

REQUEST FOR DMPC DECISION – DMPCD 2016 48

Title: Termination of supplier contracts - Command & Control Futures Programme

Executive Summary:

This paper seeks the termination of Command & Control Futures Programme contract with supplier Northrop Grumman. Authority to progress legal action to recover costs from Northrop Grumman and explore future technology options.

The contract with Lockheed Martin, for implementation of the Northrop Grumman software, will necessarily be terminated for convenience as a consequence

The current contract was initially let in 2013 and the delivery of the services specified has been subject to delay such that it now seems impossible to achieve the delivery of the services specified. It is therefore recommended that the best value course of action is to terminate the contract and to seek compensation from Northrop Grumman.

The current Command & Control solution can be technically sustained up to and beyond October 2018.

Recommendation:

To authorise

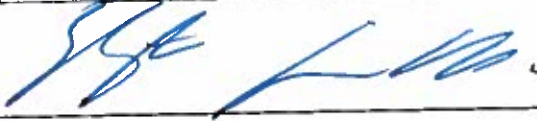
- The cessation of the CommandPoint implementation and cancel contracts with both suppliers.
- The necessary legal action to recover costs from Northrop Grumman.
- The marketplace analysis to determine forward strategy, including validation by the Police ICT Company.

Deputy Mayor for Policing and Crime

I confirm I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct. Any such interests are recorded below.

The above request has my approval.

Signature



Date

11/3/2016

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE DMPC

Decision required – supporting report

1. Introduction and background

- 1.1 As a result of continuing delay to the delivery of CommandPoint by Northrop Grumman (NG) under the C&CF Programme, it is necessary to consider the options for a way forward. The original Business Case for the programme, was approved by the Management Board in July 2011 with contracts awarded in 2013. At the time of entering into the contract, operational go-live was scheduled to be by October 2015. Due to NG's delays, this go-live date was lost and approval was obtained for the extension of the existing Command & Control system support (via the Unisys Sovereign contract) until October 2018 (with break clauses).
- 1.2 For the purpose of this paper the go-live date is assumed as October 2017, two years later than the date stated in the Business case. Northrop Grumman have recently stated that they want to delay Integrated Factory Acceptance Testing (IFAT) from March 2016 to July 2016 which would potentially push live dates to Q1 2018. However, this is still being challenged.
- 1.3 The latest software release (2.7.9) delivered in late February a month behind original schedule proposed by NG has been formally rejected by MPS Programme Team. This decision was made on the basis of NG documentation indicating a retrograde step in the performance of the release and issues identified in the previous cancelled release 2.7.8 not being addressed as requested.

2. Issues for consideration

- 2.1 There are serious reservations regarding the ongoing development and sustainability of the product, despite the additional time that NG has already taken. For example, in the limited software that the MPS has been able to test, there are currently around 120 identified defects outstanding, of which 28 are classified as Severity 2 (i.e. defects which cause the software to be unusable and which have no acceptable workaround). These issues would need to be resolved before we could consider entering Factory Acceptance Testing. Even NG states that it will be around July 2016 before the currently identified issues can be resolved, long after the expiry of the contract on 18 March 2016.
- 2.2 The new projected go live date adds significant extra cost above the approved capital envelope and when taken with the low confidence no longer represents best value and becomes low value spend.
- 2.3 The programme has reached the limit of its approved capital budget, making a decision to stop/go timely.
- 2.4 The Met have demonstrated a proportional and supportive response to Northrop Grumman's poor delivery performance. Assisting with remediation plans and issuing Non-Conformance Reports to NG. These actions are in line with contract requirements.
- 2.5 The capital investment to Unisys as part of the 3 year continuation or service provides for a modernisation programme to the current CAD which will ensure stability and resilience for a number of years. This enables time to explore market opportunities for alternative solutions.

3. Financial Comments

3.1 The approved capital budget for the programme is £64.3m. The latest estimate to support an October 2017 go live is £145m.

4. Equality Comments

4.1 There are considered to be no negative equality or diversity implications arising from this action.

Public access to information

Information in this form is subject to the Freedom of Information Act 2000 (FOIA) and other legislation. Part 1 of this form will be made available on the MOPAC website within 1 working day of approval. Any facts/advice/recommendations that should not be made automatically available on request should not be included in Part 1 but instead on the separate Part 2 form. Deferment is only applicable where release before that date would compromise the implementation of the decision being approved.

Is the publication of **this** form to be deferred? NO

If yes, for what reason:

Until what date (if known):

Is there a **part 2** form – YES

If yes, for what reason: Confidential Information

ORIGINATING OFFICER DECLARATION:

	<i>Tick to confirm statement (✓)</i>
Head of Unit: The Director of Strategy has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.	✓
Legal Advice: The MPS legal team has been consulted on the proposal.	✓
Financial Advice: The Strategic Finance and Resource Management Team has been consulted on this proposal.	✓
Equalities Advice: Equality and diversity issues are covered in the body of the report.	✓

OFFICER APPROVAL**Chief Operating Officer**

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Deputy Mayor for Policing and Crime.

Signature 

Date 18/03/16



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