

P.001 TX/RX NO.2949 08/12 198 17:47

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**FAX TRANSMISSION**

**BIRD & BIRD**

To: BA/POCL  
Atten\Ref: George McCorkell  
cc: Paul Rich, POCL  
Pat Kelsey, BA/POCL  
Andrew Davies, Project Mentors  
From: Hamish Sandison  
Client: BA/POCL  
Account No: BPOCL/001  
Date: 8 December 1998

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**Message:**

Please see attached.

- Partners
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- D M Caythwaite
- T M Cook
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- P Smith
- D W Byam-Cook
- G J H Smith
- J R C Walkey
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- D H Ayers
- R J Ward
- C M Crosthwaite
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- I D Hunter
- F A Resve
- J Sims
- P G Dally
- R H Butterworth
- N S P Blundell
- R W Fawcett
- Consultants
- K T C Arnold
- S N I. Chalton
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- R F Fawcett\*
- Dr I N Walden\*

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# BIRD & BIRD

Our Ref:

90 Fetter Lane  
London EC4A 3JP

Your Ref:

## MEMORANDUM

Telephone   
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### Legally Privileged & Confidential

**TO:** George McCorkell, BA  
Paul Rich, POCL  
Pat Kelsey, BA/POCL Programme

**CC:** Andrew Davies, Project Mentors (without encls)

**FROM:** Hamish Sandison, Bird & Bird

**DATE:** 8 December 1998

**RE:** PROJECT MENTORS UPDATE

- Partners
- D Harriss
  - G E Camps
  - D M Gaythwaite
  - T M Cook
  - R N Scott
  - P J Christie
  - P Smith
  - D W Byam-Cook
  - G J H Smith
  - I R C Walkey
  - D Kerr
  - M Macdonald
  - D M C Stone
  - C W Rees
  - P D Quinan
  - H R Sandison
  - D H Ayers
  - R J Ward
  - C M Crosthwaite
  - N T Jenkins
  - R M Bickerstaff
  - S K Topping
  - T C G Tejher
  - H E Pearson
  - V S A Crook
  - T R D Asserson
  - J Stannard
  - C J R Barrett
  - D C J Cook
  - J M Gyngell
  - M R Hatke
  - G Powell
  - A J Sanderson
  - H J Rubin
  - J W Baker
  - P R Brownlow
  - I D Hunter
  - F A Reeve
  - J Sims
  - P C Dally
  - R H Butterworth
  - N S P Blundell

1. I attach a short update from Andrew Davies which he asked me to draw to your attention. As you will see, his team have documented a further specific failure by ICL Pathway to follow good industry practice in meeting the Authorities' requirements. This may also have an operational impact which you will wish to consider.
2. Andrew will be preparing a more detailed report by the end of next week, but I thought that you should see his summary immediately.
3. As with previous reports, this update is legally privileged on the basis that it has been commissioned by us as the Joint Programme Lawyers. Accordingly, it should be given the most limited possible circulation on a need to know basis.
4. Please do not hesitate to get in touch with me or with Andrew direct if you have any questions or comments.

Consultants  
K T C Arnold  
S N L Chilton  
P J Dann  
R F Fawcett\*  
Dr J N Walden\*

\*not a solicitor

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08 DEC '98 16:47 FROM GRO TO GRO P.01/02

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**GRO**

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**FAX TRANSMISSION**

To: Hamish Sandison

Fax No: **GRO**

From: Andrew Davies

Date: 8 December, 1998

No. of Pages 2  
(inc. this page):

Re: BA/POCL

**ORIGINAL**

**Message:**

Dear Hamish,

I have spent this morning reviewing the progress of Andy and Jim on the work they are doing to analyse requirements and their handling by ICL Pathway.

Andy is continuing to review the original contract requirements and solutions against the service requirements produced by drop down and the service requirements in the contract now. He has completed the review of approximately 35% of the requirements and has to date found no changes of significance. He is continuing the review, and is becoming more confident that the outcome will be that requirements have not changed significantly since contract.

Jim has been reviewing some of the ICL complaints relating to Benefits Agency requirements contained in their position paper of 1st June 1998. He commenced with an assessment of the issues concerning 'foreign encashments', but quickly realised that he needed a clear analysis of the Benefits Payment and Encashment systems (BPS and BES), developed by Pathway, in order to have a structure in which he could assess what had happened. He could not find a suitable Pathway document, so decided to develop his own analysis of the requirements for these two systems. It took him some 4 weeks to conduct this analysis, initially from the April 1995 Statement of Service Requirements prepared for bidding, but then reviewed against the current Service Architecture Design Document (SADD) and various documents supporting the SADD and referenced in it. His approach to the task was to use the CCTA approved SSADM methodology as the basis.

He has found that the business requirements are simple, to the extent that he has been able to prepare a data flow diagram for all BPS and BES transactions and a logical model of the data they hold, each on a single sheet of paper. He has concluded that ICL Pathway could easily have conducted such an analysis, following standard methods of good industry practice, prior to contract. Had such an analysis

08/12 198 17:47 TX/RX NO.2949 P.004

TOTAL P.04

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been conducted, most of the issues concerning BPS and BES requirements would have been resolved at that stage. The complexity of the development of these systems appears not to be in the business requirements but in the secure handling of the high volume of transactions.

Our conclusion is therefore that ICL Pathway have not followed good industry practice, as required by the contract, in developing specifications from the business requirements and have not demonstrated competence in the way in which they have carried out this task. We consider that the statements in their position paper further evidence this lack of professionalism and failure to follow good industry practice.

I believe that this situation gives serious concern in relation to the way in which requirements have been analysed generally. We have identified two, admittedly somewhat unlikely but possible, conditions which have not been considered in the BPS/BES development. Further more detailed analysis would, almost certainly, identify more conditions not addressed. We understand from our interview with John Meagher that he has similar serious concerns about the way in which the EPOSS system has been developed. From our assessment of BPS/BES and our limited understanding of EPOSS, we share these concerns.

We will prepare a short report documenting these conclusions, which we aim to send to you by the end of next week (Friday December 18th).

I have spoken on this issue to George McCorkell and Pat Kelsey, as they were in Terminal House today, and they would be grateful for a copy of this fax. I think it would be of interest to Paul Rich, and suggest he is also sent a copy.

Regards

**GRO**

Andrew