

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.

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.

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.
- B. For Common Goods & Services below £10,000, completed forms should be sent for review to CommercialSupport@homeoffice.gov.uk

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	DDaT, Enterprise Services
Category of Spend:	Human Resources
Estimated Whole Life Maximum Cost (including VAT)	£ [REDACTED]
Recommended Supplier	[REDACTED]
Proposed Duration of STA (Start Date and End Date)	1 July 2023 – 31 July 2024
Description of Goods and Services	Renewal of contract for provision of Private Medical Insurance

The total cost of the Private Medical Insurance (PMI) is made up of 3 elements below:

1. Additional premium for 2022/23 in respect of 3 individuals the Home Office has had to add onto the policy.
2. Renewal premium for the existing contract for 12 months from 1 August 2023 until 31 July 2024.
3. Additional premium for 30 individuals who will transfer into the Home Office from 1 September 2023 so will need cover for 11 months until 31 July 2024.

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?

Yes

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

Government Legal Department have advised that the Private Medical Insurance (PMI) transfers under TUPE should be retained so long as the employees stay on their TUPE terms.

The option for a different supplier to provide the same TUPE terms is considered to be highly unlikely. This option can only be assessed if Home Office (HO) went out to tender.

If a different supplier was identified which did agree to cover pre-existing conditions, it would often result in the pre-existing medical conditions not being covered for the first initial 6 months of the policy due to the qualification period set by most insurance providers. This would result in a risk of potential disputes or employment tribunals by the affected staff.

Furthermore, for a different supplier to agree to cover pre-existing medical conditions it would mean a significantly higher cost in premiums. This would not offer good value for money for HO.

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).

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.

Enter reason here.

Private Medical Insurance providers are not available in Basware catalogues.

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	
Propriety Software E.g., Provider has technical or exclusive rights	
National Security supported by defence regulations	
Other (please provide detail): Existing Private Medical Insurance (PMI) cover is required to enable Home Office HR to meet statutory requirements of The Transfer of Undertakings (Protection of Employment) Regulations 2006.	Yes

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	Continuation of existing PMI provision is required due to statutory rights of staff transferred into the Home Office under TUPE regulations.
Dependencies on other projects/programmes	N/A
Do nothing implications	Breach of TUPE regulations and risk of legal action from affected staff.
Evidence of other sourcing options considered, & why discounted (if applicable)	Other suppliers are unlikely to be willing to cover pre-existing medical conditions unless a significantly higher premium is paid by the business which does not offer value for money.

Considerations	Brief description of the requirement
Other issues	Failure to continue the existing terms of PMI cover will lead to staff losing their statutory rights. This would pose a high risk of a dispute or an employment tribunal claim.
Justify preferred supplier	████████████████████ are the existing Insurance provider. There is a requirement for the existing Insurance to continue as it will ensure that cover pre-existing medical conditions are covered.
Demonstration of how value for money is being assured and benefits delivered in the absence of a competition	For a different supplier to agree to cover pre-existing medical conditions it would mean a significantly higher cost in premiums. This would not offer good value for money for the business. The renewal premiums have not increased significantly in the last 4 years.
How the decision can be defended in the event of a challenge or complaint of unfair competition	Limited route to market through the CCS framework for healthcare insurance, as this is normally handled through a brokerage service. This is not something the business buys so cost of competing a local contract would likely exceed any reduction in premiums.
Lessons Learnt / Plan to avoid further STAs	Home Office plans to capture data of all staff across HR affected by TUPE and work with the Commercial Team to find suitable routes to market for a long term healthcare insurance provider.

Business approval

Details of the business official completing the STA Justification	Enter details below
Name	Owen Dodd
Role / Grade	Deputy Head of Staff Transfers and Restructuring, Corporate and Delivery – HR / G7
Signature	Owen Dodd
Date	16/06/2023

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:	Gary Cairns
Role / Grade:	Head of TechOps and Service Management, End User Compute & Collaboration, Enterprise Services, Digital, Data and Technology / G6
Signature:	Gary Cairns
Date:	16/06/2023

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.

Route To Market:

Limited route to market through the CCS framework for healthcare insurance, as it is normally handled through a brokerage service. This means that the cost of competing a local contract would likely exceed any reduction in premiums.

A different supplier is unlikely to cover the existing insurance terms for pre-existing medical conditions unless a significantly higher premium is paid by HO which does not offer value for money. In the unlikely case that a different supplier did meet the pre-existing medical conditions, this would not be covered for the first initial 6 months of the policy due to the qualification period set by most insurance providers. This would result in a risk of a potential dispute or employment tribunal claim.

Legal Action:

Failure to continue with the existing terms of PMI cover will lead to staff losing their statutory rights. This would pose a high risk of a dispute or an employment tribunal claim.

Value For Money:

The renewal premiums for the existing insurance provider have not increased significantly in the last 4 years. A continuation of the existing insurance would offer better value for money rather than proceeding with the high risk option of a different insurance provider which would potentially lead to paying a higher premium cost.

Plan To Avoid Further STAs:

The Commercial team has engaged with the business to explore options to avoid further STAs. Plans have been set to look at the total number of staff affected by TUPE across the HR function to understand size, cost and impact. Further plans have been made to test out routes to market early in order to give the best possible chance to identify the broadest range of PMI cover available, whilst considering the existing terms and cost in premiums. The business will commit to an RFI exercise before the end of the year to gauge the market. The business will work with the incumbent supplier to obtain information regarding the specific requirements so that routes to market can be tested.

Justification Accepted


Yes/No (delete as applicable)

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

Justification Challenged

Yes/No (delete as applicable)

Actions required and / or caveat to approval

Actions	Enter details below
Justification Accepted after Challenge	Yes
Justification Withdrawn	
Commercial Approval (with appropriate level of STA approval authority)	BARSHA GURUNG
Name and Title	COMMERCIAL LEAD
Delegation Level	G7
Name/Signature	
Date	29/06/2023

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