

Digital and IT Professional Services 2 (DIPS 2) RM6413

Supplier Surgery
29th June 2026



Government
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Housekeeping

- This is a pre-market engagement and GCA makes no commitment to the procurement of DIPS 2
- Everything discussed in this engagement is subject to change
- Treat this as an open and collaborative environment
- We will use Menti to gather feedback and engage

Agenda

- ❑ TechUK Housekeeping
- ❑ Welcome and introductions
- ❑ Indicative procurement timeline
- ❑ Recap of previous engagement
- ❑ DIPS 2 commercial vehicle options
- ❑ DIPS 2 lotting structure options
- ❑ Neutral vendor lot overview
- ❑ Next steps and closing remarks

Indicative procurement timeline



Procurement timeline



Recap of previous engagement



DIPS 2 Overview

KEY OBJECTIVES

- adopts competition by default
- effectively uses co-creation
- contracts for outcomes by default
- supports a transition to conflict scenario
- a one stop shop for Defence’s digital and IT professional services needs

Area	Proposal
Commercial vehicle	Defence and Security framework, which provides for the future award of public contracts that are defence and security contracts ❑ Up to 8 year term ❑ £2.8bn FTS inc VAT
Scope	❑ IT and digital professional services across full services lifecycle design, transition, deployment, testing, management, exit ❑ Includes programme and project management provisions ❑ Includes consultancy services, end user services, application services, cloud services, infrastructure services, networks, cyber and security services, RUN services, specialist and emerging technology services ❑ Ability to provide services across all security classifications and to deploy SC, DV, sole UK nationals ❑ Transition to conflict enablement
Framework structure	❑ Change to lotting structure from DIPS 1 to ensure clarity and ease of procurement ❑ Different commercial vehicles to be considered ie open framework, standard framework ❑ Lotting structure aligned to MoD requirements and enabling speed to market
Call-off mechanisms	❑ No minimum or maximum term for call offs and flexibility to choose appropriate extension ❑ Incorporation of competitive flexible procedure into further competition allowing POC, POV, discovery, negotiation, presentations etc to be used as part of a call off mechanism
Terms and conditions	❑ Possibility to use a ‘Defence Call Off Schedule’ ❑ Consideration given to flexibility in selecting appropriate terms ❑ Statements of Work

Draft DIPS 2

Scope

Requirements in scope:

1. Digital Delivery
2. Software Engineering & Application Development
3. Data, AI, and Analytics
4. Information and Knowledge Management
5. Cyber Security & Information Assurance
6. Cloud, Infrastructure & Network Services
7. Technical Assurance & Architecture Services
8. Project, Programme and Portfolio Management
9. IT Service Management & Operational Support
10. Business Analysis, Transformation and Change Services
11. Specialist & Emerging Technology Services

The following are **excluded** from DIPS 2 scope:

- contingent labour (including resource augmentation),
- hardware or software procurement.

DIPS 2 commercial vehicle options



Commercial vehicle options

Framework type	1 Open framework	2 Open framework	3 D&S framework	4 D&S framework
Duration	8 years	8 years	8 years	4+1+1
New entrants	Yes	Yes	No	No
AWOC available	Yes			
Material t&c change	No	No	At call-off	At call-off
Supplier numbers	Uncapped	Capped	Uncapped	Capped
Below threshold	Yes			

Commercial vehicle options continued

Framework type	1 Open framework <u>uncapped</u>	2 Open framework <u>capped</u>	3 D&S framework <u>uncapped</u>	4 D&S framework <u>capped</u>
Pros	New entrants	Improved speed to market	D&S specific terms	High speed to market
	High competitive tension	High competitive tension	High competitive tension	D&S specific terms
	High access to innovation	Higher barriers to entry	Good access to innovation	Higher barriers to entry
Cons	Speed to market	Impact on SMEs	Speed to market	Innovation
	High supplier numbers	New supply base at re-opening	High supplier numbers	Impact on SMEs
	No material changes	Impact on co-creation	Impact on co-creation	

DIPS 2 lotting structure options



Lotting structure options presented to date

Three options to be considered:

1. 2 lots split by value
2. 4 lots split per technology category; all lots will include transition and project/programme management provisions; all lots to include ancillary consultancy services; all lots to cover innovation
3. 3 lots including all above requirements+consultancy and assurance services; split by value

Option 1A

Lot 1
Core service
delivery
(above £5m)

Lot 2
Core service
delivery
(below £5m)

Option 1B

Lot 1
Core service
delivery
(above £5m)

Lot 2 NEUTRAL
VENDOR LOT
Core service
delivery
(below £5m)

Option 2

Lot 1
Tech strategy,
design consultancy
and assurance
services

Lot 2
Infrastructure,
data centre,
cloud and
networks services

Lot 3
Cyber security,
end user and IT
service
management

Lot 4
Application
management and
data services

Option 3

Lot 1
Infrastructure,
data centre,
cloud and
networks services
Above £5m

Lot 2
Cyber security,
end user and IT service
management

Lot 3
Application management and
data services

Lot 1b
Below £5m

Lot 2b
Below £5m

Lot 3b
Below £5m

Key approaches to lotting structure design

Lotting Options Diagnostic

The Mega-Lot (Single Lot / Broad Scope)

Highly attractive for suppliers via a single bid.

Critical Risk
15–20 suppliers demanding pre-ITT co-creation will collapse MOD commercial bandwidth.

Forces a PQQ phase, heavily extending the procurement timeline.

Thematic Lots (App Dev / Cyber / Cloud / P3M)

Familiar, established structural boundaries.

Critical Risk: Blurred boundaries (e.g., DevSecOps crossing multiple lots).

Creates buyer confusion and supplier "feast or famine".

Blueprint Mandate: A new model is required that balances broad scope with manageable supplier volumes per procurement.

Lotting structure options considerations

Three options to be considered:

1. 2 lots including a neutral vendor lot
2. 3 lots including a neutral vendor lot
3. 3 lots NO neutral vendor lot

Option 1

Lot 1 Core service delivery (above £5m)	Lot 2 NEUTRAL VENDOR LOT Core service delivery (below £5m)
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Option 2

Lot 1 High value and complexity (above £20m)	Lot 2 Medium value and complexity (Between £5m and £20m)	Lot 3 NEUTRAL VENDOR LOT Low value and complexity (below £5m)
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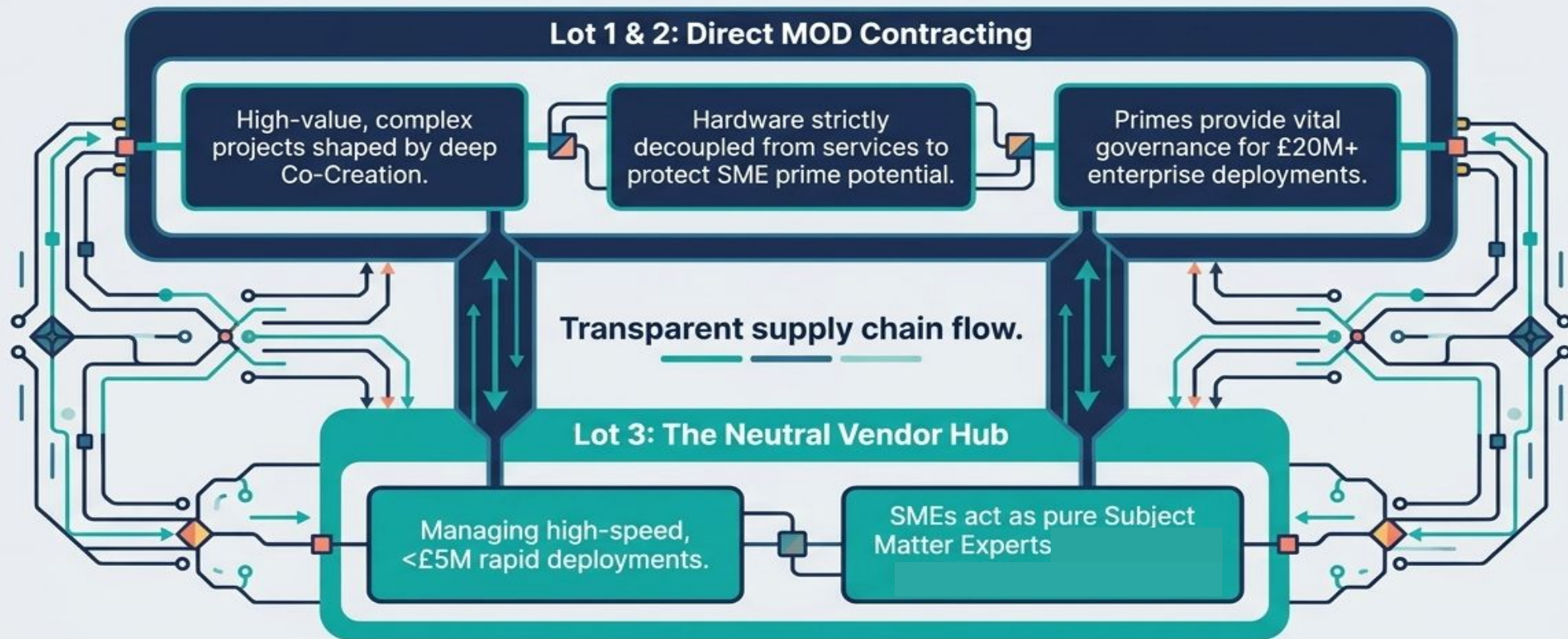
Option 3

Lot 1 High value and complexity (£20m+)	Lot 2 Medium value and complexity (Between £5m and £20m)	Lot 3 Low value and complexity (below £5m)
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Target operating model

The DIPS 2 Operating Model

A holistic, engineered system balancing MOD commercial capacity with market realities.



Key Takeaway: A fully engineered system. A 3-Lot value-tiered structure, underpinned by an NV for lower-value rapid deployments, solves the Prime bottleneck, satisfies SME access needs, and meets the 'Enterprise by Design' mandate.

Lotting structure options considerations Option 1

Option 1	Lot 1	Lot 2 NV
Value threshold	Above £5m	Below £5m
High barrier to entry	Yes	No
Medium barrier to entry	No	No
Low barriers to entry	No	Yes
Supplier number	Capped at 20	Uncapped for onboarding

Lot 1 Core service delivery (above £5m)	Lot 2 NEUTRAL VENDOR LOT Core service delivery (below £5m)
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Lotting structure options considerations Option 2

Option 2	Lot 1	Lot 2	Lot 3 NV
Value threshold	Above £20m	£5m - £20m	Below £5m
High barrier to entry	Yes	No	No
Med barrier to entry	No	Yes	No
Low barrier to entry	No	No	Yes
Supplier number	Capped at 10	Capped at 30	Uncapped for onboarding

Lot 1 High value and complexity (above £20m)	Lot 2 Medium value and complexity (Between £5m and £20m)	Lot 3 NEUTRAL VENDOR LOT Low value and complexity (below £5m)
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Lotting structure options considerations Option 3

Option 2	Lot 1	Lot 2	Lot 3
Value threshold	Above £20m	£5m - £20m	Below £5m
High barrier to entry	Yes	No	No
Med barrier to entry	No	Yes	No
Low barrier to entry	No	No	Yes
Supplier number	Capped at 10	Capped at 30	Capped at 40

Lot 1 High value and complexity (above £20m)	Lot 2 Medium value and complexity (Between £5m and £20m)	Lot 3 Low value and complexity (below £5m)
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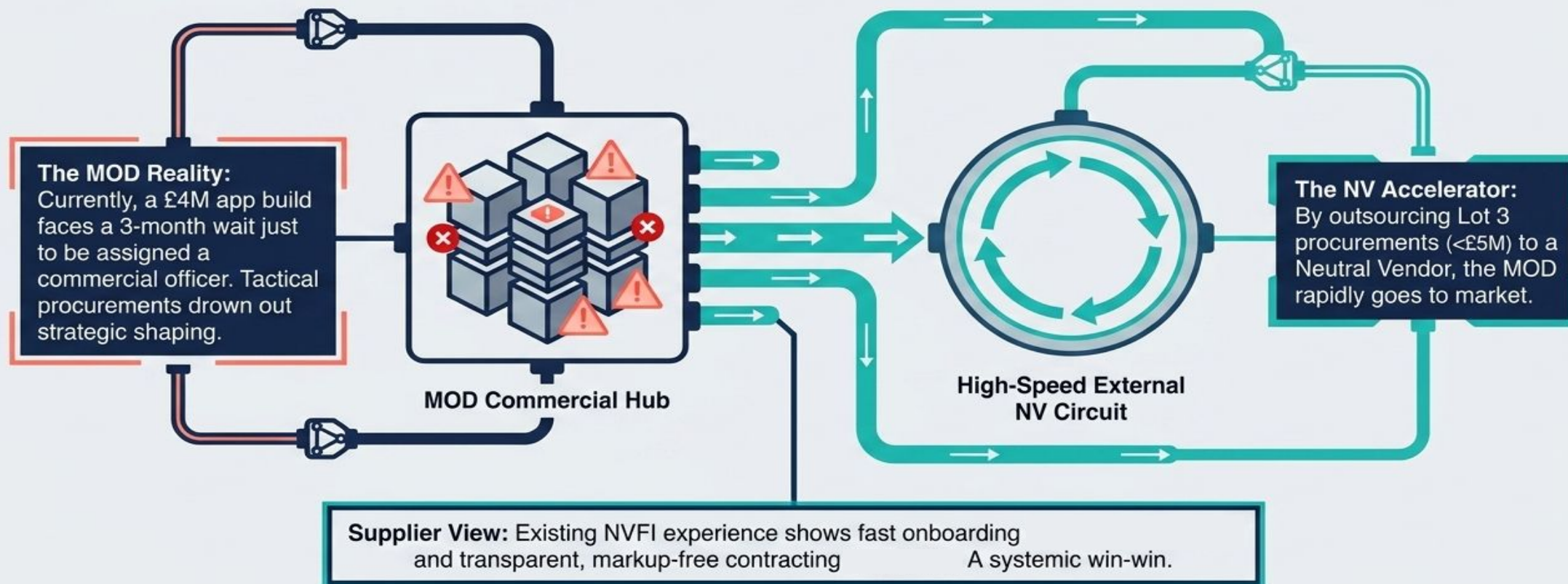
Neutral vendor overview



MoD requirement overview - neutral vendor lot

The Neutral Vendor Accelerator

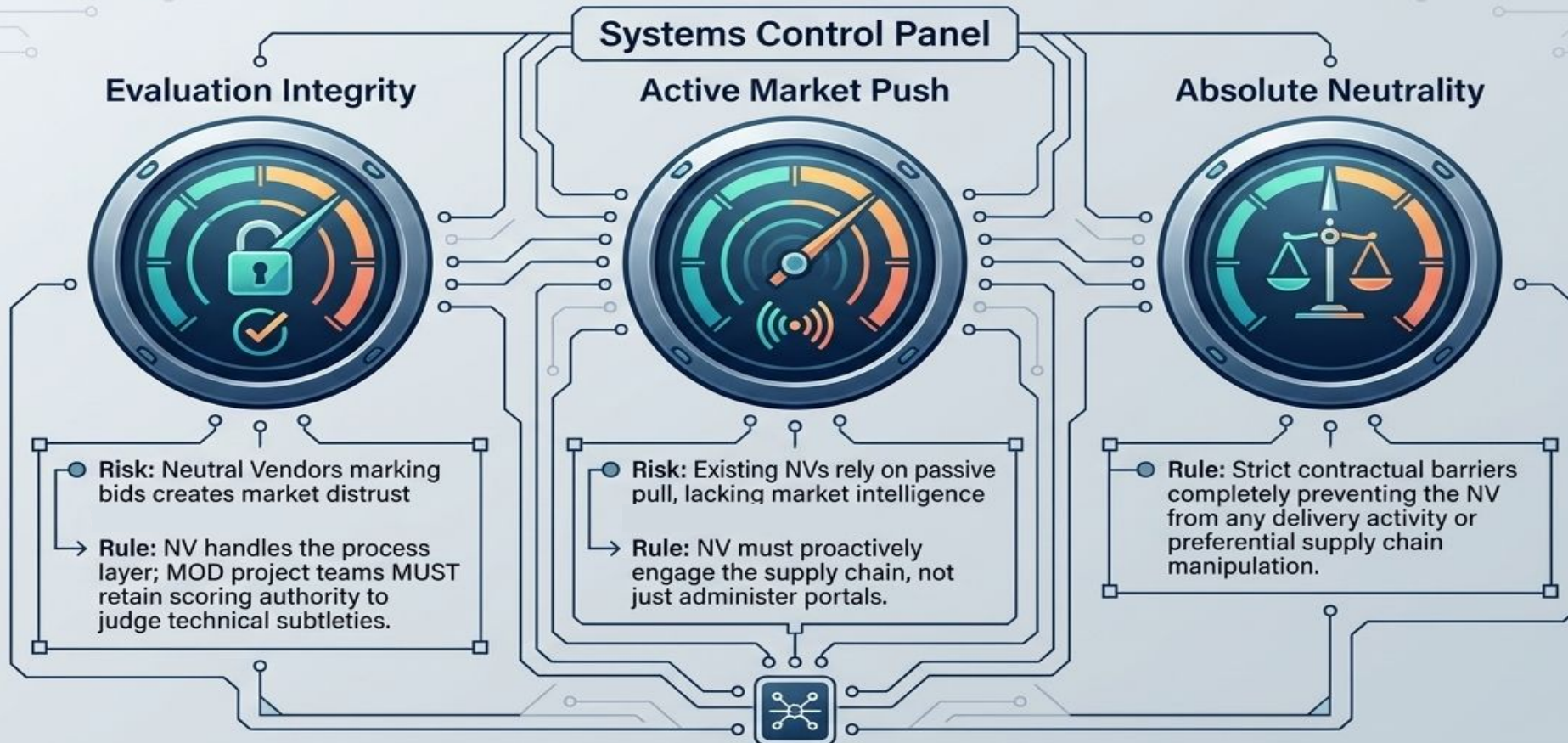
Systemic resource offload for Lot 3 procurements.



Supplier feedback to date - neutral vendor lot

Neutral Vendor Guardrails

Mitigating market risks through strict system controls.



Closing remarks and next steps

- Next pre-market event is planned for July with the objective to review call off mechanisms, neutral vendor lot and MoD requirements
- SME event planned for July/August
- 121 supplier engagement to continue throughout the pre-market engagement period



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 Government Commercial Agency



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Appendix

Professional Services, Consultancy, and Contingent Labour

Professional Services

- Not primarily advisory in nature.
 - Used for delivery of BAU, projects, and programmes.
 - Delivery-focussed against outcomes/outputs.
- Example use case: delivery partner for a complex systems upgrade.
- **Key route to market:**
DIPS (for Digital and IT Professional Services).

Consultancy

- Generally advisory in nature.
- Used to fill a knowledge gap.
 - Identifies options and recommendations.
- Example use cases include business change and transformation.
- **Key route to market:**
Management Consultancy Framework 4 (MCF4)

Professional Services, Consultancy, and Contingent Labour

Professional Services

- Not primarily advisory in nature.
 - Used for delivery of BAU, projects, and programmes.
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- Example use case: delivery partner for a complex systems upgrade.
- **Key route to market:** DIPS (for Digital and IT Professional Services).

Contingent Labour

- Generally not advisory in nature.
- Used to fill a post that is not or cannot be filled by a Civil Servant.
- Use cases include named individual contractors and temporary staff.
- **Key route to market:** Workforce Solutions (aka PSR)

Requirement 1:

Digital Delivery & Product Development

Service Outputs (including, but not limited to)

- Discovery, Alpha, Beta, Live delivery
- User research, testing and human-centred design
- Product roadmaps, backlogs and acceptance criteria
- Service blueprints, journey maps, prototypes
- Preparation and support for Service Standard Assessments

Indicative Roles (including, but not limited to)

- Product Manager / Senior Product Manager / Product Lead
- Delivery Manager / Senior Delivery Manager
- Agile Coach / Scrum Master
- Business Analyst / Lead Business Analyst
- User Researcher / Senior User Researcher
- Service Designer / Interaction Designer
- Content Designer / Technical Writer
- Accessibility Specialist
- Design Lead / Head of Design

Requirement 2:

Software Engineering & Application Development

Service Outputs (including, but not limited to)

- Secure software development (cloud, on-prem, hybrid)
- API design and system integration
- Continuous Integration (CI)/ Continuous Deployment (CD) pipeline development
- Test automation frameworks
- Legacy remediation and modernisation
- Cloud-native and microservice architectures

Indicative Roles (including, but not limited to)

- Software Engineer (all levels)
- Senior/Lead Engineer
- Full-stack / Front-end / Back-end Engineer
- Application Programming Interface (API) / Integration Engineer
- Mobile Developer
- Test Engineer, Automation Tester, Performance Tester
- Quality Assurance (QA) Lead
- DevOps Engineer / Platform Engineer / Site Reliability Engineer (SRE)
- Technical, Solution and Enterprise Architects

Requirement 4:

Cyber Security & Information Assurance

Indicative Roles (including, but not limited to)

- Security Architect
- Cyber Security Specialist
- Information Security Analyst
- Penetration Tester / Ethical Hacker
- Security Operations Centre (SOC) Analyst
- Incident Response Specialist
- Information Assurance/Risk Specialist
- AI assurance

Service Outputs (including, but not limited to)

- Security architecture and secure design review
- National Cyber Security Centre (NCSC)-aligned security assessments
- Secure by Design accreditation artefacts and risk assessments
- Protective monitoring and Security Information and Event Management (SIEM) implementation
- Penetration testing and vulnerability assessments
- Business continuity and disaster recovery planning
- Zero Trust architecture support

Requirement 3:

Data, AI, & Analytics

Indicative Roles (including, but not limited to)

- Data Analyst / Senior Data Analyst
- Data Scientist / Machine Learning (ML) Engineer
- Data Engineer / Senior Data Engineer
- Data Architect / Data Modeller
- Statistician / Geospatial Analyst
- Data Visualisation Specialist

Service Outputs (including, but not limited to)

- Data pipelines, ingestion and Extract, Transform, Load (ETL)
- Data warehousing and data lake design
- Machine learning models and responsible AI assurance
- Business Intelligence (BI) dashboards and advanced analytics
- Data governance, metadata and cataloguing
- Master data management and Reference data management
- Data quality assessments, process revision

Requirement 5:

Cloud, Infrastructure & Network Services

Indicative Roles (including, but not limited to)

- Cloud Architect / Cloud Engineer
- Infrastructure Engineer
- Network Architect / Network Engineer
- Systems Administrator
- IT Operations Manager

Service Outputs (including, but not limited to)

- Cloud migration and optimisation
- Data centre transformation
- Network architecture and secure connectivity
- Endpoint management and device strategy
- Backup, storage and virtualisation platforms
- Operational resilience and Disaster Recovery (DR)/Business Continuity Planning (BCP) implementation

Requirement 6: Technical Assurance & Architecture Services

Service Outputs (including, but not limited to)

- Enterprise and solution architecture
- Technical options analysis and feasibility studies
- Technical assurance for programmes and projects
- Compliance assessments against Government Digital Service (GDS), NCSC and IT standards
- Technical roadmaps and standards development

Requirement 7:

Project, Programme and Portfolio Management

Service Outputs (including, but not limited to)

- Compliance assessments against Project Delivery Standards Gov 002 standards/APMQ
- Project, Programme and Portfolio (P3M) governance and reporting
- Business case development (Five-Case Model)
- Portfolio planning and prioritisation
- Risk and issue management
- Benefits management and realisation
- Digital transformation programme oversight
- Change management

Indicative Roles (including, but not limited to)

- Programme Manager
- Project Manager
- Project Management Office (PMO) Analyst / PMO Manager
- Portfolio Manager
- Risk Manager
- Change Manager
- Benefits Manager

Requirement 8:

IT Service Management & Operational Support

Service Outputs (including, but not limited to)

- IT service operations (ITIL4-aligned)
- Major incident, change and problem management
- Service transition, release and deployment management
- Service reporting, dashboards and Key Performance Indicators (KPI)
- Asset and configuration management

Indicative Roles (including, but not limited to)

- Service Manager
- Information Technology Infrastructure Library (ITIL) Process Specialist
- Operations Analyst
- Major Incident Manager
- Service Desk Analysts (1st/2nd/3rd Line)
- Release Manager / Change Manager

Requirement 9:

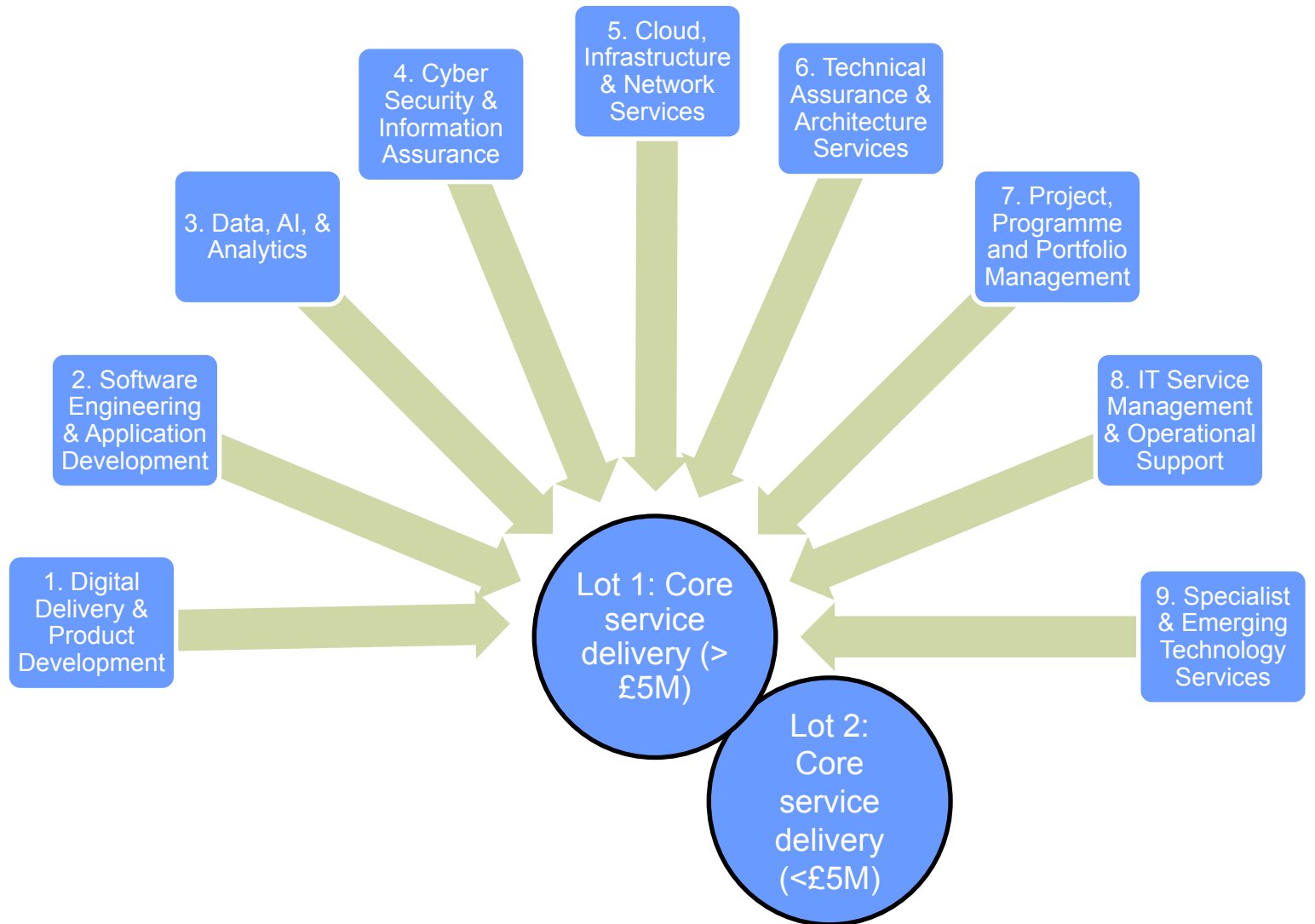
Specialist & Emerging Technology Services

Service Outputs (including, but not limited to)

- Artificial Intelligence and responsible AI frameworks
- Robotics Process Automation (RPA) implementation
- Digital twins and simulation
- Internet of Things (IoT) solutions and sensor integrations
- 5G and advanced connectivity advisory
- Blockchain / Distributed Ledger Technology (DLT) exploratory work
- Quantum computing readiness assessments
- Augmented Reality (AR)/Virtual Reality (VR) and immersive technology for training

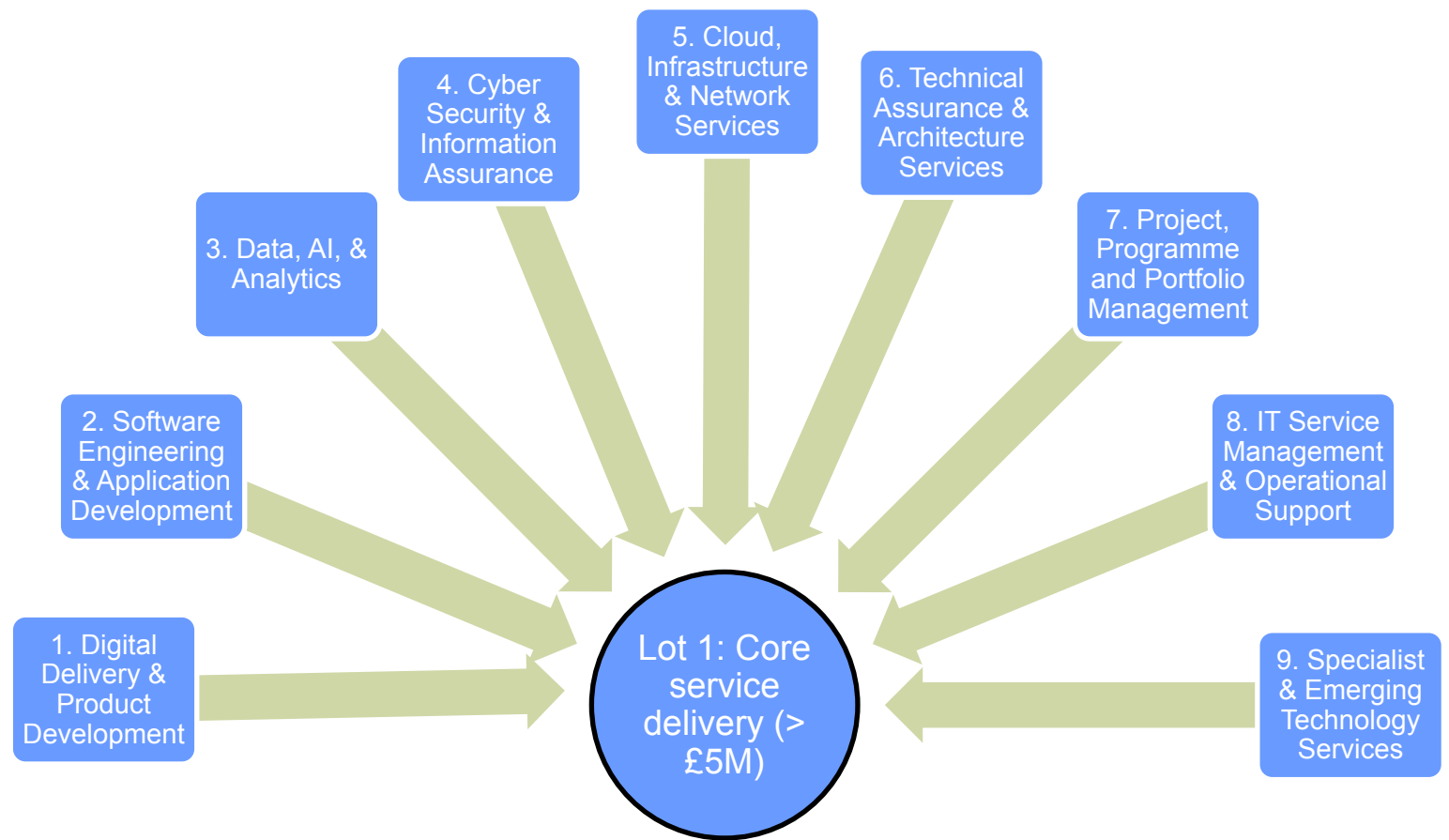
SME participation

Option 1



SME participation

Option 1

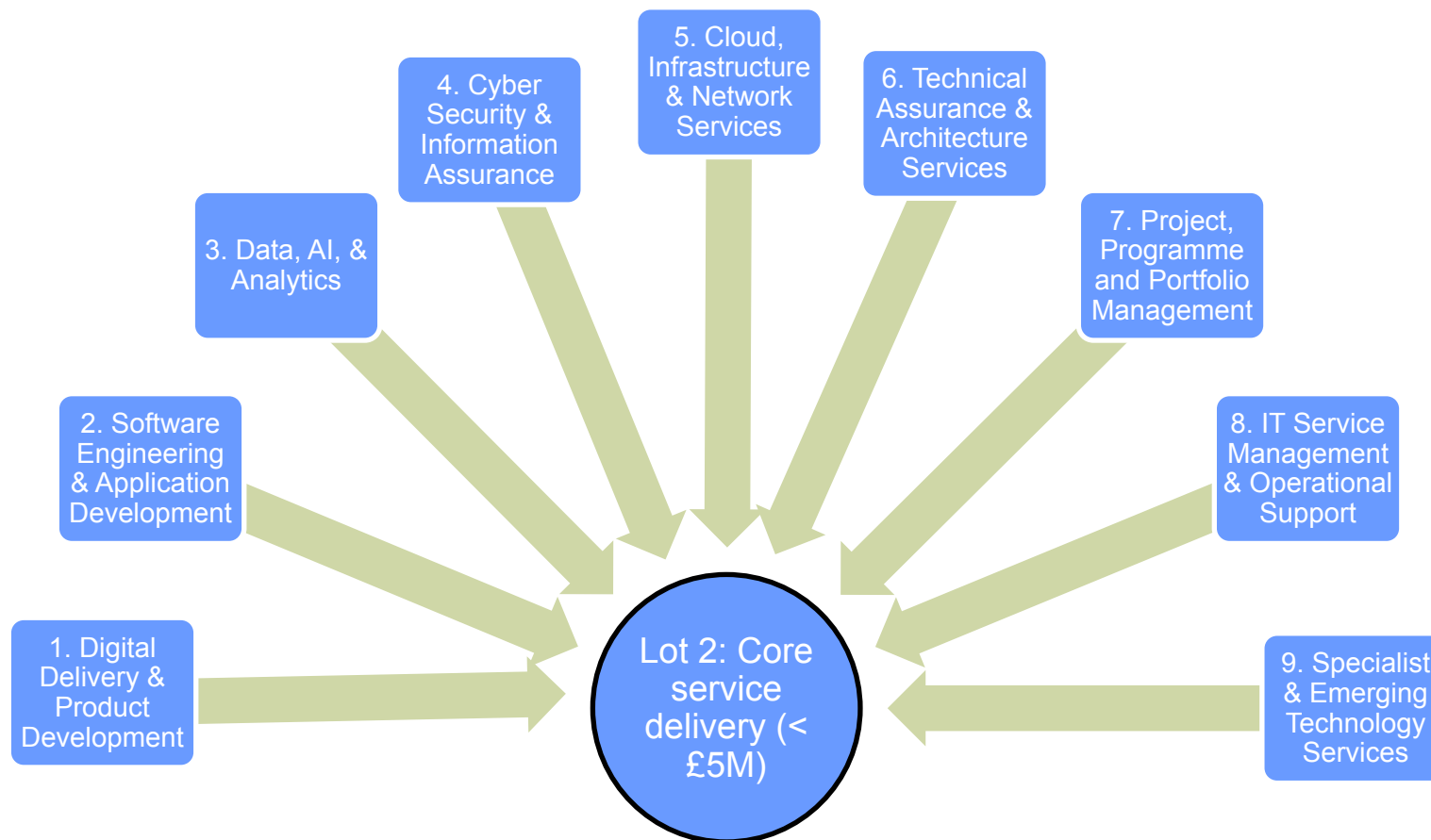


Lot 1: Core service delivery (>£5M) (Open or Closed Framework)

- Likely to be a high bar to entry, evidencing experience and capacity/capability to deliver against all 9 areas of the framework scope.
- Lends itself to partnerships, consortia, rather than individual companies.
- Ability to build closer, more strategic, relationships with a number of suppliers allowing for co-creation and investment into the MOD.
- Potential supplier number caps (depending on whether an Open, or Closed framework is chosen)

SME participation

Option 1



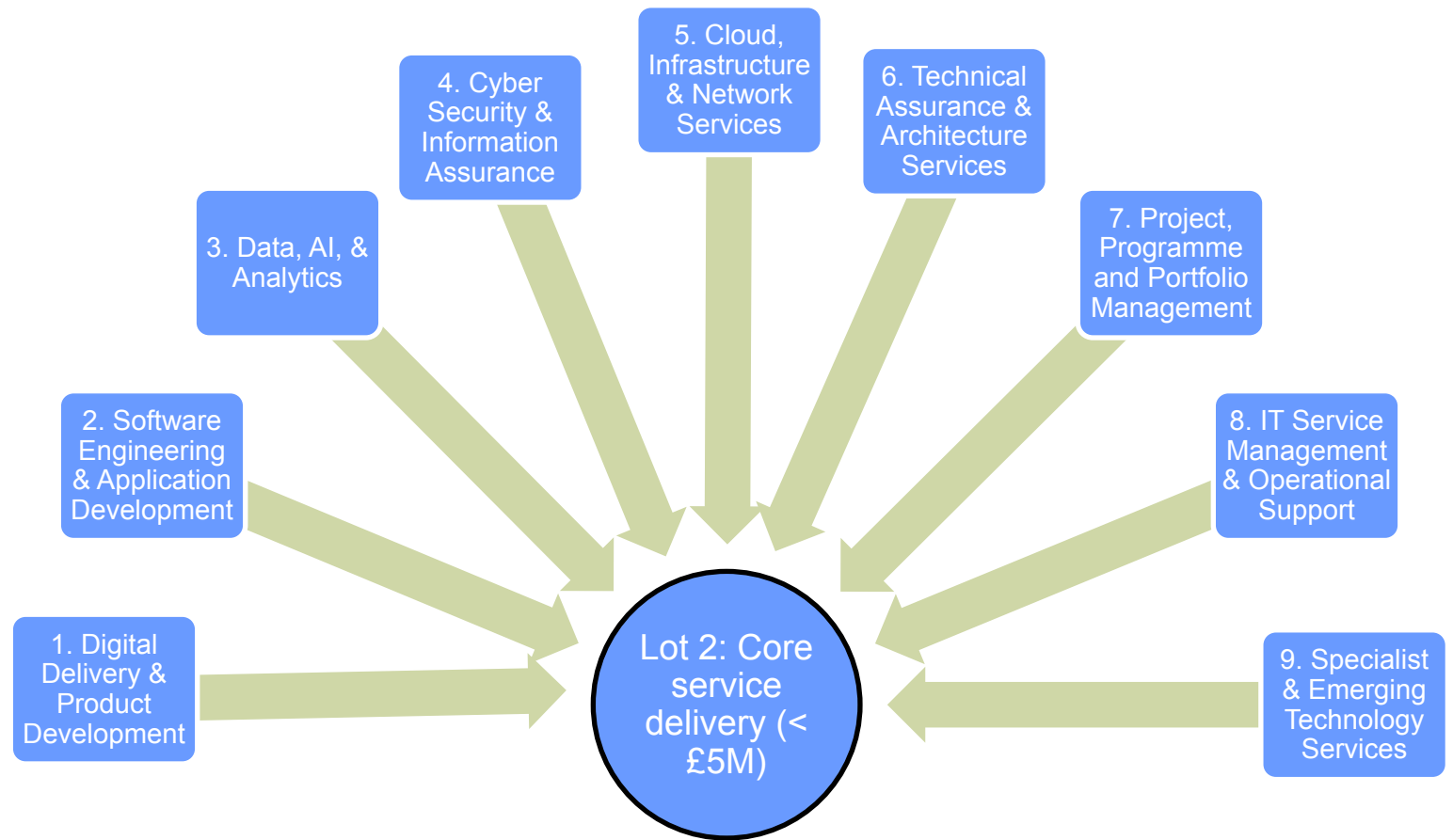
Lot 2: Core service delivery (<£5M) (Open or Closed Framework)

- Likely to be a lower bar to entry, evidencing experience and capacity/capability to deliver against at least 1 area of the framework's scope.
- Lends itself to individual companies, particularly SMEs.
- Ability to procure services from SMEs, and niche service providers.
- Potential to be an uncapped lot (depending on whether an Open, or Closed framework is chosen)

SME participation

Option 2 Neutral Vendor

Neutral vendor approach is
in a draft stage of review



Lot 2: Core service delivery (<£5M) – **Neutral Vendor** (Closed Framework)

- Single supplier Lot (the Neutral Vendor). Not a prime, the Neutral Vendor would not participate in delivery.
- Easier way of SMEs doing business with the MoD.
- Benefits suppliers through access to the MoD, requirements visibility, meet the buyer events, access to pipeline, and reduced administration.
- Allows for increased MoD focus on pipelining.
- A high bar to entry, evidencing experience and capacity/capability to deliver volume of procurements for digital and IT professional services.

Lotting structure options

Three options to be considered:

1. 2 lots split per value
2. 4 lots split per technology category; all lots will include transition and project/programme management provisions; all lots to include ancillary consultancy services; all lots to cover innovation
3. 3 lots including all above requirements+consultancy and assurance services; split per value

Option 1

Lot 1	Lot 2
Core service delivery (above £5m)	Core service delivery (below £5m)

Option 2

Lot 1	Lot 2	Lot 3	Lot 4
Tech strategy, design consultancy and assurance services	Infrastructure, data centre, cloud and networks services	Cyber security, end user and IT service management	Application management and data services

Option 3

Lot 1	Lot 2	Lot 3
Infrastructure, data centre, cloud and networks services Above £5m	Cyber security, end user and IT service management	Application management and data services
Lot 1b Below £5m	Lot 2b Below £5m	Lot 3b Below £5m