

# Guidelines for the Initiation of e-Government Pilot Projects



Computer

Telephone

Television



CITU(NI)

Department of Finance and Personnel  
Central Procurement Directorate



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# E-Government Pilot Projects

## Introduction

In 1997, the Prime Minister set a target that 'within 5 years (i.e. by the end of 2002) one quarter of all dealings with government should be capable of being delivered electronically either by telephone, by computer or through television'.

## Targets

Two additional targets were later added:

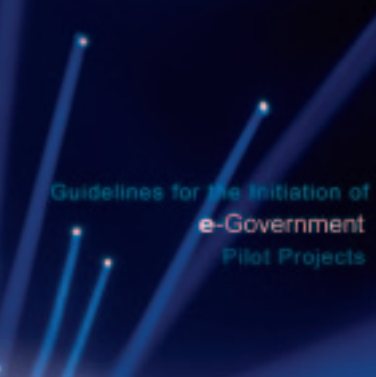
- 50% of all dealings to be capable of being delivered electronically by 2005; and
- 100% of all services by 2008.

In March 2000 the date for the 100% target was brought forward to 2005.

But e-Government projects are significantly different to 'normal' government IT projects. The key differentiations include the following:

- (i) traditional IT projects tend to be about providing an IT solution for an existing business problem;
- (ii) some e-Government projects will require major process re-engineering;
- (iii) it is government policy to deliver all key Northern Ireland government services electronically by 2005;
- (iv) in the short to medium term, electronic services will have to be delivered alongside traditional service methods (i.e. at additional cost);
- (v) some innovative services may be 'joined up' i.e. across current organisational boundaries;
- (vi) the project risk is increased as government businesses (for example) have no control over customer behaviour i.e. there is a risk that despite Departments investing in new e-services, the actual take-up by citizens may be very low;





- (vii) a marketing budget may have to be included in the Business Case to advise citizens of the new service (and encourage take-up); and
- (viii) e-Government pilot projects will normally have to be 'endorsed' by CITU(NI) and in some cases by the inter-departmental e-Government Board.

## **Modernisation**

Furthermore, when the Prime Minister made his statement about electronic service delivery, he was doing so in the context of the government's policy to modernise the public service. In particular the government's declared aim was to deliver services that truly meet the needs of citizens and business rather than those which represent the current organisational structure of government.

It was not the government's intention therefore to deliver existing services electronically; rather service providers were expected to consult with their customers and to design and deliver 'joined up' services which simplify interactions with government.

## **Principles**

e-Government has four guiding principles:

- (i) building services around citizens' choices;
- (ii) making government and its services more accessible;
- (iii) social inclusion; and
- (iv) using information better.

Northern Ireland Departments have each developed an e-Business Strategy setting out how they will deliver their key services electronically. At 31 December 2002, 56% of identified key services were capable of being delivered electronically.

# Criteria for Pilot Projects

Against this background and particularly given the issues identified above, a sensible way forward for government is so-called 'proof of concept pilot projects'.

These are unlike normal projects in that there is an opportunity for private sector companies to identify potential opportunities for *practical* e-Government service improvement projects and seek to partner with Departments in piloting their initial delivery. (The invitation from government to the private sector to 'bring forward innovative proposals for improved government services' was first mooted in the White Paper, 'Competing for Quality'.)

From a Northern Ireland perspective, a number of criteria have been developed for modernising government/e-Government pilot projects. These criteria are as follows:

## **(i) Proof of concept**

In most cases the private sector proposals look feasible in principle. However, normally the ideas proposed need to be tested against reality. The latter includes in particular identifying potential barriers either to delivering joined up services (e.g. sharing personal information across organisational boundaries) or to electronic service delivery itself (e.g. authentication issues).

## **(ii) Proof of the technology**

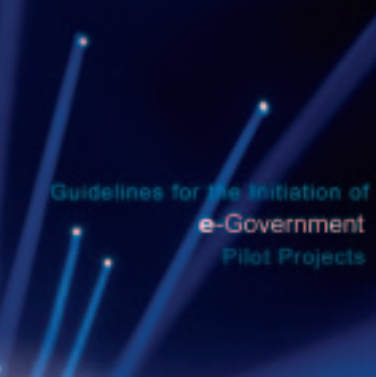
While most of the focus on e-Government revolves around using the Internet, other technical platforms need to be tested. The latter include telephone services (including call and contact centres), kiosks and digital television.

A pilot project allows testing of a potential solution with minimised risk and significantly reduced cost. In essence pilot projects facilitate sensible prototyping of innovative solutions (and therefore help to prevent costly project failures).

## **(iii) Proof of usability**

One of the issues raised earlier in this paper was the question of take-up by the public of the new electronic services. While accessibility to





technology is a key pre-requisite, alongside this is the issue of simplicity of use i.e. the service as provided is 'intuitive' and can be used by citizens (or business) who have little or no knowledge of Information and Communications Technology (ICT). Early 'failures' included the first iteration of online Self Assessment Forms for personal income tax.

Again pilot projects normally involve partnership between the public service, the private sector and a representative group of customers, to develop customer focused services.

#### **(iv) Proof of the business case**

While the Prime Minister has made statements about delivering all government services electronically and having them available 24 hours/day, the small print is frequently overlooked. The latter includes a couple of key qualifiers:

- (i) where there is a demand;** and
- (ii) where it makes sense to do so.**

A pilot project enables the business to consider both of these issues in a controlled environment. The NI Executive endorsed a policy of having all key services available electronically by 2005 (see Annex A for guidelines on defining Key Services) but the same caveats apply here.

Obviously the cost of current service delivery versus electronic service (possibly self-service) will be a key determinant in the business case; but other factors e.g. relating to potential take-up and improved customer satisfaction, will also have to be factored in.

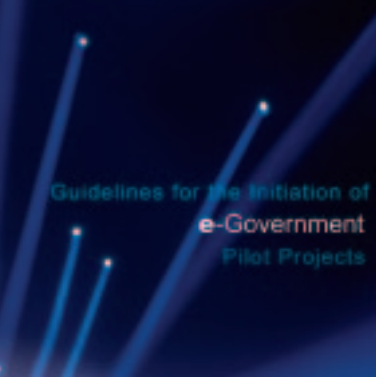
Again a significant difference in e-Government projects and normal IT projects is the fact that in the short-to-medium term the new electronic service will have to be delivered in tandem with the existing service (and consequently at additional cost to the business).

Work is already under way in Whitehall to publish a model for developing a Business Case for e-Government projects and the Central Information Technology Unit (CITU(NI)) and the Business Development Service are tapped in to this work.

Of course, one of the most critical issues for collaborative projects (i.e. involving more than one public sector organisation) is the question of accountability given the potential reliance on another organisation's processes and data; equally the question of where costs should fall and how potential benefits should be accounted for.

All proposed pilots are to be undertaken with a clear understanding of the procurement and acquisition strategies that must be developed if the project proves successful. The private sector proposers/partners must be given unambiguous advice from participating Departments regarding the path to full live running if a pilot is deemed a success; and equally what the consequences may be if it is deemed unsuccessful.





# Initiating a Pilot Project

While the previous paragraphs have pointed up the key differences between 'normal' IT projects and pilot projects, in terms of project management, the standard principles should apply.

The key aspects to be considered and addressed include the following:

- (i) scope of the pilot project;
- (ii) procurement strategies and implications;
- (iii) key stakeholders;
- (iv) critical success factors for each stakeholder;
- (v) timeframe for pilot;
- (vi) overall costs (including contributions (if any) from each stakeholder);
- (vii) expected benefits;
- (viii) risks;
- (ix) ownership of assets/Intellectual Property Rights (IPR); and
- (x) exit strategy.

Each of these issues is addressed in Annex B.

The pilot project should be managed using PRINCE including the appointment of a Senior Responsible Owner on the government side and a Senior Industry Executive on the prime 'contractor' side. *In effect, all projects must be subject to the same controls and rigors which apply to other e-Government or IT projects.*

In the case of pilot projects, invitations to suppliers to submit proposals for delivering electronic services must also follow additional robust and accountable procedures. These will be based upon the following criteria:

## **Advertising**

Suppliers will be invited – annually (at minimum) through an advertisement – to submit innovative proposals for further consideration.

The advertising process will be handled by the Central Procurement Directorate (CPD) and CITU(NI) on behalf of the Northern Ireland Civil service (NICS), in order to ensure a common approach across Departments and to avoid duplication of effort.

Departments will be free to accept as many, or as few, of the submitted proposals for further evaluation as they deem appropriate. Those accepted will be taken forward *on a pilot project basis* only.

The pilot project facility will also be available to local government in Northern Ireland.

## **Sift arrangements and criteria**

A Sift Board will be established under the joint chairmanship of CITU(NI)/CPD and will comprise representatives from all Departments identified as potential partners by suppliers. The panel will ensure that sift criteria are properly applied and ensure that projects are not needlessly duplicated. CITU(NI) will oversee the maintenance of a pilot project register. Sift Boards will convene on an ad hoc basis, depending upon the number of projects brought forward by suppliers.

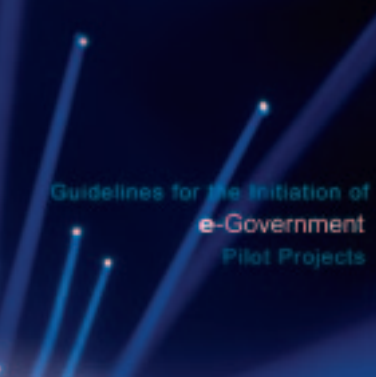
Annex C sets out some illustrative sift criteria which will be used when deciding which proposals should be taken forward to proof of concept. The list is not exhaustive and may be subject to further amendment.

Once the sifting process has been finalised, management of the pilot projects will be the responsibility of the sponsoring Department(s).

## **Intellectual Property Rights**

At the outset, it will be important to establish who will own what at the end of the pilot project. This is particularly important in relation to intellectual property such as developed software.





CITU(NI) recommends that IPR and ownership of the business idea must be retained by the commissioning NICS Department(s).

Ownership rights of any developed software would normally remain with the supplier.

There may, however, be issues about further marketing and/or commercial development of such products. Departments will resolve such issues on a case-by-case basis at which time CITU(NI)/CPD will offer advice as required.

### **Timeframe**

Pilot projects are most effective if they can deliver quick results and CITU(NI) believes that the most effective life span of any pilot project is normally between 90-120 days.

### **Central register of projects**

A Central Register of all Pilot Projects will be compiled and maintained by CITU(NI) for use by all Departments. The purpose of the register is to keep track of all pilot projects so that lessons learned can be shared and to avoid duplicating projects.

### **Conclusion**

Pilot projects provide a sensible means for government businesses to learn lessons about e-Government projects in a controlled, low risk environment. In particular the pilots inform the development of a Business Case for the consequential full implementation, and provide an opportunity to uncover and address at an early stage, potential barriers to full implementation.

Pilot projects are a major vehicle for moving forward the modernising programme by helping Departments to work with the private sector to share goals, share information and share best practice.

Pilot projects are a positive step forward and should be implemented in accordance with the principles outlined below and as previously set out in this paper.

- The parameters that specify the purpose, scope and products expected from the project must be clearly identifiable from the outset. Upon completion of the pilot, a decision should be taken as to whether or not the concept is feasible and, if so, tenders for a full implementation project should be invited.
- The tendering process must be open to, and not restricted to, the supplier of the pilot project.
- All suppliers of 'proof of concept' projects must also be made aware at outset that such projects will always proceed to open tender if implementation is deemed to be viable.
- The project may, however, remain operational during subsequent tendering processes for full implementation where the project is already delivering business benefits and it would be disruptive to the business to curtail the service during the tendering process. Pilot project suppliers must therefore make suitable provision to enable such projects to continue during these times including agreement of an appropriate payment profile (where appropriate).





# Annex A

## **Key Services**

Criteria for defining key services come from opposite ends of the spectrum viz:

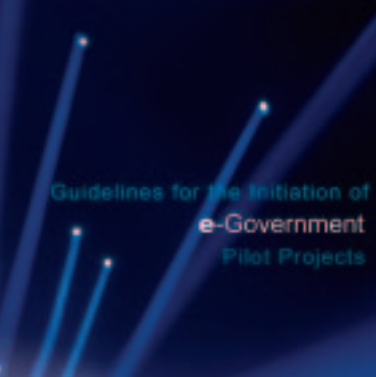
- from the citizens (and business) perspective, those government services which they would like to be delivered electronically; and
- from the government's perspective those services which they would like citizens and business to transact electronically.

In providing guidance to Departments on identifying key services CITU(NI) recommended the following criteria:

- Services which result in a high number of transactions with citizens or business (for example, the renewal of road fund licences); or
- Services which are highly valued by citizens or business (for example, payment of rates); or
- Services which oblige the citizen or business to transact with the public sector (for example, notifying Driver and Vehicle Licensing Northern Ireland of change of address).

The identification of actual key services remains a matter for each Department to determine and agree with their Minister.





## Annex B

### **Considerations for the Initiation and Management of an e-Government Pilot Project**

#### **(i) Project scope**

Defines the services which are to be delivered, the way in which they are to be delivered and the people for whom they are to be provided.

In essence an outline description of the project and what it is intended to demonstrate and/or prove.

#### **(ii) Implementation strategies and implications**

This will establish and formalise the relationship(s) to provide all parties with a clear understanding of their obligations and liabilities (e.g. charging methods, provision of equipment and/or accommodation, IPR (see below), insurance provision etc).

Specialist procurement advice must be sought at the planning stage of any proposed pilot project.

#### **(iii) Key stakeholders**

Identifies the various participants in the pilot project; in particular those government businesses inputting to the project, the target customer base and the private sector stakeholders.

#### **(iv) Critical success factors for each of the stakeholder groups**

Identifies at the outset what each of the groups hopes to achieve by participating in the pilot so that success can be measured as the project progresses. For example:

- **Citizen focus** - identified needs and new services informed by citizens' views
- **Choice** - different channels to access the services (e.g. the telephone is still the most popular channel)

- **Convenience** - not only 9 to 5, Monday to Friday, and not only at 'conventional' government offices
- **Effectiveness** - innovation with a purpose i.e. to deliver improved services

**(v) Timeframe for the pilot**

The project plan should identify what is to be achieved, by whom and by when. Pilot projects are most effective if they can deliver quick results.

CITU(NI) recommends that the life span of any pilot project should be between 90-120 days.

**(vi) Overall costs**

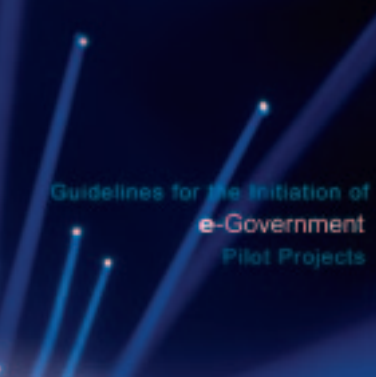
At the outset these will be illustrative; however an under-pinning principle is that costs to the public service should be minimised. Certainly private sector stakeholders should not expect to recover their total input costs. Their 'skin in the game' should (a) offset their opportunity to learn with their public service partners; and (b) compensate for the possibility of market opportunities.

*NOTE: There are no monetary limits imposed on pilot projects although the same due diligence should apply to public expenditure as for traditional projects (in terms of accountability). Should the costs to government exceed the normal delegated limits, a Business Case to justify the expenditure should be produced.*

**(vii) Expected benefits**

Some benefits will have been identified in previous sections (e.g. Critical Success Factors) but in this case more emphasis should be placed on quantifiable benefits. This information will inform the Business Case for the consequential full implementation (if appropriate).





### **(viii) Risks**

Some of the added risks associated with e-Government projects were articulated earlier in this paper. These should be included together with any identified risks specific to the particular pilot project.

### **(ix) Ownership of assets/IPR**

Given the investment provided both by the private sector and the public sector, it is important to establish at the outset who will own what at the end of the project. This is particularly important in relation to intellectual property e.g. for developed software.

CITU(NI) recommends that ownership of the business idea must remain with the NICS. Ownership of software would belong with the supplier.

### **(x) Exit strategy**

In some cases the pilot project will finish and the solution will be withdrawn (e.g. Department of Enterprise, Trade and Industry Electronic Document Records Management (EDRM) pilot project). A formal procurement will then follow.

In other instances it may be prudent to allow the pilot service to continue while the procurement process proceeds. This is perfectly legitimate but the terms of this 'post-pilot phase' should be agreed in advance of the pilot commencing (i.e. an outline charging mechanism for the electronic service).

Participating organisations may wish to include a "no blame" termination option in the arrangement for the pilot, whereby if either the supplier or the customer organisation feels that the pilot is not progressing well, it can be terminated without any cost implications.

*NOTE: It is also perfectly legitimate for companies (or consortia) participating in pilot projects to bid in the consequential procurement competition. However, to ensure the probity of government contracting such bids will be treated exactly the same as any other bid (i.e. companies participating in pilot projects will receive no preferential treatment during the tendering process).*

# Annex C

## **Sift Criteria**

### **Proof of concept sift criteria**

Should the number of potential projects exceed the organisation's capacity for implementation, some or all of the following criteria should be used to conduct an initial sift of projects. Other criteria may be added when needed.

### **Relevance to the e-Government Strategies**

The potential outcomes of the pilot should be assessed in relation to the e-Government Strategies. Judgement must be made as to how the proposed pilot project is aligned with the strategies or how it might contribute to their advancement. A project which might hold benefits for more than one aspect of the strategy should score more heavily than one which is limited to (say) one application only. Advice should normally be sought from CITU(NI).

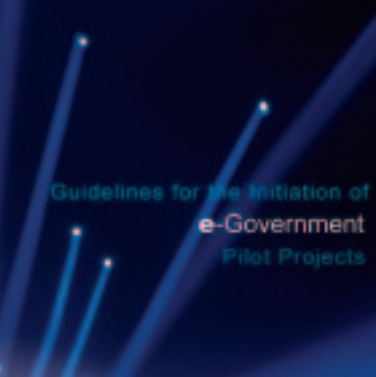
### **Cross-cutting potential**

To what extent does the proposed proof of concept project join up services across internal and external organisational boundaries? The more boundaries crossed the higher the score under this criterion. Similarly the more systems integrated the higher the score.

### **Assessment of benefits**

The potential benefits of the project should be clearly defined and as far as possible quantified in any proposal. There should be a clear exposition of how those benefits can be achieved and to whom they accrue. A mix of benefits is to be expected but potential for cost cutting should be a significant consideration.





### **Projected costs**

The costs of the project should be well defined and the costs to be borne by each stakeholder should be clear. An assessment should be made of the ability of the public sector organisation to find the necessary resources.

### **Risk management**

There should be a clear exposition of the risks associated with the project, the responsibilities for managing respective risks and an assessment of the ability of each stakeholder to manage those risks.

### **Project timing**

There should be an assessment of the time needed to start work on the project and its duration. The public sector must assess its ability to make available the necessary manpower resources, on time and throughout the project.

### **Termination arrangements**

An assessment must be made of the proposed obligations on all parties at the termination of the project. These should include the retention or removal of hardware and software, the ownership of Intellectual Property Rights, the production of a project report and the arrangements for the project to continue in operation until a competitive procurement has been completed, if appropriate.

# Annex D

## **Glossary of Terms**

<b>BDS</b>	Business Development Service
<b>CITU(NI)</b>	Central Information Technology Unit for Northern Ireland
<b>CPD</b>	Central Procurement Directorate
<b>DETI</b>	Department of Enterprise, Trade and Investment
<b>DFP</b>	Department of Finance and Personnel
<b>EDRM</b>	Electronic Document Records Management
<b>ICT</b>	Information and Communications Technology
<b>IPR</b>	Intellectual Property Rights
<b>NICS</b>	Northern Ireland Civil Service
<b>OFMDFM</b>	Office of the First Minister and Deputy First Minister









**Office of the First Minister and  
Deputy First Minister**

**CITU(NI)**

Craigantlet Buildings  
Stormont Estate  
Belfast BT4 3SX  
Tel: 028 9052 7217  
Fax: 028 9052 7235  
Web: [www.cituni.gov.uk](http://www.cituni.gov.uk)  
email: [cituni@ofmdfmi.gov.uk](mailto:cituni@ofmdfmi.gov.uk)

**Department of Finance and Personnel**

**Central Procurement Directorate**

Room 217  
Rosepark House  
Upper Newtownards Road  
Belfast BT4 3NR  
Tel: 028 9052 6400  
Fax: 028 9052 6502  
Web: [www.cpdni.gov.uk](http://www.cpdni.gov.uk)  
email: [tom.gilgunn@dfpni.gov.uk](mailto:tom.gilgunn@dfpni.gov.uk)