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Contract

# The Functional Assessment Service (FAS) 2024 - Lot 4

Department for Work and Pensions

F20: Modification notice
Notice identifier: 2025/S 000-016854
Procurement identifier (OCID): ocds-h6vhtk-02f666
Published 24 April 2025, 4:08pm

## Section I: Contracting authority/entity

### I.1) Name and addresses

Department for Work and Pensions

Quarry House, Quarry Hill

Leeds

**Email**

jonathan.townend@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

The Functional Assessment Service (FAS) 2024 - Lot 4

### II.1.2) Main CPV code

- 85000000 - Health and social work services

### II.1.3) Type of contract

Services

## II.2) Description

### II.2.1) Title

Functional Assessment Service (FAS) 2024

Lot No

LOT 4 (London, South East & East Anglia)

### 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:

Contract Award Notice reference: 2023/S 000-030453

Published 16 October 2023

This contract will be for the use of the Department for Work and Pensions (DWP) (Lots 1 to 4) and the Department for Communities in Northern Ireland (Lot 5). The service provision will be primarily contracted through this procurement to the Authority but may allow other Government Departments and their Agencies, Non-Departmental Public Bodies, and devolved administrations (including but not limited to HM Revenue and Customs, Ministry of Defence, HM Courts and Tribunals Service, National Health and Social Care) to access the services.

To support the determination of an individual's entitlement to benefit, the Authority requires the delivery of a range of compatible and sympathetic Functional Health Assessments (FAS). The results of these assessments form one part of the evidence utilised by the Authority Decision Maker in making the ultimate decision on benefit entitlement on behalf of the Secretary of State.

FAS Suppliers will be expected to deliver functional health assessments in relation to the following benefits:

• Personal Independence Payment (PIP)- https://www.gov.uk/pip

• Employment Support Allowance (ESA)- https://www.gov.uk/employment-support-allowance

• Universal Credit (UC)- https://www.gov.uk/government/publications/universal-credit-if-you-have-a-disability-or-health-condition-quick-guide/universal-credit-if-you-have-a-disability-or-health-condition

• The delivery of assessments/advice associated with 15 other specialist benefits, for both DWP and other Government Departments, including Veterans UK, HM Courts and Tribunals Service and HM Revenue and Customs

DWP ran a procurement using the Light Touch Regime and a modified process with commercial dialogue in accordance with Regulations 74 to 76 of the Public Contracts Regulations 2015. For Lot 5, DWP conducted aspects of the procurement process on behalf of the Department for Communities (DfC) in Northern Ireland. The procedure is set out clearly in the published Invitation to Tender document.

The service will be divided into five (5) geographical lots:

Lot 1 – Northern England and Scotland

Lot 2 – Midlands and Wales

Lot 3 – South West England

Lot 4 – London, South East & East Anglia

Lot 5 – Northern Ireland

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

Start date

19 September 2023

End date

6 September 2031

**II.2.13) Information about European Union Funds**

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

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# Section IV. Procedure

## IV.2) Administrative information

**IV.2.1) Contract award notice concerning this contract**

Notice number: 2023/S 000-030453

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# Section V. Award of contract/concession

## Contract No

ecm_11074

## Title

The Functional Assessment Service Lot 4 (London, South East & East Anglia)

## V.2) Award of contract/concession

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

19 September 2023

**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**

INGEUS UK LTD

2nd Floor, 66-68 East Smithfield, Royal Pharmaceutical Building

London

E1W 1AW

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: £542,473,048

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## Section VI. Complementary information

### VI.3) Additional information

Suppliers Instructions:

How to Express Interest in this Tender:

1. Register on the eSourcing portal (this is only required once):

https://dwp.bravosolution.co.uk & click the link to register - Accept the terms & conditions & click 'continue' - Enter your correct business & user details - Note your chosen username & click 'Save'. You will receive an email with your password (keep this secure)

2. Express an Interest in the tender - Login to the portal with the username/password - Click the 'PQQs / ITTs Open To All Suppliers' link. (These are Pre-Qualification Questionnaires or Invitations to Tender open to any registered supplier) - Click on the relevant exercise to access the content. - Click the 'Express Interest' button at the top of the page. - This will move the PQQ /ITT into your 'My PQQs/ My ITTs' page. (A secure area reserved for your projects only) -You can now access any attachments by clicking

'Buyer Attachments' in the 'PQQ/ ITT Details' box

3. Responding to the tender - Click 'My Response' under 'PQQ/ ITT Details', you can choose to 'Create Response' or to 'Decline to Respond' (please give a reason if declining) - You can now use the 'Messages' function to communicate with the buyer and seek any clarification - Note the deadline for completion. Follow the onscreen instructions to complete the PQQ/ ITT - There may be a mixture of online & offline actions to complete (detailed online help available). To submit your reply use the 'Submit Response' button (top of the page).

For further assistance please consult the online help, or the eTendering help desk.

DWP expressly reserves the rights(i)to use a reverse auction; (ii)to cancel this procurement at any stage; (iii)to not award any contract as a result of the procurement process commenced by publication of this notice; (iv)and in no circumstances will DWP be liable for any costs incurred by potential suppliers.

## VI.4) Procedures for review

### VI.4.1) Review body

Department for Work and Pensions

Sheffield

Email

fas.lot4@dwp.gov.uk

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:

This contract will be for the use of the Department for Work and Pensions (DWP) (Lots 1 to 4) and the Department for Communities in Northern Ireland (Lot 5). The service provision will be primarily contracted through this procurement to the Authority but may allow other Government Departments and their Agencies, Non-Departmental Public Bodies, and devolved administrations (including but not limited to HM Revenue and Customs, Ministry of Defence, HM Courts and Tribunals Service, National Health and Social Care) to access the services.

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Lot 2 – Midlands and Wales

Lot 3 – South West England

Lot 4 – London, South East & East Anglia

Lot 5 – Northern Ireland

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

Start date

19 September 2023

End date

6 September 2031

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

Total value of the contract/lot/concession:

£575,433,801

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

INGEUS UK LTD

2nd Floor, 66-68 East Smithfield, Royal Pharmaceutical Building

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):

This notice is in relation to modification of an existing Contract, pursuant to regulation 72(1)(b) of the Public Contracts Regulations 2015 (“PCR 2015”), and is published for transparency purposes.

The Functional Health Assessments (“FAS”) contracts were signed in September 2023 and included an assessment of supplier capacity as of November 2021 (the launch of the procurement). In the intervening period demand for Personal Independence Payment (“PIP”) assessments has continued to rise whilst the Authority has worked with incumbent suppliers to successfully recruit and retain a higher number of Health Professionals (“HPs”) which has enabled the highest ever volume delivery of PIP assessments. The increased number of HPs helps the Authority better meet the demand for assessments across PIP and Work Capability Assessment (“WCA”) (as well as other benefits), and better protects the delivery of the service. Retention of the HPs into FAS has ensured that capacity for assessments will meet the current levels of PIP, WCA and other benefits. Collectively this helps by reducing the length of a customer's journey and minimises the backlog of claims.

In addition to the increased clinical staffing, the process built in some changes to supplier business models and costs to reflect IT solution changes to address technical constraints and levels of integration.

Pursuant to regulation 72(1)(b) of the PCR 2015, the Authority has agreed an extension to the previous deed of variation with the FAS supplier to vary the FAS contract to cover the increased clinical staffing which leads to the provisions of additional services, in addition to the additional costs to reflect the changes to the IT solution to address various technical constraints. The additional services are an increase in the number of FAS assessments over the number initially envisaged during the procurement.

The increase in price does not exceed 50% of the value of the original contract.

**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:

Given the FAS contract was entered into in September 2023 and the FAS suppliers completed a lengthy handover period before starting operational services in September 2024, appointing a new supplier for the additional services outlined in this modification notice was not possible, as they would lack the handover period.

Appointing a new supplier to address the additional services would also lead to significant duplication of costs, due to overlap in supplier personnel and duplication of processes and systems, especially since the Department was paying the incumbent suppliers to deliver assessment services during the handover.

There would be interchangeability issues with a new supplier, negatively impacting the delivery of key services. A change in supplier without the lengthy handover period and a transition to the new managed IT System would risk the delivery of the services providing critical statutory benefits to vulnerable claimants.

**VII.2.3) Increase in price**

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

Value excluding VAT: £564,587,959

Total contract value after the modifications

Value excluding VAT: £575,433,801