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| --- |
|  |
| <Title of Project> |
| **SINGLE-STAGE BUSINESS CASE - MEDIUM VALUE AND RISK - ($250K TO $10 MILLION VALUE OF PROCUREMENT)** |
|  |
|  |
| |  |  | | --- | --- | | **Project Sponsor** | *<Chief Officer / Head of SAGC>* | | **Head Business Case Developer** | *<Name of Person>* | | **Procuring Entity** | *<Name of Project Funding Entity>* | | **Business Case Start Date[[1]](#footnote-1)** | *<Enter Date Business Case was first started.>* | |

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1. **STRATEGIC CASE**
   1. **Context**

*<Provide a high-level overview of the nature and work of the Organisation in which this procurement or project is taking place.>*

* 1. **Existing Arrangements**

*<Describe any arrangements currently in place (business as usual): how goods or services are presently organised and provided; including contract lengths, associated costs, current good or service availability, utilisation and condition. Describe the problems and difficulties with the existing arrangements (if any)>*

* 1. **Case for Investment**
     1. **Key Stakeholder Engagement & Outcomes**

<Describe which stakeholders have been engaged in order to determine what the key objectives, critical success factors and requirements of this project are and which stakeholders need to be engaged if the project progresses to procurement.>

Table 1: Summary of Stakeholders Engaged

|  |  |
| --- | --- |
| **Stakeholders Engaged for Business Case** | **Stakeholders to be Engaged for Tender** |
| *Cyber Security Office –* [*AskCISO@gov.ky*](mailto:AskCISO@gov.ky) |  |
| *Data Protection Leader -* [*http://thehub.gov.ky/task/list-of-data-protection-leaders/*](http://thehub.gov.ky/task/list-of-data-protection-leaders/) |  |
| *Information Rights Unit –* [*InformationRights@gov.ky*](mailto:InformationRights@gov.ky) |  |

*<Describe the outcome of the stakeholder engagements as areas for investment and categorise them by level of importance as follows:*

*“core” - “essential” requirements without which the procurement will not be judged a success;*

*“desirable” - “additional” requirements which the procurement may justify the extra spend on a value for money basis*

*“optional” - “possible” requirements which the procurement may justify on a marginal low cost and affordability basis.>*

Table 2: Summary of Investment Areas

|  |  |  |
| --- | --- | --- |
| *#* | **Area and Scope for Investment** | **Importance** |
| *1* | *Example: Cleaning services for the internal office building spaces on a regular basis* | *Core* |
| *2* | *Example: Cleaning services for the external office building (power washing) on a bi-annual basis* | *Desirable* |
| *3* |  |  |
| *4* |  |  |

* + 1. ***Investment Objectives & Critical Success Factors (CSFs)***

*<Specify the key objectives for undertaking the procurement and explain what you are seeking to achieve. Once an objective is defined, associate it to one or more CSFs i.e. the attributes or conditions that must be met for successful delivery of your objective.>*

*<Key Note 1: Make your objectives SMART (specific, measurable, achievable, realistic and time-bound). Be guided by the generic objectives for intervention and spend:*

* *to improve the delivery of public services through better use of inputs and outputs (efficiency);* ***(see example #1 in Table)***
* *to meet legal, regulatory or organisational requirements and accepted best-practice (compliance and conformance);* ***(see example #2 in Table 1)***
* *to improve the quality of public services by delivering better social outcomes, e.g. to meet new policies and operational targets (effectiveness);* ***(see example #3 in Table 1)***
* *to reduce the costs of public services (economy);*
* *to re-procure services or equipment to avert service failure and provide business continuity (replacement).>*

*<Key Note 2: CSFs can often be identified by thinking about what the newspaper headlines or an internal audit would focus on if the project is seen as a failure. Consider the following and tailor as required for your investment proposal:>*

* *Business Continuity* ***(see example #1 in Table 1)***
* *Achievability* ***(see example #2 in Table 1)***
* *Business needs/Strategic Fit* ***(see example #3 in Table 1)***
* *Optimisation of cost and benefits*
* *Supply side capacity and capability*
* *Affordability*

Table 3: Summary of Objectives and CSFs (Ranked in Order of Importance)

|  |  |  |
| --- | --- | --- |
| *#* | ***Objectives*** | ***CSF(s)*** |
| *1* | *Example: Improve service delivery by removing the need of clients to provide any supporting documents that are already held by the government as a part of their applications.* | *Example: The current application turnaround time of 10 business days should be reduced by 2 days.* |
| *2* | *Example: Comply with new regulatory requirement to…* | *Example: Compliance must be achieved by regulatory deadline of…* |
| *3* | *Example: Increase the quality and availability of the local vocational training program by 50% in 3 years.* | *Example: Increase successful number of post-training job placements.* |
| *4* |  |  |
| *5* |  |  |

* + 1. ***Main Benefits***

*<Specify the beneficiaries and the benefits that will accrue from the achievement of the anticipated outcomes, taking into account: direct public sector benefits (to originating organisation); indirect public sector benefits (to other public sector organisations); and wider benefits to the Cayman Islands (households, individuals and businesses).>*

* + 1. ***Main Risks***

*<Specify the risks associated with the achievement of the anticipated outcomes and the proposed counter measures for the mitigation and management of risk. Focus on the internal/business risks (those that are retained by the organisation) and the external/service risks –* ([*https://www.procure.gov.ky/types-of-third-party-risk*](https://www.procure.gov.ky/types-of-third-party-risk) *- those that may be shared with the supply side, as required, in the design, build, funding and operational phases of the investment proposal).>*

Table 4: Summary of Risk (Ranked from High to Low)

|  |  |  |
| --- | --- | --- |
| **Risk** | **Level (High/Med/Low)** | **Mitigation** |
| *Example: Supply side issues* | *High* | *Procurement to allow for a secondary and tertiary source of supply based on number of submissions received.* |
| *Example: Accidents & Injury* | *Med* | *Liability Insurance requirement.* |
| *Example: Customer Complaints* | *Med* | *All proposals to include an implementation plan that outlines how business continuity will be maintained.* |
| *Example: Environmental Damage* | *Low* | *Requirement for vendors to use “green” products.* |
| *Example: Risky Jurisdiction* | *High* | *Requirement for the vendor headquarters or parent company to be based in a jurisdiction whether the data protection and privacy laws are not aligned to CI DPA or EU GDPR.* |
| *Example: Likelihood of vendor being at risk of cyber security or data breaches* | *High* | *Requirement for the vendor to have not suffered multiple data breaches or cyber security incidents  in the past, as this may be indicative of poor cyber security practices.  This is especially relevant where the procurement relates to regulated data or sensitive information* |

|  |  |  |
| --- | --- | --- |
| *Example: Concentration of contracts with vendor* | *High* | *Requirement to ensure that CIG or the public authority is not at risk due to a high concentration of critical contracts with a single vendor* |
| *Example: Limit Cyber Security or Privacy Breach Liability* | *Med* | *To limit liability in the event of a cyber security or data breach to ensure that the vendor has a valid professional liability or cyber security insurance policy (with CIG or the public sector entity) added to the policy schedule* |

*<Key Note 3: Mitigation actions are important to incorporate into the tender documents as some part of the evaluation criteria.>*

*<Key Note 4: Managing Third-Party Risks -* *A successful privacy programme will help the Civil Service meet our objectives and deliver Government’s Broad Outcomes by using personal data in an ethical way and gaining the trust of the people we serve. Refer to the CIG Data Protection Leader Guide* [*http://thehub.gov.ky/task/dpl-guide/supplier-relationships/*](http://thehub.gov.ky/task/dpl-guide/supplier-relationships/) *for guidance on data protection considerations for supplier relationships. In addition, it is important to consider the Data Protection Impact Assessment (DPIAs), which, help to identify, assess and mitigate or minimize the risks arising from the collection, use and storage of personal data, with a focus on the risks to the rights and freedoms of the data subjects. A template for completing DPIAs can be found at:* [*http://thehub.gov.ky/task/dpl-guide/data-protection-impact-assessments/*](http://thehub.gov.ky/task/dpl-guide/data-protection-impact-assessments/)

* + 1. ***Constraints***

*<Specify any constraints that have been placed on the procurement project, including any external conditions and agreed parameters within which it must be delivered. Constraints are limits or restrictions that must be worked within such as legislation, approved funding levels, legitimate time limits.>*

* + 1. ***Dependencies***

*<Specify any dependencies outside the scope of the procurement project upon which successful delivery is dependent. Dependencies are things that need to be in place in order for this project to be successful such as other related procurements, unapproved funding, etc.>*

1. **OPTIONS ANALYSIS**
   1. **Main Options**

*Your options must include:*

* *Business as usual (BAU) - the baseline from which improvement will be measured*
* *The “do minimum” (a realistic option that meets core requirements)*
* *Any additional options considered (see Key Note 5).*

*<Key Note 4: Notwithstanding the procurement value, for novel, contentious proposals that pose significant risks to the public or the Government, use the three stage process (SOC, OBC and FBC) for the development of the business case. This will enable you to identify, quantify, manage and mitigate the risks to the required standard during the design, build and operational phases. For further advice and guidance email* [*SRIU@gov.ky*](mailto:SRIU@gov.ky)*.>*

*<Key Note 5: consider a workshop for “Identifying and Assessing the Options” consisting of stakeholders, end users, the Sponsor/SRO and other key participants.>*

Table 5: Summary of Options Appraisals

|  |  |
| --- | --- |
| **OPTION 1** | **BUSINESS AS USUAL** |
| **Description** | *See Section 1.2* |
| **Expected Full Life Span (Months)** |  |
| **Net Costs (KYD)** |  |
| **Sources and assumptions** | *<Describe the sources and assumptions for the evidence base supporting the option, and why approvers should have confidence in the information provided.>* |
| **Advantages\*** |  |
| **Disadvantages\*** |  |
| **Conclusion** | *<How well it meets the agreed investment objectives and critical success factors (CSFs) for the procurement in Table 3.>* |
| **OPTION 2** | **DO MINIMUM:** |
| **Description** |  |
| **Expected Full Life Span (Months)** |  |
| **Net Costs (KYD)** |  |
| **Sources and assumptions** | *<Describe the sources and assumptions for the evidence base supporting the option, and why approvers should have confidence in the information provided.>* |
| **Advantages\*** |  |
| **Disadvantages\*** |  |
| **Conclusion** | *<How well it meets the agreed investment objectives and critical success factors (CSFs) for the procurement in Table 3.>* |
| **OPTION 3** |  |
| **Description** |  |
| **Expected Full Life Span (Months)** |  |
| **Net Costs (KYD)** |  |
| **Sources and assumptions** | *<Describe the sources and assumptions for the evidence base supporting the option, and why approvers should have confidence in the information provided.>* |
| **Advantages\*** |  |
| **Disadvantages\*** |  |
| **Conclusion** | *<How well it meets the agreed investment objectives and critical success factors (CSFs) for the procurement in Table 3.>* |

* 1. **Recommended option**

<Justify the recommended option (which will be taken forward for further analysis in Sections 3, 4 and 5) based on which best balances cost, benefits and risks.>

1. **PROCUREMENT ROUTE**
   1. **Procurement Structure** *(Compliance with Regulation 20)*

*<Select Option 1 or 2 as applicable and delete the other>*

**Option 1**: Project requirements will be tendered all as one contract

*< Please state why the project will be ran aggregated and why that is the best option in terms of competition and value for money.>*

**Option 2**: Project requirements will be tendered in multiple contracts

*< Please state why the project will be ran disaggregated and why that is the best option in terms of competition and value for money. Projects can be broken down into multiple smaller components/procurements ONLY where one of the following conditions exist:*

1. *the pre-procurement local impact assessment or industry consultation has documented a lack of local capacity or resources to bid on the aggregated project;*
2. *the reduction in risk of a single supplier’s failure or poor performance on a major project;*
3. *the increase of competition and avoidance of a likely single source bid;*
4. *the promotion of innovation by enlarging the potential supplier base;*
5. *the maximisation of the benefit to the greatest number of small and medium sized local suppliers without compromising value for money;*
   1. **Procurement Options** *(Compliance with Regulation 5 and 7)*

*<Please read the “appropriate usage” section for each option below and select the option(s) that are suitable for this project and delete the others. >*

|  |  |
| --- | --- |
| **Procurement Option** | **Appropriate Usage** |
| **Option 1: RFP/Q without Dialogue** | Suitable for RFP/Qs where it is feasible for the entity to formulate a detailed description of the subject matter of the procurement. The initial vendor submissions are reviewed and a preferred bidder selected without further dialogue. A price-only Best and Final Offer (BAFO) or Reverse Auction is allowed and optional. |
| **Option 2: RFP with Dialogue** | Suitable for RFP/Qs where it is not feasible for the entity to formulate a detailed description of the subject matter of the procurement. This options allows for a multi-stage, vendor-involved refinement of requirements and specifications in order to obtain the most satisfactory solution for the entities needs. An initial submission is requested from vendors then reviewed to determine the top-ranked vendors with which dialogue can be conducted in keeping with the policies of the Central Procurement Office. A technical and pricing BAFO process is used to accept refined submissions for final review and ranking. A reverse auction is typically not suitable. |
| **Option 3: Pre-qualification Package** | Suitable to start the procurement of the goods or services that are of a confidential or sensitive nature and the disclosure through a public competitive process is likely to compromise defence, security, public safety, or is likely to cause economic disruption or is otherwise contrary to the public interest. Suitably qualified vendors are then invited to participate in a secondary, invite-only procurement process in line with option 1 or 2. |
| **Option 4: Framework Agreement Bolt-On** | Can be used as a "bolt-on" i.e. in addition to options 1 or 2 above, in accordance with the policy established by the Central Procurement Office, under the following conditions - (a) the need for the subject matter of the procurement is expected to arise on an indefinite or repeated basis during a given period of time; or (b) by virtue of the nature of the subject matter of the procurement, the need for that subject matter may arise on an urgent basis during a given period of time. |
| **Option 5: Direct Award** | See Procurement Regulation 5. |

* 1. **The Inclusion of Micro & Small Business**

<Describe the plan, if applicable, to encourage local micro and small businesses to compete for and be competitive in this procurement project>

<Explain if and why the procurement is going to be restricted to local suppliers or opened to international suppliers. Where the project is open to a global market place, describe the risk or impact on local suppliers (micro and small businesses especially) and how that is being mitigated.>

* 1. **Related Procurements**

*<Are there any past or concurrently planned procurements that this project is related to or needs to be compatible with? If so please list them and describe your strategy for ensuring that these procurements complement each other.>*

*<If this procurement is part of a larger project, provide a breakdown of all anticipated, future procurement projects that this procurement will relate to.>*

1. **FUNDING AND AFFORDABILITY**

<*Complete Table 6 and 7 to specify* *the capital (CAPEX) and revenue (OPEX) requirements for the investment proposal and provide an overall statement on affordability and funding. Ensure any affordability gaps are highlighted.>*

*<Key Note 1: This should reflect the whole life cost of the investment proposal, i.e. the expected lifespan of the proposal. For investment proposals exceeding six years, expand the table accordingly.>*

Table 6: Cost and Funding for the Recommended Option

| **Lifespan (See Life Span Listed in Table 5 and ensure the full life is covered by expanding the table)** | | | **Year 1** | **Year 2** | **Year 3** | **Year 4** | **Year 5** | **Year 6+** | **Total** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Capital Expenditure** | | |  |  |  |  |  |  |  |
| 1 | Fixed assets | |  |  |  |  |  |  |  |
| 2 | Software | |  |  |  |  |  |  |  |
| 3 | <Other Capital item – Please identify> | |  |  |  |  |  |  |  |
| **4** | **Total Capital costs (CAPEX)** | |  |  |  |  |  |  |  |
| **Operating Expenditure** | | |  |  |  |  |  |  |  |
| 5 | Personnel | |  |  |  |  |  |  |  |
| 6 | Maintenance | |  |  |  |  |  |  |  |
| 7 | Operating licences etc. | |  |  |  |  |  |  |  |
| 8 | Training | |  |  |  |  |  |  |  |
| 9 | <Other Operating costs – Please identify> | |  |  |  |  |  |  |  |
| **10** | **Total Operating costs (OPEX)** | |  |  |  |  |  |  |  |
| **Total Expenditure** | | |  |  |  |  |  |  |  |
| **12** | **Total Project Costs (CAPEX + OPEX)** | |  |  |  |  |  |  |  |
| **Funding** | | |  |  |  |  |  |  |  |
| 13 | CAPEX funding from Cabinet | |  |  |  |  |  |  |  |
| 14 | OPEX funding from Cabinet | |  |  |  |  |  |  |  |
| 15 | Third party funding (CAPEX if any) | |  |  |  |  |  |  |  |
| 16 | Third party funding (OPEX if any) | |  |  |  |  |  |  |  |
| **17** | **Total funding** | |  |  |  |  |  |  |  |
|  | | **Affordability Assessment** | | | | | | | |
| **18** | **Shortfall/Overage CAPEX (CAPEX Costs – Total CAPEX Funding**) | |  |  |  |  |  |  |  |
| **19** | **Shortfall/Overage OPEX (OPEX Costs – Total OPEX Funding**) | |  |  |  |  |  |  |  |

**Revenue Generation**

*<Provide an explanation and any calculations used to determine revenues.>*

Table 7: Revenue Projections for the Recommended Option

| **Recommended Option** | | **Year 1** | **Year 2** | **Year 3** | **Year 4** | **Year 5** | **Year 6+** | **Total** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Revenues** | |  |  |  |  |  |  |  |
| 1 | Sales and other Revenue |  |  |  |  |  |  |  |

**Balance Sheet Treatment**

*<Explain any impacts on the balance sheet of the Organisation and how these will be dealt with.>*

1. **DELIVERY ARRANGEMENTS**

*<Describe what arrangements have been put in place to ensure the successful delivery of the procurement project, including:*

Table 8: Summary of Delivery Arrangements

|  |  |
| --- | --- |
| **Delivery Aspect** |  |
| *Contract Manager* | *<name and position of contract lead>* |
| *Contract Type* | *<CIG Standard or Bespoke?>* |
| *Contract Management Tools <modify as needed>* | * *CPO Contract Management Toolkit* * *Bonfire Contract Module* * Benefits realization and plans, including benefits register. * Risk management arrangements and plans, including risk register. * *Project assurance arrangements (independent and impartial reviews) at different stages of the project lifespan.* |
| *Post evaluation arrangements and plans* | * *Project Closure Report (i.e. to evaluate whether the project has been delivered to time, cost, and specifications, and to identify lessons learned)* |
| *Contingency Plan (if applicable).* |  |

<Describe how the goods, works or service will be paid for and risks tied down in the payment mechanism - e.g. pay against milestones, delivery of services, performance, availability, usage.>

<Explain any legal or personnel implications of the recommended option, if applicable, and how they will be managed.>

6. **LOCAL IMPACT ASSESSMENT** *(Compliance with Regulation 20)*

|  |  |
| --- | --- |
| **Local and regional markets and suppliers** | |
| Have any interested local vendors been identified and will they be invited to pre-procurement briefings as a group so as to provide an opportunity to clarify the procurement requirements, receive input into the specifications and process and receive questions on specific issues? |  |
| **Impact on business and local community** | |
| Where there is the possibility of international award, provide information on any money, opportunities and jobs which may still be created locally has a result of this procurement? |  |
| **Enhancing local opportunities** | |
| Demonstrate how the planning process, including the chosen procurement methodology, the intended specifications and evaluation criteria will take into account impacts on local markets and provide maximum opportunity for participation by local suppliers. |  |
| Provide details of any steps that are to be taken to ensure that local suppliers will not be disadvantaged where competing with other suppliers i.e. unpacking of procurements into smaller components so that local businesses can compete more effectively; any benefits of buying locally factors that have been included in the value for money considerations, etc. |  |
| Provide details of any advice to be provided to the market generally in relation to the forthcoming procurement opportunity (including where applicable, whether the procurement opportunity will be ‘advertised’ on the Tenders website). |  |

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Name** | **Signature** | **Date** |
| Prepared By  (Project Manager) |  |  |  |
| Reviewed By (EPC Chair) |  |  |  |
| Approved By (CO/CEO) |  |  |  |

1. Will be used to help the CPO gather statistics on how long the procurement process takes from start to end. [↑](#footnote-ref-1)