

OFFICIAL
Appendix B – Statement of Requirements
CCFI17A01
DEATH IN SERVICE INSURANCE FOR GCO

CONTENTS

1.	PURPOSE.....	2
2.	BACKGROUND TO THE CONTRACTING AUTHORITY.....	2
3.	BACKGROUND TO REQUIREMENT/OVERVIEW OF REQUIREMENT	2
4.	DEFINITIONS.....	2
5.	SCOPE OF REQUIREMENT.....	3
6.	THE REQUIREMENT	3
7.	KEY MILESTONES	3
8.	AUTHORITY'S RESPONSIBILITIES	4
9.	REPORTING	4
10.	VOLUMES.....	4
11.	CONTINUOUS IMPROVEMENT	4
12.	QUALITY	4
13.	PRICE	4
14.	STAFF AND CUSTOMER SERVICE.....	4
15.	SERVICE LEVELS AND PERFORMANCE	5
16.	PAYMENT	5
17.	LOCATION.....	5

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1. PURPOSE

- 1.1 This statement of requirements is to procure insurance cover for death in service (“DIS”) for employees of the Government Commercial Organisation (“GCO”).
- 1.2 The GCO is an employer of senior commercial staff across government. It will offer unique terms and conditions to its specialist employees, including a pension from Standard Life. This pension does not include DIS insurance cover.

2. BACKGROUND TO THE CONTRACTING AUTHORITY

- 2.1 Cabinet Office is a Ministerial UK Government department that provides support to the Prime Minister and, in partnership with HM Treasury, are the corporate headquarters for government.
- 2.2 The GCO is a business unit within Cabinet Office.

3. BACKGROUND TO REQUIREMENT/OVERVIEW OF REQUIREMENT

- 3.1 The Government has established the Government Commercial Function (GCF) to work as a function (profession) across government departments and agencies to increase the commercial capability of all staff and improve commercial outcomes.
- 3.2 As part of a transformation programme to increase the attractiveness of the profession and upskill senior staff the government has agreed to offer unique terms and conditions to senior commercial staff. This improved offer in pay is offset in part by changes to pension arrangements. As a result pension cover is being procured from the private sector and employees on the new terms and conditions will not be eligible for Civil Service pensions.
- 3.3 The GCO has been set up to manage this change to the government employment model. The GCO’s mission is to recruit, develop, retain, and deploy the best UK senior commercial talent on government’s commercial priorities.
- 3.4 The GCO is currently transitioning existing staff who assessed suitable (high-level of expertise) from departments into the GCO. The transition process is happening in waves with the full transition of staff from the main government departments expected to be completed by the end of 2017 calendar year. The first transitioning department to the GCO will be the Department for Work and Pensions (DWP), whose transition will take place on the 1st February 2017, followed closely by other departments over the 2017 period. The GCO will provide a pension from Standard Life, which does not include DIS insurance cover. It is important that this insurance is in place quickly in the event that a DIS incident occurs enabling cover for any liabilities that may subsequently result.

4. DEFINITIONS

Expression or Acronym	Definition
GCF	means Government Commercial Function.
GCO	means Government Commercial Organisation.
DIS	means death in service.

DEATH IN SERVICE INSURANCE FOR GCO

5. SCOPE OF REQUIREMENT

- 5.1 Specific details of individuals are currently not available as the transition details are still being finalised.
- 5.2 DIS insurance cover is expected to provide 3 times the individuals salary should they die in service. The cover is initially required for up to 200 employees, but the option to scale this up must also be provided, with the expectation that the GCO will employ more than 500 specialists in due course. Potential providers should provide cost estimates for up-to an initial 200 employees, and an indication of potential costs for up to 500 employees.
- 5.3 The pay scales for GCO staff, with an estimate of the distribution across the 3 specialist grades are as follows:

Specialist Level	Base Pay Low	Base Pay Mid	Base Pay High	Non-consolidated Performance Related Pay	Distribution of Staff across Specialist
Senior Commercial Specialist	£130k to £170k	£170k to £180k	£180k to £190k	20%	10%
Commercial Specialist	£90k to £115k	£115k to £125k	£125k to £130k	20%	30%
Associate Commercial Specialist	£65k to £85k	£85k to £90k	£90k to £95k	15%	60%

6. THE REQUIREMENT

- 6.1 See paragraph 5.2 above. The requirement is to provide insurance cover initially for 1 year, with the option to extend for up to 3 years.
- 6.2 DIS cover ideally should be in place prior to the first transitioning department to the GCO, which is scheduled for the beginning of March 2017
- 6.3 Below is an estimate of the staff numbers that will be employed over the next 3 years:

Specialist Level	16/17	17/18	18/19	19/20
Senior Commercial Specialist	4	32	42	42
Commercial Specialist	10	81	101	101
Associate Commercial Specialist	21	193	258	258
Total	35	306	401	401
50% requiring insurance	17.5	153	200.5	200.5

- 6.4 The assumption is that c.50% of these will take up the GCO new terms and conditions and will require the DIS cover as set out in this Statement of Requirements.

7. KEY MILESTONES

- 7.1 Insurances must be in place as soon as possible in March 2017 and if not then, the earliest commencement date should be stated by the bidder.
- 7.2 The Potential Provider should note the following project milestones that the Authority will measure the quality of delivery against:

OFFICIAL

OFFICIAL
Appendix B – Statement of Requirements
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Milestone	Description	Timeframe
1	Insurance in place and operational.	As per paragraph 7.1 above.

8. AUTHORITY'S RESPONSIBILITIES

8.1 The Authority shall be responsible for providing access to the needed information for the provider during the engagement.

8.2 Please note the GCO requires to have DIS cover in place quickly but cannot at this stage be specific about individuals that will need to be covered. The procurement needs to take place on the basis of estimates that have been obtained. Whilst we believe these estimates to be reasonable, we cannot guarantee them.

9. REPORTING

9.1 The Provider will be expected to agree the reporting requirements (information and frequency) with the Authority in relation to the provision of the insurances and services expected.

10. VOLUMES

10.1 The insurance for DIS is to cover up to 200 employees for a minimum of one year.

11. CONTINUOUS IMPROVEMENT

11.1 The Supplier will be expected to continually improve the way in which the required Services are to be delivered throughout the Contract duration.

11.2 The Supplier should present new ways of working, where relevant, to the Authority during Contract review meetings.

11.3 Any changes to the way in which the Services are to be delivered must be brought to the Authority's attention and agreed prior to any changes being implemented.

12. QUALITY

12.1 We require the insurances to be procured from reputable organisations possessing the suitable insurance cover accreditation and/or certifications.

13. PRICE

13.1 Our estimated costs for the insurance is:

13.1.1 DIS insurance, on the basis of 3 times salary for 200 employees is c. £46.5k.

13.2 Prices are to be submitted via the [e-Sourcing Suite] [Appendix E] excluding VAT.

14. STAFF AND CUSTOMER SERVICE

14.1 The Authority requires the Potential Provider to provide a sufficient level of resource throughout the duration of the Procurement of Death in Service Insurance Cover for the GCO Contract in order to consistently deliver a quality service to all Parties.

OFFICIAL

DEATH IN SERVICE INSURANCE FOR GCO

- 14.2 Potential Provider's staff assigned to the Procurement of Death in Service Insurance Cover for the GCO Contract shall have the relevant qualifications and experience to deliver the Contract.
- 14.3 The Potential Provider shall ensure that staff understand the Authority's vision and objectives and will provide excellent customer service to the Authority throughout the duration of the Contract.

15. SERVICE LEVELS AND PERFORMANCE

- 15.1 The key performance requirements for this procurement are timing: that the insurance is procured and in place by the beginning of March 2017 or as soon thereafter as possible. Secondly, that the insurance procured is from a reputable company with the suitable insurance certifications.
- 15.2 The Provider will be expected to agree any ongoing service levels and performance reporting requirements (information and frequency) with the Authority in relation to the provision of the insurances and services expected.

16. PAYMENT

- 16.1 Supplier invoicing requirements and payment methods will be agreed between the supplier and Authority.
- 16.2 Payment can only be made following satisfactory delivery of pre-agreed certified products and deliverables.
- 16.3 Before payment can be considered, each invoice must include a detailed elemental breakdown of work completed and the associated costs.

17. LOCATION

- 17.1 The Commercial Capability Programme Team are based at 8-10 Great George Street and 1 Horse Guards Road, London, SW1. It is envisaged that the supplier will be able to administer the services specified from their own offices, unless agreed otherwise.