

Single Tender Action (STA) - Business Case

V.2 September 2022

This form should be completed for all purchases of goods and/or services over £1,000 where a single source action is proposed. *Note – HO are not purchasing goods or services in this instance. This funding is in support of DfT RID project.*

A copy of this form must be attached to the requisition and the commercial approvers name entered into the suggested buyer field.

Step 1

If not already in place, obtain budgetary approval. *Confirmed [REDACTED]*

Step 2

- A. If business specific or over £10,000, completed forms should be sent for review to your Commercial Business Partner Team. To find out who that is see the Commercial Business Partner teams page on Metis Guidance and requests. *Confirmed [REDACTED]*
- B. For Common Goods & Services below £10,000, completed forms should be sent for review to *[REDACTED]*. *N/A [REDACTED]*

For a list of common good and services see the section on 'Common Goods and Services definition' on the How to buy something page on Metis Guidance and Requests.

Please note that STAs will only be considered by exception and will not normally be allowed unless there is full justification that can be robustly defended.

Spend details

Details	Enter details below
Directorate and Business Unit	Directorate: <i>[REDACTED]</i> . Unit: <i>[REDACTED]</i>
Category of Spend:	Research and Development
Estimated Whole Life Maximum Cost (including VAT)	£600,000
Recommended Supplier	Civil Aviation Authority

Details	Enter details below
Proposed Duration of STA (Start Date and End Date)	Funding for phase 2 of Remote ID project (Design Phase) lasting 6 months, from 1 April 2023 to 30 September 2023.
Description of Goods and Services	<p>This Business Case is for £600k to contribute to the programme of work to implement Remote ID (RID) for drones in the UK, to meet the regulatory requirement by 1 January 2026.</p> <p>There are an estimated 350,000 drones in use in the UK. Drone operators are required to register with the Civil Aviation Authority (CAA), but there is no way for an external party (such as law enforcement) to read this registration remotely. In practice, drones effectively fly anonymously. Some use is careless, inconsiderate or criminal, with 13,000 incidents reported to-date, including smuggling, illicit photography, harassment, and infringement of sensitive sites.</p> <p>RID will remove this anonymity, and thus provide significant security benefits, allowing police to identify malicious and/or incompetent operators, leading to re-education, fines, or convictions. RID is therefore analogous to number plates and Automatic Number Plate Recognition (ANPR) for road vehicles. Crucially RID allows the police to identify and address unlawful behaviour at the earliest opportunity. RID would also provide information and data for the CAA, Police, DfT and other authorities to carry out their jobs more effectively.</p> <p>CAA estimate the cost to fully implement RID is c. £10-15m over 18-24 months. The design phase will cost £1.8m to complete, which will include technical, commercial and regulatory/legislative design.</p> <p>£600k from the Home Office will be paired with £1.2m from DfT, making up the £1.8m required to run the design phase. This phase includes:</p>

Details	Enter details below
	<ul style="list-style-type: none"> - Complete design of technical components, standards and interfaces (e.g. RID data, 'Drone and Model Aircraft Registration and Education Service' (DMARES) development). - Complete design of new regulation and legislation to give CAA powers to operate RID, and place obligations on manufacturers and users - Draft wording of regulation and legislation - Initial scoping on how to buy relevant components, ensuring value for money - Engagement with suppliers - Establish a new work programme, including reporting, governance, RAID management and planning. - Draft and deliver the Outline Business Case and Full Business Case, in line with HMT Green Book principles - Key design decisions finalised

Competition routes considered prior to Single Tender Action

Has the business unit engaged with their Commercial Business Partner team to establish whether more than one supplier can provide goods/services?

No

If “**Yes**”, please provide evidence of reasons for discounting competition.

If “**No**”, please justify why this has not been done (please note that STAs will normally be rejected if a reasonable market assessment has not been carried out. Urgency alone will not be considered an adequate reason).

There are no other suppliers able to provide this service. The Civil Aviation Authority are undertaking the programme of work to develop and implement RID of drones within the UK. As an ALB of the Department for Transport, the CAA is responsible for the delivery of RID, which is a regulatory requirement to be implemented by January 2026. It is not possible to consider other suppliers to complete this work.

Has the business unit reviewed available Basware catalogues or existing compliant frameworks?

Yes

If “**Yes**”, please provide evidence of reasons for discounting Basware catalogues or existing compliant frameworks.

This is a bespoke, specific project that the Home Office is looking to support in conjunction with the Department for Transport. It is not possible to make a purchase through Basware for this project or through existing frameworks. This project is being delivered solely by CAA.

If “**no**”, please justify why this has not been done (please note that STAs will normally be rejected if a review of existing catalogues and frameworks has not been carried out. Urgency alone will not be considered an adequate reason).

N/A

Justification and evidence to support this STA

Justification	Enter 'Yes' against your selection below
Single Source, e.g., Maintenance of previously purchased goods; only accredited training provider	Yes
Propriety Software E.g., Provider has technical or exclusive rights	
National Security supported by defence regulations	
Other (please provide detail)	

Further detail: the CAA are responsible for the delivery of the RID project in the UK. They are the sole source for this project.

Please provide a detailed business justification containing all the relevant information. This section **MUST** be completed. Responses with short or inadequate details will be rejected - attach a separate note if necessary.

Considerations	Brief description of the requirement
Business considerations	<p>This Business Case is for £600k to contribute to the programme of work to implement Remote ID (RID) for drones in the UK, to meet the regulatory requirement by 1 January 2026.</p> <p>The route to implementation would be through the establishment of a CAA-led programme, sponsored by DfT and Home Office as key users and stakeholders, and aligned to HMT and Cabinet Office delivery guidelines through the Government Functional Standard.</p> <p>From 1 April to 30 September 2023, the second phase of the RID project will run. This design phase will include the below deliverables:</p> <p>Technical: application and functional architecture, technical architecture, technical standards</p> <p>Legislative: analysis, design and drafting of the legislation and regulation, and consultation</p>

Considerations	Brief description of the requirement
	<p>Commercial: commercial priorities, market engagement (producing accurate cost estimates for implementation phase), “should-cost” model</p> <p>Programme: PID, RAID, Stakeholder Map and Outline Business Case</p>
Dependencies on other projects/programmes	<p>RID is a self-contained project to be delivered by CAA. The programme of work is supported by several departments across government, as benefits will be wide reaching, including Home Office, Department for Transport, and Department for Science, Innovation and Technology (previously BEIS).</p> <p>CAA are responsible for delivery and will lead on this project with support from existing external delivery partners. Suppliers have indicated a Fixed Price proposal for £1.8m to deliver the design phase. This proposal secures the relevant resources, expertise, and will last for 6 months.</p> <p>The RID programme is dependent on future funding streams for the subsequent phases (phase three: build, test, and implement). The Home Office alongside Department for Transport are exploring funding options, such as the Treasury lead ‘Shared Outcomes Fund’.</p> <p>The programme is also dependent on CAA capacity and resource, which is limited. This is mitigated by bringing in support from existing external delivery partners. There is the added benefit of specific expertise, as these partners have experience of designing and implement RID successfully in other countries such as Switzerland.</p>
Do nothing implications	By doing nothing, the UK will fail to meet the regulatory requirement to implement RID within the UK. There will be impacts on safety, security, and growth of the drone sector within the UK.
Evidence of other sourcing options considered, & why discounted (if applicable)	N/A
Other issues	In order to meet the January 2026 deadline, work must begin and continue this year. There is significant risk and

Considerations	Brief description of the requirement
	<p>cost associated with stopping at this point, as legislation and regulation changes, procurement processes, and technology changes take a significant amount of time to implement. There are other CAA regulatory changes on drones (e.g. Class Marking) scheduled for Jan 2026, meeting this deadline should ensure harmonization of the workstreams.</p>
Justify preferred supplier	<p>There are no other suppliers able to provide this service. The Civil Aviation Authority are undertaking the programme of work to develop and implement RID of drones within the UK. As an ALB of the Department for Transport, the CAA is responsible for the delivery of RID, which is a regulatory requirement to be implemented by January 2026. It is not possible to consider other suppliers to complete this work.</p>
Demonstration of how value for money is being assured and benefits delivered in the absence of a competition	<p>The estimated total cost of implementing RID is c. £10-15M over two years. The cost of the design phase is £1.8m. This demonstrates value for money as:</p> <ul style="list-style-type: none"> - Criminal and unsafe drone operations have significant financial and non-financial impacts; - Incidents due to drone misuse and criminal use, are incredibly costly. The closure of Gatwick in 2018 due to drone activity cost an estimated £50m. - International examples show similar costs: in the USA, the FAA estimated it would cost c. \$29.5m to implement a hybrid RID solution. In Switzerland, implementation cost £5m, and is significantly smaller in scale and scope, with much of the implementation delivered by private industry - The cost estimates are based on analysis and benchmarking of both programme and technology costs. Suppliers are appointed through competitive award through Crown Commercial Service approved frameworks. - RID will unlock additional revenue streams, making it cost-neutral for in the longer-term <p>The main benefits of delivering RID in the UK include:</p>

Considerations	Brief description of the requirement
	<ul style="list-style-type: none"> - a higher standard of oversight of drone safety and security. In particular the data provided by RID will enable risk-based decisions for the high volumes of drones flying; - innovation in the UK in relation to RID products (modules, apps etc) and potentially be an enabler for wider innovation in the drone industry; - no negative environmental impacts, as drones are powered by batteries, meaning they do not produce emissions during operation. Increased use of drones may be a substitute for older transport options that are not electrically powered, therefore producing a positive environmental impact in terms of emissions; - a digital solution to cope with the very large future number of airspace users and lays the groundwork for future technologies. RID data would also provide a foundation for further organisation capabilities; - support to the Home Offices priority to reduce crime and reduce the risk of terrorism to the UK. Remote ID has many security benefits that would support those objectives in relation to drones, with the ability to track drones and identify 'good actors' from 'bad actors'; - support for the UK Counter Unmanned Aircraft Strategy, published by the Home Office in 2019, by allowing increased tracking of malicious drones, develop a wider understanding of drone use and increase the options and evidence base for prosecution.
How the decision can be defended in the event of a challenge or complaint of unfair competition	<p>The CAA are a public corporation and the UK's aviation regulator as established by Parliament in 1972.</p> <p>Their priorities are to ensure:</p> <ul style="list-style-type: none"> - the aviation industry meets the highest safety standards; - consumers have choice, value for money, are protected and treated fairly when they fly;

Considerations	Brief description of the requirement
	<ul style="list-style-type: none"> - through efficient use of airspace, the environmental impact of aviation on local communities is effectively managed and CO2 emissions are reduced; - the aviation industry manages security risks effectively. <p>RID project is the responsibility of CAA to deliver. There is no other supplier to consider in this instance.</p>
Lessons Learnt / Plan to avoid further STAs	The Home Office and Department for Transport are working closely together to identify future funding streams for subsequent phases of the programme, including consideration of the Treasury 'Shared Outcomes Fund'.

Business approval

Details of the business official completing the STA Justification	Enter details below
Name	[REDACTED]
Role / Grade	[REDACTED]
Signature	[REDACTED]
Date	22 March 2023

By signing this recommendation, you are declaring that you have no Personal or Financial Interest in the award of this Single Tender Action.

Please also provide the name of the STA approver below who is the senior accountable official from the business:

Details of Business Unit Budget Holder Approval (Budget holder must have appropriate authority level)	Enter details below
Name:	[REDACTED]
Role / Grade:	[REDACTED]
Signature:	[REDACTED]
Date:	22 March 23

By approving this recommendation, you are declaring that you have no Personal or Financial Interest in the award of this Single Tender Action.

Commercial Approval

Is this STA Lawful? (See definition in Procurement Procedures Manual)

Yes

Have you considered seeking advice on this STA from HO Commercial Legal Group e.g., where the STA is high value, for a strategic purchase or contentious? Please attached any legal comments.

No

If “**No**” to either of above questions please state justifications, commercial risks and mitigation actions including evidence. E.g., a procurement is in train to compete this requirement by the end of this STA period. Procurement plan agreed by the SRO is attached. STA results from a failed procurement.

This is an urgent requirement, for works within the Remote ID project (Design Phase) lasting 6 months. The Home Office and Department for Transport are currently working together to identify future funding streams for subsequent phases of this programme.

Justification Accepted

Yes (delete as applicable)

If evidence is not provided or is not sufficiently detailed, you must refuse to approve the STA

Justification Challenged

No (delete as applicable)

Actions required and / or caveat to approval

Actions	Enter details below
Justification Accepted after Challenge	Yes
Justification Withdrawn	Yes / No (delete as applicable)
Commercial Approval (with appropriate level of STA approval authority)	[REDACTED]
Name and Title	[REDACTED]
Delegation Level	£2.5m
Name/Signature	[REDACTED]
Date	23/3/23

By approving this recommendation, you are declaring that you have no Personal or Financial Interest in the award of this Single Tender Action.