

FRAMEWORK AGREEMENT FOR THE PROVISION OF EMPLOYMENT RELATED SUPPORT SERVICES

Description of the Services: The Department for Work and Pensions (“the DWP”) wishes to establish a framework agreement for the provision of employment related support services, helping people to select, train for, obtain and retain employment suitable for their ages and capacities. Organisations should note that the types of employment related support services required may vary over time, and according to the needs of the individuals being supported.

The framework competition will identify organisations (including consortia) that have the capacity and expertise to deliver not only the Work Programme but also other potential employment related support services contracts. This may also include contracts that may attract European Social Fund (“ESF”) support.

The Work Programme will be a new approach to delivering employment related support services. It will simplify the complex array of existing employment programmes and deliver coherent, integrated support more capable of dealing with complex and overlapping barriers to work, providing personalised help for people who find themselves out of work regardless of the benefit they claim.

The Work Programme may be used by the DWP as match for its ESF Co-financing arrangements and where this applies Work Programme providers will be required to meet a range of ESF requirements.

The Work Programme will give providers longer to work with individuals and greater freedom to decide the appropriate support for them. There will be stronger incentives for organisations to work with the harder to help and place them into work.

Lots: The framework agreement will be divided into 11 lots:

North East	London
North West	South East
Yorkshire and The Humber	South West
East Midlands	Wales
West Midlands	Scotland
East of England	

The DWP expect to appoint between 3 and 8 organisations to each Lot – though the DWP will not be limited to this indicative range.

Organisations may compete to be included in one, all or any combination of the Lots so some organisations could be included in several or all of the Lots.

Contracts let under the framework agreement may cover the whole of the area comprised within a Lot or a smaller area within a Lot.

Estimated Market Value: Although there will be no guarantee of work, as an indication of the scale of the services involved, the indicative overall value of contracts to be let through this framework agreement is likely to be between £0.3 billion - £3 billion per year. The overall value may be dependent on the financial savings realised as a direct result of enabling people to obtain sustainable employment.

Individual contract values will vary, but in the main are likely to be between £10-50 million per year. Both the estimated total spend per annum and estimated contract values will be dependant on organisations delivering high performance and value for money.

Duration: The framework agreement will be for up to 4 years. The expectation is that many contracts let under the framework agreement will be long term and may be up to 7 years if justified.

Eligibility: Because of the high value of these contracts and the fact that funding will be primarily outcome based, organisations are expected to have good financial standing and arrangements that will enable them to manage the risks associated with the delivery of business under this framework agreement. As a minimum, organisations must have the ability to deliver across an entire Lot and manage the financial demands of delivering at least one package of business without undue risk to the specific requesting contracting body.

Participating Organisations: This framework agreement is intended to be used primarily by the DWP but will be available to contracting authorities in Great Britain including but not limited to Government Departments and their Agencies, Non-Departmental Public Bodies and Local Authorities who wish to purchase employment related support services. There will be ongoing engagement by the DWP with the other contracting bodies, as identified above, to discuss uptake of this framework agreement. The DWP will consult with other public sector commissioners to discuss and gauge their interest in participating. The framework agreement will include the scope for co-commissioning.

Tendering Process: These are Part B services and the DWP and other contracting bodies utilising the framework will not be bound by the Public Contracts Regulations 2006 (as amended) ("the Regulations") except as the Regulations are applicable to Part B services.

In respect of the Work Programme specifically, organisations need to be aware:

- Organisations must have the ability and capacity to manage large and diverse supply chains;
- Organisations must be willing and able to take on greater capital and supplier management risk;
- Volumes will not be guaranteed;
- Organisations must be able to support all claimant groups who are or may be capable of working;
- Organisations will be encouraged to provide innovative/black box solutions for all services that they are invited to deliver under this framework;

- The funding model may be output related and may include differential payments dependent upon claimant group. It may include the use of benefit savings in the risk/reward model;
- There is potential for transfers of staff with TUPE protection;
- Organisations may be required to provide some services within part of an area within a Lot;

Additional Information:

Acceptance onto the framework agreement does not guarantee that an organisation will be awarded any call-off contracts

The DWP reserves the right to limit the number of Lots to which any one organisation is appointed based on the DWP's assessment of the organisation's financial and organisational capacity and capability

The DWP reserves the right not to enter into a framework agreement or award any contract as a result of this procurement process

The DWP reserves the right to make whatever changes it may see fit to the content and structure of the tendering competition and in no circumstances will the DWP be liable for any costs incurred by organisations.

Organisations should note that the DWP reserves the right to cancel this procurement at any stage and not to award a framework agreement. If the DWP decides to enter into a framework agreement with successful organisations this does not mean that there is any guarantee of subsequent contracts being awarded. Any expenditure, work or effort undertaken prior to contract award is accordingly a matter for the commercial judgement of potential organisations.

Any orders placed under this framework agreement will form a separate contract under the scope of this framework between the organisation and the specific requesting contracting body.

Next steps: The DWP are developing further detail which will be available to those organisations who consider that they may have the necessary financial and organisational capability and express an interest by 5pm 30th July 2010, by e-mail to Mike Day at the following address: wpframework.procurement@dwp.gsi.gov.uk