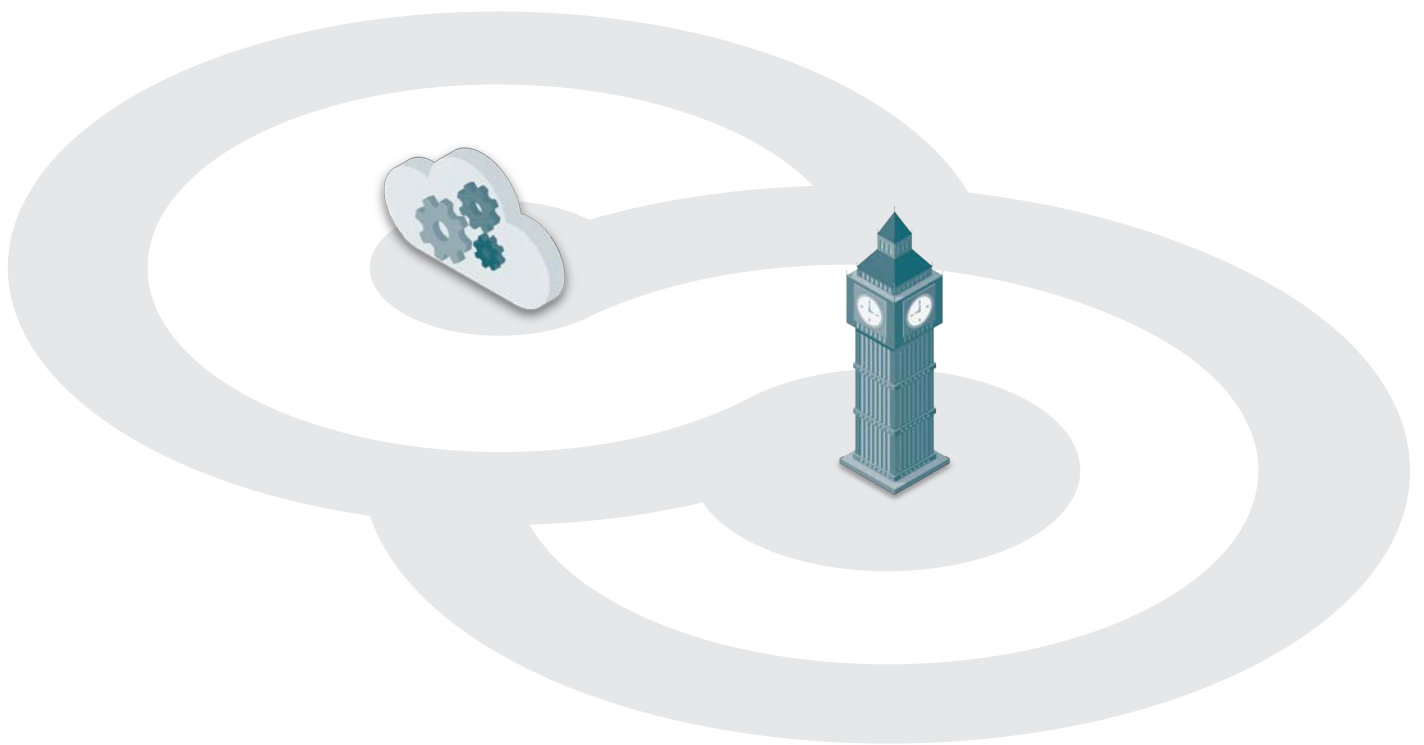


# How to buy G-Cloud services from the Government Digital Marketplace

A guide for buyers



# Executive summary

G-Cloud sales continue to grow as cloud adoption increases across the UK public sector, but what does it really mean to UK public sector organisations wishing to buy ICT services?

Assured and secure cloud services can help deliver more dynamic and agile ICT solutions in terms of service demand and resource availability. They also offer increased data security, improved availability and significant cost savings.

The government's Cloud First policy requires public sector organisations buying new or existing ICT services to consider and fully evaluate potential cloud solutions first. The Digital Marketplace and the G-Cloud Framework Agreement offer buyers a quick and simple means of supporting the Cloud First policy.

The G-Cloud Framework Agreement allows all public sector organisations to buy cloud services through an OJEU (Official Journal of the European Union) compliant framework that is regularly refreshed to ensure the best that the market has to offer is available.

The G-Cloud Digital Marketplace is an online catalogue of the services available for purchase. The services are showcased in the Digital Marketplace to include service features and pricing, as well as supplier terms and conditions. The system enables buyers to easily compare and benchmark different options available.

Fundamentally the G-Cloud Framework and Digital Marketplace make it easier for buying organisations to assess the wide range of services available from an extensive list of suppliers. They also provide a quick, compliant and transparent means of awarding a contract and placing an order.

It is important that public sector organisations embrace new technology. Cloud services offer a more flexible approach to ICT that can ultimately reduce costs for UK taxpayers and enable better value public services. G-Cloud and Digital Marketplace facilitate this process and provide buying organisations with the opportunity to deliver real value.

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# Why cloud and why G-Cloud?

## Government ICT Strategy and Cloud First

The March 2011 UK Government ICT Strategy set a target that by 2015 50% of new government ICT spend will be via the Digital Marketplace. In May 2013, the Cabinet Office announced government's Cloud First policy to drive wider adoption of cloud computing by the public sector.

In practice Cloud First means that when buying new or existing services, public sector organisations should consider and fully evaluate potential cloud solutions first — before they consider any other option. This approach is mandated to central government and strongly recommended to the wider public sector. Departments will remain free to choose an alternative to the cloud if they can demonstrate that it offers better value for money.

## Why cloud?

Through the provision of accredited and secure cloud environments and services, government organisations can be more dynamic, responsive and flexible in terms of service demand and resource availability. They will realise additional business benefits, including increased data security and improved availability, and make significant cost savings — for example, by no longer procuring expensive hardware which rarely operates at its full capacity.

As public sector organisations move away from traditional device-centric operating models and move towards service-centric cloud options, they start to realise the benefits of scalability and the ability to use resources on a subscription or utility basis, paying only for what they consume. This approach ensures the delivery of substantial long-term cost savings.

**“From a small handful of suppliers five years ago, there are now **2,433** suppliers to government of digital services on the Digital Marketplace. It shows that this is not just an agenda for delivering public services but for developing a whole industry that can supply the cutting-edge technology we need.”**

**Matt Hancock**  
**Minister for the Cabinet Office**

# What are G-Cloud and the Digital Marketplace?

The G-Cloud Framework Agreement allows all public sector organisations to purchase cloud services from a wide range of suppliers, many of whom are small and medium-sized enterprises (SMEs). The Framework Agreement complies with the Official Journal of the European Union (OJEU) and is regularly refreshed to ensure that the best that the market has to offer is available to government.

Every time the Framework is refreshed, suppliers have to re-tender to offer services via the Framework and a new iteration is made available. Each iteration of the Framework is numbered – G-Cloud 7 went live in November 2015, and G-Cloud 8 is expected to be live in August 2016. Therefore, through the Framework, buyers have access to the very latest service innovations and a wide variety of suppliers, many of whom would not normally be able to do business with government.

The Digital Marketplace is an online catalogue of the services available for purchase by government organisations under the G-Cloud Framework. The Digital Marketplace showcases the services and their essential characteristics and prices, as well as supplier terms and conditions. All of the information in the Digital Marketplace is transparent and publically available. This approach drives competition and value, and allows the buyer to easily compare and benchmark service characteristics and prices.

The advantages of buying through the Digital Marketplace are many: the process is OJEU compliant, quick and transparent, and the buyer has access to wide range of innovative services, many of which can be deployed in hours. The Digital Marketplace's transparent and open approach to pricing means that services can be purchased at considerably less cost than through more conventional purchasing routes.

The G-Cloud Framework and Digital Marketplace services are divided into four "Lots". The Lots are defined as follows:

## Lot 1

**Infrastructure as a Service (IaaS):** "the capability provided to the consumer is to provision processing, storage, networks, and other fundamental computing resources where the consumer is able to deploy and run arbitrary software which can include operating systems and applications. The consumer does not manage or control the underlying cloud infrastructure but has control over operating systems, storage, and deployed applications; and possibly limited control of select networking components (e.g. host firewalls)." **Services available are typically compute and storage services.**

## Lot 2

**Platform as a Service (PaaS):** "the capability provided to the consumer is to deploy onto the cloud infrastructure consumer-created or acquired applications created using programming languages, libraries, services, and tools supported by the provider. The consumer does not manage or control the underlying cloud infrastructure including network, servers, operating systems, or storage, but has control over the deployed applications and possibly configuration settings for the application-hosting environment." **Services available typically include operating systems and application services.**

## Lot 3

**Software as a Service (SaaS):** "the capability provided to the consumer is to use the provider's applications running on a cloud infrastructure. The applications are accessible from various client devices through either a thin client interface, such as a web browser (e.g. web-based email), or a program interface. The consumer does not manage or control the underlying cloud infrastructure including network,

servers, operating systems, storage, or even individual application capabilities, with the possible exception of limited user-specific application configuration settings."

**A wide range of application services sold by unit rather than by licence.**

## Lot 4

Specialist G-Cloud Services. This Lot typically comprises advisory and peripheral cloud related services designed to support the implantation of cloud based services, and are generally sold as Skills For the Information Age (SFIA) day rate basis:

Onboarding services for Cloud Services only

Business analysis for Cloud Services only

Cloud project specification and selection

Deployment of cloud services

Transition management to cloud services

User management of cloud services

Cloud Service Integration and Management Services (SIAM):

Enterprise architecture

Project management and governance

Service and systems integration

Service management

Software support

Helpdesk

Cloud information management and digital continuity:

eDiscovery

Data recovery, conversion and migration

Data quality

Digital archiving

Data storage consultancy for G Cloud

Services only

The following services are excluded from G-Cloud:

Colocation services

Non-cloud related services/ consultancy

Hardware

Development services

Agile development

# How to use G-Cloud and the Digital Marketplace

## When to use G-Cloud and the Digital Marketplace

G-Cloud services are particularly suitable for projects that:

- Need a solution quickly (even services that have stringent security protocols can be deployed very rapidly by some G-Cloud suppliers)
- Are required for an indeterminate time period
- Require a proof of concept
- Have requirements that can be satisfied by commodity solutions

The Digital Marketplace can be accessed here:  
<https://www.gov.uk/digital-marketplace>

## Approvals, business case and requirements definition

In common with every procurement, there needs to be valid business reasons for procuring a service at all. G-Cloud does not change this, so the appropriate internal approvals will need to be obtained. Because procurement and service costs will be significantly lower, the investment cases the buyer may be considering might be very different from the ones they are used to.

Cloud computing essentially delivers ICT services as a commodity. Cloud computing suppliers can deliver their services at exceptionally low cost because their services are standardised. Under procurement regulations, G-Cloud suppliers cannot modify their Digital Marketplace services to meet specific requirements, or the needs of individual buyers (although they are often configurable).

The onus is therefore on Digital Marketplace buyers to make sure that there is a clear understanding of the user requirement, both in terms of what the solution has to do (the functional requirements), any constraints upon what the user would deem to be acceptable (the non-functional requirements), as well as the security classification of the data that the solution will be processing and/or storing. If the buyer is planning to apply Most Economically Advantageous Tender (MEAT) criteria to the evaluation process, it is recommended that these criteria be included in the requirements from the outset.

One of the advantages of cloud computing is that the buyer only pays for what is being used, and only when it is needed. This minimises the cost of setting up a trial should a buyer need to test the requirements against a commoditised solution. Many G-Cloud suppliers will offer free trials for limited time periods.

## Legacy constraints

After gaining the appropriate approvals, defining requirements, specifying data confidentiality levels and evaluation criteria, the next step is to identify any technical constraints arising from legacy systems or services. A buyer's Technical Design Authority will normally assist in identifying any constraints, and in mitigating any technical risk.

## Searching and longlisting on the Digital Marketplace

There are thousands of services available on the Digital Marketplace across all of the Lots. In order to get meaningful results from the Digital Marketplace searches, the buyer needs to be clear about their requirements, and the key components of the search:

- What type of service is required — IaaS, PaaS, SaaS, or Specialist Cloud Services?
- List the keywords to describe the required service — eg compute, storage, secure hosting, UK hosting, PSN, N3, proof of concept

Having a well defined requirement is key to searching successfully on the Digital Marketplace.

The Digital Marketplace search functionality is richer and more consistent than that of its predecessor, the CloudStore. You will need to enter your requirements into the search box.

G-Cloud suppliers are not restricted in their descriptions of their service offerings. It is therefore recommended that you run multiple searches to formulate your longlist in order not to exclude any potential supplier.

The initial search will produce the buyer's longlist which meets the essential functional and non-functional requirements.

As with all procurements, the longlisting process should be fair and transparent, and supported by a demonstrable audit trail. The Crown Commercial Service provides a range of templates, including audit templates, which can be used as examples.

## Shortlisting

Buyers should then reduce the longlist to a manageable shortlist by assessing each service offering against their mandatory requirements. This comparison can be done online within Digital Marketplace, using a list of filters to refine the search. Multiple filters will reduce the list to fewer services which can then be evaluated individually.

# Evaluating shortlisted suppliers

Shortlisted suppliers will need to be evaluated. The engagement process will vary according to the nature and complexity of the requirements. In some simple cases shortlisted suppliers and services can be evaluated via the Digital Marketplace against key functions, and by comparing the service descriptions. There are rules which the buyer must take into account, in order for the procurement to be compliant:

- Services are fixed at the point of tender and cannot be materially changed or re-negotiated
- Buyers cannot negotiate or accept individual price discounts. Any price reduction must be made available to all and reflected in the supplier's pricing document

The following points should also be considered when engaging and evaluating shortlisted suppliers:

## Does the solution meet requirements?

The technical team should use the period of engagement with shortlisted suppliers to confirm that their interpretation of the documentation provided by the supplier is correct and that there are no obvious limitations posed by either the solution or legacy IT.

In many cases G-Cloud suppliers will offer time-limited free trials, sometimes against basic functionality, which can provide an immediate answer on the usability of the proposed solution.

## Identify all costs

In addition to the unit cost shown in the Digital Marketplace, buyers should test for additional costs by checking all published pricing information — additional costs may apply to include on-boarding, exit and connectivity costs, as well as others. Buyers should also check whether any discounts apply.

## Understand supplier Ts&Cs

The supplier terms and conditions will form part of the G-Cloud call-off contract. They cannot be altered at the point of call-off. The buyer will therefore need to be satisfied that supplier terms and conditions are either acceptable in full or, where partially acceptable, that the undesirable clauses are effectively over-ridden by existing clauses in the G-Cloud call-off contract terms and conditions, which take precedence.

## Assess the information risk

Under the Government Security Classification Scheme, which went live in April 2014, all G-Cloud suppliers must self-assert the security credentials of their services against government's 14 key security principles for cloud computing.

Buyers should look for assurance from suppliers that their processes and technologies can securely manage, store and process that data.

In particular, buyers need to understand where their data is being processed and stored. If their data is likely to be processed and stored off-shore, buyers will need to understand the jurisdictional and legal implications and risks.

There will be cloud providers that will be able to provide third party validation but buying organisations will need to be confident that the validation provided is from a trusted source.



# Supplier selection

After shortlisting suppliers, the buyer can select a supplier based on lowest price (a "direct award"), if the required solution has simple requirements that are identical to the service specification.

Where the buyer cannot identify which service best fulfils the requirements simply on the evaluation of price, the MEAT evaluation model should be applied. MEAT must apply the following evaluation criteria and buyers may apply their own weighting to each of the criteria:

Criteria number	Direct award criteria
1	Whole-life cost: cost-effectiveness; price and running costs
2	Technical merit and functional fit: coverage, network capacity and performance as specified in relevant service levels
3	After-sales service management: help desk, account management function and assurance of supply of a range of services
4	Non-functional characteristics

Buyers are able to conduct tests and demonstrations or set service definitions or standards as needed to enable them to establish which of the shortlisted offerings provides the most economically advantageous solution to meet their requirements. All shortlisted offerings must be evaluated against the same model, the process must be fair and transparent, and a demonstrable audit trail maintained.

If, following the application of MEAT, more than one service is acceptable, the service that offers the best value for money must be selected by procurement law. The value-for-money statement should take into account factors such as applying risk mitigations, whole life costs, including migration and training costs, as well as the catalogue cost of the service.

Once the service and supplier has been selected, all shortlisted suppliers should be told the outcome of the procurement. As with any procurement, it is important to offer unsuccessful suppliers feedback. Apart from following best practice, this enables unsuccessful suppliers to review and improve their Digital Marketplace services, and also helps the G-Cloud market to develop and mature.

# Awarding the contract

A standstill period has already been applied at the G-Cloud Framework award stage. There is therefore no need to apply a standstill period to any call-off contracts awarded under the Framework, although buyers are still free to apply standstill as a matter of good practice.

The G-Cloud call-off contract must then be completed and signed by both parties to formalise the engagement. The contract is made up of the following documents, in a hierarchy:

- G-Cloud Framework Agreement
- G-Cloud call-off overarching terms and conditions
- Order form
- Supplier terms and conditions (not negotiable)
- Any relevant supporting documents

Buyers may, with the full agreement of the supplier, include additional critical clauses into the call-off agreement, in accordance with the variation procedure. Any variation must not materially change the supplier's service offering.

The order form sets out the services that are being bought, and can comprise the template order form in the G-Cloud contract, the supplier's order form, or the supplier's online ordering system. The timeframe for service provision will be specified in the order form.

Because the terms and conditions are pre-agreed, the contracting process is very quick. As with any procurement, a demonstrable audit trail must be maintained.

## Raising a purchase order

Most government purchasing organisations will not accept invoices unless a valid purchase order is in place. It is important to ensure that purchase orders are raised promptly to enable suppliers to invoice for the services buyers are consuming.

## Benefits

The Crown Commercial Service expects G-Cloud buyers to record and report the benefits of the G-Cloud transaction, in order that the savings delivered by G-Cloud are captured. The Benefits Record Template can be obtained from the Crown Commercial Service.

## Continuing or terminating G-Cloud services

It is good practice for buyers and projects to review the current arrangement at least three months before the end of the agreement to determine whether to renew or terminate the service.

Although the current maximum permissible call-off contract under the G-Cloud framework is two years, if the buyer wishes to continue using the G-Cloud service they must re-evaluate to determine whether the current service continues to offer the best value.

A new order form and call-off agreement will be needed if the current framework is newer than the one under which the original agreement was let, to ensure the most current terms and conditions are in play.

Should the buyer decide to stop using the G-Cloud service before the contract end date they will need to make a formal written communication to the supplier notifying them of the revised end date, in accordance with the notice period stipulated in the call-off agreement. The supplier will be required to formally accept the notification in writing.

# About UKCloud

UKCloud provides a true public cloud for the exclusive use of UK Public Sector organisations. We are dedicated to helping our customers gain value from the agility and cost savings of using a sovereign, assured cloud platform.

Focusing solely on Public Sector customers, we are able to provide a leading cloud proposition that delivers outstanding value and capability. This ultimately benefits the UK taxpayer, citizens and businesses by enabling Public Sector organisations to deliver better services through technology.

Here's how:

- **We're focused on cloud.** Delivering a true cloud platform that is massively scalable, flexible, assured and cost-effective – and customers only pay for what they use.
- **We're open. You are never locked in.** Using industry standards and open source software our platform gives customers the flexibility and choice to transition and transform their applications and deploy across multiple cloud solutions.
- **Dedicated to the UK Public Sector.** Our business is designed specifically to serve and understand the needs of public sector organisations, and is UK sovereign, with UK cleared staff and we pay UK taxes.
- **We develop communities.** We bring together communities of users that are able to share datasets, reuse code, test ideas and solve problems that enhance services and benefit the UK citizen.
- **Customer engagement.** We will only be successful if our customers are successful. We embody this in the promise: Easy to adopt. Easy to use. Easy to leave.

Supporting both cloud native and enterprise applications – based on VMware, OpenStack and Oracle stacks – the platform is used extensively to host both citizen web applications, and internal facing applications only available through secure government networks.

Our industry-leading platform is built on the unique and cutting-edge technologies of the UKCloud Cloud Alliance – QinetiQ, VMware, Cisco, EMC and Ark Data Centres – which continually drives innovation and product development, at the lowest price to meet the needs of the UK Public Sector.

Additional information about UKCloud can be found at [ukcloud.com](http://ukcloud.com) or by following us on Twitter at [@ukcloudltd](https://twitter.com/ukcloudltd)

**UKCloud. The power behind public sector technology.**

## More information

For more information about UKCloud and how we can help you, please send an email to [info@ukcloud.com](mailto:info@ukcloud.com)



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