract Value: £251m over 15 years

Bid Date: 2nd July 2004

Contract Date: 21 November 2005

Offering/Service: Outsourced HR & Payroll BPO Services and supporting ICT software & hardware systems

Bid Contact Name: Dave Clements

Bid Summary: Following a PQQ stage in December 2003, Fujitsu submitted a full proposal on 2nd July 2004. NICS short-listed 3 bidders in September consisting of Accenture, LogicaCMG and Fujitsu. Fujitsu are the prime for this bid working with Capita for BPO services and PwC for business transformation expertise. Fujitsu will configure the supporting Oracle HR & Payroll applications and provide ongoing support for 15 years.

Status: **April 2005**
Contract schedules and subcontracts with PwC and Capita under development. Addressing risks highlighted in the customer risk register.

July 2005
The main contract agreement and contract schedules have been agreed with the customer.
Main subcontract principles have been agreed with subcontractors. BAFO response is due on 12th August 2005 and Group level BAR scheduled for 4 August 2005.

Issues: Ability to meet customer affordability and identifying winning price

COMPANY SECRET
FSMC/05/24**Bid Summary No: 3**Customer Name: **IRRELEVANT**

Siebel Reference: TUM PJV009

Total Contract Value: £96m over 5 years

Bid Date: Q2 calendar year 2005

Contract Date: Q3/2005

Offering/Service: Desktop Managed Service

Bid Contact Name: Robert Lim

Bid Summary: Project Stealth. This deal is likely to involve the 'Total' end-to-end Desktop Managed Services in 9 European countries – approx 80k seats of which 20% is in the UK. The deal involves desktop lifecycle management, support, help desk, staff transfer and also possibly LAN/WAN management.

Status: **April 2005**
Due to various re-organisations within France Telecom Group and **IRRELEVANT** – Main Board and Executive Director Changes, the RFP process was delayed again. The Programme was reinvigorated and the Programme Director responsible for the outsource referred to by prospect as DMS is back on track. Following 'internal' due diligence across all (8 countries) concerned the RFP was issued mid-May 2005.

July 2005

FS responded to the FT RFP in June and have subsequently been short-listed from 8 suppliers to 4.

On 20th July, a team from FS including Jack Noble and Roger Camrass presented to the customer and discussed the merits of the FS proposition with 20 delegates representing UK, Poland, NL, Belgium, Spain and FT Procurement. We are confident that, following further site visits to FS to understand more about Sense and Respond, FS will be down-selected to the final 2 short-listed suppliers. Decision for down-select to 2 is expected by the end of July/ early August 2005.

Issues: Fujitsu Services currently drafting plan for presence in Poland.

COMPANY SECRET
FSMC/05/24

Bid Summary No: 4

Customer Name: National Offender Management Service (NOMS)
(Previously-National Probation Service, NPS)

Siebel Reference: CGBUSLP180803

Total Contract Value: £188m over 6.5 years (extendable to 10 years)

Bid Date: Fujitsu's response to NPS' Information Memorandum was submitted on 11th September 2003.
Invitation to Negotiate – was due November 2003 then slipped to March 2004. It was then put on hold awaiting major business change decisions due to January 2004 announcement that Prison & Probation organisations would merge. Re-start of the procurement has now begun

Contract Date: October 2005

Offering/Service: Infrastructure services - ICT services to approximately 18,000 users on 1,000 sites. Service commences January 2006

Bid Contact Name: Stephen Payne

Bid Summary: Government procurement for the selection of a supplier to provide ICT services for a 6.5 years (extendable to 10) period. Baseline scope is currently defined as provision of helpdesk, end user support, desktop and server infrastructure, LAN, WAN and some applications maintenance.

Status: **April 2005**
The ITN document was received and Divisional and Group BNBs and BARs subsequently completed. The response was submitted on 21st April 2005 and it was scheduled that the client will announce down-select to 2-3 bidders at the end of May 2005. There were only 4 bidders as EDS withdrew and are now positioned as sub-contractors to one of the other bidders (BT).

July 2005
Fujitsu and Steria (incumbent) were shortlisted at the end of May 2005. Contract negotiations have been underway since then. BAFO will run from 22nd July to 4th August.

Issues: Short timescale to respond.
Limited Due Diligence information.
Challenging contractual terms.

COMPANY SECRET
FSMC/05/24

Bid Summary No: 5

Customer Name: Post Office Ltd

Siebel Reference: POAKSP001

Total Contract Value: £100m over 5 years (incremental) – extension of current contract from 2010 to 2015

Bid Date: March 2005

Contract Date: June 2005

Offering/Service: Software Development & Managed Services

Bid Contact Name: Kevin Spence

Bid Summary: Migration of existing Horizon application suite to centralised (datacentre) orientated solution. This will release substantial operational cost savings for Post Office, reduce the complexity of the solution and hasten time to market for the introduction of new functionality (Post Office products) in the future. Opportunity is being jointly progressed between Fujitsu and Post Office without competition.

Status: **April 2005**
Revised estimates submitted to Post Office mid April. These were to form the basis of a negotiation which would lead to contract.
Post Office have elected to introduce a “Due Diligence” process prior to agreeing contract. This was intended to confirm their “operational readiness” and provide them with independent assurance that they have approached the procurement correctly.
Target for contract signature was the end of Jun 2005 but the Due Diligence activity introduced the risk of slippage.

July 2005
Recently appointed Operations Director for Post Office (Ric Francis) has changed the requirements associated with the project and Post Office’s basis for decision. However the prospect of a “deal” remains good.

This change has demanded a re-think of Fujitsu’s bid strategy and target solution. Work is now in hand to submit a new offer to Post Office by end of August 2005. This would provide the basis for a new contract for implementation by end of March 2006.

Issues: Ric Francis is proving to be a challenging character to work with, introducing a much more demanding, risk-taking, retail centric view of the project.

COMPANY SECRET
FSMC/05/24

This has moved the goal-post for Fujitsu, but also for Post Office's own internal IT team.

A new Fujitsu bid strategy is being pursued which is expected to satisfy Ric's demands. This includes fielding Tim Gibson to act as our executive level contact into Ric.

COMPANY SECRET
FSMC/05/24

Bid Summary No: 6

Customer Name: BAe Systems

Siebel Reference: UKM&T-GMO-00001

Total Contract Value: £2bn over 5 years

Bid Date: October 2005

Contract Date: March/April 2006

Offering/Service: Infrastructure and Applications Maintenance Outsource

Bid Contact Name: Gary Moggridge

Bid Summary: BAe Systems are assessing the possibility of moving from their current Outsource contract with CSC.

Status: **April 2005**
FS had been invited to submit a response to an RFI, as did Accenture, EDS, IBM, and Capgemini. This was to allow the BAE Main Board to assess options available should they decide to open this opportunity to the market. It was understood that our response was required to be returned by mid-May 2005. The contracting agent was TPI.

July 2005
FS has now been invited to attend the first debrief of our RFI submitted in May. We expect to be told where, in their view, we would be best placed in their service towers, and if we are prepared to bid should they come to market in October. CSC have been given the RFP and a response is anticipated in mid-August. BAe will then decide if the response meets their objectives for the future.

Issues: Scope may raise issues related to our ability to manage a global infrastructure, particularly the USA.

COMPANY SECRET
FSMC/05/24

Bid Summary No: 7

Customer Name: Department for Constitutional Affairs

Siebel Reference: CGBU-HMCS-CHP-0023

Total Contract Value: £400m over 10 years

Bid Date: December 2005

Contract Date: April 2006

Offering/Service: IT Managed Services

Bid Contact Name: Neil Bagshaw

Bid Summary: DCA are procuring a single infrastructure contract to replace the current infrastructure services provided by Fujitsu (Libra), Liberata/Unisys (ARAMIS) and EDS (LOCCS). The new contract will be know as DISC (Development, Innovation and Support Contracts).

Further contracts will be let to replace the current applications and BPO services. These will also be let under the DISC banner.

Status: **April 2005**

The OJEU notice was issued on the 22nd April 2005 and we expected the DCA to issue the PQQ to us on the 25th April 2005. The submission date for the PQQ was expected to be around the middle of June 2005.

July 2005

The PQQ was submitted to the client on the 24th June. Submissions are now being evaluated and a short list of 3 bidders will be announced on the 25th July assuming target timetable dates are achieved.

Issues: None at present

COMPANY SECRET
FSMC/05/24

Bid Summary No: 8

Customer Name: United Utilities – Project Magellan

Siebel Reference: UUSR0001

Total Contract Value: £75m over 4 years

Bid Date: 27th June 2005

Contract Date: 1st April 2006 – Service Start

Offering/Service: Shared IT infrastructure management services

Bid Contact Name: Steve Reay

Bid Summary: Scope includes data centres, network, desktop, applications management for 7,000 users in both the regulated and non-regulated businesses of United Utilities.

Status: **April 2005**

The PQQ was issued in February 2005. Fujitsu had been long listed. The presentation of approach to Strategy Board took place 11th April 2005.

4 to be short listed for ITT – unofficially we had been told that we were short listed and ITT was expected to be issued on 16th May 2005.

July 2005

Fujitsu and Vertex were down selected to final 2 to receive the ITT. The ITT response submitted 11th July and presented to Project Team 14th July. Positive feedback has been received from UU on the Fujitsu approach.

Clarifications will commence on the 31st July and there will be a board presentation on 17th August. BAFO is expected in mid September and contract award at the end of October, with a view to service live date on 1st April 2006.

Issues: Incumbent provider is Vertex who are 100% owned by United Utilities. Vertex in some disarray with key people leaving, creating new partnerships for bid (e.g. SUN, SCC) and they may have lost the UU BPO bid with consequent impact on revenues.

UU is looking to test Fujitsu delivery capability post proposal submission.

COMPANY SECRET
FSMC/05/24

Bid Summary No: 9

Customer Name: **IRRELEVANT**

Siebel Reference: jl100305

Total Contract Value: £100m over 5 years (£160m over 10 years).

Bid Date: End June

Contract Date: October 1st 2005

Offering/Service: End to End POS Managed Service

Bid Contact Name: Jerry Lee

Bid Summary: FJ currently provides a series of service contracts and product components (old – 7yrs +) in the Stores environment. To replace them with an end to end managed service contract and refresh the stores infrastructure with a utility based pricing model and a term that optimises the financial model.

Status: **April 2005**
The campaign had just started. We were intending to deliver a 20 page executive summary that included indicative pricing by mid-May. It is expected that this will be followed by a fully costed proposition by end of June.

July 2005
RFI response and Fast Tracking SIPS document were submitted and were very well received.
IRRELEVANT formally responded that we have been shortlisted to proceed to the next phase.

Issues: Awaiting the sign off by FJS of the Globalstore GR for Europe

COMPANY SECRET
FSMC/05/24

Fujitsu Services Major Bids - Detail
Newly Emerged Bids from previous report (April 2005)

Bid Summary No: 10

Siebel Reference: CENGOVNBCG003A

Total Contract Value: £210m TCV over 9 years

Bid Date: 19 August 2005

Contract Date: 1 December 2005

Offering/Service: Multi-offering solution

Bid Contact Name: Ken Milbourn

Bid Summary: This involves the termination of the existing HMCE ISA contract in exchange for an expansion of Fujitsu work share in Aspire.

Status: **July 2004**
We have been working with HMRC and CapGemini to understand and agree the requirements for the new merged service and are currently working with CapGemini to put together an initial proposal for submission on 19 August 2005.

Issues: To meet the customers Go Live date of 1 Jan 06 we are seeking advance order cover for enabling works.

COMPANY SECRET
FSMC/05/24

Bid Summary No: 11

Customer Name: NHS – Connecting for Health (formerly National Programme for IT)

Siebel Reference: NHS-JFI-02477

Total Contract Value: £222M over 9 years

Bid Date: 20th July 2005

Contract Date: 30th September 2005

Offering/Service: NHS: Picture Archiving and Communication System (PACS)

Bid Contact Name: David Whitfield and Jonathan Fisher

Bid Summary: Fujitsu Services is presently contracted to provide the Southern Cluster (region of England) of the NHS with Picture Archiving and Communication System functionality as part of the Local Service Provider contract with the NHS.

The system provides for the capture and digital storage of high quality medical images such as X-rays. Fujitsu has achieved successful deployments of a Cluster Data Store – (a data centre facility which stores such images for the whole Southern region) in March 2005, a PACS system in a group of hospitals in West Dorset in April 2005, and a further PACS system with a Radiology Information System (RIS) in Salisbury in July 2005.

Fujitsu buys PACS systems from GE and RIS from HSS. Fujitsu's role is data centre host, systems integrator, first line helpdesk and programme manager.

Following these successful deployments, and in response to contractual delays in the North East Cluster and the East and East Midlands Cluster, Fujitsu was asked on 12th July 2005 to submit a bid to provide a similar solution in these additional Clusters. The bid was submitted on 20th July 2005.

Status: July 2005

The bid was submitted, and the customer has provided limited informal feedback of a preliminary nature.

The customer expressed appreciation that the bid was submitted on time, despite very short notice and also expressed thanks for the extensive and detailed financial information which had been provided in support of the bid.

COMPANY SECRET
FSMC/05/24

Bid Summary No: 12

Customer Name: DITECH (CONAD Group)

Siebel Reference: MT001

Total Contract Value: £70m over three years

Bid Date: Sept 05

Contract Date: January 2006

Offering/Service: Deal Based Acquisition

Bid Contact Name: Maurizio Tomasso

Bid Summary: Outsourcing of the IT company of CONAD group (one of the major Italian Food Retailers).

The IT company is producing 50 % of revenue from the mother company (CONAD) and 50% from the open market. CONAD is looking for to sell or outsource Ditech to an IT Vendor specialized in Retail solutions, willing to exploit the potential of existing customer base and staff knowledge. Ditech is based in Bologna with 100 direct employees.

Status **July 2005**

We are progressing with the negotiations. We are collecting detailed information about contracts value, end dates, type of services, offerings, etc
An internal workshop will be held on the 21st of July in order to update the bid team and to start to define our value proposition. Additional meetings regarding the prospect are scheduled in late July and early August.

Issues: No issues so far

COMPANY SECRET
FSMC/05/24

Fujitsu Services Major Bids – Detail
Other Bids from previous report (April 2005)

A) Won Bids

Bid Summary No: 13

Customer Name: **IRRELEVANT**

Siebel Reference: **IRRELEVANT**

Total Contract Value: £66.1m over 4 years

Bid Date: March 2004

Contract Date: June 2005

Offering/Service: Datacentre Services

Bid Contact Name: Debra Taylor

Bid Summary: Outsourcing opportunity with **IRRELEVANT** to provide datacentre, networks and services throughout the UK. Major migration and consolidation programme to relocate their data centres to SDC01.

Status: **April 2005**
A price of £62.3m price to was submitted to **IRRELEVANT** and negotiations and contract preparations were ongoing.
Target contract date: 13th May 2005

July 2005
Contract awarded and signed 24th June 2005.

COMPANY SECRET
FSMC/05/24

B) Bids that fell below the Major Bids Requirement Value

None

C) Bids Lost/Withdrawn

Bid Summary No: 14

Customer Name: HM Customs & Excise (HMCE)

Siebel Reference: DJH04001, DJH04002 and DJH04003

Total Contract Value: £285m over 10 years

Bid Date: PQQ 2nd July 2004, pre-ITN submitted 10th November 2004, final-ITN due mid May 2005 with submission end August

Contract Date: February 2006

Offering/Service: Automated Lorry Road User Charging system

Bid Contact Name: David Hunt

Bid Summary: UK Government wish to implement a taxation system for all lorries over 3.5 tonnes that travel on UK roads. Charges will be in proportion to the distance travelled and time of travel.

Status: **April 2005**

Competition had changed in that BT had withdrawn from the procurement, for Lot 1 and had been replaced by T-Systems. No replacement had been found for Lot 2.

We had been involved in consultation workshops with HMCE and the Final ITN was to be issued in mid-May with a response due at the end of August. BAFO was to follow with Contract Award anticipated by February 2006.

The Proof of Solution went very well and we passed 100% of the tests so far.

July 2005

On Tuesday 5th July, the UK government suddenly announced that the LRUC procurement was to be cancelled immediately. The requirement for an LRUC mechanism would be incorporated in the plans for a wider road-charging regime as announced in the new Labour party manifesto. Full implementation is unlikely to occur before 2015.

Via our Prime Contractor, IBM, we are pursuing the UK government for compensation of Proof of Solution costs and general bid costs.

COMPANY SECRET
FSMC/05/24

Bid Summary No: 15

Customer Name: Inland Revenue

Siebel Reference: CENGOVNBCG002AA

Total Contract Value: £600m over 4 years

Bid Date: Anticipated May 2005.

Contract Date: September 2005

Offering/Service: Supply chain offering to include product, software, service and consultancy

Bid Contact Name: Neil Bagshaw

Bid Summary: Supply Chain Service to encompass total lifecycle of procurement through to disposal of IT, Telephony and audio visual capability.

Status: **April 2005**
The ITT was issued on the 21st March with a submission date for response of the 4th May. In the interim, the Computacenter contract had been extended to the end of October 2005. Due to tight timescales for response and implementation of the new live service, Fujitsu had formally asked for extensions to these key dates (end of May for bid submission, March 2006 for new live service). A decision from the client was awaited.

July 2005
Decision from the client was that any extension to timescale was unacceptable. Fujitsu then took the decision to no bid as we did not have a competitive solution to offer against Computacenter or SCC.

Issues: The timescales from the client did not give sufficient time to submit a professional bid and would not give sufficient time to build, test and implement live service.