

This is a published notice on the Find a Tender service: <https://www.find-tender.service.gov.uk/Notice/006725-2025>

Award

Humanitarian Emergency Response Operations and Stabilisation Programme (HEROS)

Foreign Commonwealth and Development Office

F15: Voluntary ex ante transparency notice

Notice identifier: 2025/S 000-006725

Procurement identifier (OCID): ocds-h6vhtk-04e67a

Published 21 February 2025, 1:09pm

Section I: Contracting authority/entity

I.1) Name and addresses

Foreign Commonwealth and Development Office

King Charles Street

London

SW1A 2AH

Email

joe.marshall@fcdo.gov.uk

Country

United Kingdom

Region code

UK - United Kingdom

Internet address(es)

Main address

<https://www.gov.uk/government/organisations/foreign-commonwealth-development-office>

I.4) Type of the contracting authority

Ministry or any other national or federal authority

I.5) Main activity

General public services

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Humanitarian Emergency Response Operations and Stabilisation Programme (HEROS)

Reference number

DFID PO7900 / ECM_3844

II.1.2) Main CPV code

- 75211200 - Foreign economic-aid-related services

II.1.3) Type of contract

Services

II.1.4) Short description

There are three overarching objectives of this programme:

1. Humanitarian emergency and conflict response management for rapid onset response, protracted crises, chronic emergencies, and humanitarian reform
2. Operational capability and deployments

3. Procurement, logistics and infrastructure expertise and operational capability

II.1.6) Information about lots

This contract is divided into lots: No

II.1.7) Total value of the procurement (excluding VAT)

Value excluding VAT: £330,000,000

II.2) Description

II.2.3) Place of performance

NUTS codes

- UK - United Kingdom

II.2.4) Description of the procurement

There are three overarching objectives of this programme:

1. Humanitarian emergency and conflict response management for rapid onset response, protracted crises, chronic emergencies, and humanitarian reform
2. Operational capability and deployments
3. Procurement, logistics and infrastructure expertise and operational capability

II.2.5) Award criteria

Quality criterion - Name: Quality / Weighting: 70

Quality criterion - Name: Price / Weighting: 30

Price - Weighting: 100

II.2.11) Information about options

Options: Yes

Description of options

Extension Options: There was a 2-year optional extension included within the contract up to 31/10/2024 which was utilised on 14/7/2022. The contract was extended for a further year to 31/10/2025 on 5/4/2024.

This modification will extend the contract for up to 3 years until 31/10/2028. This will be for an initial 2-year period (until 31/10/2027) with a further 1-year period (until 31/10/2028) to be utilised at the authority's discretion.

II.2.13) Information about European Union Funds

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

II.2.14) Additional information

This modification does not increase the total value and is a time-only extension.

Section IV. Procedure

IV.1) Description

IV.1.1) Type of procedure

Award of a contract without prior publication of a call for competition in the cases listed below

- The procurement falls outside the scope of application of the regulations

Explanation:

Extension of the contract beyond the advertised scope without prior publication of a call for competition

PCR 2015 Regulation 72 allows the contracting authority to modify public contracts where the relevant criteria are met, and FCDO meets the following criteria for Regulation 72 (1) (b) to apply:

Additional services by the original contractor have become necessary and were not included in the initial procurement, and a change of contractor -

(i) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, services or installations procured under the initial procurement, and

(ii) would cause significant inconvenience or substantial duplication of costs for the contracting authority.

Specifically,

The services provided under the HEROS contract are fully interoperable with FCDO systems and processes for crisis and conflict response and a change of contractor cannot be made for economic or technical reasons. It has become increasingly clear that the services are so closely integrated into FCDO structures, in the manner described below, that further time is needed to clarify and distinguish them. For this reason, no supplier would currently be able to deliver the services other than the incumbent. The work to clearly define the distinction between, and the roles and responsibilities of, the FCDO and a Supplier in relation to the services to be delivered will also minimise incumbent advantage by ensuring the right information is fully available to competitors when the contract is in due course re-procured.

The Management Information system, required for the running of the services, has been

jointly developed between the current contractor and the authority. The Intellectual Property Rights (IPR) are split between multiple parties. The contractor also operates leases and licenses on FCDO's behalf that are critical for the delivery of Core Relief Items (CRIs) to a humanitarian response. A change of contractor at this stage would cause significant inconvenience and a substantial increase in costs.

It is anticipated that a further period of up to 2 years would be needed to undertake the work to distinguish services to the level necessary to commence an effective procurement process and then undertake that process.

Given the complexity of the services and the interoperability of contractor systems with FCDO systems, a further period of approximately 12 months is also expected to be needed to transition to a successful incoming contractor. This is an increase to the originally predicted timeline of around 6 months but will ensure the incoming contractor has sufficient time to mobilise the services effectively.

The FCDO is therefore modifying the contract under Regulation 72 (1) (b) to extend the contract for a period of up to 3 years. This modification does not increase the total value of the contract and is a time-only extension. Whilst the extension of the contract is required, the result will be that FCDO gains the necessary time to minimise incumbent advantage, and to prepare a requirement that maximises the attractiveness of the contract, following Procurement Act 2023 requirements.

As we work through the new Ministerial priorities in a context where we continue to respond to multiple concurrent crises, we will engage with the market on the future of HEROS. A Prior Information Note (PIN) will shortly be released with details of the next market engagement event.

IV.1.8) Information about the Government Procurement Agreement (GPA)

The procurement is covered by the Government Procurement Agreement: No

Section V. Award of contract/concession

A contract/lot is awarded: Yes

V.2) Award of contract/concession

V.2.1) Date of conclusion of the contract

12 July 2017

V.2.2) Information about tenders

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

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

Palladium International

London

Country

United Kingdom

NUTS code

- UK - United Kingdom

The contractor/concessionaire is an SME

No

V.2.4) Information on value of contract/lot/concession (excluding VAT)

Total value of the contract/lot/concession: £330,000,000

V.2.5) Information about subcontracting

The contract/lot/concession is likely to be subcontracted

Section VI. Complementary information

VI.3) Additional information

Extension of the contract beyond the advertised scope without prior publication of a call for competition

PCR 2015 Regulation 72 allows the contracting authority to modify public contracts where the relevant criteria are met, and FCDO meets the following criteria for Regulation 72 (1) (b) to apply:

Additional services by the original contractor have become necessary and were not included in the initial procurement, and a change of contractor -

(i) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, services or installations procured under the initial procurement, and

(ii) would cause significant inconvenience or substantial duplication of costs for the contracting authority.

Specifically,

The services provided under the HEROS contract are fully interoperable with FCDO systems and processes for crisis and conflict response and a change of contractor cannot be made for economic or technical reasons. It has become increasingly clear that the services are so closely integrated into FCDO structures, in the manner described below, that further time is needed to clarify and distinguish them. For this reason, no supplier would currently be able to deliver the services other than the incumbent. The work to clearly define the distinction between, and the roles and responsibilities of, the FCDO and a Supplier in relation to the services to be delivered will also minimise incumbent advantage by ensuring the right information is fully available to competitors when the contract is in due course re-procured.

The Management Information system, required for the running of the services, has been jointly developed between the current contractor and the authority. The Intellectual Property Rights (IPR) are split between multiple parties. The contractor also operates leases and licenses on FCDO's behalf that are critical for the delivery of Core Relief Items (CRIs) to a humanitarian response. A change of contractor at this stage would cause significant inconvenience and a substantial increase in costs.

It is anticipated that a further period of up to 2 years would be needed to undertake the work to distinguish services to the level necessary to commence an effective procurement

process and then undertake that process.

Given the complexity of the services and the interoperability of contractor systems with FCDO systems, a further period of approximately 12 months is also expected to be needed to transition to a successful incoming contractor. This is an increase to the originally predicted timeline of around 6 months but will ensure the incoming contractor has sufficient time to mobilise the services effectively.

The FCDO is therefore modifying the contract under Regulation 72 (1) (b) to extend the contract for a period of up to 3 years. This modification does not increase the total value of the contract and is a time-only extension. Whilst the extension of the contract is required, the result will be that FCDO gains the necessary time to minimise incumbent advantage, and to prepare a requirement that maximises the attractiveness of the contract, following Procurement Act 2023 requirements.

As we work through the new Ministerial priorities in a context where we continue to respond to multiple concurrent crises, we will engage with the market on the future of HEROS. A Prior Information Note (PIN) will shortly be released with details of the next market engagement event.

VI.4) Procedures for review

VI.4.1) Review body

Cabinet Office

London

Country

United Kingdom