

From the Chief Executive
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Dear Steve,

Re: Tendering for Civil Contracts

Thank you for your letter of 14 January. I understand the concerns that you have raised and can assure you that we are working to ensure that relevant information is provided as soon as possible.

I am sorry that progress has been slower than we originally envisaged; we have had to resolve some important issues. We have been working closely with representative bodies including Advice UK to resolve these practical issues and we met as recently as last Tuesday. We believe that we now have identified solutions and we can give answers to the points you raise, which we have set out below.

We believe that the contract extension until 14 October 2010 gives sufficient time to run the tender process. We cannot delay the introduction of the new contract beyond this date, as other aspects of the reform programme, including Delivery Transformation and the new Family fees depend on the new contract.

1. The timetable for publication of revised procurement plans and tender specifications.

We had hoped to publish revised procurement plans in December. We always made it clear that the details contained within the plans were subject to revision to take account of the most up to date data. Consideration of this data prompted us to revise our approach to the allocation of matter starts to procurement areas and this caused an inevitable delay to the publication of procurement plans.

Representative bodies were alerted of this on 22 December and an update was posted on the LSC website confirming that we would aim to update plans as soon as possible before the tender process for these categories opened in February 2010.



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We are now in a position to complete the revision of procurement plans for Social Welfare Law and Family services and will publish them in the week commencing 25 January 2010.

The timetable for bidding should take into account Easter holiday periods and allow at least 7 weeks for bids to be constructed.

We can confirm that the timetable for bidding does take into account holiday periods and that the tender period will last for at least 7 weeks.

2. The timetable for notification of awards and the process after that leading to contract commencement. This needs to take into account possible redundancy and recruitment matters to which suppliers will need to attend.

We can confirm that there will be at least three months between notification of awards and the start of the new contracts, to give both providers and the LSC enough time to prepare for the new contracts.

We do appreciate that providers need some certainty to be able to plan for these tender exercises and we are currently reviewing how we may be able to simplify the tender process for providers. We therefore plan to publish further detail about the revised timetable next week. This will include an indication of when providers will be notified of whether they have been allocated a contract.

3. How SWL consortia bids will be treated and scored and compared to single agency bids.

We have already published details on our website and in our contract on how consortia will function. We have held initial discussions with representative bodies around how to treat joint tenders in the allocation of matter starts and have undertaken to continue to discuss this issue with them in order that we reach a practical solution that ensures the equitable treatment of both single entities and joint bidders. Full details of this will be published in the Information for Applicants when the tender opens in the week beginning 22 February.

4. How NMS will be allocated in SWL in proportion to the total on offer.

Through a series of meeting with representative bodies we have begun to resolve some of the issues around allocating matter starts to the combined SWL categories. We have already discussed how to split debt, housing and welfare benefits matter starts in each procurement area and have agreed a methodology that aims to reflect the need to provide services in equitable proportions whilst still taking account of local demand in the individual categories. The allocation of matter starts between these categories will be set out in revised procurement plans.

We have invited views from representative bodies on how the allocation of matters amongst successful applicants should work in practice. We have already introduced a practical solution in the Immigration tender on the allocation between Asylum and Non-Asylum matter starts, which raises similar issues.

5. **How you intend to deal with the issue of cases that may need to be transferred to new suppliers from suppliers that lose contracts from October. On transfer, such cases could become NMS for the new supplier and use up the NMS allocated to the new supplier without truly new cases being opened.**

We have given this matter some consideration and had initially concluded that this ought not to be a significant problem as it is not our intention that the tender round should significantly reduce the provider base. However, as a responsible public body, it is incumbent upon us to manage public funds in a cost effective way and we will reconsider this issue as you suggest.

I trust this letter has gone some way to address your concerns. Please be assured that we are committed to clarifying arrangements as soon as possible.

Yours sincerely,


PP Carolyn Regan
Chief Executive

