

Prime Contractors and Supported Businesses

Simon Shimmens

Objectives for the Workshop

- discuss the contractual relationship
 - how the subcontract arrangement is framed
- opportunity to influence final guidance
 - discuss areas that should be explicit for the benefit of both parties
- cover key areas for discussion
 - highlighting issues for (1) supported businesses, (2) prime contractors and (3) DWP

Prime contracting model brings:

- responsibility for and support of supply chain delivery partners by Primes
- Monitoring of high standards for customers
 - via supplier relationship manager (SRM) review of customer service and quality of provision
 - via external inspection e.g. Ofsted
- supply chain dynamics reviewed via future Merlin Standard accreditation process

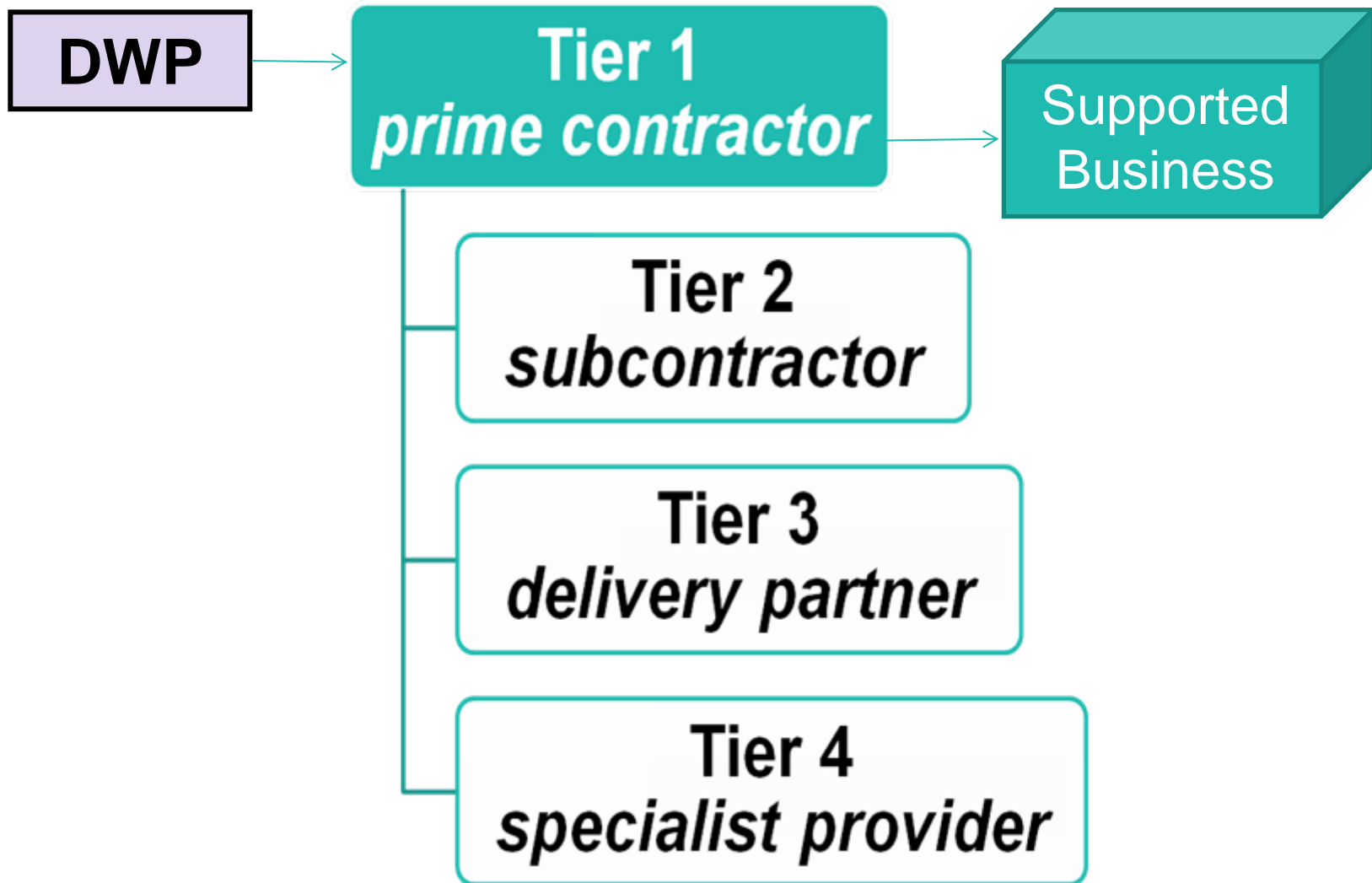
Supported business relationships

- Simon Shimmens

Unusual contractual relationship

- Commissioning Strategy imposes few constraints around supply chain dynamics, but for Work Choice:
 - protected places within Supported Businesses
impose a contractual relationship
 - both parties need to **engage early and develop a partnership approach** in the interests of participants
- both parties have **contractual obligations to DWP**
 - related to quality of customer service and funding

Supply chain dynamics are different



Prime provider obligations

Contractual

- responsible for Prime contract with DWP
- subcontract with Supported Business

Financial

- minimum protected places
- full payments made to Supported Businesses

Quality & customer service

- jointly responsible for quality & customer experience for protected places

Supported Business obligations

Contractual

- responsible for subcontract with Prime
- delivering minimum levels of progressions

Financial

- provide information to support ongoing payments

Quality & customer service

- responsible with Prime for quality & customer experience for protected places

Employer relationships

- employer in own right

Table discussion

Focus of discussion

The supported places guarantee from DWP will be managed via the subcontract arrangement between the Supported Business and the Prime Contractor.

What do you consider are the issues in agreeing the subcontract and making the relationship work successfully ?

Suggested areas for discussion

Quality – e.g. standards and inspection

Performance – e.g. progressions and filling vacancies

Communication – e.g. contract review and resolving issues

Other – e.g. payment terms