



Department
for Work &
Pensions



Umbrella Agreement for the provision of Employment and Health Related Services (UAEHRS) Specification and Supporting Information

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Glossary of Abbreviations

Bravo	BravoSolution portal
CEP	Contracted Employment Programmes
DDA	Devolution Deal Areas
DWP	Department for Work and Pensions
ESF	European Social Fund
EU	European Union
JCP	Jobcentre Plus
JSA	Jobseekers Allowance
LCTP	Life Chances Through Procurement
LEP	Local Enterprise Partnership
LTU	Long Term Unemployed
NAO	National Audit Office
OJEU	Official Journal of the European Union
SAaP	Supplier Accreditation and Passporting Process
TUPE	Transfer of Undertakings (Protection of Employment) Regulations
UC	Universal Credit
VDR	Virtual Data Room
WC	Work Choice
WHP	Work and Health Programme
WP	Work Programme

The Approach

1 Introduction

- 1.1 The Department for Work and Pensions (DWP) is inviting tenders in line with this specification for the procurement of a multi-supplier Umbrella Agreement for the provision of Employment and Health Related Services (Umbrella Agreement or UAEHRS). It is applicable to England and Wales only; for Scotland contracted employment support for longer than 12 months and for disabled people is being devolved to the Scottish Government.
- 1.2 The Umbrella Agreement is a framework-type agreement. However, this Procurement relates to services which are listed in Schedule 3 of the Public Contracts Regulations 2015 (PCR). This procurement will be conducted in accordance with regulations 74 to 76 of the PCR (the so-called the light touch regime (LTR)).
- 1.3 The Authority envisages that any call-off contracts under the Umbrella Agreement have the potential to cover a range of employment based services which, in turn, would be outcome-based and black or grey box and may use a (a) payment by results, (b) fixed price or (c) reverse auction payment model amongst other models. Given the potentially broad scope of services to be incorporated under the Umbrella Agreement, Schedules of delivery requirement, pricing model, and additional documents will be published in the invitation to tender at the Call-Off mini-competition stage. Equally, the Authority considers service delivery and service quality for the customer to be the priority. As such, considering pricing at the mini-competition stage allows this Umbrella Agreement stage to focus on the supplier's service offerings.
- 1.4 The content of this document will either refer to or be complemented by other information made available to potential suppliers via Bravo and the Virtual Data Room (VDR). DWP needs potential suppliers that have the skills to manage supply chains as it recognises the value of small and medium sized enterprises and voluntary and community organisations.

2 Why use an Umbrella Agreement?

- 2.1 Using an umbrella agreement offers a number of commercial and operational advantages for the Government and for delivery partners compared to traditional contracting methods.
- 2.2 The Umbrella Agreement will be a more effective and responsive tool for Government with the potential to create administrative savings and allow us to respond to economic and policy conditions more swiftly. It will simplify and reduce the time and cost involved for UAEHRS Suppliers in bringing their

services to market, for example by cutting out the duplication of effort created by participation in multiple, separate procurement competitions. This helps maximise funding available to support DWP's customers into, or to retain, employment.

- 2.3 Additionally, the Umbrella Agreement will be accessible to other contracting authorities which are identified in the Contract Notice, creating efficiencies across the wider public sector. Details of contracting authorities other than DWP which will be able to call-off from the Umbrella Agreement are included in 6.3 below.

3 Scope and Nature of the Work

- 3.1 The scope and nature of the work being contracted under this Umbrella Agreement will include, but not be limited to, support for individuals (or participants) to select, train for, obtain and retain employment. This is currently being provided, in some instances, by Jobcentre Plus staff, and in others by staff employed by the external suppliers and associated programmes (such as the Work Programme (WP) and Work Choice (WC)).
- 3.2 This could potentially include, but is not limited to, groups of individuals with disabilities; with health conditions; the long term unemployed (LTU); and other disadvantaged groups. Programmes contracted under this agreement will be required to identify and address barriers to employment for a broad range of individuals with differing and potentially very individual needs.
- 3.3 Potential suppliers will be required to provide support in gaining and sustaining employment, which may potentially require, but is not limited to, assistance in starting a new role, workplace adaptations, further training and short or long term in work support. Potential suppliers must be able to provide support either themselves or through a supply chain that covers the entire geographical Lot delivering services to all customers groups specified.
- 3.4 To support the DWP's commitment to the devolution and localism agenda the potential suppliers will be required to integrate and co-ordinate their services with existing provision and specialist service providers across the entire geographical area covered by the Lot

4 Background

- 4.1 As an indication of similar provision, DWP currently provides additional employment support to those who are in (or are at risk of) long-term unemployment, through contracted provision the largest of which is WP.
- 4.2 Disabled people with more complex issues are assisted by WC; voluntary contracted employment provision which helps participants who will be able to work at least 16 hours a week after job entry support, find work and stay in a job.
- 4.3 Specialist Employability Support is a programme for persons who have a disability, with complex or multiple barriers that prevents them from finding work. It focuses on helping those for whom other provision such as WC or WP is not suitable.
- 4.4 Referrals of individuals to the WP and to the WC are scheduled to end in 2017.
- 4.5 The economic climate and the labour market are considerably stronger than when each of the aforementioned programmes were designed and introduced. In September 2016 the UK Labour Market Statistical bulletin from the Office for National Statistics (ONS) reported that¹:
- there are more people in work than ever before (31.77 million) and the female employment rate of 69.8% is a record high;
 - the employment rate is 74.5% which is the highest since current records began in 1971;
 - unemployment stands at 4.9%, a decade low rate; and,
 - long-term unemployment is close to the lowest level since 2008.
- 4.6 The Labour Force Survey Quarter 2 2016 statistical release from the ONS (labour market status of disabled people) reported that²:
- the disability employment rate gap has been broadly stable and currently stands at 32.2 percentage points and there are 3.8 million people of working age who have a disability and who are out of work; and,
 - there are nearly half a million more persons who have a disability in work than three years ago, though the disability employment gap has persisted due to faster increases in the employment rate of non-disabled people.

¹ In the period May to July 2016.

² In the period April to June 2016.

- 4.7 Universal Credit (UC) brings significant improvements to the Jobcentre Plus (JCP) offer by enabling individuals to access employment support much earlier than in the current system. Evidence shows that the earlier additional support is offered to people, including those who have a disability, the better their chances of getting back to work. Under UC, from the first month of a claim, persons who have a disability will benefit from a regular, on-going relationship with their dedicated Work Coach³. This will allow individuals to build a relationship and rapport with their Work Coach, so they can better understand their barriers to work, understand what the individual can do, and build their support around their specific needs.
- 4.8 Given the current labour market conditions outlined at paragraph 3.5, the reduced unemployment rate and the improved economic conditions, the contracted employment provision of the future can be smaller and provide more focused support for the long term unemployed, persons who have a disability, and other disadvantaged groups. The provision will need to provide qualitatively and quantitatively distinctive support compared to Jobcentre Plus and where relevant to the call-off contract in question, deliver sustained employment outcomes above a specified earnings threshold.

5 Term

- 5.1 The term of the Umbrella Agreement will be four years but call-off contracts let under it may be for a term which ends after the term of Umbrella Agreement. Once suppliers have been appointed to the Umbrella Agreement following this procurement, no further potential suppliers will be appointed onto the Umbrella Agreement.

6 Lots

- 6.1 The Umbrella Agreement will be divided into geographical Lots so that suppliers in each Lot can ensure that they are geared to integrate and co-ordinate their services with existing provision and specialist service providers across the entire geographical area covered by the Lot. Annex A details these Lots. The five highest scoring suppliers will be appointed onto the Umbrella Agreement in each of the six Lots which cover the Jobcentre Plus regions described at 6.2 below. The number of suppliers appointed to the national Lot will depend upon how many suppliers meet the qualifying criteria for that Lot (see 6.3). Potential suppliers who want to join the Umbrella Agreement may bid to be included in one, all, or any combination of Lots, so some potential suppliers could be accepted onto the Umbrella Agreement in several or all of the Lots. Flexibility is a key requirement; contracts let under the Umbrella Agreement may cover the whole geographic area of a Lot or smaller

³ Work Coaches are frontline DWP staff based in Jobcentres. Their main role is to support claimants into work by challenging, motivating, providing personalised advice and using knowledge of local labour markets.

geographic area(s) within the Lot, this will be outlined in the call off specification.

6.2 Six of the seven Umbrella Agreement Lots are based on but not coterminous with the current JCP groups regions and are as follows:

- Central England;
- North East England;
- North West England;
- Southern England;
- Home Counties and
- Wales.

6.3 The seventh Lot will be a national Lot for England and Wales and all potential suppliers securing a place on two (or more) of the other six Lots will be automatically added to Lot 7 National (England and Wales). Contracts let under the Umbrella Agreement may be national (Lot 7), cover a specific Lot or a smaller geographical area(s) within a Lot.

6.4 DWP anticipate utilising the National Lot (Lot 7) for call off contracts that require coverage in more than one Lot area and do not require a specific geographic footprint (i.e. telephone or online based services).

6.5 DWP may impose a limit on the number of DWP contract package areas (CPAs) or call -off contracts which may be awarded to any UAEHRS Supplier under the Umbrella Agreement in any mini-competition. As DWP and other contracting authorities award a range of contracts under the Umbrella Agreement, the maximum number of CPAs or call-off contracts per UAEHRS Supplier that is appropriate may vary. The relevant contracting authority will confirm, where relevant, in the invitation to participate in a mini-competition in respect of a contract:

- (i) the maximum number of CPAs or call-off contracts per UAEHRS Supplier and
- (ii) the criteria that the Authority will apply to determine which CPAs or call-off contracts will be awarded to an UAEHRS Supplier where the application of the award criteria would result in that UAEHRS Supplier being awarded more than the maximum number of CPAs or call-off contracts.

7 Contracts to be let under the Umbrella Agreement

7.1 Contracts let under the Umbrella Agreement will vary, but in terms of DWP contracts, are likely to be of a value between £2 million to £30 million per year. The Umbrella Agreement may be used to call off a range of support contracts for customers of DWP and other contracting authorities. The value, terms and conditions and pricing model of each set of call-off contracts will depend upon

by the make-up of customers participating in the programme, service requirements and purpose of the support required.

- 7.2 Acceptance onto the Umbrella Agreement does not guarantee that any UAEHRS Supplier will be awarded any call-off contracts let under the Umbrella Agreement.
- 7.3 The Umbrella Agreement will also be available to contracting authorities bound by the Regulations in England and Wales including but not limited to other Government Departments and their Agencies, Non-Departmental Public Bodies, Devolved Deal Areas, City Deal Areas, Combined Authorities and Local Authorities who wish to purchase employment and health related support services. Work is on-going to engage with these other contracting bodies to discuss their interest in using the Umbrella Agreement.
- 7.4 UAEHRS Suppliers will only be eligible for call-off contracts in Lots to which they have been appointed under this procurement. The information published for each of the mini-competitions will detail the requirements for the services to be delivered, customers to be served, any local requirements and terms and conditions for the call-off contract(s) to which they relate. As with this procurement, all compliant tenders will be subject to separate formal qualitative evaluation.
- 7.5 Contracts for the Work and Health Programme are envisaged to be the first call-off to be let by DWP under the Umbrella Agreement. A full specification will accompany the mini-competition, which DWP expects to issue in January 2017. More information can be found within the Virtual Data room as outlined below in 20.1.

8 Devolution

- 8.1 Future contracts that may be called off the Umbrella Agreement will have a greater emphasis on localism due to the Government's focus on devolving power to a more local level.
- 8.2 The UK Government is committed to decentralising power and decision-making from Whitehall and into the hands of local people and businesses. Where areas have agreed Devolution Deals⁴ with Government they are being given a greater say in how public funding is spent in their local area. This will give them increased influence over how the public services are developed and

⁴ Devolution Deals are agreements to devolve powers and spending on public services away from Whitehall departments to local areas. These areas are represented by consortiums of local authorities, coming together on a county-wide or sub-regional basis. Devolution Deals are a bottom up process to allow areas to drive their own economic growth and the transformation of public services.

delivered in their localities. These areas are known as Devolution Deal Areas (DDAs).

- 8.3 DWP are supporting some of the DDAs who wanted to have more influence on future employment support in their area by involving them in the design of such programmes. Geographical and socio-economic information about those DDAs is provided within the suite of ItT documents to enable potential suppliers to understand more about each area and help them form proposals as to how services under Umbrella Agreement call-off contracts could be integrated, where applicable, with existing services in local areas.

9 Localism requirements

- 9.1 DWP (including Jobcentre Plus as the DWP delivery arm), has a strong history of working with partners. Partnerships are central to the delivery of DWP business objectives and statutory duties, and to the design and delivery of DWP commissioned programmes, supported by the Jobcentre Plus approach to partnership working which takes into account strategic DWP priorities and initiatives.
- 9.2 Building on existing good practice, effective engagement with such partners (at an appropriate level) will help to ensure that programmes recognise and reflect local needs, priorities, strategies and resources to achieve best outputs and value for money; and offer a comprehensive service that meets the needs of all of our customers.
- 9.3 Potential suppliers wishing to be on the Umbrella Agreement are required to demonstrate that they can work closely with such partners and that they accept that working with partners may be a supplier obligation of any call-off contracts awarded underneath the Umbrella Agreement.
- 9.4 It is anticipated that subsequent proposals for future DWP Employment and Health mini-competitions for call-off contracts under the Umbrella Agreement will be required to take into account local strategies and publically funded services and to support an agenda to improve performance and the quality of support to individuals, reduce duplication of spending by public sector bodies and improve the effectiveness of the use of public funds in the locality in which services are being provided.
- 9.5 Specific localism issues for the UAEHRS Suppliers to consider at mini competition stage could be:
- Locality knowledge and customer insight;
 - Alignment and integration of provision, services and funding streams within the context of local strategies;

- Identification of local specialist service providers that could help demonstrate capacity to meet the (more specialist) needs of all customers;
- Development of wrap around services that are responsive to local needs, complement DWP provision, and address gaps; and
- Sharing lessons learned and data where appropriate.

9.6 The aim will be to engage with strategic and delivery partners at a level appropriate to the geography of the area covered by the services of the call-off contract if that is different.

9.7 DWP may consult with partners, for example DDA's, to facilitate efforts to join up services and enable DWP's Employment and Health programmes to respond to local needs. This may, for instance, include consultation on the specification or other involvement in the tender process.

10 Timetable

10.1 DWP's intended timetable for this procurement is as set out in the table below⁵. DWP reserves the right to amend the timetable.

Umbrella Agreement Contract Notice Published	06/10/16
Umbrella Agreement Documentation Issued	07/10/16
Supplier Engagement Events	w/c 10/10/16
Q&A - Set up and run an online/electronic Q&A facility	w/c 17/10/16
Final date for publication of Q&A	4/11/16
Umbrella Agreement Response submitted	9/11/16
Standstill Period and Umbrella Agreement Award	December 2016

⁵ DWP anticipates that it is likely to publish the mini-competition pack for the Work and Health Programme (WHP), procured under the UAEHRS, to UAEHRS Suppliers in January 2017.

11 Questions and Answers

- 11.1 All questions from potential suppliers in relation to this procurement should be submitted to DWP via Bravo. The last date for submission of questions is 2 November 2016. More information can be found within the instructions to potential suppliers.
- 11.2 Any questions and/or queries about the procurement exercise must be submitted via Bravo. No other forms of communication or contact will be accepted other than those during the planned meetings at which all questions will be captured and published to all potential suppliers via Bravo, unless deemed of a commercially sensitive nature.
- 11.3 Where a question relates to more than one potential supplier, the Authority will make the question and its answer available on an anonymous basis to all potential suppliers.
- 11.4 Potential suppliers are responsible for monitoring Bravo, and the 'Questions and Answers' document in particular, for any responses to questions, general clarifications or other information issued by the Authority. Answers to such questions may contain important information that may affect how potential suppliers complete their tenders.
- 11.5 DWP may seek independent financial and market advice to validate information declared, or to assist in the evaluation.

12 European Social Fund

- 12.1 Call-offs contracts from the Umbrella Agreement (where services are provided in England) may be part-funded or match-funded with European Social Fund (ESF) monies. This will not apply to call-off contracts let under the Wales Lot.
- 12.2 DWP (or other contracting bodies where appropriate) will seek to build flexibility into call-off contracts which will enable the inclusion of ESF funding at a later date, if possible and desirable. It is a requirement that all contracts are ESF compliant so that they can be used to support the use of ESF provision in the future.
- 12.3 UAECHRS Suppliers awarded call-offs contracts may have contractual obligations under such call-off contracts to meet ESF requirements set by the European Commission.

13 Evaluation Criteria

- 13.1 Potential suppliers will be evaluated both on their demonstration of how they will meet the requirements of the Umbrella Agreement and their

demonstration of past achievements in delivering against these criteria either for DWP or other contracting organisations.

Principal Criteria	Weighting
Previous Contract Performance	5
Supply Chain Management	10
Integration & Rationale	30
Implementation	10
Delivery Challenges	30
Stakeholder Engagement	20

14 Compliance

14.1 Potential suppliers who wish to respond to the Umbrella Agreement ItT must load their tenders onto the system prior to the ItT submission deadline. After the deadline all tenders will be opened electronically and will be checked for compliance. Non-compliance may result in clarification (minor issue) or the tender being rejected (major issue). Full details of the compliance requirements, with examples of what might constitute minor and major issues, are included in the Instructions to Potential suppliers as part of the Invitation to Tender.

15 Financial Assessment

15.1 The Authority is seeking potential suppliers that are capable of delivering future requirements, including but not limited to, delivering within and across the entire geographic Lot.

15.2 The expectation is that future call-offs for Employment and Health related contracts will be structured on a payment by results (PbR) funding regime.

15.3 This will create an inherent time lag between investment in the service and the subsequent flow through of revenues as generated by the achievement of outcomes.

15.4 Consequently, this will create a cash flow pressure for contracted suppliers whilst the PbR model unwinds and revenues exceed investment, until the payback point is reached.

- 15.5 It is, therefore, important that potential suppliers that are selected onto the Umbrella Agreement will have been able to demonstrate basic financial strength, funding and working capital and financial competence as measured through the SAaP process (turnover of the bidder compared to indicative future contract values).
- 15.6 This will provide assurance to the Authority that they can sustain significant contract values with minimal risk of failure.
- 15.7 The Umbrella Agreement evaluation process will include a test of financial standing which:
- Will be based on SAaP where potential suppliers have already obtained accreditation or have submitted their SAaP application by 6th October and been accredited; or
 - In all other cases an assessment of turnover and solvency ratios will be applied in exactly the same method as the SAaP process to determine the level of business that DWP would be content to award to that bidder if they were awarded any future call-off contracts. However, in respect of this Umbrella Agreement the Authority will not be able to invite further mitigation evidence, of the type referred to in Annex C 13 and 14 below, between the Contract notice date of the 6 October 2016 and the award of the Umbrella Agreement.
- 15.8 Suppliers who have already applied for a Passport will be treated to the same tests of financial standing as those without a Passport who apply for the Umbrella Agreement.

Updated Policy

- 15.9 Since the SAaP process was introduced feedback from suppliers has raised the need for the policy to be updated to reflect specific instances. Attention is drawn to Annex E for the relevant policy changes.

Minimum Economic and Financial Capacity - Process for Potential Suppliers Who Have Already Gained SAaP Accreditation

- 15.10 As part of the SAaP process potential suppliers will have been assigned an annual indicative contract value based on the strength of their organisations balance sheet and the average of their last three years turnover.
- 15.11 There will be six regional Lots, broadly based on JCP regions, and one national Lot. Details of the Lots and their expected total and annual Work and Health Programme (WHP) Lot values are shown in Annex B. Any application that the Authority receives from a Bidder in respect of a Lot whose annual value shown in Annex B exceeds the annual indicative contract value that Bidder was assigned to it with its SAaP process will be unsuccessful. The

Authority has used the annual value for WHP for this threshold as it intends to conduct a mini-competition to call-off contracts for the WHP under the Umbrella Agreement. Each Lot is considered in isolation and each Lot will be assessed independently.

15.12 For example, bids from a Potential Supplier who has an indicative annual Passport contract value of £12m assigned through the SAaP process would be unsuccessful for either of Lots 2 and 5. This is as a consequence of their Passport value being less than the Indicative Total WHP Annual Values for those Lots. The Potential Supplier would be able to bid for any or all of Lots 1, 3, 4 and 6 as they are assessed independently and their indicative contract value does not have to exceed the cumulative total values of all Lots that they are applying for.

15.13 Where a bidder is part of a group whose Parent Company has their own indicative contract values then the Parent Company's indicative contract value is the total for the whole group of companies, if it is greater. For clarity the indicative values of all group companies are not added together.

Minimum Economic and Financial Capacity - Process for Potential Suppliers Who Have Not Gained SAaP Accreditation

15.14 Potential suppliers who have not gained SAaP accreditation will be assessed using exactly the same model as utilised within the SAaP model.

15.15 For completeness and the avoidance of doubt, the SAaP criteria are also shown at Annex C to demonstrate the model being applied. Potential suppliers will therefore be able to calculate their own annual indicative contract value.

15.16 Potential suppliers will therefore be able to determine in advance, based on their turnover data and balance sheet ratios for the last three years, which Lots they may be eligible for. Potential suppliers are encouraged to self-select themselves out of applying for the Umbrella Agreement if they do not meet the indicative minimum annualised turnover figure.

15.17 Once an averaged annualised turnover figure has been arrived at in line with the SAaP criteria then application for Lots can be made in the same manner as outlined above.

16 Selection Stage

16.1 The focus of the selection criteria will be based upon objective assessment of a potential supplier's ability to meet the requirements of delivering any call-off contracts let through the Umbrella Agreement. These criteria are based on the high-level delivery requirements as outlined in the advertisement for the

Umbrella Agreement competition and are weighted to ensure the overall score reflects their importance to successful delivery of contracts let under the Umbrella Agreement. More information will be provided within the Instructions to potential suppliers.

17 Notification to the Preferred UAEHRS Suppliers

17.1 The Authority anticipates that on the current timetable it will be in a position to name the suppliers invited to join the Umbrella Agreement during December 2016.

18 Standstill Period

18.1 When DWP is satisfied that the draft Umbrella Agreement agreements are in a position to be signed, it will notify all relevant parties. However the Authority will not sign agreements until the end of the standstill period, which is envisaged will last ten days.

19 Debrief to Unsuccessful suppliers

19.1 At the commencement of the standstill period, unsuccessful potential suppliers will be informed of the decision and provided with summary written feedback.

20 Virtual Data Room

From 6 June 2016, potential suppliers (who have registered an interest in the Work and Health Programme either in response to the Prior Information Notice (ref. 2016/S 083-146795) published by the Authority on 28 April 2016 or subsequently) were given access to a VDR. This VDR will now also be used to store information on the Umbrella Agreement as well as Work and Health Programme, including draft contractual documentation, background documentation, additional information and due diligence material. The VDR will continue to be populated during all stages of the Umbrella Agreement procurement process with new / amended data or in response to requests for further data. The use of the VDR for any other Call Off contracts under the Umbrella Agreement will be notified in the relevant Call Off documentation.

20.1 This specification supersedes any previous communication around the commercial approach.

Governance

21 The Department's Code of Conduct and Merlin Standard

21.1 DWP's Code of Conduct (Code) spells out the key values and principles of behaviour which it expects of its suppliers, which are essential for creating healthy, high performing supply chains. UAEHRS Suppliers will be required to operate in accordance with the Code.

21.2 The Code is in Annex 1 to the DWP Commissioning Strategy and it be found at;

<https://www.gov.uk/government/publications/dwp-commissioning-strategy-2014>

21.3 Potential suppliers need to be aware that they must attain the Merlin Standard, if not already held, where they have a supply chain within their delivery model for any call-off contract under the Umbrella Agreement. Suppliers will be assessed against the Merlin Standard by a third party organisation within a year of the call-off contract go live and they must achieve accreditation within 1 year and every two years thereafter .

21.4 The current contract for the supplier which administers the Merlin Standard expires in 2017 but it is envisaged it will be replaced and its successor will follow similar principles. For further information on the Merlin Standard please see the following:

<http://www.merlinstandard.co.uk/>

<https://www.gov.uk/government/publications/the-merlin-standard-guide-for-dwp-providers>

22 Life Chances Through Procurement (LCTP)

22.1 DWP is committed to increasing the life chances for the whole country and life chances through procurement supports and enhances DWP's progress against the sustainable development agenda.

22.2 Potential suppliers need to be aware that they must adhere to the LCTP principles and comply with the LCTP requirements. Further information on LCTP can be found at:

Life Chances through Procurement Guidance for DWP Contractors

<https://www.gov.uk/search?q=life+chances+through+procurement>

23 Disability Confident

- 23.1 Disability Confident is a condition of contract with the Department and Level 3 accreditation must be obtained within 12 months of the Umbrella Agreement' commencement. More information can be found at the below link:
<https://www.gov.uk/guidance/disability-confident-how-to-sign-up-to-the-employer-scheme#level-3-disability-confident-leader>

24 Data Security

- 24.1 Cabinet Office has introduced mandatory requirements relating to data handling, security and information assurance in Government contracts. Information must be protected, together with systems, equipment and processes which support its use. Our suppliers must provide an appropriate level of security.
- 24.2 Potential suppliers are required to submit a Draft Security Plan at the IT procurement stage detailing how they will comply with the DWP Security Policy for Contractors, which includes compliance with ISO/IEC27001 and Cyber Essentials Scheme. A copy of this document can be found at;
<https://www.gov.uk/government/organisations/department-for-work-pensions/about/procurement#terms-and-conditions>

25 Transfer of Undertaking (Protection of Employment) Regulations 2006

- 25.1 It is the potential supplier's responsibility to consider whether or not TUPE applies in the individual circumstances of their tender for each call-off procurement.
- 25.2 For more information about TUPE and associated matters see -
<https://www.gov.uk/transfers-takeovers>. Further information can be found in the Terms and Conditions.

Reference Material

- **Bravo**

<http://bravosolution.co.uk/>

- **DWP Commissioning Strategy**

<https://www.gov.uk/government/publications/dwp-commissioning-strategy-2014>

- **Procurement at DWP**

<https://www.gov.uk/government/organisations/department-for-work-pensions/about/procurement#terms-and-conditions>

- **DWP Generic Provider Guidance**

<https://www.gov.uk/government/collections/dwp-provider-guidance>

- **Equality Act 2010**

<https://www.gov.uk/guidance/equality-act-2010-guidance>

- **Office for National Statistics**

<https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/unemployment/timeseries/mgsx>

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/labourmarketstatusofdisabledpeoplea08>

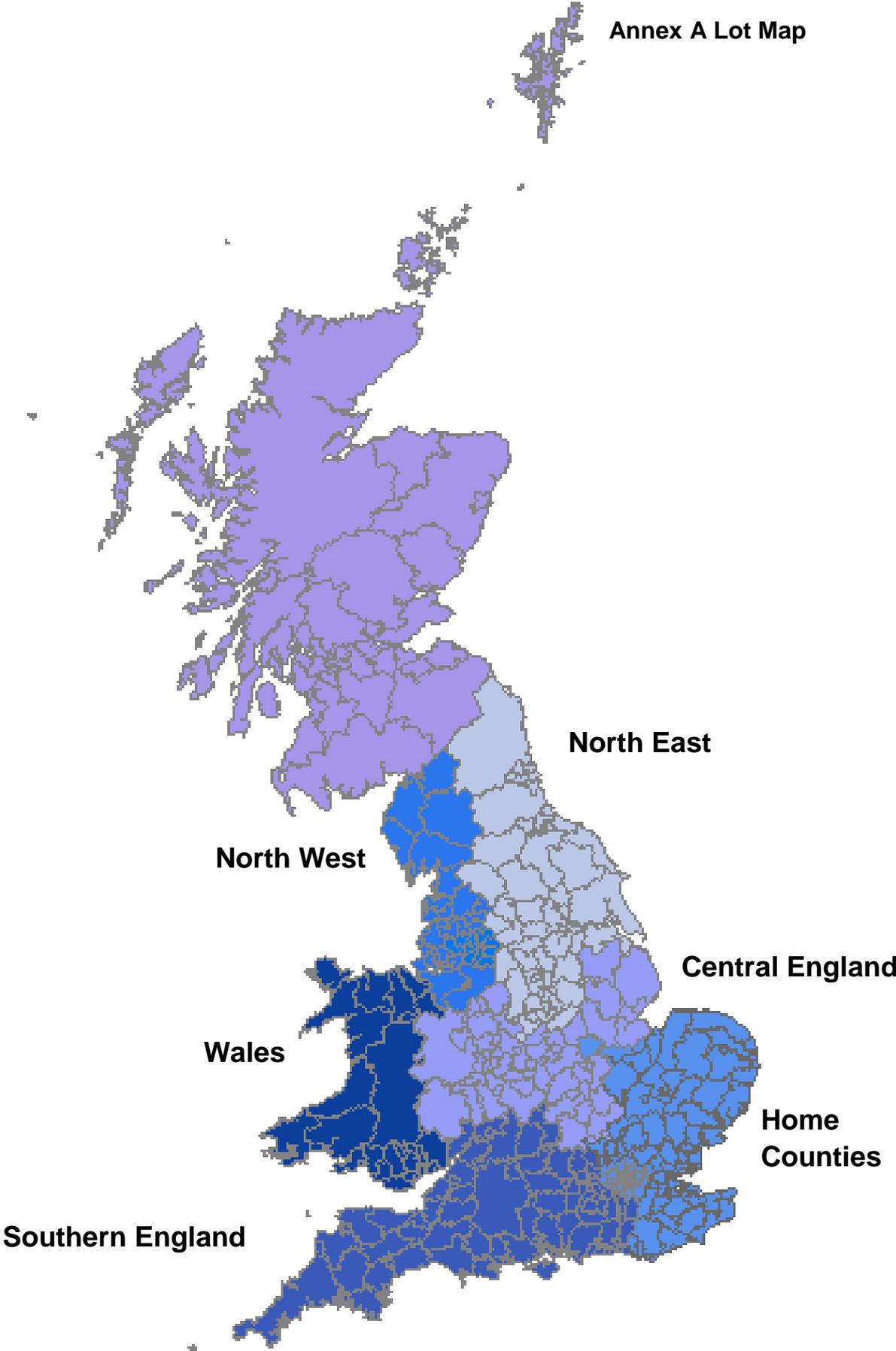
- **Official Journal of the European Union**

<http://www.ojeu.eu/>

- **The Public Contract Regulations 2015**

<http://www.legislation.gov.uk/uksi/2015/102/contents/made>

Annex A Lot Map



Central England

Aylesbury Vale
Bedford
Birmingham
Blaby
Boston
Bromsgrove
Cannock Chase
Central Bedfordshire
Charnwood
Corby
Coventry
Daventry
Dudley
East Lindsey
East Northamptonshire
East Staffordshire
Harborough
Herefordshire, County of
Hinckley and Bosworth
Kettering
Leicester
Lichfield
Lincoln
Luton
Malvern Hills
Melton
Milton Keynes
Newcastle-under-Lyme
North Kesteven
North Warwickshire
North West Leicestershire
Northampton
Nuneaton and Bedworth
Oadby and Wigston
Redditch
Rugby
Sandwell
Shropshire
Solihull
South Holland
South Kesteven
South Northamptonshire
South Staffordshire
Stafford
Staffordshire Moorlands
Stoke-on-Trent
Stratford-on-Avon
Tamworth

Telford and Wrekin
Walsall
Warwick
Wellingborough
West Lindsey
Wolverhampton
Worcester
Wychavon
Wyre Forest

Home Counties

Ashford
Babergh
Barking and Dagenham
Barnet
Basildon
Bexley
Braintree
Breckland
Brent
Brentwood
Broadland
Bromley
Broxbourne
Cambridge
Camden
Canterbury
Castle Point
Chelmsford
City of London
Colchester
Croyden
Dacorum
Dartford
Dover
Ealing
East Cambridgeshire
East Hertfordshire
Eastbourne
Enfield
Epping Forest
Fenland
Forest Heath
Gravesham
Great Yarmouth
Greenwich Hackney
Hammersmith and Fulham
Haringey
Harlow

Harrow
Havering
Hertsmere
Hillingdon
Hounslow Hastings
Huntingdonshire
Ipswich
Islington
Kensington and Chelsea
King's Lynn and West Norfolk
Kingston upon Thames
Lambeth
Lewes
Lewisham
Maidstone
Maldon
Medway
Merton
Mid Suffolk
Newham
North Hertfordshire
North Norfolk
Norwich
Peterborough
Redbridge
Richmond upon Thames
Rochford
Rother
Rutland
Sevenoaks
Shepway
South Cambridgeshire
South Norfolk
Southend-on-Sea
St Albans
St Edmundsbury
Stevenage
Suffolk Coastal
Sutton
Southwark
Swale
Tendring
Thanet
Three Rivers
Thurrock
Tonbridge and Malling
Tower Hamlets
Tunbridge Wells
Uttlesford

Waltham Forest
Wandsworth
Watford
Waveney
Wealden
Welwyn Hatfield
Westminster

North East

Amber Valley
Ashfield
Barnsley
Bassetlaw
Bolsover
Bradford
Broxtowe
Calderdale
Chesterfield
County Durham
Craven
Darlington
Derby
Derbyshire Dales
Doncaster
East Riding of Yorkshire
Erewash
Gateshead
Gedling
Hambleton
Harrogate
Hartlepool
High Peak
Kingston upon Hull, City of
Kirklees
Leeds
Mansfield
Middlesbrough
Newark and Sherwood
Newcastle upon Tyne
North East Derbyshire
North East Lincolnshire
North Lincolnshire
North Tyneside
Northumberland
Nottingham
Redcar and Cleveland
Richmondshire
Rotherham
Rushcliffe

Ryedale
Scarborough
Selby
Sheffield
South Derbyshire
South Tyneside
Stockton-on-Tees
Sunderland
Wakefield
York

North West

Allerdale
Barrow-in-Furness
Blackburn with Darwen
Blackpool
Bolton
Burnley
Bury
Carlisle
Cheshire East
Cheshire West and Chester
Chorley
Copeland
Eden
Fylde
Halton
Hyndburn
Knowsley
Lancaster
Liverpool
Manchester
Oldham
Pendle
Preston
Ribble Valley
Rochdale
Rossendale
Salford
Sefton
South Lakeland
South Ribble
St. Helens
Stockport
Tameside
Trafford
Warrington
West Lancashire
Wigan

Wirral
Wyre

Southern England

Adur
Arun
Basingstoke and Deane
Bath and North East Somerset
Bournemouth
Bracknell Forest
Brighton and Hove
Bristol, City of
Cheltenham
Cherwell
Chichester
Chiltern
Christchurch
Cornwall
Cotswold
Crawley
East Devon
East Dorset
East Hampshire
Eastleigh
Elmbridge
Epsom and Ewell
Exeter
Fareham
Forest of Dean
Gloucester
Gosport
Guildford
Hart
Havant
Horsham
Isle of Wight
Isles of Scilly
Mendip
Mid Devon
Mid Sussex
Mole Valley
New Forest
North Devon
North Dorset
North Somerset
Oxford
Plymouth
Poole
Portsmouth

Purbeck
Reading
Reigate and Banstead
Runnymede
Rushmoor
Sedgemoor
Slough
South Bucks
South Gloucestershire
South Hams
South Oxfordshire
South Somerset
Southampton
Spelthorne
Stroud
Surrey Heath
Swindon
Tandridge
Taunton Deane
Teignbridge
Test Valley
Tewkesbury
Torbay
Torridge
Vale of White Horse
Waverley
West Berkshire
West Devon
West Dorset
West Oxfordshire
West Somerset
Weymouth and Portland

Wiltshire
Winchester
Windsor and Maidenhead
Woking
Wokingham
Worthing
Wycombe

Wales

Anglesey
Blaenau Gwent
Bridgend
Caerphilly
Cardiff
Carmarthenshire
Ceredigion
Conwy
Denbighshire
Flintshire
Gwynedd
Merthyr Tydfil
Monmouthshire
Neath Port Talbot
Newport
Pembrokeshire
Powys
Rhondda, Cynon, Taff
Swansea
The Vale of Glamorgan
Torfaen
Wrexham

Annex B

Umbrella Agreement Lots	Indicative Total WHP Lot Value	Indicative Total WHP Annual Value
1. Central England	£90m	£11m
2. North East England	£122m	£15m
3. North West England	£82m	£10m
4. Southern England	£78m	£10m
5. Home Counties	£141m	£18m
6. Wales	£41m	£5m
Total	£554m	£69m

Supplier Accreditation and Passporting (SAaP)**Process**

C1. As part of the SAaP process organisations should supply their latest 2 years full audited accounts, not just an extract or selected pages, and should not send abbreviated accounts. These accounts should include 3 years financial information. Where an organisation does not have a full two years of audited accounts alternative financial information can be provided. A list of financial information to be submitted is shown in Annex C below.

C2. Financial information provided by organisations will be captured within a standard template by the Authority, which will then be uploaded into the Authority's database for on-going market intelligence and analysis. The financial information provided by organisations will be assessed using the scoring metrics explained below in paragraph C9 onwards.

C3. The financial process for consortia, a Joint Venture (JV) or a Special Purpose Vehicle (SPV) will be assessed using the same approach as single organisations except that each member of the consortia/JV/SPV will have their financial contribution to the scoring metrics apportioned based on their respective equity shareholding in the consortia/JV/SPV (or proposed equity shareholding if the legal entity has not yet been formed).

C4. If a member of consortia/JV/SPV is also wishing to apply for a Passport in its own right, their respective Passport value will be adjusted for their share of the indicative contract value assigned to the consortia/JV/SPV Passport.

C5. Where an organisation has an ultimate parent company, their parent's accounts will also be assessed separately using the same criteria to identify their capacity to stand behind their subsidiary's potential Passport.

Financial Risk Rating Calculation Methodology

C6. A financial risk rating will be calculated to inform the financial assessment which forms part of the Passporting application process. This uses a number of different scoring metrics as shown in the table below. These scoring metrics will all be independently assessed and the combination of scores will determine the level of indicative annual contract value included within the Passport as explained below.

C7. The process shares the use of the same metrics as routinely used in the Financial Viability Risk Assessment (acid test and debt ratio) model used by the Authority, and organisations that have previously contracted with the Authority will already be familiar with these.

C8. The assessment of ratios shall be undertaken using the scoring metrics below and will be taken from the latest audited year's accounts:

Scoring Metrics Table

Score	Acid Test Ratio	Debt Ratio
1	≤ 0.8	> 1.0
3	> 0.8 & $< = 1.1$	≥ 0.5 & ≤ 1.0
5	> 1.1	< 0.5

C9. **Acid Test Ratio** – the acid test ratio will be calculated based on the latest published accounts provided as follows:

$$\frac{\text{Current assets less stock (inventory)}}{\text{Current liabilities}}$$

The acid test ratio is allocated a score as follows:

- > 1.1 is given a score of 5
- > 0.8 but < or equal to 1.1 is given a score of 3
- < or equal to 0.8 is given a score of 1

C10. **Debt Ratio** – the debt ratio will be calculated based on the latest published accounts provided as follows:

$$\frac{\text{Total liabilities (exc long term pension liabilities)}}{\text{Total assets}}$$

The debt ratio is allocated a score as follows:

- < 0.5 is given a score of 5
- > or equal to 0.5 but < or equal to 1.0 is given a score of 3
- > 1.0 is given a score of 1

Calculation of Indicative Contract Value

C11. An indicative annual contract value will be assigned to all organisations that are issued with a Passport and this will be re-assessed when Passports are renewed. This will be used as a guide to ensure that organisations have the organisational stability and capacity to deliver new contracts up to this contract value with minimal risk of failure. It will be applied at the discretion of the Authority.

C12. The annual indicative contract value will be based on a % of the average of an organisation's past three years turnover rather than the latest year's turnover to take account of fluctuations in growth, the ending of contracts and any one-off events.

Indicative Annual Contract Value Scoring Table

Aci d Test score	Deb t Rati o score	Tota l Sco re	Risk Rating	Passport Indicative Contract Value
		>6	Low	75% annual turnover
3	3	6	Mediu m	50% annual turnover
5 1	1 5	6 6	Mediu m	50% annual turnover
1 1 3	1 3 1	2 4 4	High	No indicative contract value provided at this stage subject to any mitigating circumstanc es

C13. Organisations that are deemed “High Risk” will be invited to submit further information to the Authority. The Authority will carry out a further review of the accounts and other financial information submitted to determine if there are any mitigating factors which give assurance that there is minimal risk of contract failure. The Authority will then consider whether there is sufficient evidence to justify assigning the organisation a Passport which includes a 50% of annual turnover indicative contract value.

C14. Organisations that are deemed “Medium Risk” may submit further information to the Authority who will then consider whether there is sufficient evidence to justify assigning a 75% annual turnover indicative contract value.

C15. The financial assessment will also be carried out on the organisation’s ultimate parent company’s accounts. If the ultimate parent company’s overall score is higher than the organisation applying for the passport, then the ultimate parent company’s score may be used for the organisation bidding for the Passport, on the condition that the parent is willing to provide a parent company guarantee for any future contracts that the organisation may be awarded.

C16. For example, if the parent company assessment result in an indicative annual contract value of 75% of annual turnover but the organisation applying for the passport is only assigned 50%; then the individual organisation can be assigned 75% of that organisation’s annual turnover if the parent is willing to provide a parent company guarantee.

C17. The indicative annual contract value just relates to the new Work & Health Programme contract at this point in time and existing contracts within the employment category are currently discounted from this process.

C18. The Authority may also moderate the initial financial risk assessment if any of the following circumstances arise:

Where the most recently filed full financial statements are not submitted to the Authority (or other financial information to assess financial risk), then a high risk rating will given;

If there is a group/parent company whose financial position could impact significantly on the Financial Risk Assessment, the risk rating may be moderated accordingly; or

Where factual evidence (other than the latest financial statements) indicates that the financial health of an organisation is significantly different from that portrayed in the latest financial statements, for example but not exclusively:

- A court ruling which has financial consequences;
- Loss of a material contract or area of provision;
- A contingent liability crystallising;
- Recall of debt by the bank or other lender;
- Loss of key personnel; or
- Cessation of trading or organisation going into receivership.

C19. Organisations will be provided with the results of the financial assessment in conjunction with the main Passport feedback through Bravo.

Borrowings and Contracts Information Workbook

C20. There is also a standard excel workbook within Bravo, questions 1.12.2, for organisations to provide details of their current borrowings and details of their current and proposed future contract portfolio. Any contracts which represent the higher of £100k or 5% of turnover should be detailed. In the workbook there is an instructions sheet that gives detailed instructions on how to complete both worksheets.

C21. The completed workbook should be uploaded into Bravo with your Passport application. If anything is unclear on your response or if any additional information is required, the Authority may raise clarification questions through Bravo.

Financial Information to be Submitted

- A copy of your organisation's audited accounts for the most recent 2 financial years to include 3 years of financial information;
- A statement of the cash flow forecast for the current financial year; and
- Statement of current borrowings against lending limits and terms (including dates for review and renewal) including loans, overdrafts and mortgages – there is a special workbook included at Bravo question 1.12.2 to capture this information.

If your organisation's audited accounts are not available the Authority will require a statement of the turnover, profit and loss account, current liabilities and assets and cash flow for the most recent year of trading for this organisation (if audited accounts are not available) as well as the information at the second and third bullets above.

Updates to SAaP Policy

In relation to paragraph C3 above, the Authority is prepared to set aside this equity percentage approach if one member of the consortium, JV or SPV is willing to guarantee the whole contract, despite not holding 100% of the equity. That member must be able to demonstrate its financial standing to the same standards of the SAaP/Umbrella Agreement criteria in order to stand behind the consortia, JV or SPV it is member of.

In relation to paragraphs C15 and C16 above, where a bidder is part of a group who Parent Company has their own indicative contract values then the Parent Company's indicative contract value is the total for the whole group of companies. For clarity, the indicative values of all group companies are not added together. The exception to this is where the bidding entity has a higher indicative contract value than its parent.

In relation paragraph C17. Above, this now clearly includes reference to the Umbrella Agreement.