

# Employability and Health Related Services Umbrella Agreement (EHR SUA)

Pre-Market Engagement

Birmingham

30 October 2019



Department  
for Work &  
Pensions

# Welcome and Agenda

- Introductions
- Domestics
- Presentation
- Round Table Discussions
- Feedback and Close

# Why an Umbrella Agreement?

The Umbrella Agreement approach is being considered because:

- ✓ Using a framework-style Umbrella Agreement offers a number of commercial and operational advantages for the Government and for delivery partners compared to traditional contracting;
- ✓ The Umbrella Agreement will be accessible to other contracting authorities creating efficiencies across the wider public sector;
- ✓ It creates accessibility to other contracting authorities therefore creating efficiencies across the wider public sector; and
- ✓ It will simplify and reduce the time and cost involved for Suppliers in bringing their services to market.

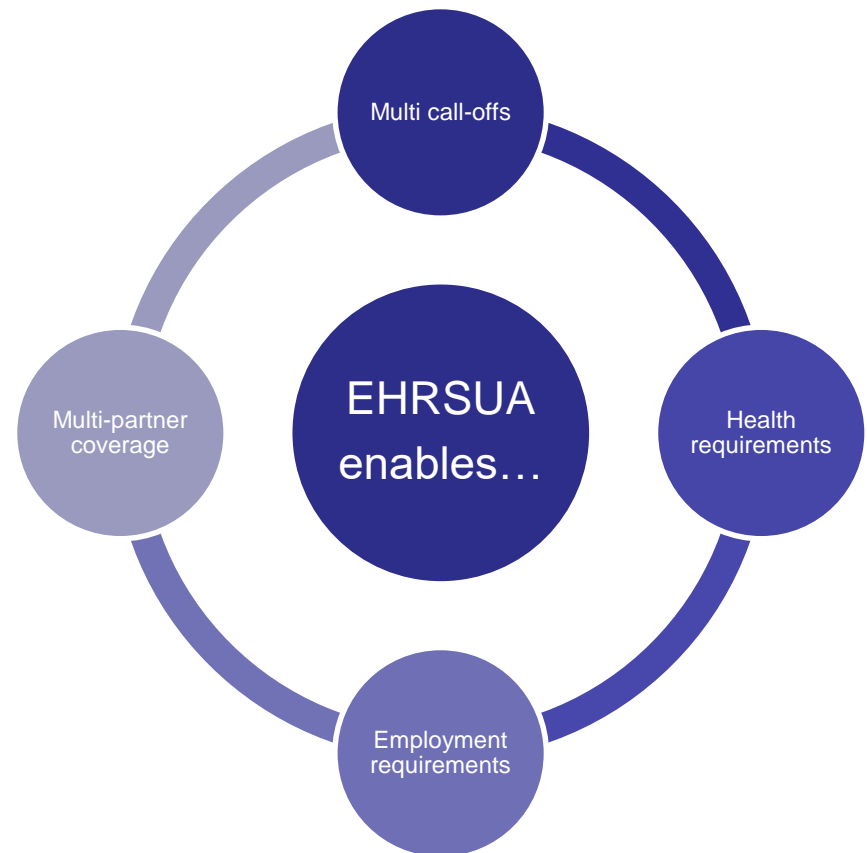
# What is the Umbrella Agreement?

- ✓ Our early thoughts on the Umbrella Agreement is to ensure this is an multi-supplier/multi-tiered 'framework-type' agreement with an expected four year term.
- ✓ The Department envisages calling off a number of contracts under the agreement to deliver Employment & Health Related Services.
- ✓ Today is about seeking your thoughts and suggestions on any future Umbrella Agreement.

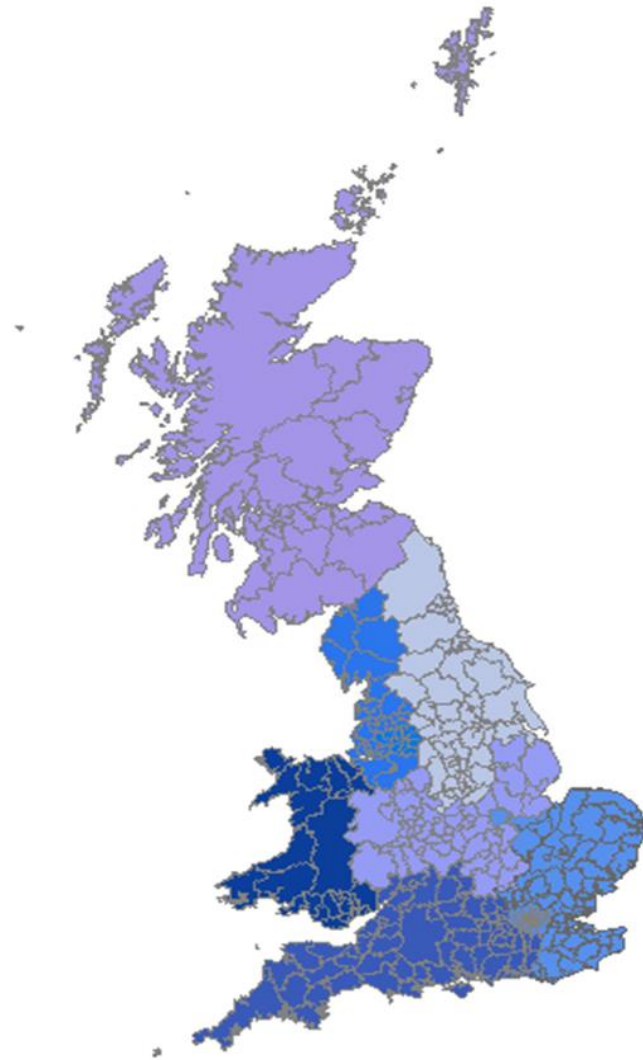
# What is the scope & nature of the Umbrella Agreement ?

The Umbrella Agreement scope and nature is to:

- Include, but not be limited to, support for individuals (or participants) to select, train for, obtain and retain employment.
- Act as the vehicle through which groups of individuals with disabilities; health conditions; are unemployed; or have a barrier to work will be supported; or those who wish to be self-employed.
- Enable specific call-off Programmes to address barriers to employment.
- Allow potential suppliers to provide support either themselves or through a supply chain



# What is the proposed Umbrella Agreement LOTs?



The Umbrella Agreement is divided into seven Geographical Lots :

- Central England (LOT 1)
- North East England (LOT 2)
- North West England (LOT 3)
- Southern England (LOT 4)
- Home Counties (LOT 5)
- Wales (LOT 6)
- Scotland (LOT 7)

All Lots will have the ability to be split into smaller areas or could be joined together to make larger Lots. We may choose to join smaller areas across Lots.

# The Structure and Tiers

Tier 1 All Call Offs Over £5m



Tier 2 All Call Offs Between £1m - £5m



Tier 3 All Call Offs up to £1m

At the time of Calling Off, the values above equate to Annual Contract Value .  
These are currently suggested values.

# Features of the Umbrella Agreement

- Implement review points throughout the lifecycle of the four year agreement.
- Would like new organisations to join throughout the life of the Agreement. This will be subject to a maximum number of organisations on the Agreement.
- Would like to cap the number of providers on each of the tiers.
- Take into account existing contract Performance when we review the agreement and will take into account poor performance, e.g. where organisations are under formal performance we may limit the right to bid for new call offs.
- It has different requirements than DPS.



# Maximum Number of Providers per Tier

Tier 1 All Call Offs Over £5m  
Max of 5 providers per LOT

Tier 2 All Call Offs Between £1m - £5m  
Max of 5 providers per LOT



Tier 3 All Call Offs Between up to £1m  
Max of 5 providers per LOT



Providers will be able to move between tiers at the review points depending on performance and financial considerations.

Additional places may be available if existing organisations are temporarily suspended. Awarded places can be reallocated if an organisation leaves or is removed.

# Future Procurement:

- The DWP Employment Category has to deliver a commissioning strategy approach that is in line with the Government's *Improving Lives: the Future of Work, Health and Disability* report, includes a robust commercial process and the considerations of the Commercial Playbook.
- The Umbrella Agreement enables us to react to future pipeline.
  - Known and Unknown.
- Communicate expectations of future Providers
  - Code of Conduct
  - Behavioural Expectations
  - Partnership and not transactional relationship
  - Continuous improvement
- Provider Survey
  - We are seeking to understand the wider market and shape our future approaches.

# Table Session – Key Discussion

## Topics/Questions:

- Thoughts on having an Umbrella Agreement vs Open Procurement for any future opportunities?
- Positive Features/Negative Features?
  - Predominantly:
    - Review Points
    - Progression within the agreement (ladder)
    - Number of Places
- Thoughts on Tiered approach?
- Potential for consortia/SPVs?
- Addressed any issues with the Umbrella Agreement prior to WHP?
- Supplier Security Assurance approach (slide on table)

# Next Steps:

- We will consider all comments and thoughts raised
- Following review of this helpful dialogue we anticipate approaching market during December
- Open Virtual Data Room
- Review today's comments in line with survey



# Thank You