

## Special Purpose Vehicles

### Introduction:

DWP has provided support for organisations wishing to deliver as part of a Special Purpose Vehicle (SPV). A range of organisations may be interested in considering SPVs in relation to the larger prime contracts, including:

1. those who are too small to field as a Prime Contractor on their own
2. those who do not wish to be exposed to the entire risk of a Prime Contract but have experience in delivery or management of delivery
3. those who recognise the performance benefits of working in partnership with like-minded community organisations

DWP therefore has provided support for three stages of SPV development which runs concurrently with the overall procurement timetable throughout 2009/10:

1. Presentations and consultation at briefing events to promote the opportunities for tendering as a consortium
2. Individual support to bring together interested parties and constitute the SPV (bringing them to the point of tendering at PQQ stage).
3. Customised support to put in place the necessary infrastructure between PQQ, ITT and delivery (including MI systems, converged Quality Assurance systems, Service Level Agreements / Sub-contracts etc.). This support typically includes:
  - a. Constitution and terms of reference
  - b. Action Planning and timescales
  - c. Best practice
  - d. Service Level Agreements and sub-contracting of individual elements
  - e. Ensuring effective policies, processes and structures
  - f. Planning and process mapping when designing delivery models
  - g. Engaging with complementary provision and ensuring stakeholder/service user buy-in within the consortium

The purpose of this service is therefore to highlight best practice, promoting the value of developing consortia and encouraging the involvement of smaller organisations in SPVs as a mechanism to ensure inclusion from all sectors at the 'Prime Contractor' strategic level and to build capacity of the supply chain. This service works alongside the Code of Conduct and Localisation agendas.

We recognise the need for this service to be distanced from the tendering process and so this service explicitly excludes support in the construction of the tender itself to ensure transparency, openness and to preserve the competitive tendering process.

Please note it is advisable to seek legal advice if you are seriously considering taking this route as different types of organisations may need to adhere to different legal requirements prior to establishing the SPV.