



Information Policy & Compliance
bbc.co.uk/foi

Jane Black
<mailto:request-13885-f9xxxxxx@xxxxxxxxxxxxxxx.xxx>

17 July 2009

Dear Ms Black

RFI20090957 - Freedom of Information request

Thank you for your email of 30 June 2009 requesting the following information:

1. *How much was spent by the BBC on the experimental technology prototype Shownar.com?*
2. *Details of the tendering process, including where and when the tender was published?*

The reference number for your request is RFI20090957.

As explained below we will not be providing you with the answer to your first question about spend but have provided the answer to your second question regarding process.

The BBC contracted Schulze & Webb to build the prototype and also licensed data from three other external companies Yahoo!, Nielsen Online and Twingly.

1. *How much was spent by the BBC on the experimental technology prototype Shownar.com?*

In accordance with section 1(1) of the Act, the BBC confirms information relating to the spend on Shownar is held by the BBC. However, the BBC will not be providing you with this information as we consider it to be exempt under section 43(2) of the Act. This is because disclosure would be likely to prejudice the commercial interests of the BBC, the supplier Schulze & Webb and the data providers Yahoo!, Nielsen Online and Twingly by:



- prejudicing the negotiating position of the BBC in any ongoing or potential future contractual negotiations with any other suppliers of similar goods and services. Disclosure of the spend information may result in a ratchet effect among bids from other suppliers. Since these companies will know that a minimum level of funds was paid for a particular type of service, they would have an incentive to coordinate their prices and only accept bids beyond that level, whereas they may previously have accepted a fee below that level.
- weakening the BBC's position in a competitive environment by revealing market-sensitive information or information of potential usefulness to competitors. The disclosure of information could have the effect of distorting the market for such services, increasing the likelihood of the BBC's competitors coordinating their bids against the BBC for these kind of services.
- disclosing the fee paid to suppliers by the BBC is likely to discourage these companies from contracting with the BBC vis-à-vis its commercial rivals, due to the increased risk of publicity regarding their deals. Since the BBC is one of a small group of broadcasters that is subject to the disclosure obligations of FOIA, the cost-benefit of contracting with the BBC vis-à-vis a commercial broadcaster that is not subject to those obligations weighs heavier on the cost side.
- prejudicing the negotiating position of Schulze & Webb in any ongoing or potential future contractual negotiations with any other customers for similar goods and services. Disclosure of the spend information may limit Schulze & Webb's ability to flex charging to other customers therefore having a potential detrimental impact on the commercial revenue of Schulze & Webb
- weakening Schulze & Webb's position in a competitive environment by revealing market-sensitive information or information of potential usefulness to competitors;
- weakening Yahoo!'s, Nielsen Online's and Twingly 's position in a competitive environment by revealing market-sensitive information or information of potential usefulness to competitors;

As section 43 is a qualified exemption, in accordance with section 2(2) of the Act, we have considered the public interest factors in this case. Specifically, whether in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the spend information.

In favour of disclosure, we recognised that there is a public interest in the following:

- that there is transparency in the accountability of the BBC for public funds;
- that the BBC is using public money effectively, and that the BBC is getting value for money when purchasing goods and services;
- that the BBC's commercial activities (including the procurement process) are conducted in an open and honest way

On the other hand, in considering factors that might weigh in favour of the public interest in withholding, we took into account:

- that companies, or individuals provide the BBC with commercially sensitive information, so that the BBC is able to make robust decisions regarding its suppliers of goods and services, including ensuring that the BBC obtains the best value for money from each transaction;
- that the BBC maintains a strong bargaining position vis-à-vis suppliers during contractual negotiations in order to ensure that the licence fee is spent effectively;
- that the competitive position of companies in their particular market is not disadvantaged by doing business with the BBC. It would not be in the public interest to disclose sensitive information about a particular company if that information would be likely to be used by competitors to gain a competitive advantage.

I am satisfied, in terms of section 2 of the Act, that in all the circumstances of this case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

2. Details of the tendering process, including where and when the tender was published?

The invitation to tender for the technology was put out by a BBC Senior Technical Project Manager on the 16 December 2008 to six companies with matching skill-sets on the BBC Future Media Approved Supplier List (<http://www.bbc.co.uk/cgi-perl/newmediacommissioning/asl.pl>).

The BBC's Future Media Commissioning Process is provided here:
<http://www.bbc.co.uk/commissioning/futuremedia/procurement.shtml>

As per this published commissioning process invitations to tender for external commissions at the expected price point (ie between £50,000 and £140,000) do not need to be published but should go to a number of suppliers from the Approved Supplier List. This particular invitation to tender was sent to six suppliers on the Approved Supplier list.

The tenders received were scored against an agreed set of criteria based on the invitation to tender by three senior BBC staff – a Senior Producer Multiplatform, a Senior Technical Project Manager and a Senior Portfolio Executive.

Schulze & Webb scored most highly and were awarded the contract on the 29th December 2008. Other suppliers who tendered were contacted on the same day to let them know they had not been successful.

When choosing data suppliers, the BBC looked at a number of different suppliers, discussed our specific requirements with some of them and then made our decision based on who could best meet our requirements regarding general web search, blog search and microblog search results.

Appeal Rights

If you are not satisfied with this response you have the right to an internal review by a BBC senior manager. Please contact us at the address above, explaining what you would like us to review and including your reference number. If you are not satisfied with the internal review, you can appeal to the Information Commissioner. The contact details are: Information Commissioner's

Office, Wycliffe House, Water Lane, Wilmslow, Cheshire, SK9 5AF, telephone 01625 545 700 or see www.informationcommissioner.gov.uk

Yours Sincerely

Dave Gregory
Head of Planning and Business Analysis
BBC Vision