

Commercial Agreement for the Provision of Employment and Health Related Services (CAEHRS) Specification and Supporting Information

Date: June 2020

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Glossary of Abbreviations/Terms

Annual Contract Value or ACV	Average annual value of a contract, calculated using the contract period, including payment tail
Active CAEHRS Supplier	a CAEHRS Supplier that is eligible to bid for CAEHRS Call-Off Contracts
CAEHRS Call-Off Contract	Any legally binding agreement (made pursuant to the provisions of the CAEHRS), for the provision of services, between a Contracting Body and the CAEHRS Supplier comprising an Order Form and the Call-Off Terms and Conditions
CAEHRS Supplier	A supplier who holds a place on CAEHRS
Commencement Date	The date that the second party of DWP and the CAEHRS Supplier validly signs the CAEHRS
Contractor Financial Capacity	This will be calculated by multiplying the annual turnover for the most recent three year-ends by the Financial Ratio. Further detail on the precise manner of the calculation can be found within the Instructions to Bidders.
DDA	Devolution Deal Areas
DWP	Department for Work and Pensions
ESF	European Social Fund
IPES	Intensive Personalised Employment Support
ITT	Invitation to Tender
Jaggaer	DWP e-procurement solution portal (formally Bravo Solution portal)
JCP	Jobcentre Plus
LCTP	Life Chances Through Procurement
LTU	Long Term Unemployed
Tier Two Call-Off Contract	Means, with respect to Regional Lots 1-5: A CAEHRS Call-Off Contract with an Annual Contract Value of greater than or equal to £2million and less than £11million. Means, with respect to Regional Lots 6-7: A CAEHRS Call-Off Contract with an Annual Contract Value of greater than or equal to £2million and less than £6million
Tier One Call-Off Contract	Means, with respect to Regional Lots 1-5:

	<p>A CAEHRS Call-Off Contract with an Annual Contract Value of greater than or equal to £11million.</p> <p>Means, with respect to Regional Lots 6-7:</p> <p>A CAEHRS Call-Off Contract with an Annual Contract Value of greater than or equal to £6million</p>
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 or 'the Authority') is inviting tenders in line with this specification for the procurement of the Commercial Agreement for the provision of Employment and Health Related Services (CAEHRS). It is applicable to England, Scotland and Wales.
- 1.2 The CAEHRS is a tiered framework-style agreement that incorporates elements of a Framework and a Dynamic Purchasing System (DPS). The tiers will be based on Annual Contract Values set out at section 9. This procurement relates to services which are listed in Schedule 3 of the Public Contracts Regulations 2015 (PCR) and Schedule 3 of the Public Contracts (Scotland) Regulations 2015 (PC(S)R). This procurement will be conducted in accordance with regulations 74 to 76 of the PCR and regulations 74 to 76 of the PC(S)R (the so-called light touch regime (LTR)).
- 1.3 The Authority envisages that any CAEHRS Call-Off Contracts will have the potential to cover a range of employability and health-based services which, in turn, would be outcome-based and black or grey box and may use (a) payment by results, (b) fixed price or (c) a reverse auction payment model amongst other models. Given the potentially broad scope of services that may be procured under the CAEHRS, detailed description of services, schedules of delivery requirements, pricing models, and additional documents will be published in the

Invitation to Tender at the mini-competition stage for the procurement of relevant CAEHRS Call-Off Contracts. 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 CAEHRS stage to focus on the CAEHRS Supplier's service offerings. The services to be procured under CAEHRS Call-Off Contracts could include:

- (i) Employability and health-based support services, or
 - (ii) Developing and maintaining contingency plans for the delivery of replacement employability and health-based support services at short notice at the request of DWP following the occurrence of a trigger event (as defined within the relevant contract).
- 1.4 The content of this document will either refer to or be complemented by other information made available to potential CAEHRS Suppliers via Jaggaer and the Virtual Data Room (VDR).
- 1.5 To access the VDR once you have logged into Jaggaer select the icon on the left-hand side menu with two documents and arrows and select Files and Directories from the subsequent expanding menus. You will then be able to access the VDR by selecting 'CAEHRS (formally EHR SUA) Virtual Data Room'.

2 Why DWP is Procuring CAEHRS?

- 2.1 Using the CAEHRS offers a number of commercial and operational advantages for the Government and for delivery partners compared to traditional contracting methods.
- 2.2 Creating a more effective and responsive tool for Government has 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 CAEHRS 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 The CAEHRS will be accessible to other contracting authorities which are identified in the Contract Notice, creating potential efficiencies across the wider public sector. Details of contracting authorities other than DWP which will be able to call-off from the CAEHRS are included at paragraph 11.2 below.

3 Background

- 3.1 CAEHRS has been developed to support the delivery of the Governments strategic objectives over the next 5 years to support individuals access, retain and progress in employment. This is to support the DWP (and government) vision *'To deliver a modern, fair and affordable welfare system that makes a positive difference to citizens' lives by extending opportunity, strengthening personal responsibility and enabling fulfilment of personal potential. A transforming welfare system with service delivered in a sustainable and effective way whilst reducing costs and achieving value for money for UK taxpayers'*.
- 3.2 CAEHRS Call-Offs will include a range of support and provision that is designed to support and complement non-contracted support, for example Jobcentre Plus. This will be to:
- Support people into or to stay in work;
 - Lift people out of poverty through work and to progress in work;
 - Reduce dependency on benefits;
 - Allow and enable everyone to gain meaningful employment.
- 3.3 At this stage we cannot guarantee the specific type of provision that will be Called-off through CAEHRS either by the DWP or other Contracting Authorities, however we will look to publish a pipeline of activity when this is known and confirmed, in line with Cabinet office principles. Below are examples of similar provision DWP has or is delivering to support these objectives:
- 3.3.1 Providing additional employment support to those who are in (or are at risk of) long-term unemployment, through contracted provision the largest of which is WHP;
 - 3.3.2 Disabled people with more complex issues are assisted by IPES; a voluntary contracted employment provision which helps persons who have a disability, or with complex or multiple barriers that prevent them from finding work;
 - 3.3.3 In-work support for individuals with a disability through Access to Work (AtW);
 - 3.3.4 Support for the Self Employed developed their business, through New Enterprise Allowance (NEA);
 - 3.3.5 Support for those at risk of becoming Long Term Unemployed, through the Work Programme, until 2017;

- 3.3.6 Specialist support for example through European Social Fund 14-20 (ESF 14-20) and Reducing Parental Conflict, that is focused providing support to unemployed and disadvantaged groups.

4 Current Employment Position (June 2020)

- 4.1 The ONS published in June 2020 is a new quarterly series of articles giving additional economic analysis of the latest UK labour market headline statistics and long-term trends. The first article looks at the impact of the coronavirus (COVID-19) pandemic on hours worked and vacancies in different UK industries.

Main points

- Early indications of the impact of COVID-19 pandemic on the labour market shows that average weekly actual hours worked fell by 2.5% between January and March 2019 and the same period in 2020, compared with a decline of 2.2% in the period January to March 2008 and the same period in 2009.
- Between January to March 2019 and January to March 2020, the largest loss of average actual hours worked was recorded in the accommodation and food services industry (11.8%).
- Young workers aged 16 to 24 years experienced the largest fall in average actual hours (5.9%) compared with other age groups, followed by those aged 65 years and older (4.8%).
- Vacancies decreased across all industries, with the largest percentage decrease recorded in the accommodation and food services industry (41.5%), in the period between February to April 2019 and February to April 2020.

5 Scope and Nature of the Work

- 5.1 The scope and nature of the work being contracted under this CAEHRS, means that a CAEHRS Supplier needs to be flexible, with the capability to manage change and work with the Contracting Authority to adapt delivery models in line with these priorities.
- 5.2 As a CAEHRS Supplier there will be a requirement to deliver a range of different types of services and support. In delivering this service CAERHS Suppliers will

need to continuously improve delivery, test new approaches and develop the approach to ensure the most effective delivery. This will include, but not be limited to:

- 5.2.1 Providing support for individuals (or participants) to select, train for, progress toward, obtain and retain employment.
 - 5.2.2 Identifying and addressing barriers to employment for a broad range of individuals with differing and potentially very individual needs.
 - 5.2.3 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.
 - 5.2.4 Any combination of, but not limited to, providing Face to Face, outreach and Digital services to support the individual's circumstances and requirements of the provision.
- 5.3 CAEHRS suppliers will be required to support and understand the needs of a wide range of type of individuals, but not limited to:
- 5.3.1 Supporting groups of individuals with disabilities or health conditions;
 - 5.3.2 The long term unemployed (LTU) or those at risk of becoming LTU;
 - 5.3.3 Disadvantaged groups;
 - 5.3.4 Young and those not in Education or Employment (NEET);
 - 5.3.5 Ex-Offenders and those exiting Prison;
 - 5.3.6 Self Employed or those interested in becoming Self Employed;
 - 5.3.7 Individuals progress in work, who are claiming Universal Credit;
- 5.4 CAEHRS Suppliers must be able to demonstrate that they are able to provide support, either themselves or through a supply chain, that covers the entire geographical Lot delivering services to all customer groups specified.
- 5.5 The CAEHRS Suppliers should provide support either themselves or through a supply chain. DWP therefore needs potential suppliers that have the skills to manage supply chains, especially as it recognises the value of small and medium sized enterprises and voluntary and community organisations that may not be in a position to apply for a place on CAEHRS. CAERHS suppliers will have a responsibility to steward and develop the market to support the growth and expertise of SMEs and other key specialist organisations to build the market base and expertise available for our customers.

- 5.6 To support 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, specialist service providers, local authorities, National Health Services and local Clinical Commissioners across the entire geographical area covered by the Lot, where appropriate.
- 5.7 As well as procuring potential CAEHRS Suppliers to provide customers with direct support to gain and sustain employment, the Authority may also run mini-competitions, under the CAEHRS, for potential suppliers to provide contingency planning services and deliver replacement employability and health related services contracts.

6 Localism Requirements

- 6.1 DWP (including JCP 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 JCP approach to partnership working which takes into account strategic DWP priorities and initiatives.
- 6.2 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 customers.
- 6.3 Potential suppliers wishing to be on the CAEHRS 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 CAEHRS Call-Off Contract awarded under the CAEHRS.
- 6.4 It is anticipated that subsequent proposals for future Mini-Competitions for CAEHRS Call-Off Contracts 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.
- 6.5 Specific localism issues for the CAEHRS Suppliers to consider at Mini-Competition stage could be:
- Local 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.
- 6.6 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 CAEHRS Call-off Contract.
- 6.7 DWP may consult with partners, for example DDAs and Combined Authorities, 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.

7 European Social Fund

- 7.1 CAEHRS Call-Off Contracts procured through the CAEHRS may be part-funded or match-funded with European Social Fund (ESF) monies or any subsequent equivalent.
- 7.2 DWP (or other contracting Authorities where appropriate) will seek to build flexibility into CAEHRS Call-Off Contracts which will enable the inclusion of ESF funding, or any subsequent equivalent, at a later date, if possible and desirable.
- 7.3 CAEHRS Suppliers awarded CAEHRS Call-Off Contracts may have contractual obligations under such CAEHRS Call-Off Contracts to meet ESF requirements set by the European Commission, or the requirements under any subsequent equivalent.

8 Term

- 8.1 The term of the CAEHRS will be five years (September 2020 to August 2025) but CAEHRS Call-Off Contracts let under it may be for a term which ends after the term of CAEHRS.

9 Lots

- 9.1 The CAEHRS will consist of 7 regional lots (“Regional Lots”) and 1 national lot (“National Lot”) that will cover the whole geographic area of England, Scotland and Wales.
- 9.2 DWP has the ability to subdivide the Regional Lots and the National Lot (see paragraph 11.4).
- 9.3 Bidders may bid across one or any combination of the seven Regional Lots. If a bidder is awarded a place on two or more Regional Lots, and they obtain a minimum score of three (3) on the “National Lot – Additional Question”, they will automatically be awarded a place on the National Lot.
- 9.4 For the avoidance of doubt, a bidder need not be appointed on two Regional Lots simultaneously in order to be appointed to the National Lot. By way of an example, if a bidder is appointed to one Regional Lot initially and then at some point in the future, they are appointed to another Regional Lot following open competition as detailed in paragraph 10, the bidder will be appointed to the National Lot. However, this is subject to the requirement that the bidder must obtain a minimum score of three (3) on the “National Lot – Additional Question” at the time of the appointment to the second Regional Lot.
- 9.5 If a bidder is appointed to multiple Regional Lots but they are not appointed to the National Lot on the grounds that they did not obtain a minimum score of three (3) on the “National Lot – Additional Question”, any subsequent appointment to any Regional Lot following open competition as detailed in paragraph 10 will mean they automatically join the National Lot. However, this is subject to the requirement that they obtain a minimum score of three (3) on the “National Lot – Additional Question” at the point that they are appointed to the subsequent Regional Lot.
- 9.6 The Regional Lots of the CAEHRS are as follows:
- Regional Lot 1 - Central England;
 - Regional Lot 2 - North East England;
 - Regional Lot 3 - North West England;
 - Regional Lot 4 - Southern England;
 - Regional Lot 5 – London and Home Counties;
 - Regional Lot 6 - Wales;
 - Regional Lot 7 – Scotland
(also see Annex A)

10 Tiers

10.1 Within each of the 7 Regional Lots there will be two tiers, Tier One and Tier Two.

10.2 For each of Regional Lots 1-5:

10.2.1 An Active CAEHRS Supplier on Tier One will only be eligible to bid for CAEHRS Call-Off Contracts in that Regional Lot with an Annual Contract Value of greater than or equal to £11 million subject to paragraph 9.2.3.

10.2.2 An Active CAEHRS Supplier on Tier Two will only be eligible to bid for CAEHRS Call-Off Contracts in that Regional Lot with an Annual Contract Value of greater than or equal to £2million and less than £11million subject to paragraph 9.2.3.

10.2.3 Where there are fewer than three (3) Active CAEHRS Suppliers on a Tier of a Regional Lot, or where the Authority is looking to issue more CAEHRS Call-Off Contracts than there are Active CAEHRS Suppliers, At the Authorities discretion:

10.2.3.1 For a Tier Two Call-Off Contract, any Active CAEHRS Supplier on Tier One of that Regional Lot will be eligible to bid for Tier Two Call-Off Contracts.

10.2.3.2 For a Tier One Call-Off Contract, any Active CAEHRS Supplier on Tier two of that Regional Lot will be eligible to bid for Tier One Call-Off Contracts, subject to that CAEHRS Supplier having a Contractor Financial Capacity greater than or equal to £11m as of the latest CAEHRS Review (see section 10 for definition of CAEHRS Review).

10.3 For each of Regional Lots 6-7:

10.3.1 An Active CAEHRS Supplier on Tier One will only be eligible to bid for CAEHRS Call-Off Contracts in that Regional Lot with an Annual Contract Value of greater than or equal to £6 million, subject to paragraph 9.3.3.

10.3.2 An Active CAEHRS Supplier on Tier Two of a Regional Lot will only be eligible to bid for CAEHRS Call-Off Contracts in that Regional Lot with an Annual Contract Value of greater than or

equal to £2million and less than £6million subject to paragraph 9.3.3.

10.3.3 Where there are fewer than three (3) Active CAEHRS Suppliers on a Tier of a Regional Lot, or where the Authority is looking to issue more CAEHRS Call-Off Contracts than there are Active CAEHRS Suppliers, At the Authorities discretion:

10.3.3.1 For a Tier Two Call-Off Contract, any Active CAEHRS Supplier on Tier One of that Regional Lot will be eligible to bid for Tier Two Call-Off Contracts.

10.3.3.2 For a Tier One Call-Off Contract, any Active CAEHRS Supplier on Tier two of that Regional Lot will be eligible to bid for Tier One Call-Off Contracts, subject to that CAEHRS Supplier having a Contractor Financial Capacity greater than or equal to £6m as of the latest CAEHRS Review (see section 10 for definition of CAEHRS Review).

10.4 Full details of Tier Values are provided in the table below: -

Geographical Lot	Tier One ACV	Tier Two ACV
Lot 1 – Central England	$ACV \geq £11m$	$£2m \leq ACV < £11m$
Lot 2 – North East England	$ACV \geq £11m$	$£2m \leq ACV < £11m$
Lot 3 – North West England	$ACV \geq £11m$	$£2m \leq ACV < £11m$
Lot 4 – Southern England	$ACV \geq £11m$	$£2m \leq ACV < £11m$
Lot 5 – Home Counties	$ACV \geq £11m$	$£2m \leq ACV < £11m$
Lot 6 – Wales	$ACV \geq £6m$	$£2m \leq ACV < £6m$
Lot 7 Scotland	$ACV \geq £6m$	$£2m \leq ACV < £6m$

10.5 There will only be a single tier on the National Lot. CAEHRS Suppliers on the National Lot will be eligible to bid for CAEHRS Call-Off Contracts in the National Lot with any Annual Contract Value, as determined by the contracting authority. This could, for instance, be below £2million, but will be capped at the Contractors Financial Capacity as of the last CAEHRS Review.

10.6 It should be noted that acceptance onto the CAEHRS does not guarantee that any CAEHRS Supplier will be awarded any CAEHRS Call-Off Contracts.

Tier Selection Process

10.7 CAEHRS will follow a selection process for the Tiers as detailed below.

10.8 Each Regional Lot will be considered separately and deliver a unique outcome. This may mean that some bidders who bid to join the CAEHRS across more than one lot, if successful, are allocated a place in Tier One in one (or more) Regional Lot(s), but Tier Two in one (or more) other Regional Lot(s). This is subject to the process of allocation in each Regional Lot, as outlined below. Bidders cannot be awarded a place on more than one Tier within each Regional Lot.

10.9 The process of appointment (set out below) will apply for Tier One and Tier Two in each of the seven Regional Lots. The initial number of supplier places available for Tier One and Tier Two will vary dependent on the Regional Lot as detailed in the table below: -

Geographical Lot	Tier One initial number of CAEHRS Supplier Places available	Tier Two initial number of CAEHRS Supplier Places available
Lot 1 – Central England	8	9
Lot 2 – North East England	8	9
Lot 3 – North West England	8	9
Lot 4 – Southern England	8	9
Lot 5 – Home Counties	8	9
Lot 6 – Wales	5	9
Lot 7 – Scotland	5	9

10.10 The above table only details the initial number of CAEHRS Supplier places that will be available for each tier for each Lot. The maximum number of supplier places for each tier of each Lot is detailed in paragraphs 11.13-11.16 below.

10.11 The National Lot can have any number of CAEHRS Suppliers appointed to it subject to the requirements being met.

10.12 For each of Regional Lots 1-5:

10.12.1 The eight (8) highest scoring bidders of the bidders that submit a tender in a Regional Lot, that also have a Contractor Financial Capacity of greater than or equal to £11m, will be appointed onto the CAEHRS in Tier One of that Regional Lot.

10.12.2 The next nine (9) highest scoring bidders of the bidders that submit a tender in a Regional Lot, that also have a Contractor Financial Capacity of greater than or equal to £2m, will be appointed onto the CAEHRS in Tier Two of that Regional Lot.

10.13 For each of Regional Lots 6-7:

10.13.1 The five (5) highest scoring bidders of the bidders that submit a tender in a Regional Lot, that also have a Contractor Financial Capacity of greater than or equal to £6m, will be appointed onto the CAEHRS in Tier One of that Regional Lot.

10.13.2 The next nine (9) highest scoring bidders of the bidders that submit a tender in a Regional Lot, that also have a Contractor Financial Capacity of greater than or equal to £2m, will be appointed onto the CAEHRS in Tier Two of that Regional Lot.

For illustrative purposes only, an example of the process of allocation in Regional Lot 6 is provided in the table below. The Instructions to Bidders details further information on the scoring mechanism.

Example allocation process for Regional Lot 6

Bidders	Overall ranking	Meets the minimum financial criteria of Tier:	Bidder appointed a Place on Tier
A	1	1	1
B	2	2	2
C	3	2	2
D	4	1	1
E	5	1	1
F	6	1	1
G	7	2	2

H	8	1	1
I	9	1	2
J	10	1	2
K	11	2	2
L	12	2	2
M	13	1	2
N	14	1	2

In section 11 the following terms have the following meanings:

“DWP Contract” means any contract, other than a CAEHRS Call-Off Contract, between the CAEHRS Supplier and DWP as the Contracting Authority, for the delivery of employability and health related services.

“CAEHRS Call-Off Contract Suspension Event” means the CAEHRS Supplier has been subject to performance management action in respect of any CAEHRS Call-Off Contract during two of the last three Quarters preceding a CAEHRS Review.

“DWP Contract Suspension Event” means the CAEHRS Supplier has been subject to performance management action in respect of any DWP Contract during two of the last three Quarters immediately preceding a CAEHRS Review.

“CAEHRS Review” means a review carried out by the Authority commencing on a CAEHRS Review Date at which the Authority will review:

- (a) whether any CAEHRS Suppliers should be Suspended,
- (b) whether the CAEHRS should be Terminated with respect to any CAEHRS Supplier,
- (c) whether the Authority should make any additional places available on any Tier,
- (d) how any additional places that the Authority makes available should be allocated; and
- (e) whether a CAEHRS Supplier, that has been allocated a place on a Regional Lot, should also be appointed to the National Lot.

“CAEHRS Review Date” means the following dates: 1 April 2021, 1 October 2021, 1 April 2022, 3 October 2022, 3 April 2023, 2 October 2023, 2 April 2024, 1 October 2024 and 1 April 2025 on which the Authority will commence a CAEHRS Review, and/or such other date(s), as determined by the Authority in its absolute discretion, and notified in writing to the CAEHRS Supplier.

“Performance Management Action” means the CAEHRS Supplier has been issued a Performance Improvement Notice (PIN) under the Performance Management Intervention Regime (PMIR), has received a Formal Warning Notice, Service Failure Notice or there has been a Contractor Termination Event.

“Quarter” means a three (3) month period.

“Terminate/Terminated/Termination” means that the CAEHRS between the CAEHRS Supplier and DWP has been terminated by DWP (for whatever reason) and the CAEHRS Supplier is no longer able to participate in any Mini-Competition or bid for any CAEHRS Call-Off Contracts in any of the 7 Regional Lots and the National Lot.

“Suspension/Suspended” means that DWP has determined that the CAEHRS Supplier is prevented for a period of time from participating in any Mini-Competition and from bidding for any CAEHRS Call-Off Contracts, across all 7 Regional Lots and the National Lot, which commence following the suspension date specified by DWP.

11 CAEHRS Review Process, Suspension and Termination of CAEHRS and Filling Additional Places

11.1 The Authority will commence a CAEHRS Review on each CAEHRS Review Date.

Suspension of a Supplier from CAEHRS

11.2 A CAEHRS Supplier can be Suspended if at a CAEHRS Review DWP determines that a CAEHRS Call-Off Contract Suspension Event or a DWP Contract Suspension Event has occurred.

11.3 A CAEHRS Supplier can also be Suspended if they fail to continue to achieve Level 3 accreditation for Disability Confident as described at paragraph 25.1 below.

11.4 Where the Suspension relates to a CAEHRS Call-Off Contract Suspension Event or a DWP Contract Suspension Event, then the Suspension may be brought to an end by DWP at the next CAEHRS Review if DWP determines that the conditions for a CAEHRS Call-Off Contract Suspension Event or a DWP Contract Suspension Event no longer apply. Where Suspension has arisen from the failure to continue to achieve Level 3 accreditation for Disability

Confident then the Suspension may be brought to an end by DWP from the time when DWP is satisfied that Level 3 accreditation for Disability Confident has again been achieved.

Termination of CAEHRS

11.5 The CAEHRS may be Terminated with respect to a CAEHRS Supplier if, at a CAEHRS Review, DWP determines that:

11.5.1 a CAEHRS Call-Off Contract Suspension Event has occurred in respect of two or more CAEHRS Call-Off Contracts;

11.5.2 a DWP Contract Suspension Event has occurred in respect of two or more DWP Contracts;

11.5.3 a CAEHRS Call-Off Contract Suspension Event has occurred in respect of a CAEHRS Call-Off Contract, and a DWP Contract Suspension Event has occurred in respect of a DWP Contract;

11.5.4 any of the grounds for mandatory or discretionary exclusion which are set out in regulation 57 of the Public Contracts Regulations 2015 apply to that CAEHRS Supplier; and/or

11.5.5 the CAEHRS Supplier's Contractor Financial Capacity falls below the Annual Contract Value for the Tier to which they have been appointed.

11.5.6 once a CAEHRS has been Terminated with respect to a CAEHRS Supplier, the CAEHRS Supplier is ineligible to Join CAEHRS again.

11.6 During a CAEHRS Review, a CAEHRS Supplier may supply relevant information through Jaggaer to show that its Contractor Financial Capacity should be higher than what the Authority has calculated. Further detail on this can be found in the Instructions to Bidders.

11.7 If DWP has terminated any CAEHRS Call-Off Contract with a CAEHRS Supplier, on the grounds of default by the CAEHRS Supplier under that CAEHRS Call-Off Contract, then DWP may Terminate the CAEHRS with that CAEHRS Supplier. Similarly, if DWP has terminated any DWP Contract, on the grounds of default by the CAEHRS Supplier under that DWP Contract, then DWP may Terminate the CAEHRS with that CAEHRS Supplier.

11.8 Where the CAEHRS between DWP and a CAEHRS Supplier is Terminated for whatever reason, that CAEHRS Supplier cannot participate, or continue to participate, in any CAEHRS Mini-Competitions, or bid, or continue to bid, for

any CAEHRS Call-Off Contracts from the date of termination. Termination of the CAEHRS does not automatically result in the termination of any CAEHRS Call-Off Contracts, between DWP and the CAEHRS Supplier, which have been entered into prior to the date of the termination of the CAEHRS between DWP and that CAEHRS Supplier.

Additional Places on Tier One and Tier Two of a Regional Lot

11.9 If two or more CAEHRS Suppliers have been Suspended and or the CAEHRS with respect to two or more CAEHRS Suppliers has been Terminated, the Authority will make additional places available in the relevant Tier in that Regional Lot.

11.10 Subject to paragraph 11.11 below, the number of additional places made available will be equal to the number of Suspended CAEHRS Suppliers and or the number of CAEHRS Suppliers whom have been subject to Termination in a tier of a Regional Lot. However, no more than three (3) additional places will be made available, even if the number of Suspended CAEHRS Suppliers and or the number of CAEHRS Suppliers whom have been subject to Termination on a Tier in a Regional Lot is greater than three (3).

11.11 The Authority will also not make an additional place available if that would cause the maximum number of CAEHRS Suppliers on a Tier of a Regional Lot to exceed the figures set out at paragraphs 11.13 to 11.16.

11.12 From the time a CAEHRS Supplier is appointed to a Tier in a Regional Lot they retain that place for the remaining term of the CAEHRS irrespective of the place being an original place or additional place, with the exception of a CAEHRS Supplier moving to Tier One from Tier Two as detailed at paragraph 11.18(i), or the CAEHRS being Terminated in accordance with the Termination process at paragraphs 11.5 to 11.8.

Maximum number of CAEHRS Suppliers on Tier One and Tier Two of a Regional Lot

11.13 For Regional Lots 1-5, at any time during the term of the CAEHRS, a maximum of eleven (11) CAEHRS Suppliers can be on Tier One of each Regional Lot, and a maximum of twelve (12) CAEHRS Suppliers can be on Tier Two of each Regional Lot.

11.14 For Regional Lots 6-7, at any time during the term of the CAEHRS, a maximum of eight (8) CAEHRS Suppliers can be on Tier One of each Regional

Lot, and a maximum of twelve (12) CAEHRS Suppliers can be on Tier Two of each Regional Lot.

11.15 The maximum number of CAEHRS Suppliers on a Tier of a Regional Lot includes Suspended and Active CAEHRS Suppliers.

11.16 There is no maximum number of CAEHRS Suppliers that can be on the National Lot.

How Additional Places in Tier One and Tier Two of a Regional Lot are Allocated

11.17 If only one CAEHRS Supplier is Suspended or the CAEHRS has only been Terminated with respect to one CAEHRS Supplier in a Tier of a Regional Lot, the Authority will not make an additional place available. The Authority will only make additional places available when two or more CAEHRS Suppliers are Suspended and/or the CAEHRS has been Terminated with respect to two or more CAEHRS Suppliers in a Tier of a Regional Lot. If the Authority makes additional places available, then the number of additional places offered will be in accordance with paragraphs 11.9 to 11.12.

11.18 If two or more Tier One CAEHRS Suppliers are Suspended and/or the CAEHRS with respect to two or more Tier One CAEHRS Suppliers has been Terminated within a Regional Lot, any additional places:

- i) will be assigned to the Tier Two Suppliers who obtained the highest in the CAEHRS ITT Qualitative Evaluation Questions, at the time they were evaluated, for that Regional Lot, and, who, at the time of the CAEHRS Review, have a Contractor Financial Capacity greater than or equal to the Annual Contract Value for Tier One of that Regional Lot;
- ii) if there are no Tier Two Suppliers in that Regional Lot with the relevant Contractor Financial Capacity at the time of the CAEHRS Review, then the Authority will run an open procurement competition and bidders can submit a tender to join the CAEHRS in Tier One in that Regional Lot. They will be assessed under the same criteria as the original procurement for the CAEHRS Tier One of that Regional Lot. The Authority will commence, but need not complete, the open procurement competition before the next CAEHRS Review Date;
- iii) If two or more places on Tier One remain unallocated following assessment of Tier Two Suppliers under paragraph 11.18(i), an open

procurement competition will be run. If only one place on Tier One remains unallocated following assessment of Tier Two Suppliers under paragraph 11.18(i) an open procurement competition will not take place. In this situation the unallocated place will remain vacant, and will be considered at the next CAEHRS Review.

11.19 If a CAEHRS Tier Two Supplier in a Regional Lot is appointed, at a CAEHRS Review, a place on Tier One, they will automatically relinquish their place on Tier Two in that Regional Lot. The vacant place(s) created on Tier Two in that Regional Lot will be treated, at the next CAEHRS Review, in the same way as Suspended places.

11.20 If two or more Tier Two CAEHRS Suppliers are Suspended and/or the CAEHRS with respect to two or more Tier Two CAEHRS Suppliers has been Terminated within a Regional Lot, the Authority will run an open procurement competition and bidders can submit a tender to join the CAEHRS Tier Two in that Regional Lot. They will be assessed under the same criteria as the original procurement for the CAEHRS Tier Two in that Regional Lot. The Authority will commence, but need not complete, the open procurement competition before the next CAEHRS Review Date.

11.21 The CAEHRS Reviews of Tier One and Tier Two will be undertaken at the same time and the relevant processes and actions implemented concurrently with the exception of the process detailed at paragraph 11.18.

11.22 There are no provisions or mechanisms, and it is not permissible, for a CAEHRS Supplier to move from Tier One to Tier Two within any Regional Lot.

12 Contracts to Be Let Under the CAEHRS

12.1 Contracts let under the CAEHRS will vary, but in terms of DWP contracts for the provision of services, are likely to be of a value between £2 million to £30 million per year, however there is no upper limit. The CAEHRS may be used to call off a range of contracts for customers of DWP and other contracting authorities across government. The value, terms and conditions and pricing model of each set of CAEHRS Call-Off Contracts will depend upon the make-up of customers participating in the programme, service requirements and purpose of the support required.

12.2 The CAEHRS will also be available to contracting authorities bound by the Regulations in England, Scotland and Wales including but not limited to other Government Departments and their Agencies, Non-Departmental Public

Bodies, Devolved Deal Areas (see section 10), 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 CAEHRS.

- 12.3 CAEHRS Suppliers will only be eligible to bid for CAEHRS 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 CAEHRS Call-Off Contract(s) to which they relate. As with this procurement, all compliant tenders will be subject to separate formal qualitative evaluation.
- 12.4 Flexibility is a key requirement and DWP reserves the right at Mini-Competition stage to subdivide Regional Lots and the National Lot into sub-lots (“Regional Sub-Lots” and “National Sub-Lot”). The geographical area to be covered by any Regional Sub-Lot or National Sub-Lot will be clearly set out in the relevant Mini-Competition rules but could also include the ability to combine regional Lots to create one LOT. For the avoidance of doubt, it should be noted that National Sub-Lots may be different from the seven Regional Lots. Only CAEHRS suppliers who have been appointed to a Regional Lot will be eligible to bid for Call-Off Contracts in a Regional Sub-Lot (subject to whether they have also been appointed to the appropriate Tier for that Call-Off Contract in accordance with section 7). Only CAEHRS Suppliers who have been appointed to the National Lot will be eligible to bid for Call-Off Contracts in a National Sub-Lot. If, at Mini-Competition stage, the services being procured are required to be delivered across more than one Regional Lot, but not across the entire National Lot, a National Sub-Lot will be created if required.
- 12.5 It is a key requirement of the Authority to ensure diversity in the market in order to deliver value for money and avoid a potential reduction in the quality of service, performance levels and innovation opportunities. The dominance of a Contractor, or a Contractor’s Group, can create barriers to entry to the market. As a result, DWP may:
- (a) impose a limit on the number of CAEHRS Call-Off Contracts; or
 - (b) set a maximum percentage of total value of all CAEHRS Call-Off Contracts,

which may be awarded to an individual CAEHRS Supplier, or their Contractor's Group, under the CAEHRS in any individual Mini-Competition or over the term of the CAEHRS.

12.6 A Contractor's Group is defined as the Contractor, its ultimate holding company and all subsidiaries of its ultimate holding company, and any company under the control of the Contractor, its ultimate holding company or any subsidiary of its ultimate holding company (the definitions of holding company and subsidiary being those set out in Section 1159 of the Companies Act 2006).

12.7 As DWP and other contracting authorities award a range of contracts under the CAEHRS, the maximum number of Call-Off Contracts or maximum percentage of total value of all CAEHRS Call-Off Contracts per individual CAEHRS Supplier, or their Contractor's Group, that is appropriate may be different for each CAEHRS Mini-Competition. DWP/the relevant contracting authority will set out, where relevant, in the Invitation to Tender (ITT) for each Mini-Competition in respect of a CAEHRS Call-Off Contract:

- (i) the maximum number of CAEHRS Call-Off Contracts, or maximum percentage of total value of all CAEHRS Call-Off Contracts, per CAEHRS Supplier, or their Contractor's Group;
- (ii) the maximum number of Call-Off Contracts, or maximum percentage of total value of all CAEHRS Call-Off Contracts, which may be awarded to any CAEHRS Supplier, or their Contractor's Group, in any Lot (Regional or National); and or
- (iii) the criteria that DWP/the contracting authority will apply to determine which CAEHRS Call-Off Contracts will be awarded to a CAEHRS Supplier where the application of the award criteria would result in that CAEHRS Supplier being awarded more than the maximum number of Call-Off Contracts or maximum percentage of total value of all CAEHRS Call-Off Contracts.

12.8 If applying the limits regarding maximum number of CAEHRS Call-Off Contracts or maximum percentage of total value of all CAEHRS Call-Off Contracts, which are set out in the ITT for a CAEHRS Mini-Competition, would result in the exclusion of two or more CAEHRS Suppliers within a Regional Lot from that Mini-Competition, DWP/the relevant contracting authority will have the right to waive the limits and allow one or more organisations to exceed the limit. Additionally, if no other tenders are submitted in response to a Mini-Competition, or none of the submitted tenders meet the minimum standard selection criteria, then DWP/the relevant contracting authority will have the right

to allow one or more organisations to exceed the limit in the following circumstances:

- i) No one other than excluded organisations wish to tender.
- ii) No other submitted tenders meet the minimum threshold.

13 Devolution Deal Areas

13.1 Future contracts that may be called off the CAEHRS will have a greater emphasis on localism due to the Government's focus on devolving power to a more local level.

13.2 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 Deals¹ with the 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 delivered in their localities. These areas are known as Devolution Deal Areas (DDAs).

13.3 DWP are supporting some of the DDAs who want 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 CAEHRS Call-off Contracts could be integrated, where applicable, with existing services in local areas.

14 Selection Stage

14.1 The focus of the selection criteria will be based upon objective assessment of a bidder's ability to meet the requirements of delivering any CAEHRS Call-Off Contract in the relevant Regional Lot or National Lot for which they have bid. These criteria are based on the delivery requirements as outlined in the ITT for CAEHRS and are weighted to ensure the overall score reflects their importance to successful delivery of possible CAEHRS Call-Off Contracts, in the relevant Lot for which they have bid. More information will be provided within the Instructions to Bidders and the ITT documentation for the CAEHRS.

¹ 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.

15 Timetable

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

CAEHRS Contract Notice Published	30/06/2020
CAEHRS Documentation Issued	02/07//2020
Q&A - Set up and run an online/electronic Q&A facility	02/07//2020 to 12/08/2020
Final date for publication of Q&A	13/08/2020
Deadline for return of CAEHRS Tender	17/08/2020 (10am)
Notification issued to successful and unsuccessful bidders	September 2020
Standstill Period and CAEHRS Award	Late September 2020

16 Questions and Answers

16.1 All questions from potential suppliers in relation to this procurement should be submitted to DWP via Jaggaer. The last date for submission of questions is 27th July 2020. More information can be found within the Instructions to Bidders.

16.2 Any questions and/or queries about the procurement exercise must be submitted via Jaggaer. No other forms of communication or contact will be accepted and all questions will be captured and published to all potential suppliers via Jaggaer, unless deemed to be of a commercially sensitive nature. Further information on the process that applies in these circumstances can be found in the Instructions to Bidders.

16.3 Where a question relates to more than one potential supplier, the Authority may make the question and its answer available on an anonymous basis to all potential suppliers.

16.4 Potential suppliers are responsible for monitoring Jaggaer, 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.

16.5 DWP may seek independent financial and market advice to validate information declared, or to assist in the evaluation.

17 CAEHRS Tender Evaluation

17.1 Potential CAEHRS Suppliers will be evaluated on their demonstration of how they will meet the requirements of the CAEHRS. Their demonstration of past achievements in delivering against these criteria, either for DWP or other contracting organisations, will also be evaluated through the Tender Assurance process which is detailed in the Instructions to Bidders document.

Principal Criteria	Weighting	Max Weighted Score
Delivery Challenges	30	210
Integration and Rationale	20	140
Stakeholder Engagement	20	140
Contract Performance A	5	35
Contract Performance B	5	35
Supply Chain A	5	35
Supply Chain B	5	35
Supply Chain C	5	35
Implementation A	5	35
Implementation B	5	35

Total	N/A	735
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17.2 More details on the evaluation is set out in the CAEHRS Instructions to Bidders.

18 Compliance

18.1 Potential suppliers who wish to respond to the CAEHRS 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 with stated requirements.

19 Financial Assessment

19.1 The Authority is seeking potential suppliers that are capable of delivering future requirements, including but not limited to, delivering within and across the entire Regional Lot or the National Lot where relevant.

19.2 The expectation is that future CAEHRS Call-Off Contracts value will range in size and most likely be structured on a variance of a Payment by Results (PbR) funding regime. It is not likely that any contract would be only “service fee”.

19.3 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.

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

20 Notification to the Preferred CAEHRS Suppliers

20.1 The Authority anticipates that on the current timetable it will be in a position to name the suppliers invited to join the CAEHRS by September 2020.

21 Standstill Period

21.1 When DWP is satisfied that the draft CAEHRS 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.

22 Debrief to Unsuccessful Suppliers

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

23 Virtual Data Room

23.1 From 31 October 2019 any potential bidders (who have registered an interest in CAEHRS either in response to the Prior Information Notice (ref. 2019/S 202-491510) published by the Authority on 18 October 2019 or subsequently) were given access to a VDR. This VDR will now also be used to store information on the CAEHRS, including draft contractual documentation, background documentation, additional information and due diligence material. The VDR will continue to be populated during all stages of the CAEHRS procurement process with new / amended data or in response to requests for further data. The use of the VDR for any other CAEHRS Call-Off Contracts will be notified in the Invitation to Tender/rule for the Mini-Competition for the relevant CAEHRS Call-Off Contract.

23.2 This CAEHRS Specification and Supporting Information supersedes any previous communication regarding the commercial approach.

Governance

24 The DWP's Code of Conduct

24.1 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. CAEHRS Suppliers will be required to operate in accordance with the Code. Bidders will be required to confirm they comply with the Code as part of the tender process for CAEHRS in order to proceed in the competition. Failure to comply will result in removal from the bidding phase and may nullify any contract award.

24.2 The Code is detailed at Annex B.

25 Life Chances Through Procurement (LCTP)

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

25.2 CAEHRS bidders 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:

LCTP Guidance for DWP Contractors

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

26 Disability Confident

26.1 Disability Confident is a condition of contract with the DWP and Level 3 accreditation must be obtained within 12 months of the commencement date of CAEHRS between DWP and the CAEHRS Supplier. If CAEHRS Suppliers do not achieve Level 3 accreditation within 12 months of the commencement date of the CAEHRS between DWP and the CAEHRS Supplier, the CAEHRS Supplier will be Suspended until they obtain such Level 3 accreditation.

26.2 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>

27 Security On-boarding Assessment

27.1 The Authority has legal and regulatory obligations to verify that the suppliers they work with have a reasonable standard of security in place to protect Authority data and assets.

27.2 CAEHRS Bidders must provide the Authority with reasonable assurance that security controls are in place to protect Authority data and assets.

As an organisation, you will need to comply with the 10 Security Principles as published by the National Cyber Security Centre (NCSC 10 Security Principles).

<u>NCSC - Risk Management Regime</u>
<u>NCSC - Secure Configuration</u>
<u>NCSC - Home and Mobile Working</u>
<u>NCSC - Incident Management</u>
<u>NCSC - Malware Prevention</u>
<u>NCSC - Managing User Privileges</u>
<u>NCSC - Monitoring</u>
<u>NCSC - Network Security</u>
<u>NCSC - Removable Media Controls</u>
<u>NCSC - User Education and Awareness</u>

28 Transfer of Undertaking (Protection of Employment) Regulations 2006

28.1 It is the responsibility of the CAEHRS Bidder to consider whether or not TUPE applies in the individual circumstances of any Mini-Competition for the procurement of any CAEHRS Call-Off Contract.

28.2 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.

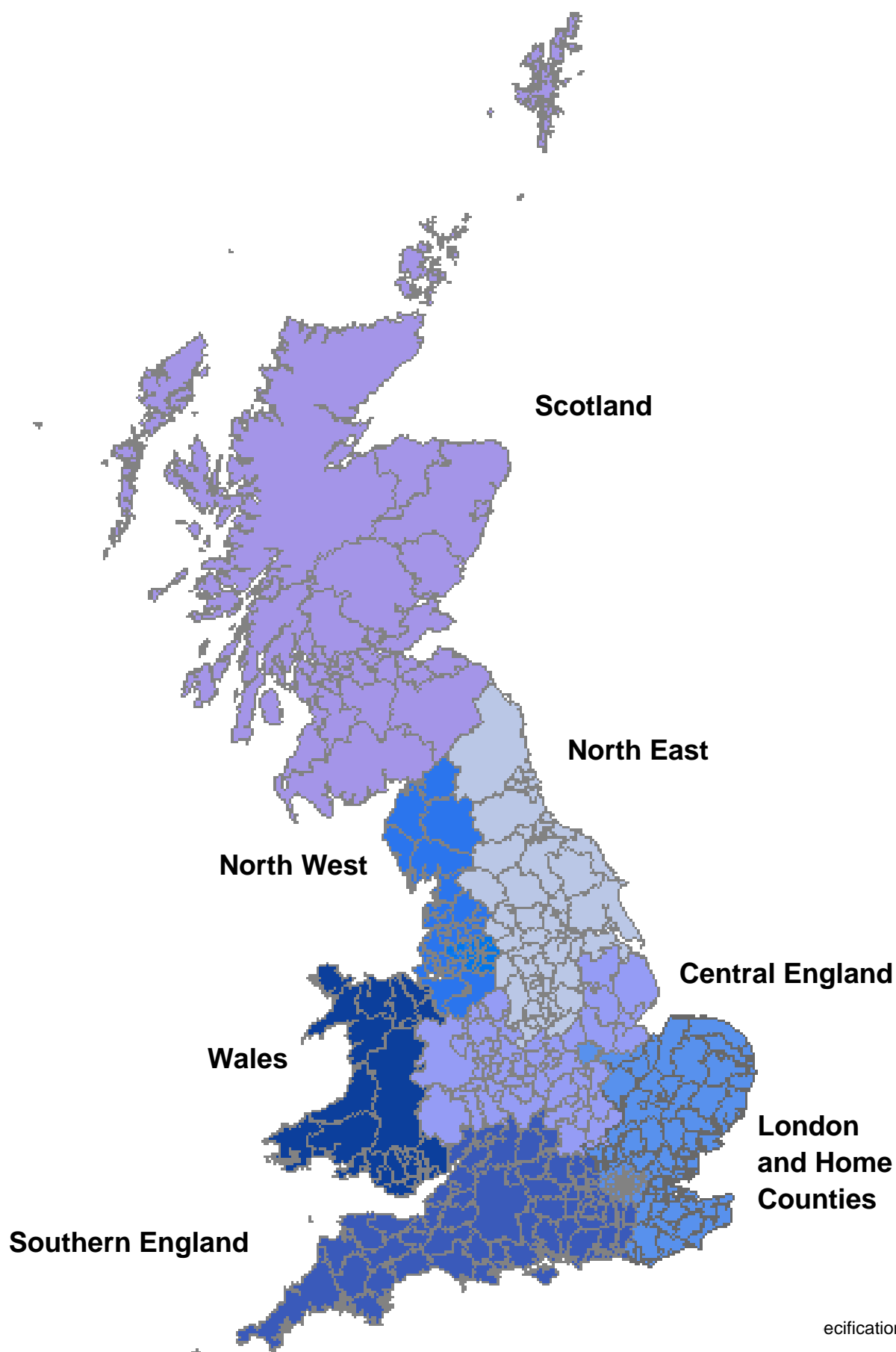
Reference Material

- **Jaggaer**
<https://dwp.bravosolution.co.uk/web/login.shtml>
- **Procurement at DWP**
<https://www.gov.uk/government/organisations/department-for-work-pensions/about/procurement#terms-and-conditions>
- **DWP Provider Guidance**
<https://www.gov.uk/government/collections/dwp-provider-guidance>

- **Equality Act 2010 Guidance**
<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>
- **Tenders Electronic Daily**
<https://ted.europa.eu/TED/browse/browseByMap.do>
- **The Public Contracts Regulations 2015**
<http://www.legislation.gov.uk/ukxi/2015/102/contents>
- **The Public Contracts (Scotland) Regulations 2015**
<http://www.legislation.gov.uk/ssi/2015/446/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

London and 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
Hastings
Havering
Hertsmere
Hillingdon
Hounslow
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

Scotland

Aberdeen City
Aberdeenshire
Angus
Argyll and Bute
City of Edinburgh
Clackmannanshire
Dumfries and Galloway

Dundee City
East Ayrshire
East Dunbartonshire
East Lothian
East Renfrewshire
Eilean Siar
Falkirk
Fife
Glasgow City
Highland
Inverclyde
Midlothian
Moray
North Ayrshire
North Lanarkshire
Perth and Kinross
Renfrewshire
Scottish Borders
South Ayrshire
South Lanarkshire
Stirling
West Lothian

Annex B – DWP Code of Conduct

OVERARCHING STANDARDS OF BEHAVIOUR

- 1 The overarching standards of behaviour the Authority expects of the Contractor are:
 - a. **Ethical behaviour** – the Authority expects the highest standards of ethical behaviour and professionalism from Contractors when Contractors deal with the Authority, service users, and stakeholders. The Authority also expects Contractors to act within the spirit of the contract.
 - b. **Counter fraud and corruption** – the Authority expects all Contractors to comply with anti-corruption laws, anti-money laundering laws and to have robust control systems to prevent and detect fraudulent or potentially fraudulent activity.
 - c. **Transparency** – the Authority expects all Contractors to be transparent when dealing with the Authority, their service users, their Sub-contractors, and stakeholders.
 - d. **Treatment of Sub-contractors** – the Authority expects Contractors to treat their Sub-contractors fairly when dealing with prompt payment, risk management and charging for services provided to them by the Contractor.
 - e. **Corporate Social Responsibility** – the Authority expects its Contractors to be good corporate citizens by upholding the values of this Code and supporting key government corporate social responsibility policy areas, such as: diversity and inclusion, sustainability, prompt payment, small and medium sized enterprise engagement, support of the Armed Forces Covenant, apprenticeships and skills development. The Authority supports constructive and collaborative partnership working and expects Contractors to invest in the relationship between the Authority and the Contractors.
- 2 The Authority expects the Contractor to adhere to, and the Authority reserves the right to monitor, the following:

RELATIONSHIP MANAGEMENT / ETHICAL BEHAVIOUR

- 3 Contractors must act openly, honestly and with integrity in delivering services, working with the Authority, its customers and stakeholders and when claiming payment for services. Contractors must maintain accurate systems and complete records of business transactions with appropriate and proportionate controls and control environments that maintain the integrity of the information and data and protect it from potential abuse, falsification or error.
- 4 Contractors must not force unfair contract terms on their Sub-contractors, nor allow unfair exploitation of a dominant market or customer position.

- 5 Contractors must act at all times with respect and integrity, use open and transparent accounting, and work within the spirit of the contract as well as within the contractual terms. Where there is a conflict between the spirit and contract terms Contractors must bring this to the attention of the Authority.
- 6 Contractors must ensure that risk is managed by the party best able to do so and be prepared to share with the Authority intelligence of Sub-contractor risks, so that end to end risks can be managed and that material commercial and operational risks, for example Sub-contractor failure, can be managed and mitigated.

TREAT EMPLOYEES AND SUB-CONTRACTORS FAIRLY

- 7 Contractors and their Sub-contractors must ensure that robust procedures are adopted and maintained to ensure the protection of human rights at all times. Contractors must ensure the elimination of unethical and illegal employment practices, such as modern slavery, forced labour and child labour, and other forms of exploitative and unethical treatment of workers and service users. Contractors and their Sub-contractors are encouraged to pay employees (and seek employment opportunities for customers at or above) the National Living Wage.
- 8 Contractors and their Sub-contractors must have policies and processes in place for recording and eliminating the occurrence of health and safety related incidents.
- 9 The Authority requires full Sub-contractor transparency and compliance with HM Government policy initiatives including the support and capacity building of micro-organisations, small and medium sized organisations, prompt payment, and support for economic growth.
- 10 Contractors must engage their Sub-contractors in a manner consistent with the Authority's treatment of its direct Contractors. This includes, but is not limited to, appropriate pricing, volume management, service fee flow, charging for central and corporate services, fiduciary and financial risk management, and applying transparent and appropriate contractual measures where the Sub-contractor underperforms against its contracts and the spirit of those contracts.
- 11 The Authority will not tolerate bribery, corruption or fraud in any form and Contractors must conduct their business honestly, fairly and free from such behaviours. Contractors, and the Sub-contractor, must protect against these behaviours and report any instances or concerns to the Authority immediately. The Authority takes a zero tolerance approach to bribery, corruption and fraud, and will investigate any instance of suspected bribery, corruption or fraud.
- 12 The Authority's employees, employees of the Authority's Contractors, and service users have the right to be treated with respect in all circumstances. The Authority will not tolerate discrimination, harassment, victimisation, bullying, intimidation or disrespect to the Authority's staff, stakeholders or service users.

VALUE

- 13 Value for Money ("VfM") and financial transparency are essential requirements to the Authority's commissioned work. All Contractors and their Sub-contractors must seek to maximise value including by improving performance and quality of services throughout the life of the contract / relationship.
- 14 Contractors must demonstrate that they are pursuing continuous improvement throughout the contract and Sub-contracts, and apply stringent and robust financial controls, management and governance to reduce waste and improve efficiency in their internal operations and within the Sub-contracts. The Authority expects Contractors and their Sub-contractors to demonstrate openness and honesty and be realistic about their performance, in all circumstances.
- 15 The Authority expects to obtain value for money and to be able to demonstrate long-term value for money to the UK taxpayer. This means that contracts should be priced to offer sustainable value throughout their life, including when changes are made to the contract.
- 16 The Authority's minimum expectation is that contracts are delivered to meet targets and that Contractors will continually improve value and quality through continuous improvement, improved performance and improved quality.
- 17 The Authority does not expect Contractors to exploit an incumbent, monopoly position, Sub-contractor(s), urgent situation(s), or an imbalance of capability or information to impose opportunistic pricing.
- 18 The Authority expects Contractors to work in good faith to resolve any disputes promptly and fairly during the life of a contract through good relationship management and, where appropriate, use contractual dispute resolution mechanisms, recognising that taxpayer and Contractor interests are rarely best served by litigation.
- 19 The Authority expects Contractors to seek opportunities to improve value and social value in contracts and to share best practice with the Authority and other authorities / Contractors.

REPUTATION AND CONFLICT

- 20 The Authority expects Contractors and their Sub-contractors to behave ethically, comply with legal and industry requirements and seek to implement best practice.
- 21 Contractors must be honest when representing their work for the Authority, their performance of the contract and their relationship with the Authority. The Authority expects Contractors to protect the HM Government's reputation and ensure that neither they nor any of their partners or Sub-contractors bring the government into disrepute, for example by engaging in any act or omission which may diminish public trust in HM Government.

- 22 The Authority requires Contractors to mitigate against any real or perceived conflict of interest through their work with HM Government. A Contractor with a position of influence gained through a contract must not use that position to disadvantage any other Contractor or reduce the potential for future competition, for example by creating a technical solution that locks in the Contractor's own goods or services.
- 23 The Contractor and their Sub-contractors must conduct business in compliance with competition (anti-trust) laws and must not seek to co-ordinate the market with other Contractors or their Sub-contractors in a way that restricts competition.

COUNTER FRAUD AND CORRUPTION

- 24 Contractors must adhere to anti-corruption laws, including but not limited to the Bribery Act 2010, and money laundering regulations. Contractors must have robust processes to ensure that the Sub-contractors in their supply chain also comply with these laws.
- 25 The Authority has a zero tolerance to any form of corrupt practices including extortion and fraud, and will investigate any suspected instances. The Authority expects Contractors to be vigilant and to proactively identify fraud, and the risk of fraud, in their business. Contractors must have robust systems, controls and/or control environments to protect against the potential for fraud, including, but not limited to, prohibiting perverse employee reward systems.
- 26 Contractors and their Sub-contractors must declare to the Authority any instances or allegations of unethical behaviour by an existing or previous member of staff, or where there is a known or suspected conflict of interest. Contractors must immediately notify the Authority where fraudulent practice and/or financial irregularity is suspected or discovered and disclose any interests that might affect their decision-making or the advice that they give to HM Government.

FINANCIAL TRANSPARENCY OBJECTIVES

- 27 The Contractor will cooperate with the Authority so that:
 - a. the Authority can understand any financial information that the Contractor submits to the Authority,
 - b. both Parties have confidence that the Fees are clearly and wholly attributed to the Contract,
 - c. both Parties can understand the potential impact of any changes to the Contract on the payments that the Authority makes to the Contractor,
 - d. both Parties can review, address issues with, and re-forecast progress in relation to the provision of the Services,
 - e. the Authority can demonstrate that it is achieving value for money/economic value through the Contract,

- f. all financial documents and models prepared by the Contractor shall be consistent with each other in the use of terminology, presentation, and underlying structure, and
- g. the Authority is in a position to validate any payments it makes to the Contractor.

COVID-19 GUIDANCE

- 28 The Contractor must, in delivering the Services, adhere to any guidance issued by HM Government on working safely during the COVID-19 pandemic. This includes, but is not limited to, any guidance published at the following address:

<https://www.gov.uk/guidance/working-safely-during-coronavirus-covid-19>