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| --- | --- | --- | --- | --- | --- |
| **Summary of Request** | | | | | |
| **Project/Contract Name** | **Standard Office Furniture 2022** | | | | |
| **Jaggaer Project Code** | **24427** | | | | |
| **CVID Reference (Digital Only)** |  | | | | |
| **Project Overview** (includes key outcomes/deliverables & ensure contract fits into Departmental priorities. Provide options considered, including do nothing | | | | | |
| This CAD is for Stage 1 and 2 approvals to go to market for the procurement of a contract for the supply and delivery of Standard Office Furniture via a mini competition from the CCS Framework RM6119 – Furniture & Associated services.  The estimated value of the contract is £9M. DWP Estates have confirmed a budget of £2M per annum. Additional approval is sought to provide “headroom” value in this contract for minor projects which are subject to separate funding as they arise and also to accommodate DWP policy decision re home working furniture which, subject to agreement, will be funded by Work Place Transformation.  The contract will be for an initial period of 2 years and 3 months to commence in January 2022 (mobilisation) with delivery commencing March 2022 with an option to extend for a further 2 years on a 1 + 1 basis with any extension being subject to further commercial and funding approval.  The contract will include additional services (provision of home working furniture and the collection, clean and refurbishment, storage and reissue of homeworking furniture) that may be “switched on” during the term of the contract subject to DWP policy decisions and funding approval.  **Strategic Context**  DWP has two furniture contracts; one for the provision of Standard Office Furniture with Southerns Broadstock Ltd which provides for the delivery and installation of furniture arising from BAU (breakage, replacement and new requirement), DSE assessments and incorporates the sustainable disposal of furniture which has reached its end of life (on a like for like basis as new is delivered). This contract also supplies furniture for minor projects under £250K.  The other is for the provision of Specialist Furniture with Wagstaff Bros Ltd which includes an ergonomic furniture assessment and then the delivery, set up, training and trial period of specialist furniture to the office. With the impact of Covid this contract was varied to also provide specialist furniture at home.  Both of these contracts expire 25 April 2022 and whilst the existing Southerns Broadstock Ltd contract allows for an extension of 6 months, Work Place Transformation may require the additional services from April 2022. Extending the existing contract would not allow for these services to be delivered within the scope of the current contract. The Wagstaff Bros Ltd contract does not allow for further extension. A separate CAD will be completed for approval to re-procure the Specialist Furniture provision next month.  Finally, for completeness, further competitions are undertaken on an ad hoc basis to meet specific furniture projects with a value of more than £250K e.g. REEP and Treforest.  The Standard Office Furniture contract was awarded to Southerns Broadstock Ltd following a mini competition conducted via CCS Framework RM 6119. The contract commenced 16 November 2020 and has helped stabilised the delivery of Standard Office Furniture following the collapse of Triumph Furniture Ltd and the interim direct award then made to Wagstaff Bros Ltd.  The current contract has embedded within it the flexibility to respond to lessons learned post Covid and DWP’s changing requirements (in terms of products and demand) as well as a commitment to continuous improvement as demonstrated by the plan presented by Southerns Broadstock Ltd proposing improved products, closer working with DWP’s design team, closer alignment with Integrator systems and the introduction of sustainable (batched) deliveries.  Since the beginning of the year Commercials have worked with key stakeholders to determine DWP’s future furniture strategy in advance of the expiry of both contracts by:   * Reviewing spend through both Standard and Specialist contracts; * Capturing future business requirements; * Taking account of the changing working environment – engaging with Work Place Transformation – working from home/hybrid working (attached refers); * DWP’s policy on future ways of working could lead to changes in the type of furniture required, e.g. more collaborative furniture/products required as a result of Covid both in the office and required for home working; * Recognising the potential increased requirement for move management brought about by the expansion of the estate as a result of REEP and the likely contraction of the estate during the term of this contract; * An increased focus on sustainability; * The ongoing need for flexibility; * Set against a time of change with the procurement of Integrator 2 and the introduction of the new ETOM.     The proposed call-off contract is to provide a solution that DWP can continue to source Standard Office Furniture for:   * upcoming “business-as-usual” (BAU); * BAU DSE items (e.g. foot stool, sit/stand desks); * Projects requiring furniture orders up to a value of £250k; * Sustainable end of life disposal of furniture (on a like for like basis); and * Move management.   And is future proofed to allow for:   * Flexibility as DWP’s needs evolve; * Incorporation of continuous improvement; * Home Working Furniture should DWP policy decision be given for this to be provided via a contractual route; and * The collection, clean and refurbishment, storage and reissue of homeworking furniture)   The contract is proposed to run initially for 2 years and 3 months with the option to extend for a further period of 2 years on a 1 + 1 basis. The contract will be awarded in January 2022 to enable mobilisation prior to orders being placed from March 2022 to allow for the seamless transition from the current furniture supplier whose contract ends 25 April 2022.  **Options**  1) **Do Nothing** – This is not a viable option as failing to procure a contract to cover DWP’s standard furniture requirements would leave DWP with no ability to replace damaged or broken furniture, or to supply new furniture in support of upcoming essential change projects. The do nothing option would leave DWP unable to achieve savings from these projects potentially leading to higher costs.  2) **CCS Framework RM6119** – Place a call-off contract via a Mini Competition. This is the preferred option and framework currently running up to 29th March 2024. The framework terms are bespoke for government departments and under Lot 1 which has 10 suppliers listed, providing good competition for achieving value and innovative delivery of goods and services. Prices are fixed for the first two years.  3) **YPO Framework 1074** – Place a call-off contract via a Mini Competition. This framework has a single lot and 10 suppliers available to DWP however, the framework terms are not bespoke for government departments as CCS’s terms are. Using this framework would require inserting additional requirements in the Specification and possibly including some additional call-off schedules.  4) **ESPO Framework 282** - Place a call-off contract via a Mini Competition. ESPO’s pricing structure includes restocking charges, making this option less desirable to DWP as it would be harder to demonstrate value for money over other framework options.  5) **Open Competition** - This option is less desirable as it would require DWP to commit increased resource to develop tender documentation for a full competition, including the requirements to obtain ministerial sign off. There is less appetite to conduct an open competition when there are a variety of framework options available to DWP that provides an adequate route to market.  **Recommended Option:2**) – CCS Framework RM6119 call-off contract via Mini Competition  **Key Deliverables**  - National Coverage  - Estimated Value of £9M  - Maximum Term of 2 years and 3 months initial award with options to extend for 1 + 1 with total term of 4 years and 3 months.   * upcoming “business-as-usual” (BAU); * BAU DSE items (e.g. foot stool, sit/stand desks); * Projects requiring furniture orders up to a value of £250k; * Sustainable end of life disposal of furniture (on a like for like basis); and * Move management.   And is future proofed to allow for:   * Flexibility as DWP’s needs evolve; * Incorporation of continuous improvement; * Home Working Furniture should DWP policy decision be given for this to be provided via a contractual route; and * The collection, clean and refurbishment, storage and reissue of homeworking furniture). | | | | | |
| **Procurement Risk Segmentation Tool – Risk Level**   * If Low Risk complete the Low Risk Commercial Approval Document * Medium Risk - Stages 1 & 4 or defined by Commercial Approval Board * High Risk - Full Staged Approval Process | | | | | |
| **Stage Selection**  Please insert x next to the relevant stages | | Stage 1 : | | X | |
| Stage 2 : | | X | |
| Stage 3 : | |  | |
| Stage 4: | |  | |
| **Procurement Segmentation – Rationale** | | | | | |
|  | | | | | |
| **Final Contract Approval Requirement**  Please insert X as appropriate | |  | >£100K to £5m Commercial Approval Board | | |
|  | > £5m DWP SoS / Ministerial Approval | | |
| **X** | >£10m DWP & Cabinet Office (refer Commercial Pipeline / Triage process) | | |
|  | >£50m HMT Approval\*  \* Note there are exceptions to the HMT threshold that will need HMT engagement (e.g. novel & contentious or significant spend into next SR) | | |
|  | |  | >£100k and above Delegated Financial Authority (DFA) approval (relevant to the required level of DFA) | | |
| Date Approval is required by | |  | | | |
| Anticipated Contract Period | | From:  January 2022 | | To:  April 2024 | |
| Overall contract value  (Where contract value has already or is proposed to increase owing to contract variation / extension ensure aggregated spend is recorded) | | £9M | | | |
| Senior Contract Owner (SCO) if required | | Craig Butler | | | |
| **DFA Approver:**  DFA approval levels are noted in SOP.  The DFA approver must have the required maximum level of standing authorisation to incur expenditure in a **single transaction**.  The relevant approver **MUST** be sighted on this Commercial Approval Document.  *DFA levels will be assured as part of the FCCC.* | | Name of DFA approver: TBC by Estates | | | |
| **Assigned DFA Level** | | **Maximum Value** | **Please insert X as appropriate** |
| DFA 1 | | £500 |  |
| DFA 2 | | £5000 |  |
| DFA 3 | | £10,000 |  |
| DFA 4 | | £15,000 |  |
| DFA 5 | | £25,000 |  |
| DFA 6 | | £50,000 |  |
| DFA 7 | | £100,000 |  |
| DFA 8 | | £150,000 |  |
| DFA 9 | | £250,000 |  |
| DFA 10 | | £500,000 |  |
| DFA 11 | | £750,000 |  |
| DFA 12 - Specified amounts in writing | | Please specify amount to be approved: | |
| Portfolio Minister | |  | | | |
| Tracking Reference (input by CAB secretariat) | |  | | | |
| Author Name | | Jill Peterson | | | |
| Email | | Jill.Peterson@dwp.gov.uk | | | |

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| **Stage 1 Approval: Define Business Need & Agree Budget** | |
| **The purpose of the stage review**   * Understand and challenge the business need and funding. * Confirm funding is available through an agreed budget, the budget is consistent with the agreed accounting treatment (e.g. capital or resource) and the budget holder has agreed to its use for this purpose. * Consider the indicative routes to market. * Stage approval for project to proceed. * Update pipeline | |
| **Summary of the Business Need and Funding Analysis** | |
| DWP requires a contract for the provision of standard office furniture to support “Business as Usual” (BAU) requirements such as upcoming projects (<£250k), DSE orders, BAU lifecycle works and sustainable end of life disposal of furniture (on a like for like basis).  The business has also identified that following REEP and during the currency of this contract that is likely to be some rationalisation of the Estate resulting in an increase to managed moves.  The business requirement also includes the need for flexibility to adapt the contract/furniture products as the post Covid working environment evolves, cross government initiatives such as PAS3000 and GPA strategy for buildings is developed and to take account of initiatives arising from the Work Place Transformation programme such as hybrid working.    **Funding:**  Funding for this contract will come from a number of sources:  DWP Estates have confirmed that for the BAU, DSE element of funding these costs are included in forecasts, therefore, no further financial approval is required for the initial 2 year and 3 months of the contract award, with the option to extend for a further 2 years on a 1 + 1 basis being subject to further commercial and funding approval.  Projects up to £250K including LCW projects will be covered by Business Cases and included in forecasts, therefore, no further financial approval is required.  Additional services being included in the scope of this contract, are currently pending DWP policy decision, if agreed and as a new funding requirement these will be contained in Work Place Transformation’s Strategic Outline Business Case for approval.  **Route to Market:**  A Mini Competition using the CCS RM6119 Framework is the proposed route to market. The framework has 10 suppliers and the framework terms are bespoke for government departments  Other frameworks have been considered, however, due to the number of suppliers and suitability of the pricing and quality elements, this commercial vehicle will provide the most suitable procurement route. | |
| **Budget Holder Confirmation of Budget** (include the following; current & future year funding position, are the costs included within financial forecasts, are there any savings / efficiencies / additional spend requirements) | |
| Additional services (provision of home working furniture and the collection, clean and refurbishment, storage and reissue of homeworking furniture) currently have no funding approval. Mitigation is that they are included within the scope and may only be “switched on” during the term of the contract subject to DWP policy decisions and funding approval.  Funding approval for the additional services are subject to a successful SR bid, however, the timelines for this contract are such that the contract would look to be let during December 21 once further stage approval has been sought. | |
| **Identified Key Stakeholders** | |
| Craig Varian  Craig Butler  Phil Ball (Legal)  Mark Walker (Finance)  Jerry Scott (Commercial)  Michael Dowds/Frankie Pringle DWP Estates Design Team  Tracy Rothewell-Wood DWP Work Place Transformation  Ann Potter People, Capability & Places  Lawry Cook People, Capability & Places  Glayne Burdon, Purchase to Pay | |
| **Summary of Financial Risks or Issues and Mitigations** (Including Reputation, Departmental, Political) | |
| **Financial Control & Governance** – Although this will be a new award, the anticipation is that any cost arising from this CAD will be monitored and paid through the existing purchasing process which is controlled by DWP staff, and subject to existing arrangements for payment and VAT treatment. VAT is irrecoverable for furniture and as such 20% VAT will be added to all costs.  **Budgetary Approval** - The impact of the contract will be covered by the next SR period. The Estates FFE SR bid contained £5.07m per annum for furniture (Specialist & Standard).  Estimated as £2m per annum of standard furniture within this contract with the remainder for Specialist.  Additional services (provision of home working furniture and the collection, clean and refurbishment, storage and reissue of homeworking furniture) currently have no funding approval. Mitigation is that they are included within the scope and may only be “switched on” during the term of the contract subject to DWP policy decisions and funding approval.  Funding approval for the additional services are subject to a successful SR bid, however, the timelines for this contract are such that the contract would look to be let during December 21 once further stage approval has been sought.  **Value for Money** –  The recommended option quoted in the CAD will run a Mini Competition using the CCS RM6119 Framework to ensure VFM and the evaluation process will look at both quality and price on a 60:40 ratio.  The legal comments are not available. It is not possible to assess whether the terms of the CAD would contain “a low risk of challenge but high risk of success if challenged”, and would need further approval as a result.  For DFA approval Craig Butler has delegated financial authority for the extension of the BAU standard furniture funded by Estates [estimated at c£4m] however the other £5m additional furniture to support home working will require a Workplace Transformation colleague with sufficient DFA [estimated at £5m]. | |
| **Summary of identified Commercial Risks or Issues and Mitigations Planned** (Including Reputation, Departmental, Political) | |
| |  |  |  | | --- | --- | --- | | **Risk Title** | **Key commercial issues** | **Mitigation** | | Lack of supplier interest | Issuing an offer to the market that individual suppliers then choose not to bid for. | Market engagement events (17/05/21 and 23/08/21) and subsequent individual sessions with suppliers on the CCS framework indicated all would be interested in bidding for upcoming DWP Standard Furniture contract.  Requirements have been split into 2 separate procurements exercises (Standard & Specialist) in response to identified specialisms in the supplier market.  Duration of the proposed contract has been tested with the market. | | Delay to mobilisation | There is a delay in mobilising the new supplier which could lead to a gap in service provision. | Engage consistently with Estates to understand the progress of mobilising the new Integrator and embedding the new ETOM model. Existing contract extended (short term) to deliver continuity of service. | | Supplier working in isolation | It will be important for the furniture supplier to work with DWPs integrator and any additional supply chain members to ensure successful integration with the rest of the ETOM. | Specification and to contract to include the need to work with newly appointed Integrator and other DWP supply chain members. Mobilisation of the contract to include invitation to relevant meetings. | | Quality of goods offered does not meet requirements | Business not satisfied with the quality of products delivered and installed. | Specification contains relevant standards/conformance requirements and business (including design team) inspect a sample range of products to determine quality (not part of evaluation methodology). Samples of the successful Supplier’s product will be recorded and will be the standard the Supplier will adhere to. | | |
| **Social Value exemption agreed?** | |
| No | |
| **Required Actions and Issues to be Addressed in the Next Stage** | |
| See CAD Stage 2 | |
|  | |
| **Stage 1 Approval: Stakeholder Assurance** (Include relevant stakeholder comments and recommendations) | |
| **Finance/Budget Assurance /DFA level and individual named is correct** | |
| Name | Sophie Ingram/Louise Skelton |
| Date |  |
| Comments (Note: for transactions of £5m and over that require ministerial approval the FBP should obtain approval at SCS2 level at stage 1 & 4) | |
| **Business Assurance** | |
| Name |  |
| Date |  |
| Comments: | |
| **Commercial Assurance** | |
| Name |  |
| Date |  |
| Comments: | |
| **Stage 1 CAB Approval for project proceed** | |
| Approved? Yes / No: | |
| **\***If no please comment: | |
| Date of decision made: | |

Note: once stage 1 process is complete the Commercial Lead must upload the CAD in Jaggaer.

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| **Stage 2 Approval: Market Engagement & Commercial Strategy** | | | | | | |
| **The purpose of the stage review.**   * Review specification challenge market opportunities and commercial options. * Agree the commercial approach. * Approval to proceed to procurement. * Ensure Self-service Buying Options and P2P/Supplier payments are considered as part of CAB approval at Stages 2 to 4. * Seek assurance that the Senior Contract Owners has been identified and engaged. * Update pipeline | | | | | | |
|  | | | | | | |
| **Summary of Procurement Strategy**  *Ensure a range of options has been evaluated and there is evidence that the use of a framework, where applicable, is the most appropriate sourcing route but not the only option considered. Justification for using contract extension options is documented. Include summary of evaluation criteria including where a % price v quality split is used how and why that calculation was agreed.* | | | | | | |
| A review of all potential frameworks was undertaken.    Extensive market engagement was conducted with events held on 17th May and 23rd August 2021 with all 15 suppliers from the CCS and YPO frameworks followed by 1:1 session with all of the suppliers to outline DWP’s requirements and to better understand the market feasibility and implications of these requirements and to future proof the contract.  Suppliers were asked about their interest in DWP’s future requirement, their organisation’s appetite for the standard and specialist furniture supply (and whether this would be better tendered as one contract or two), their capability to meet the requirements, as well as additional services, what length of contract would be appealing and understand how the market can offer us added value and innovation need for continuous improvements to reflect the current times such as the occurrence of the Covid-19 and post Covid -19 responses..  The presentation and analysis of the market response are below.    Suppliers provided positive feedback, indicated their desire to work with DWP on any future furniture contract with most of the suppliers advising they would be interested in tendering and were supportive of our current approach.  The proposed evaluation criteria of 60:40; Quality /Price ratio, to drive the quality of response/product over price. Quality questions will focus on:   * Capability * Account management * Quality – Product and Service * Diversity and Risk * Home Working Furniture * Social Value – reduction in waste and single use plastics | | | | | | |
| **Small to Medium Enterprise (SME)**  Provide narrative to explain SME considerations | | | | | | |
| Many suppliers in the furniture market are SMEs – indeed DWP’s incumbent furniture suppliers are both SMEs. As part of the market engagement all suppliers including SMEs were asked about DWP’s requirements, their capability to deliver them and whether there were other options DWP should be considering when developing the ITT and duration of the contract. All suppliers indicated they had the capability to take on this contract.  DWP operates a fortnightly AFP process to ensure prompt payment to SMEs. | | | | | | |
| **Has the SME Buyers check list (see notes for template) been considered / completed?**  Insert x as appropriate. | | | | | | |
| **X** | Yes | |  | | No | |
| **Opportunity / procurement strategy SME friendly / suitable?**  Insert x as appropriate. | | | | | | |
| **X** | Yes | |  | | No | |
| **Summary of Specification** | | | | | | |
| The requirement is for the Supplier to supply, delivery and installation of Standard Office Furniture, including office desks and workstations, office seating, office storage, meeting room furniture, collaboration/break out furniture, reception furniture, chairs, lockers and office accessories as per the updated DWP Standard Office Furniture schedule completed and signed off by the DWP Design Team. Additionally, DWP Design Team have also identified a small range (chairs, desk glide mat and foot rest) of furniture to meet the potential requirement for home working furniture should DWP policy decision for providing hybrid working equipment via a contractual route be made. Work Place Transformation are content with the items identified for hybrid working. And the scope of the requirement also includes the potential to include a collection, clean and refurbishment, storage and reissue of homeworking furniture service.  The Specification includes the requirement for the supplier to provide Standard Furniture for DWP’s Business-as-Usual (BAU), Minor Projects (with a furniture value of <£250k) and DSE furniture requirements. The in hours’ delivery and installation of this furniture is included in the product price that suppliers will submit in their tender. Out of hours’ (OOH) delivery and installation (with the option to split this into just OOH delivery or just OOH install) will be provided at additional cost.  The Specification also details the requirement for additional services such as Project Management and Space Planning services which are provided at no additional cost to DWP. Similarly, DWP requires the supplier to provide a furniture removal and sustainable disposal service where delivering new furniture to DWP. Under the CCS framework this will be at little or no cost.  DWP will be requiring suppliers to submit product samples for approval during the mobilisation period. These samples will not form part of the formal evaluation, however, will enable the DWP Estates and Design Team to ensure the products supplied meet the necessary standards and quality requirements for DWP.  DWP requires the supplier to deliver all ‘standard’ DWP products within 20 working days and all ‘bespoke’ Front of House items (FoH desks) within 30 working days. | | | | | | |
| **Summary of any Legal risks or issues identified and mitigations planned** (Risk should be considered in the following: Reputation, Departmental, Political) | | | | | | |
| Government Legal Department have reviewed the CAD and regard this as a low risk procurement, comments below:    Previously the instructions to bidders included the right to Reject Initial Tender/Exclude The Potential Supplier if the Financial Viability Risk Assessment based on the information  provided (e.g. company accounts and supporting information) results in the assessment of Organisation Stability and Financial Stability producing a Red Amber Green (RAG) rating of RED. Legal advice provided that this could only be done if mentioned in the Framework which it isn’t. So the instructions to bidders has been amended and mitigation will be to work with a successful supplier, CCS and FBP if there is a red score to obtain a parent company guarantee, other guarantee, or undertake regular financial checks. Advice below refers. | | | | | | |
| **Summary of financial risks or issues and mitigations planned**  (Risk should be considered in the following: Reputation, Departmental, Political) | | | | | | |
| Additional services (provision of home working furniture and the collection, clean and refurbishment, storage and reissue of homeworking furniture) currently have no funding approval. Mitigation is that they are included within the scope and may only be “switched on” during the term of the contract subject to DWP policy decisions and funding approval.  See comments in Stage 1 section above | | | | | | |
| **Summary of Commercial risks or issues and mitigations planned**  (Risk should be considered in the following: Reputation, Departmental, Political) | | | | | | |
| |  |  |  | | --- | --- | --- | | **Risk Title** | **Key commercial issues** | **Mitigation** | | Lack of supplier interest | Issuing an offer to the market that individual suppliers then choose not to bid for. | Market engagement events (17/05/21 and 23/08/21) and subsequent individual sessions with suppliers on the CCS framework indicated all would be interested in bidding for upcoming DWP Standard Furniture contract.  Requirements have been split into 2 separate procurements exercises (Standard & Specialist) in response to identified specialisms in the supplier market.  Duration of the proposed contract has been tested with the market. | | Delay to mobilisation | There is a delay in mobilising the new supplier which could lead to a gap in service provision. | Engage consistently with Estates to understand the progress of mobilising the new Integrator and embedding the new ETOM model. Existing contract extended (short term) to deliver continuity of service (which existing contract allows). | | Supplier working in isolation | It will be important for the furniture supplier to work with DWPs integrator and any additional supply chain members to ensure successful integration with the rest of the ETOM. | Specification and to contract to include the need to work with newly appointed Integrator and other DWP supply chain members. Mobilisation of the contract to include invitation to relevant meetings. | | Quality of goods offered does not meet requirements | Business not satisfied with the quality of products delivered and installed. | Specification contains relevant standards/conformance requirements and business (including design team) inspect a sample range of products to determine quality (not part of evaluation methodology). Samples of the successful Supplier’s product will be recorded and will be the standard the Supplier will adhere to. | | | | | | | |
| **If a new contract provide a summary of P2P buying options and supplier payment methods considered** | | | | | | |
| This new contract will operate under the same financial control arrangements as the existing contract. No financial control issues or risks warrant highlighting.  POs will be in place against which Work Orders will be raised.  A fortnightly AFP process is in place to ensure prompt payment. Invoices are to be uploaded following approval of the application for payment by DWP. The payment method will be via BACS transfer. | | | | | | |
| **Required Actions and Issues to be Addressed in the Next Stage** | | | | | | |
| - Publication of ITT  - Evaluate Responses  - Complete Evaluation Report  - Identify Savings  - Contract Approval | | | | | | |
| **Procurement Risk Segmentation Tool Risk Level reviewed – confirm outcome** | | | | | | |
| **Medium** | | | | | | |
|  | | | | | | |
| **Stage 2 Assurance** | | | | | | |
|  | | | | | | |
| **Finance/Budget Assurance** | | | | | | |
| Name | | | |  | | |
| Enter FBP comments and any recommendations | | | | | | |
| Date | | | |  | | |
|  | | | | | | |
| **P2P Function Assurance (may not be required for contract modification)** | | | | | | |
| Name | | | |  | | |
| Enter P2P comments and any recommendations | | | | | | |
| Date | | | |  | | |
| **Business Assurance** | | | | | | |
| Name | | | |  | | |
| Date | | | |  | | |
| **Commercial Assurance** | | | | | | |
| Name | | | |  | | |
| Date | | | |  | | |
| **Stage Approval** | | | | | | |
|  | | | | | | |
| **CAB Approval to proceed with procurement process** | | | | | | |
|  | | Yes | |  | | No |
| **\***If no please comment | | | | | | |
| Date of decision made | | | | Date: | | |

Note: once stage 2 approval is completed, the Commercial Lead must upload the CAD in Jaggaer

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| **Stage 3 Approval: Procurement & Selection** | | | |
| **The purpose of the stage review**   * Approval to proceed to contract. * Ensure Self-service Buying Options and P2P/Supplier payments are considered as part of CAB approval at Stages 2 to 4. * Assurance that the Senior Contract Owner is engaged in handover plans and activity. * Assure evaluation and approve recommended supplier selection. * Update pipeline | | | |
|  | | | |
| **Summary of supplier selection** (include number of bidders and why was this supplier chosen / preferred?) | | | |
|  | | | |
| **Summary of Evaluation**  Within the summary include or embed the quality and price evaluation criteria scoring summary to ensure clarity to CAB on how the competition unfolded. | | | |
|  | | | |
| **Summary of any Legal risks or issues identified and mitigations planned**  (Risk should be considered in the following: Reputation, Departmental, Political) | | | |
|  | | | |
| **Summary of financial risks or issues and mitigations planned**  (Risk should be considered in the following: Reputation, Departmental, Political) | | | |
|  | | | |
| **Summary of Commercial risks or issues and mitigations planned**  (Risk should be considered in the following: Reputation, Departmental, Political) | | | |
|  | | | |
| **Summary of P2P buying options and supplier payment method chosen (may not be required for contract modification)** | | | |
|  | | | |
| **Required Actions and Issues to be Addressed in the Next Stage** | | | |
|  | | | |
| **Procurement Risk Segmentation Tool Risk Level reviewed – confirm outcome** | | | |
|  | | | |
|  | | | |
| **Stage 3 Assurance** | | | |
|  | | | |
| **Finance/Budget Assurance** | | | |
| Name | |  | |
| Enter FBP comments and any recommendations | | | |
| Date | |  | |
|  | | | |
| **P2P Function Assurance (may not be required for contract modification)** | | | |
| Name | |  | |
| Enter P2P comments and any recommendations | | | |
| Date | |  | |
| **Business Assurance** | | | |
| Name | |  | |
| Date | |  | |
| **Commercial Assurance** | | | |
| Name | |  | |
| Date | |  | |
| **Stage Approval** | | | |
|  | | | |
| **CAB Approval to proceed with procurement process** | | | |
|  | Yes |  | No |
| **\***If no please comment | | | |
| Date of decision made | | Date: | |

Note: once stage 3 approval is completed, the Commercial Lead must upload the CAD in Jaggaer

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| **Stage 4 Approval: Finalise Contract** | | | | |
| **The purpose of the stage review**   * Review and challenge draft contract and associated savings and measures. * Assure that P2P/ Supplier payments are confirmed. * Ensure roles and responsibilities and handover arrangements are clear and agreed and the Senior Contract Owner has accepted accountability and completed the declaration of responsibility (High Risk contracts). * Ensure financial approvals are in place and contract is ready to sign. * Approval to proceed to contract or recommendation to Minister. * Update pipeline | | | | |
|  | | | | |
| **Required contract approval activity and signatory** | | | | |
|  | | | | |
| **Who is signing the contract and assurance this is in line with Contract Signature Policy (including Single Tenders)?** | | | | |
|  | | | | |
| **Who will manage the contract?** | | | | |
|  | | | | |
| **Who is the supplier?** | | | | |
|  | | | | |
| **What are the P2P buying options and supplier payment arrangements? (may not be required for contract modification)** | | | | |
|  | | | | |
| **What are the exit / termination clauses if needed?** | | | | |
|  | | | | |
| **Summary of Contract Handover Arrangements** | | | | |
|  | | | | |
| **Summary of overall contract risk** **log – Commercial & Financial** | | | | |
|  | | | | |
| **Contract Risk Assessment undertaken (Gold / Silver / Bronze)** | | | | |
| ***Gold / Silver / Bronze (delete as appropriate)***  \*embed validated version of Contract Risk Segmentation Tool here  In completing this section CAB confirm that the G,S,B rating has been validated and that the above rating shall be used to update the Jaggaer contract record | | | | |
|  | | | | |
| **Stage 4 Assurance** | | | | |
|  | | | | |
| **Commercial and Financial Assurance Approval level** | | | | |
| **Assurer** | | | **Approval Level £m’s** | |
| G7 | | | Up to £1m | |
| G6 | | | Up to £3m | |
| SCS1 | | | Up to £5m | |
| SCS2 | | | Over £5m | |
|  | | | | |
| **Finance/Budget Assurance** | | | | |
| Name | |  | | |
| Enter FBP comments and any recommendations – Embed written evidence from DFA approver on expenditure and FBP confirmation the named individual holds the correct level of DFA to proceed to Contract signature. | | | | |
| **Confirmation that Finance SCS2 has cleared this document (£5m>)** | | | | |
| Yes / No\* / Not Required | | | | |
| \*If No please comment | |  | | |
| **Name of Finance SCS2 with DFA** | |  | | |
|  | | | | |
| Date | |  | | |
|  | | | | |
| **P2P Function Assurance (may not be required for contract modification)** | | | | |
| Name | |  | | |
| Enter P2P comments and any recommendations | | | | |
| Date | |  | | |
| **Business Assurance** | | | | |
| Name | |  | | |
| Date | |  | | |
| **Commercial Assurance**  In approving this stage, the Commercial Lead is confirming that:   * A collaboratively owned procurement approach has been undertaken with due consideration to DWP and central government policy, procedure and best practice. * Appropriate Finance, Business and Commercial representation has been sought and approvals obtained. * Further representation has been obtained where required (e.g. legal, security) * The procurement has been governed and approved in line with the prescribed process as set out in the Commercial Governance Guidance. | | | | |
| Name | |  | | |
| Date | |  | | |
| **Stage Approval** | | | | |
|  | | | | |
| **CAB Approval to proceed with procurement process** | | | | |
|  | Yes |  | | No |
| **Recommendation to Minister to approve if > £5m** | | | | |
|  | Yes |  | | No |
| **\*If yes please embed this form into agreed Ministerial Executive Summary** | | | | |
| \*If No please comment | | | | |
| Date of decision made | | Date: | | |

Note: once Stage 4 approval is completed, the Commercial Lead must upload the CAD in Jaggaer

**Commercial Approval Document Completion Notes:**

The Commercial Approval Document must be completed throughout the procurement lifecycle and will document the key commercial activity, risks, issues and assurances relating to the stage subject to approval. The Commercial Approval Document must be uploaded to Jaggaer to evidence staged approval has been achieved.

If there are a number of commercial transactions forming part of a Programme and the approval dates are aligned, you are able to seek approvals via one Commercial Approval Document.

Ministerial Approval is only required if one or more contracts exceeds the £5m threshold. Financial and commercial assurance thresholds apply at a contract or commercial transaction level and do not need to be applied to an aggregated value. However, the assurance threshold of the highest value contract will need to be applied. If one or more contracts do require Ministerial Approval you may decide to complete a separate Commercial Approval Document to simplify approval or submit the Programme to Minister.

**Note: Delegated Financial Authority (DFA) approval must be sought and evidenced in writing from the appropriate person. The FBP shall be required to confirm this is correct.**

Aggregation - The thresholds for presentation to CAB and / or for DWP Ministerial approval are £100k and £5m respectively however, aggregation of commercial spend may have an impact on **when** activity is referred. Please refer to aggregation topic in Intranet Guidance.

**Inputs to the Commercial Approval Board – Medium and High Risk**

This document is to be used for commercial activity rated as High or Medium risks **only**. For commercial activity that fall into Low Risk segmentation, a light touch governance approach will be applied and commercial lead will be required to complete a light touch Commercial Approval Document.

|  |
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| **Project Overview** |
| Use this section to provide a summary of the project requirement, including the following;   * What is being bought? * Key project outcomes/deliverables * Outline of how the contract fits into Department priorities * Provide options considered, including do nothing * If applicable include summary of previous approved spend for the requirement (Reference No’s, date approved and value). |
| **Procurement Risk Segmentation Tool (PRST) – Risk Level** |
| Complete the PRST and record the indicative risk level. Use the free text section (Procurement Segmentation – Rationale) to provide a summary of your basis for the indicative risk level.    Ensure the PRST once completed is logged on Jaggaer.  The PRST must be reviewed and validated by CAB through stages 1 to 3 (ensure any contracts with data sharing are rated as Medium as a minimum). |
| **Contract Risk Segmentation Tool (CRST)** |
| The CRST should be completed and submitted to CAB at stage 4. CAB will validate the contract risk rating. Once complete the Gold, Silver, Bronze rating must be included during contract build on Jaggaer. |
| **Date Approval is required by** |
| Factor in to your planning the lead in time for Ministerial approval if required and consider periods of parliamentary recess. |
| **Overall contract value** |
| Include the VAT Treatment [inclusive of non-recoverable VAT] |
| **Jaggaer Project code** |
| The project must be registered on Jaggaer and must have a project code. Commercial Approval Documents without a Jaggaer project code will not be progressed. |
| **Portfolio Minister** |
| Please state who the Portfolio Minister is for this requirement.  Ministers receive a quarterly update of their commercial portfolio, Where Ministerial approval is required a fully completed Commercial Approval Document must be included in the Ministerial submission |
| **Summary of Analysis of Business need and funding** |
| Use this section to provide a short high level summary of the requirement. Reference how the contract fits into Department priorities, the options considered and why is this solution/service the best option. The evidence will be used to help identify which procurement route will be most effective and to ensure VFM for the department. |
| **Budget Holder Confirmation of Budget and Delegated Financial Authority (DFA)** |
| A budget holder may have different delegated financial authorities that an individual with DFA, who has authority to incur the expenditure. You MUST secure both authorities. This shall be checked by the FBP. At Stage 1 you must name the individual and level of DFA and the commissioning body (business owner) must make this individual aware. At Stage 4 you must embed written evidence i.e. email that the DFA approver is content. You must also ensure budgets are in place to fund project and budget holder has confirmed that the costs will be met and that all stakeholders (e.g. Investment Committee) have been consulted. Include a summary that includes current & future year funding position, are all costs included within financial forecasts, are there any savings, efficiencies, additional spend requirements. |
| **Identified Key Stakeholders** |
| Within this section you are referencing which stakeholder/business areas have been engaged.  Identify and contact stakeholders early to discuss requirements. Stakeholders may Include Customers, Projects, Legal, Commercial Finance, Business Partners, Contract Managers, ICT, OGD, Investment Committee etc. |
| **Summary of any Legal, Finance, Commercial risk and Mitigation** |
| CAB must be made aware of and progress any risks or issues that have been raised and are known at that relevant stage. Use this section to provide a summary of identified risks to the Department including the systems and controls in place to mitigate any such risk. |
| **Assurance** |
| Commercial, P2P, Finance / Budget and Business assurance is provided throughout the procurement lifecycle. At each stage record name of the assurers, the date assurance is provided and supporting documentation.   * **Commercial Assurance** - defined as assurance that submissions will deliver best Value for Money, follow correct sourcing routes and comply with government procurement policies and the DWP commercial strategy. Ensure Self-service buying options and P2P/Supplier payments are considered as part of CAB approval at Stages 2 to 4. * **P2P Function Assurance –** defined as assurance that the P2P function have provided comments, recommendations and are actively engaged on the proposed buying options and supplier payment methods. Contact with the P2P function must be made by the ‘DWP Purchase 2 Pay’ Inbox ([PURCHASE.2PAY@DWP.GSI.GOV.UK](mailto:PURCHASE.2PAY@DWP.GSI.GOV.UK)). Appropriate assurance will come from the P2P function. For modifications to existing contracts changes to payments methods may not be required. If this is the case note accordingly. * **Business & Technical Assurance** – defined as assurance that a clear, unambiguous business requirement exists where supplier proposals are proportionate and are fit for purpose and that delivers the most cost-effective and timely technical solution to meet the business need, and that the funding and Value for Money declared are accurate. * **Budget / Financial Assurance** - defined as assurance that appropriately approved funding is in place for the requirement and that the funding and Value for Money declared are accurate. MI requirements are clearly specified to enable financial activities. Final tax and accounting treatment applied. Approval by the supporting Finance Business Partner is required and must be embedded in the Contract Approval Document. For procurements not supported by a Finance Business Partner, evidence of applicable Delegated Financial Authority is required. |
| **Small to Medium Enterprise (SME)** |
| Ensure that consideration to SME accessibility has been made when considering the procurement approach and explain the rationale in this section.  Government Commercial Function (GCF) have developed an SME Buyers Checklist that my help in your consideration of the SME agenda. The checklist can be found in CAB Templates section of the Commercial Governance Manual. |
| **Stage Approval:** |
| The Commercial Approval Board must approve for the project to proceed.  At the end of each stage upload the Commercial Approval Document onto Jaggaer. |
| **CAB Administration** |
| Secretariat have an essential role to play in the CAB process for audit purposes it is essential that:   * Documentation is recorded centrally with version control as necessary * Supporting finance, commercial and business assurances are attached for each procurement ahead of submission to the CAB * Detailed minutes and/or decision logs are produced and retained to record individual CAB outcomes. * File management for each procurement is undertaken in line with the   [Registered File and Corporate Record Box Guidance](https://intranet.dwp.gov.uk/page/registered-file-and-corporate-record-box-guidance) |