

**COMMERCIAL-IN-CONFIDENCE**

JRM

**MEETING WITH:** BA/ POCL

**VENUE:** Bird & Bird, Fetter Lane, EC4A **DATE:** 10/08/95

**PRESENT: POCL/BA**

Pat Kelsey	Lead Negotiator - BA
Robert Albright	Lead Negotiator - POCL
Derek Selwood	Stage 3 Manager
Mary Reade	Risk Register Manager
David Miller	Deputy Director BA/POCL Programme
Tony Johnson	Deputy Programme Director
	Card & Implementation Group
Trevor Nash	Service Provider - Liaison Manager
Nigel O'Donoghue	Secretary
Hamish Sandison	Solicitor - Bird & Bird

**PATHWAY:**

John Bennett	Tony Oppenheim
Martyn Bennett	John Jones
Liam Foley	



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**PURPOSE Of MEETING:**

Initial Meeting with BA/POCL to set the scene.

**INTRODUCTION:**

PK explained that this was not intended to be a negotiation session, but an explanation of the process of stage 3 and the outline timetable.

When asked about the overall timetable, PK stated that it was still the intention to end this phase by end November. An ITT would then be issued to qualified service providers (ie those with no significant risks outstanding). A decision on supplier would then be made Jan/Feb.

PK offered to take away the issue of the possible gap between Choice of Supplier and award of contract. When asked about debrief of our proposal, PK was happy to do that if Pathway wanted it, but they really saw the risk register as the main communication vehicle from the proposal.

**Description of Negotiated Procedure**

It was confirmed that BA/POCL would maintain a reasonable flexible and pragmatic approach to contract negotiation. There will be (at present) 61 schedules, 35 to be drawn up by BA/POCL, 26 by the service supplier. The intention is to issue contractual documents for review and comment, and given the large number of schedules, it is hoped to clear some as soon as possible.

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The core negotiation team (CNT) will be:

Pat Kelsey  
Robert Albright  
Dave Miller  
Tony Johnson  
Hamish Sandison

**Supplier Area**

BA/POCL confirmed that each supplier would have access to a lockable room (with table + 4 chairs) in Terminal House. The aim of this facility was to allow ad hoc meetings or preparation or time between meetings but it should not be seen as a pied à terre.

BA/POCL did confirm that there was no need to set up demo facilities in Terminal House, ie they would be prepared to travel to Feltham.

**Risk Register Process**

The Risk Register will hold not only identified risks, but also any questions/queries that need to be answered. The categories/levels explanation is attached.

Risks will all be QA'd before issue to supplier. There will be weekly risk review meetings which will tie into the Demonstrator meeting on Friday mornings.

**Contracts**

The contract with the Service Provider is currently seen as one contract. However, situations may arise where discussions take place with BA or POCL without the other but the overall aim will still be to end up with ONE contract.

**Contract Schedule Production**

There will be a lot of commonality between schedule production and the demonstrations.

**Demonstrations**

There will be a lot of paper produced relating to demonstrations. The main aim is to facilitate dialogue. There are "harsh" statements relating to time scale in the demonstration documents issued to-day - do not treat these dates as gospel.

Design Assurances needs to be handled UP FRONT!

**Twinning and Secondments**

BA/POCL are making two offers:

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1. **Twinning:** Pathway will be twinned with a BA office in Stratford (E.London), Newham district. This will provide Pathway with direct access to a BA office to fully understand the current system and process and staff will be available for interview.

POCL have nominated the Swindon area as our twinned area. We will have access to the Senior Retail Manager and the Network Manager and through them to other post office staff including sub-postmasters.

2. **Secondments:** BA are offering two junior staff to Pathway to facilitate contact with offices and to help in any way that Pathway desires. These two staff will relocate to Feltham until end November (at least), will not have any contact with the procurement team and will not rejoin the procurement team when this assignment is over.

**Charterhouse Bank**

The role of Charterhouse Bank will be fourfold:

1. To assess the market position of consortium members.
2. To confirm the equity stakes of the shareholder.
3. To confirm parent company guarantees.
4. To identify financial resources available to the consortium.

**Supplier Concerns**

BA/POCL have appointed Supplier Liaison Managers (SLIM) to each consortium. Trevor Nash is 'our' man, but in his absence either Will Russell (the IBM man) or Peter Askins (Cardlink) will handle any urgent queries we may have. The aim of the SLIM appointment is not to stifle contact with other BA/POCL people but to always have a single focal point that we can use.

**Next Meetings**

"If it's Thursday, it must be Pathway!" - Pat Kelsey.

BA/POCL have set aside 1.00 - 4.00am on Thursdays for Pathway negotiation meetings. She (PK) did stress that if there was nothing to discuss, then there would be no meeting, but the diary entry is in place.

There will also be demonstration/risk meetings on Fridays. The first meeting will take place at Terminal House on Friday 18th August at 9.30am.

**Presentation**

BA/POCL do want repeats of the College of Arts presentations to BA, POCL and to a technical group. The BA presentation would be most likely to take place in Leeds. The presentation need not necessarily be exactly the same. They will not want these presentations before September.

**Liam Foley**  
**15/08/95**

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LIST OF DOCUMENTS RECEIVED FROM BA/POCL  
at meeting of 10th August 1995

1. Stage 3 of the BA/POCL programme - slides 26/7/95.
2. Service Provider Demonstration Requirements - memo 4/8/95
3. Demonstration Requirement - Card and Customer Interest Group - paper 7/8/95.
4. Supplier / District "Twinning" (undated)
5. Demonstrator Requirements for ECCO+/EPOS - paper Issue 1, 31/7/95.
6. Appendix 3 - Reference data (Ecco+) - paper 21/07/95.
7. Appendix 4 - Business Level ECCO+ - paper 04/07/95.
8. Demonstrator Requirements for Automated Payments - paper Issue 1, 31/07/95.
9. Design Assurance Demonstrator Requirements - paper version 1, 04/8/95.
10. Demonstrator requirements for other non-BA transactions - paper Issue 1, 02/08/95.
11. BA/POCL SPRR - Subject Categories (risk register) - 07/08/95.
12. BA/POCL PWAY risk register, listing dated 10/08/95.
13. Contract Negotiation Process - paper dated 08/08/95.

Jim Morley  
11/08/95



## INITIAL SUPPLIER MEETING

### AGENDA

1. Introductions
2. Description of Negotiated Procedure
3. The Stage 3 process
4. The Service Provider Risk Register
5. Contract Structure
6. Contract Schedule Production
7. Demonstrations
8. Twinning and secondments
9. The role of Charterhouse Bank
10. Avenue for recording supplier concerns
11. Programme Team / Supplier Project Board
12. Supplier accommodation in Terminal House
13. Next actions: meetings  
repeats of College of Art presentation

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**BA/POCL SPRR - Subject Categories**

07-Aug-95

Subject Category	Subject Description
CIS	Counter Interface Service
CMS	Card Management Service
COM	Commercial
DEL	Delivery
FP	Fraud Prevention
MGT	Contract Management
OSS	Operational Support Service
PAS	Payment Authorisation Service
PILOT	Pilot Programme
ROLL	Roll-out
SA	Service Architecture
SPF	Service Performance Criteria
TMS	Transaction Management Service
TRAN	Transfer
Z	Waiting to be categorised

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**BA/POCL SPRR - Severity Codes**

07-Aug-95

Severity Code	Classification	Severity Description
A	Critical	A risk which is critical to the Programme and which must be cleared before the service provider can be invited to submit a financial proposal.
B1	Significant	A significant risk which may not be cleared prior to the service provider submitting a financial proposal. These risks will attract attributable costs which will be incorporated into the evaluation model for financial proposals. These risks are the most severe within the B category and so will attract the highest attributable costs (over £5 million a year, each).
B2	Significant	A significant risk which may not be cleared prior to the service provider submitting a financial proposal. Codes in the the B category will attract attributable costs which will be incorporated into the evaluation model for financial proposals. B2 risks are likely to attract an attributable cost of between £1 to 5 million a year, each so may have a significant effect on the outcome.
B3	Significant	A significant risk which may not be cleared prior to the service provider submitting a financial proposal. Severity code B risks will attract attributable costs which will be incorporated into the evaluation model for financial proposals. B3 risks will attract an attributable cost of less than £1 million per year, each.
C	Minor	A minor risk. these risks will not incur attributable costs but may be used to differentiate between service providers if there is need for a tie break. The conditions for tie break will be determined during the development of the evaluation model.
Q	Question	A question which may develop into a risk when answers are received.
U	Unclassified	Risk awaiting classification.

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**BA/POCL SPRR - Probability Codes**

07-Aug-95

Probability Code	Probability Description
0	Unclassified
1	Very unlikely to occur
2	Unlikely to occur
3	50/50 chance of occurring
4	Likely to occur
5	A certainty



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**BA/POCLSPRR - Status Codes**

07-Aug-95

Status	Status Description
O	Outstanding
O/N	Outstanding but no further actions will be undertaken to clear the risk.
X	Cleared

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**BA/POCL - Type of Attributable Cost**

07-Aug-95

Type	Attrb.Cost	Description	Attrb Cost	Example
D		A direct attributable cost.		A delay to the implementation of the POCL Infrastructure may incur direct costs to BA/POCL e.g. the post-office implementation team may have to be kept on the project for longer thus directly costing POCL more..
I		An indirect attributable cost.		In the case above indirect costs may be incurred if other business opportunities are missed by POCL because the Infrastructure is late.