DWP00000036

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Restricted - Commercial

BA | POCL

To: Programme Evaluation Team
Hamish Sandison, Bird & Bird
Tony Johnson
Michael Berg

From: Mary Reade

Date: 3 August 1995

Service Provider Risk Register

Thank you for your comments on the service provider risk register. I have attached a Word copy of the amendments that I intend making to the register because time is short and I can E-mail this. A new hard copy of the register will be with you as soon as I have amended it, copied and mailed it. I will sort this one by risk register number but I can easily produce prints sorted by other codes if required.

I would like to point out that the format of the prints you have are the paper saving versions and that the output that goes to service providers will be closer to that given in the working paper. I will also produce a brief description of the codes used and the process based on the working paper to go to service providers with the register. The names of the risk originators will not be included on the service providers copies.

The three shortlisted service providers are coming to Terminal House for initial planning meetings on the 8,9 and 10 of August and I would like to release at least the major risks to them then, providing the Programme solicitor agrees. Jeremy, Torstein and Naresh are meeting to discuss the major technical risks tomorrow afternoon and so I will issue any amendments as quickly as I can after this. If you have any further comments that you think would prevent this release please contact me as soon as possible.

I am very aware of this extremely tight timescale and appreciate the problems that this is causes, and that some of you are away on holiday. Again may I plead for you to reply to me as soon possible.

Thanks

Mary Reade
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AMENDMENTS TO THE SERVICE PROVIDER RISK REGISTER

Risk Ref	Proposed Amendment	Proposed By	SPRR Team Response
ALL Service Providers	NEW RISK Severity code A/B1, Probability 4, Subject - Customer verification Definition procedures rely solely on signature to prevent impersonation. Why, for example, no printed code on card (or within mag stripe) to tell gender and age at date of issue of card - could be disguised if embossed e.g. A63 - 36 year old male, B36 = 63 year old female.	Ken Davenport	I recommend that this is not included as I have spoken to Gareth about this, his comments follow: - he is concerned that we would be suggesting a solution not just stating the requirement to the service providers. - all the proposals do not solely rely on signatures but include options for other methods of customer verification such as passwords, mother maiden names etc. - an independent review of the card is being commissioned
All Service Providers	NEW RISK Severity code - B1, Probability 5, Subject - CIS Definition More details needed on transaction times at the post office counter. In particular for normal encashments, third party encashments and foreign encashments.	Ken Davenport	Agreed
All Service Providers	NEW RISK Severity code - A, Probability 5, subject - Commercial Definition Performance Bonds/Guarantees - major failure of system need to define financial resources available to service providers to recover from risks accepted by the service provider. [DN includes IBM only if it tries to set up a new Ltd company for BA/POCL]	Ken Davenport	This is not a risk yet but is part of the negotiation process. If the contract negotiation team are not satisfied with the details given to them then it will become a risk.

All Service Providers	NEW RISK Severity code Q, Probability 0, Subject - Service Architecture Definition Please explain fully how software updates are distributed and carried out in a realistic timescale using your proposed configuration and bearing in mind the likely volumes of data. Are they distributed from the central system (TMS) across the WAN and installed remotely, and how are they controlled?	Torstein Godseth	This risk was proposed as an essential requirement that software updates are distributed across the WAN. This was not in the SSR and is therefore a requirements creep. Would other options prove to be acceptable?
CL000001	Typing error in last line change "working week" to "working day".	Ken Davenport	Agreed
CL000004 & CL000006	These risks are about the same matter and should be amalgamated.	Ken Davenport	Remove CL000006
CL000005	Severity code need to be reclassified to A. There is no chance of DSS delivering a comprehensive set of benefit packages to CAPS in the timescales envisaged in the proposals.	Ken Davenport	Agreed
CL000007	Add at end " - This is unacceptable."	Ken Davenport	Agreed
CL000019	Amend script to read "The production capacity was not demonstrated." As Thorn security/Barclays clearly have the capacity to produce cards.	Ken Davenport	Agreed
CL000024	Add at end ", provide realistic timescales for accommodation upgrade of counters or mobilisation of resources/activity which only begins after the main contract has been awarded."	Ken Davenport	Agreed
CL000025	Delete " There is no recognition of the constraints on this." Insert "Offers to progress other IT projects are outwith the scope of requested proposals and are not considered helpful to general delivery of the Automation project. DSS benefits will be converted to the new automated systems within timescales yet to be determined."	Ken Davenport	Comments please.
CL000030	Amend " position in " to read "long term relationship with ". Add at end "NB: Proposal only refers to Barclays commitment to this procurement programme."	Ken Davenport	Agreed
CL000032	Change " a very arrogant approach" to " a very unrealistic approach."	Ken Davenport	Agreed

CL000033	Remove "and there may be penalties against the Programme". This sort of comment is inappropriate to copy to service providers.	Ken Davenport	Agreed
CL000039	After "Triumph system" add ", still under development,".	Ken Davenport	Agreed
CL000040	Amend last sentence to read "Issue of whether this type of offer is PFI compliant."	Ken Davenport	Agreed
CL000043	NEW RISK Severity code A, Probability 4, Subject category - Service Architecture Definition CMS, PAS & TMS are proposed on the same platform, but on two sites. If one of the major elements fails does this require a complete switch to one site for <u>all</u> elements? How does this increase the frequency risk for operations to be using hot standby facilities. Why can't the two sites be configured with TMS on one site and PAS/CMS on another as shown in the SSR (but with hot standby) and thus reducing risk for one site only mode?	Ken Davenport	Comments please. Does this only apply to Cardlink?
EDS000005	Chris can't remember raising this risk.	Chris Clayton	This risk was anonymous. I guess the handwriting was Chris's but I must have got it wrong.
IBM000003	Is this an indirect comment on Watermark cards which now seem to be flavour of the month. If so I suggest you remove this risk from the register (or repeat it for Cardlink).	Ken Davenport	Disagree. This is not because of the Watermark but because the reader is bespoke.
IBM000008	Add at end "and cost."	Ken Davenport	We have no references to cost in this register. I have assumed that the service providers know that economically advantageous tenders are required.
IBM000021	Add this risk onto the other service providers.	Chris Clayton	Agreed
IBM000036	Amend severity code to A/B1	Ken Davenport	Change to B1
IBM000060	Insert "IT" after "the low".	Ken Davenport	Agreed

IBM000066	What does this risk mean?	Ken Davenport	See new risk for all service providers.
PWAY000001	New definition: The consortium has proposed a superficial understanding of the current accounting mechanisms operating within a post office and have proposed a development to EPOS which may not meet the requirements. There is also a related concern that because of the significant development necessary the timescales of quarter 1 1996 may not be achievable.	Mary Reade/Torstein Godseth	Agreed
PWAY000002	New definition: The team are concerned that the proposal is totally dependant on Escher, for the Riposte software, and that it is a relatively small USA based company. More information is required on the size and stability of the company.	Mary Reade/Torstein Godseth	Agreed
PWAY000003	Change severity code to "A", probability code to "4".	Ken Davenport	
PWAY000003	New definition: This concern is linked to the weak card authentication (PWAY000012). Pathway in their commercial proposal do not accept the fraud risk associated with losses due to fraudulent copying and counterfeiting of the card. They are prepared to provide a more fraud resistant card, at a higher cost , which is still likely to be at BA's risk .	Mary Reade	Agreed
PWAY000004	New definition: The BA/POCL Programme would prefer to use products that are ARTS compliant.	Mary Reade	Is this requirements creep? If so should it be a query ?
PWAY000005	New definition The five generic functions requested in the SSR have been re-cast towards broad client groupings, rather than a functional approach (e.g. an example is the Girobank Transcash product compared with POCL's preferred generic In-pay). The team are concerned that this could potentially create obstacles to future POCL developments.	Mary Reade	Agreed

PWAY000007	New definition: The Riposte software package provides a significant component of the solution. This potentially locks the BA/POCL Programme into this package and may cause problems in the future with, for example the speed of future developments and the ability to transfer the contract.	Mary Reade/Torstein Godseth	Agreed
PWAY000011	Suggestion that this is changed to: "The standard keyboard proposed will result in increased transaction times at the counter." [DN: I assume that this then become a risk not a query?]	Torstein Godseth	Comments please.
PWAY000012	this is a duplication of PWAY000003 and its status is Q so is it not required.	Ken Davenport	They are different. One is the transfer of risk , the other the card itself.
PWAY000012	New Definition: The cardholder verification is signature-based, and is therefore only at the level of current standards in use in the credit card industry.	Mary Reade	Agreed
PWAY000013	New definition The phased approach to the acceptance of products (because of the need for development work) and to roll-out would result in PAS and CMS not being proven by the end of the operational trial.	Mary Reade	Agreed
PWAY000016	This risk has been included twice	Chris Clayton	Agreed. Problems with the risk register entry.
PWAY000018	New definition As a result of the phased approach to the acceptance of products (see PWAY000013) the roll-out is proposed to start in November 1996, six months later than requested in the SSR.	Mary Reade	Agreed
PWAY000020	New definition: PAS & TMS use the same distributed systems, which could make it difficult to separately provision these services later.	Mary Reade	Agreed
PWAY000021	New definition: The distributed architecture proposed contains a considerable degree of innovation. The team are concerned that there may be more potential for data corruption and fraud because of the replication of data .	Mary Reade	Agreed

PWAY000034	New definition: There is a risk that when a system failure has occurred resulting in a communications failure to an outlet then a double payment could be made (one at 'home' and one at a 'foreign' office). This may encourage organised fraud.	Mary Reade/Torstein Godseth	Agreed
PWAY000046	NEW RISK Severity B1, probability 5, Subject - SA Concerns that the Riposte software is unproven to us. Main concerns are that: • the reliability is unknown; • that the performance may be inadequate in the largest offices because of the data being duplicated between workstations. Currently no office exceeds 25 workstations but larger offices may be formed in the future; • Riposte may be very difficult to manage when 30+ correspondence servers are implemented, and such number will be necessary to support 40000 counter positions.	Mary Reade/Torstein Godseth	Agreed
PWAY000047	NEW RISK Severity B2, probability 4, Subject - SA Significant development is needed in the Payment Management Service and Operational Support Services by Girobank. Other services are needed from Alliance and Leicester. The risk is that as software development and service provision are not the core activities for these organisations there may be conflict with their internal priorities.	Torstein Godseth	Agreed
PWAY000048	NEW RISK Severity B2, Probability 3, Subject - CMS Definition Concerns that through DeLaRue's involvement in the consortium the BA/POCL Programme will be tried into the card security mechanisms marketed by them and excluded from potentially superior offerings from their competitors.	Torstein Godseth	Agreed
PWAY000049	NEW RISK Severity B3, probability 5, subject CIS Data held at the post office will offer the opportunity to the clerk to identify payments which are on the point of expiry. This information could be an opportunity for fraud.	Torstein Godseth	Agreed