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Contract

Personal Independence Payment (PIP) Assessment Service - Contract Extension - Lot 3

Department for Work and Pensions

F20: Modification notice

Notice identifier: 2023/S 000-001430

Procurement identifier (OCID): ocids-h6vhtk-039836

Published 17 January 2023, 2:58pm

Section I: Contracting authority/entity

I.1) Name and addresses

Department for Work and Pensions

Hartshead Square

Sheffield

Email

cd.healthbom@dwp.gov.uk

Country

United Kingdom

Region code

UK - United Kingdom

Internet address(es)

Main address

<https://www.gov.uk/government/organisations/department-for-work-pensions>

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Personal Independence Payment (PIP) Assessment Service - Contract Extension - Lot 3

II.1.2) Main CPV code

- 85000000 - Health and social work services

II.1.3) Type of contract

Services

II.2) Description

II.2.3) Place of performance

NUTS codes

- UK - United Kingdom

II.2.4) Description of the procurement at the time of conclusion of the contract:

— The objective and independent assessment of the impact of health conditions and disabilities on claimants is central to the process of determining entitlement to PIP. The provider will carry out this assessment and provide information and advice to support the Authority's decision making processes.

— The key elements of the service will include:

— The consideration of a claimant's health conditions or disabilities and the impact on their daily life and mobility,

— Assessing individuals against criteria prescribed by the Authority,

— The delivery of Consultations to support the above,

— The gathering and consideration of evidence to support the above including, where necessary, paying appropriate fees for evidence,

— The completion of reports, including advice, to the Authority,

— The referral of assessment reports and any associated evidence to the Authority,

- Interpretation and advice to the authority on technical evidence,
- Follow up liaison with the Authority in relation to assessments, including the provision of relevant health professional expertise as required,
- The administration and management of the service, including scheduling of Consultations, ensuring that they are completed within timescales set down by the Authority,
- The recruitment, training and ongoing support of Health Professionals, including liaison with relevant professional bodies,
- The development of guidance and training in conjunction with the Authority,
- The provision of an enquiry service for individuals being assessed,
- The provision of a quality control regime, including a complaints function,
- The provision of management information as defined by the Authority,
- Initiatives and liaison with relevant organisations to support the provision of evidence,
- Liaison and collaborative working with local and national partners, including disability organisations, health professional bodies and the devolved administrations,
- Liaison and collaborative working with the PIP Assessment Providers for other Lots as required.

II.2.7) Duration of the contract, framework agreement, dynamic purchasing system or concession

Start date

31 July 2012

End date

31 July 2023

II.2.13) Information about European Union Funds

The procurement is related to a project and/or programme financed by European Union funds: No

Section V. Award of contract/concession

Contract No

UI_DWP_100431

V.2) Award of contract/concession

V.2.1) Date of conclusion of the contract/concession award decision:

31 July 2012

V.2.2) Information about tenders

The contract/concession has been awarded to a group of economic operators: No

V.2.3) Name and address of the contractor/concessionaire

Atos IT Services UK Ltd

London

Country

United Kingdom

NUTS code

- UK - United Kingdom

The contractor/concessionaire is an SME

No

V.2.4) Information on value of the contract/lot/concession (at the time of conclusion of the contract;excluding VAT)

Total value of the procurement: £886,213,751

Section VI. Complementary information

VI.4) Procedures for review

VI.4.1) Review body

Department for Work and Pensions

London

Country

United Kingdom

Section VII: Modifications to the contract/concession

VII.1) Description of the procurement after the modifications

VII.1.1) Main CPV code

- 85000000 - Health and social work services

VII.1.3) Place of performance

NUTS code

- UK - United Kingdom

VII.1.4) Description of the procurement:

— The objective and independent assessment of the impact of health conditions and disabilities on claimants is central to the process of determining entitlement to PIP. The provider will carry out this assessment and provide information and advice to support the Authority's decision making processes.

— The key elements of the service will include:

— The consideration of a claimant's health conditions or disabilities and the impact on their daily life and mobility,

— Assessing individuals against criteria prescribed by the Authority,

— The delivery of Consultations to support the above,

— The gathering and consideration of evidence to support the above including, where

necessary, paying appropriate fees for evidence,

- The completion of reports, including advice, to the Authority,
- The referral of assessment reports and any associated evidence to the Authority,
- Interpretation and advice to the authority on technical evidence,
- Follow up liaison with the Authority in relation to assessments, including the provision of relevant health professional expertise as required,
- The administration and management of the service, including scheduling of Consultations, ensuring that they are completed within timescales set down by the Authority,
- The recruitment, training and ongoing support of Health Professionals, including liaison with relevant professional bodies,
- The development of guidance and training in conjunction with the Authority,
- The provision of an enquiry service for individuals being assessed,
- The provision of a quality control regime, including a complaints function,
- The provision of management information as defined by the Authority,
- Initiatives and liaison with relevant organisations to support the provision of evidence,
- Liaison and collaborative working with local and national partners, including disability organisations, health professional bodies and the devolved administrations,
- Liaison and collaborative working with the PIP Assessment Providers for other Lots as required.
- Support for Test and Learn Activity.

VII.1.5) Duration of the contract, framework agreement, dynamic purchasing system or concession

Start date

31 July 2012

End date

1 March 2024

VII.1.6) Information on value of the contract/lot/concession (excluding VAT)

Total value of the contract/lot/concession:

£886,213,751

VII.1.7) Name and address of the contractor/concessionaire

Atos IT Services UK

London

Country

United Kingdom

NUTS code

- UK - United Kingdom

The contractor/concessionaire is an SME

No

VII.2) Information about modifications

VII.2.1) Description of the modifications

Nature and extent of the modifications (with indication of possible earlier changes to the contract):

Extension of contract term by additional 7 months until 01.03.2024 due to an ongoing procurement process.

On 5 March 2020, DWP published a Prior Information Notice 2020/S 046-109668 as notification of its intent to re-procure the Personal Independence Payment (PIP) Contracts for assessment services in accordance with Section 7, PCR as part of a larger procurement for other types of assessment services (FAS procurement). Due to the impact of the COVID-19 Pandemic the new procurement was delayed and the PIP Contracts were extended for the reasons set out in Voluntary Ex Ante Transparency Notice 2020/S 249-622817. The FAS procurement was launched on 12 November 2021 and, although a light touch regime procurement, was based on a competitive dialogue procedure, the commencement of which included the submission of indicative bids.

During dialogue it became apparent that the contract value envelope for the FAS procurement needed to be revised in order to provide these key public services effectively. The procurement was therefore halted temporarily with a view to re-engaging with stakeholders.

It had also become clear that the ratio of face to face assessments versus remote assessments needed to be reviewed given the continuation of the Pandemic and further time was spent ensuring the contractual arrangements had built-in flexibility to deal with changing circumstances and impact the above changes. DWP also considered that a further round of commercial dialogue (not originally planned) was necessary to ensure the quality of BAFO submissions in the face of the revised contractual framework. Due to these various activity streams, it was therefore impossible for DWP to avoid a negative impact on its original timetable.

The procurement is now well underway. DWP do not envisage there will be cause for further delay. However, due to the additional activities and subsequent delay (see above) in order to ensure an efficient and smooth handover between the PIP and the new FAS providers during an appropriate implementation period, DWP considers an extension of 7 months to the PIP contracts term is necessary. Without an extension there could be a delay to provision of assessments for the critical statutory welfare benefit which PIP services encompass. As the recipients of PIP constitute a vulnerable section of society, DWP is of the view such an extension is necessary to ensure they are not disadvantaged further.

VII.2.2) Reasons for modification

Need for additional works, services or supplies by the original contractor/concessionaire.

Description of the economic or technical reasons and the inconvenience or duplication of cost preventing a change of contractor:

For the reasons in VII.2.1) and:

(i) interchangeability issues with a new supplier means these key services could be negatively impacted. The implementation of the contract currently being procured necessitates a lengthy handover period therefore it is not possible to introduce a new provider for the additional 7 months. A change in supplier without a full handover programme (which includes transition to a new managed IT service necessitating dual running of systems) would risk delivery of these services which provide critical statutory benefits to vulnerable people;

(ii) appointing a new supplier to cover the extra 7 months (which DWP do not consider a viable option) at the same time as the incumbent was engaged in handover to the new FAS supplier means significant duplication of costs particularly as DWP would be paying

additional costs already during the implementation period; and

(iii) value of the contract for the extended period does not exceed 50% of value of original contract

VII.2.3) Increase in price

Updated total contract value before the modifications (taking into account possible earlier contract modifications, price adaptations and average inflation)

Value excluding VAT: £886,213,751

Total contract value after the modifications

Value excluding VAT: £948,155,005