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ALAN SHEPHERD
P.O.H.Q
ALAN SHEPHERD

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CERTIFICATE OF TECHNICAL CONCURRENCE

CONCURRENCE: 96/002

BUSINESS: POST OFFICE COUNTERS LTD

PROJECT: BRINGING TECHNOLOGY TO POST OFFICES AND BENEFIT PAYMENT

PROJECT DESCRIPTION:

This is a joint project between Post Office Counters Ltd and the Benefits Agency.

The objectives are

- to automate the payment of benefits across Post Office Counters;
- to provide a general electronic point of sale capability;
- to provide a platform for the automation of a wider range of transactions in future;
- to enable the introduction of new business to Post Office Counters that is dependent upon automation.

In its entirety the project covers

- automation of all Post Office Counter positions;
- capability to distribute information to Post Offices, and collect transaction data electronically;
- capability to send on line enquiries to client computer, and to send transaction data to clients, via an electronic switch;
- interfaces between the switch and relevant POCL business systems;
- the system is to be provided by Supplier X under the Private Finance Initiative (PFI).

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SCOPE AND CONTEXT

Whilst the initial contract specifically covers only Benefits Agency transactions, the supplier is required to provide a facility that can readily be extended to other areas of business. This is a major transformational project for Post Office Counters, which will have wider implications for The Post Office as a whole. The process for managing this project with the supplier must be designed to support these wider goals.

REMARKS

1. The technical architecture is dependent upon the continuance of the "nominated office" principle.
2. The EPOS software will be a bespoke development, and not based upon a standard retail software package.
3. Specifications of automated support for non-BA transactions will be a matter for future negotiation with the supplier.

For business reasons, a technical solution has been chosen whose implementation involves a higher level of technical risk than the alternatives.

CONDITIONS

1. During final contractual negotiations POCL will agree a management process with the supplier which will minimise the technical risks associated with the programme. This should include provision for
 - Post Office appointed specialists working closely with the supplier's team in a project assurance role;
 - a high level of systems testing before the system is rolled out, and at significant milestones, designed to expose, as far as possible, any problems that are likely to be experienced as the scale of implementation grows.
 - delaying the rollout programme in the event of unsatisfactory test performance, or significant operational problems during rollout.
 - reviewing the supplier's contingency plans for dealing with unexpected problems.
2. POCL will prepare contingency plans which will enable them to manage the commercial, political and operational implications of any delay to the rollout programme.
3. POCL will review the potential system failure modes which might be experienced during rollout and prepare contingency plans for dealing with each.

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- 4. POCL will agree with the supplier a management process for regularly reviewing their system design and its implementation against POCL's evolving business needs and IS strategy.
- 5. POCL will meet with ICL and Fujitsu at the most senior levels to confirm their commitment to the project, and to understand their philosophy in respect of resource assignment and contingency management.
- 6. POCL will ensure that provision is made within their related systems initiatives for the cost of any consequential modifications to this PFI.

Signature **GRO** Date 3/5/96
 Name: Duncan Hine
 Technology & IS Director

Signature **GRO** Date 3/5/96
 Name: Alan Shepherd
 Director of Research