

WITHOUT PREJUDICE AND SUBJECT TO CONTRACT

DRAFT NOTES FROM A MEETING TO DISCUSS ACCEPTANCE : 1.12.98

Present:	Ross Newby	HM Treasury
	Dave Miller	POCL
	Peter Crahan	BA
	Mike Coombs	ICL Pathway
	John Dicks	ICL Pathway

Dave Miller's note of 1 December 1998 which responded to ICL's 9 November Acceptance paper formed the basis for discussion.

1. ACCEPTANCE PROCEDURES

- 1.1 Mike Coombs confirmed that ICL were asking for Acceptance (in terms of both cessation of termination rights related to Acceptance and start of income guarantees) after the final runs of End to End and Model office and before Live Trial of NR2 Child Benefit.
- 1.2 Miller/Crahan confirm that Contracting Authorities were prepared to relinquish termination rights due to failed Acceptance after the successful completion of the NR2 Child Benefit Live Trial (OBCS should be included in that service set). This is without prejudice to all other rights of termination and all other remedies for , and consequences of , failure to achieve acceptance .
- 1.3 Miller/Crahan confirmed that the Contracting Authorities position was that payment guarantees would be paid on the basis of each card enabled post office with the full contracted functionality to which multi benefit migration has been completed . If any delay to completion of multi benefit migration to any individual post office is caused solely by default on the part of BA , then BA will pay guarantees for that office . In addition to the 4000 post offices limit the current roll out plans would limit this exposure to the following benefits :-
- full roll out up to 4000 outlets :
 - Child Benefit
 - Job Seekers Allowance
 - limited roll out to Pilot Outlets
 - Income Support
 - Retirement Benefit/Incapacity Benefit
- 1.4 Peter Crahan and Dave Miller agreed to describe for NR2+
- (i) the functionality involved for their respective organisations
 - (ii) and what would constitute proof of concept.
- [See Peter Crahan's attached letter for his response.]
Dave Miller's to follow.

- 1.6 POCL/BA Commercial need to be aware that ICL are still pursuing start of payment guarantees at the same time as the authorities give up their termination rights for acceptance.

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2. ACCEPTANCE INCIDENTS

- 2.1 ICL explained that the number of potential incidents in relation to the number of acceptance criteria was giving serious concerns and this explained their request to increase the number of allowable Category B incidents.
- 2.2 BA/POCL agreed to discuss the detail of these issues further but stressed that their view of what was acceptable was much near 20 than 200+. ACTION
DWM/
PC/MC

3. RELEASE AUTHORISATION

- 3.1 ICL Pathway explained that they were seeking to ensure that Acceptance and Release Authorisation were kept separate at the crucial point after live trial of NR2 Child Benefit.
- 3.2 ICL Pathway agreed to reword Section 3 of their proposal to reflect this concern for the Contracting Authorities to consider further. ACTION
MC

4. APPOINTMENT OF AN EXPERT TO FACILITATE ACCEPTANCE

- 4.1 BA/POCL accepted that well structured facilitation could be helpful but stated they would not give up the Acceptance decision.
- 4.2 John Dicks pointed out that there is, in fact, no single acceptance decision for the authorities to take. Rather acceptance occurs when all the separate acceptance activities related to the criteria and their main groupings have been successfully met. This activity is by its nature fragmented and potentially subject to delays. ICL Pathway were therefore seeking a fast, up-front, rolling arbitration or mediation mechanism which sorted issues within days of their being registered. In this way they would be confident of the speed of the process. This was their chief concern.

The contracting authorities were invited to consider how such a requirement could be met. ACTION
DWM/PC

5. SPECIFIC POINTS RELATING TO SCHEDULE A07

Mike Coombs made 4 requests with regard to the wording of A07.

- 5.1 Para 6.1 (d) ICL requested that this clause be removed.
- 5.2 Para 6.2 ICL requested the removal of the words "without further category (a), (b) or (c) Acceptance Incidents Arising".
- 5.3 Para 8.2 ICL sought confirmation that "the further Acceptance Test" referred to relates only to the failed part(s) of the system not the whole system.
- 5.4 Para 8.5 (b) ICL contend that if termination for acceptance failure only applies at the NR2 stage then 8.5 (b) is redundant.

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These items have been referred to the Programme Lawyer via Pat Kelsey and for information to Jeff Triggs of Slaughter and May. An initial response will be made by 4 December.

6. Peter Crahan's post-meeting response on behalf of BA is copied out with this letter.

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date
1st December, 1998

Dear *Dae,*

Contractual Acceptance Clarification Points

ICL Pathway's revised proposals for Acceptance were contained in the document attached to Keith Todd's letter to Stephen Byers of 9 November 1998. We discussed the initial Horizon response jointly agreed by BA and POCL with ICL Pathway today. I took away an action to provide clarification on a number of aspects from a BA perspective and, hopefully, this letter will address the outstanding points for inclusion in a joint response to Mike Coombes

1. Termination Rights for Failed Acceptance

The BA are prepared to relinquish termination rights on all service for failed acceptance after the successful completion of the NR2 Child Benefit Live Trial. This is without prejudice to all other rights of termination and all other remedies for, and consequences of, failure to achieve acceptance.

2. Payment Guarantees

When full acceptance has occurred, BA will be prepared to pay guarantees based on each card enabled Post Office with the full contracted functionality to which multi-benefit migration has been completed. If any delay to completion of multi-benefit migration to any individual post office is caused solely by default on the part of BA, then BA will pay guarantees for that office.

3. Multi-Benefit Rollout limitations prior to delivery of NR2+

In addition to the 4000 Post Office limit, the current roll-out plans would limit this exposure to the following benefits:

- Full rollout to up to 4000 outlets:
 - Child Benefit (ChB)
 - Job Seekers Allowance (JSA)
- Limited Rollout to Pilot Outlets:



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- Income Support (ISCS)
- Retirement Pension/Incapacity Benefit (PSCS)

4. NR2+ Proof of Concept Activity

Clarification was sought in two areas:

- Definition of Proof of Concept

There are an agreed number of business and technical components which have been excluded from NR2 multi benefit and are now included in the RCD for NR2+. Proof of Concept activity should be sufficient to demonstrate confidence that the main areas of exclusion will be delivered in the NR2+ delivery timescales. We would expect this demonstration to occur in a test or development environment which, with the obvious exception of the new components to be demonstrated, matches, as far as possible, the production environment.

- Functional/Technical Areas to be demonstrated during Proof of Concept

The areas of functionality which BA consider should be subject to proof of concept, based on NR2 and RCD v 0.6 dated 28 August 1998 are:

- "Soft" EVP
- Split Payment Payees
- P.W.A. Addressees

NB The above assumes that On-line Enquiry functionality has been delivered in timescales commensurate with CAPS 3.5.

The above concessions on the part of the BA (and matched by POCL) were based on the plan agreed as part of the Graham Corbett discussions. We must reserve the right to review the position once the current re-plan has been completed.

Happy to discuss any of the above.

Yours sincerely,

GRO

Peter Crahan

c.c. George McCorkell