

EUROPEAN SOCIAL FUND 2007-2013 PHASE 2

Pre-Qualification Questionnaire Provider Event



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WELCOME AND INTRODUCTIONS:

- Steve Liptrot Commercial Directorate
- Alan Taylor Policy and Delivery
- Andy Whisker ESF Project Team
- Trevor Law Commercial Directorate

DOMESTICS



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Purpose of the event

- To provide a background to European Social Fund (ESF)
- To outline the procurement approach, funding arrangements and specification requirements for the ESF 2007-2013 Phase 2 programme
- To give you the opportunity to raise questions.
- To provide networking opportunities
- To provide high level awareness of individual regional requirements and Special Purpose Vehicles (SPVs)



Copies of slides will be available on

http://dwp.gov.uk/supplyingdwp/what_we_buy/opportunities_to_tender.asp

Alan Taylor - ESF Project Team
Head of Provision Policy and Delivery



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WHERE HAS THE MONEY COME FROM ?

- DWP receives its money based on the exchange rate and a strengthening Euro
- And we pay out to you in £ - Consequently we have more £ for the Euro
- Risks - that the £ will become strong again
- Additionally there is a small amount of old money



WHAT WE ARE SPENDING IT ON ?

- Primarily on JSA customers at the '6 month' stage and some 'day one' / handful of specifications targeted at other customers
- We are varying a handful of contracts where performance is up to the tolerance levels
- We may vary further contracts that come close to the tolerance levels
- We are letting twelve new contracts



WHAT ARE OUR DEPARTMENTAL PRIORITIES ?

Same as the last round with an emphasis on JSA customers to cover those becoming unemployed as a result of the economic downturn.

- Lone and disadvantaged parents
- Older workers
- People from ethnic minorities
- People with low or no qualifications
- Young people, especially those not in education and training



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CONTRACT PACKAGE AREAS

1. London Region
2. London Region
3. North West Region
4. North West Region
5. South East Region
6. South West Region
7. South West Region
8. East of England Region
9. South West Region
10. Yorkshire & Humber Region
11. Yorkshire & Humber Region
12. East Midlands Region



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PERFORMANCE

2003/2006 PROGRAMME

Delivered over 1000 contracts

Supported 420,000 starts on programmes

Moved 104,000 people into work

28% of starters moved into work



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PERFORMANCE

2007 - 2013 PROGRAMME

Delivered 75 contracts

Supported 24,000 starts on programmes

Moved 2,100 people into work

9% of starters moved into jobs so far

In summary

We are looking for bids to deliver 12 contracts

We are looking for measures to improve current performance

We will be looking for measures to show how you will quickly come up to profile in the new contracts



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Andy Whisker - ESF Project Manager Policy & Specifications



POLICY CONTEXT

- DWP to use additional ESF funds primarily to support long-term and disadvantaged customers on Jobseeker's Allowance
- 8 contracts JSA focused / 4 JSA and other client groups
- JSA 6 month group increasing rapidly - over 3 million flowing over 6 month threshold to Summer 2011
- Combined existing and new ESF places for JSA customers - around 200,000
- Best possible geographical coverage - a key objective



ESF Specification for England / Provider Guidance

- Specification that applies to all DWP co-financed contracts in England
- Provider Guidance chapter 12a - more detailed guidance - this forms part of your contract
- To find more general background on the European Social Fund you should take a look at www.esf.gov.uk - the website of the ESF Managing Authority in England



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Contract Packages

- See handout for detailed list

Non-JSA packages

- 8 of the 12 Contracts - delivering the JSA specification
- Cornwall Works Apprentice Programme - to support people with severe/complex barriers
- East Midlands - advocacy programme targeted at people who've left custody, people with learning disabilities and severe mental health conditions
- South Yorkshire - targeted at lone parents on IS/JSA and IB/ESA customers



Non-JSA packages

- West and North East Yorkshire - targeted on JSA customers with mental health conditions and learning disabilities
- London - Women Like Us - targeted at mothers in coupled families (this spec is part of the Contract Package ESF1 - Central London, Lambeth etc)
- More information about these packages will be available during the table discussions after lunch



JSA Specification - Aims

- We want to get as many people back into work as we can
- We have applied a minimum performance level of 36% of programme starts to achieve job outcomes
- The weakness in the economy will mean that employer links and effective marketing of customers is more critical - more on Local Employment Partnerships later
- Progression for customers clearly outlined in action plans



Target Groups

JSA 6-12 months plus day one access for

- People who left a custodial sentence
- Refugees etc
- Homeless customers
- People with drug and alcohol addictions
- People who have been in residential care

Target Groups- continued

- Ex-HM Armed Forces
- People with language, literacy and numeracy difficulties
- Lone parents, carers, disabled people, people with health conditions on JSA
- People who have failed ESA Capability Tests
- Personal Adviser discretion

Design

Key Elements:

- In-depth assessment
- Personal action plan
- Personal adviser for each customer
- Strategies to support all eligible customers
- Intensive Jobsearch
- Softer (work-related) skills



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Design - continued

- Signposting to targeted help delivered through other provision
- Potentially - short skills provision (inc certifications)
- Short managed work tasters to demonstrate customer abilities
- Financial Support to customers - jobsearch activities
- In-work support for 26 weeks after leaving



Duration / Attendance

- People should have significant & multiple barriers preventing them getting a job
 - Min length for most 10 weeks
 - Max length for most 26 weeks
- Max 25 hours per week, ESF provision is part-time
- Customers will remain on benefit



Referrals

- Majority via Jobcentre Plus, however
- Providers must still recruit
- Provision is voluntary

Referrals- continued

- Provider to confirm customer target group before a start as per all ESF contracts - the fact that JCP has made a referral should be sufficient information for a provider to confirm the customer is in the target group.



Local Employment Partnerships (LEPs)

- Partnership between Jobcentre Plus, employers and providers
- On contract award you will be offered a LEP Partnership agreement by JCP / also applies to sub contractors
- Copied into all Jobcentre Plus LEP vacancies and local labour market intelligence



Local Employment Partnerships (LEPs)

- There will be a process of reporting MI to JCP around customers who move into LEP vacancies
- Possibility that you may be asked to deliver LEP pre-employment training - help and advice is available if this happens

Funding Model

- Based on standard DWP funding model - same model as majority of existing ESF contracts
- 50% Delivery Payment (or Service Fee)
- 50% Job outcome on leaving provision

Funding Model-continued

- 6 week tracking period for customers to get a job on leaving
- Job definition: Job is at least 16 hours per week and the job is expected to last for at least 13 weeks
- You will be asked to agree upper and lower tolerances based on the changes to your delivery costs when starts on the provision rise or fall



Payments to providers

- Payments will be made to you on the basis of the latest guidance
- DWP is currently implementing a new referral and payments system (PRaP) - we are currently finalising how or whether this new system will apply to the payment of this round of ESF contracts - this will be clarified at the ITT stage



Steve Liptrot
Commercial Directorate
Provision Sourcing
Birmingham



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THE CONTRACT

The award of a contract, or promise of one only exists when you receive a formal letter from the Department for Work and Pensions Provision Sourcing Team and no offer or guarantee of any kind can be inferred from you being invited to tender for this service.



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Procurement

Areas to be covered:

- Procurement Strategy
- Procurement Aims and Objectives
- Prime Contractor Approach
- Advantages of Prime Contractor Model
- Contract Packages
- Procurement - Principles and Processes
- Funding



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Procurement Strategy

DWP's published Commissioning Strategy is to have a Prime Contractor approach.

The focus of procurement will be on:

- Job outcomes
- Quality of service
- Delivery of ESF delivery requirements
- Value for money



Procurement Aims and Objectives

Aim - to select suitably experienced providers through:

- A competitive process that ensures value for money
- Ensuring propriety, probity and conformity to public procurement legislation, policy and best practice
- To engage with the widest range of providers possible



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Procurement Aims and Objectives

- Robust contracts
- Sub contracting arrangements which will ensure the optimum use of smaller and specialist organisations
- Meeting specific ESF requirements including publicity, equality of opportunity and sustainable development



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Prime Contractor Approach

Prime contractors are required to undertake the following three functions:

- to provide some or all of the services directly
- to subcontract some services to other organisations
- to manage the payment and performance of the subcontractors



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Advantages of Prime Contractor Model

These include:

- A reduction in the number of contracts let
- A corresponding reduction in the number of providers requiring management and monitoring by DWP
- Flexibility to change aspects of delivery as a need is identified
- Facilitating the employment of specialist niche providers via sub-contracting



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Contract Packages

- The contract term and size must afford stability for providers
- 12 Contract Package Areas
- The contract period for package areas
- ESF1 - ESF11 will be from December 2009 to July 2011, with the opportunity to extend for a further 12 months
- ESF12, which will be from December 2009 to July 2012, with the opportunity to extend for a further 12 months

Procurement Principles and Processes

- Open and Competitive Tendering
- Government and EU Procurement Guidelines
- Fair and Transparent
- Legal Entity
- Consortia / SPV



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Two-Stage Procurement Procedure

The contracts will be procured using the DWP standard two-stage process of pre-qualification questionnaire and an invitation to tender.

First Stage - The Pre-Qualification Questionnaire (PQQ) tests a bidder's capacity and financial capability to deliver the type of products DWP requires.

Second Stage - The Invitation To Tender (ITT) tests a bidder's ability to deliver the specific programme being procured.



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Stage One (Pre-Qualification Questionnaire)

- Your responses to Pre-Qualification Questionnaire
- Evaluation of Quality and Financial Capability
- Short-Listing

Stage Two (Invitation To Tender)

- Your response to the Invitation To Tender
- Evaluation of Quality and Financial Capability
- Preferred Bidder Selection
- Post Tender Discussion
- Momenta Accreditation
- Contract Award
- Implementation Period

Trevor Law
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Pre-Qualification Questionnaire

- **Part 1 Organisation Identity**
- **Part 2 Eligibility To Submit A Pre-Qualification Questionnaire**
- **Part 3 Contract Package Areas**
- **Part 4 Organisation Information**
- **Part 5 Financial Information**



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Pre-Qualification Questionnaire

- Part 6 Contracting Strategy
- Part 7 Business Capability
- Part 8 Quality
- Part 9 TUPE
- Part 10 Declaration

Evaluation of PQQ

The objectives of the PQQ evaluation are to:

- Identify and select Providers with the requisite capability and capacity
- Select a list of providers for each contract package area who are adjudged best qualified to bid based on the evaluation criteria
- Ensure that only eligible providers tender at the ITT stage



Evaluation of PQQ

- Parts 5 - 8 are evaluated at the PQQ stage
- Evaluation process is undertaken by qualified professionals

Evaluation of PQQ

- Financial Capability (part 5)

This will be assessed separately to parts 6 - 8.

Evaluation of PQQ

Parts 6 - 8 will be evaluated as follows;

Scoring

- Scale of 1 - 5

(Score 1= poor, Score 5= excellent)



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Evaluation Criteria

Criteria Weighting

- Contracting Strategy 4
- Business Capability
 - Performance 5
 - Customer Service 5
 - Stakeholders 4
- Quality Assurance 3



Submission of Pre-Qualification Questionnaire

Responses must be completed in:

- Plain English on A4 paper - original simply bound
- Arial font size 12 using PQQ template

Parts 6 - 8 must not exceed a maximum of 12 pages, including the questions.

Supplementary information will be disregarded

PQQ - Hints & Tips

Please ensure

- Compliance with Instructions to Bidders
- Answer the question
- Use allocated space
- Don't assume that the evaluation panel is aware of previous experience
- Signatures
- Remember do not include supplementary information



ACCREDITATION PROCESS

Momenta:

Completed on line including a check of mandatory requirements e.g.

- Health & Safety Information
- Proof of insurance
- Diversity and equal opportunities



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Funding



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Funding

DWP will apply the standard funding model;

- Delivery Payment - regular monthly payments
- Outcome Payment - payment for a job outcome

Funding

Agreed contract price

Packages 1 - 8

- 50% for delivery fee
- 50% for outcome fee

Packages 9 - 12

- 60% for delivery fee
- 40% for outcome fee

Subject to tolerance arrangements



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CONTRACT VALUES / VOLUMES

Each specification will state:

- An indicative minimum/maximum contract value
- Minimum numbers of starts and outcomes

PQQ RESPONSE



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Completed PQQ Responses

PQQ Parts 1- 10 excluding Part 5

Sealed Envelope containing:

- Simply bound completed original and signed PQQ
- Two unbound paper copies
- Separate CD Rom (no memory sticks)



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FINANCIAL INFORMATION Part 5

Separate sealed envelope clearly marked 'Financial Information' containing:

- Original, completed and signed Part 5
- Excel worksheet and financial statements
- Separate CD Rom

INSTRUCTIONS

Outer Envelope should contain following:

- Sealed envelope containing three responses to Parts 1-10 excluding part 5 with electronic version on CD-ROM
- Separate sealed envelope marked 'Financial Information' containing original signed response to Part 5 with attachments and CD-ROM

Closing deadline 12.00 noon Tuesday 14th April 2009



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OUTER ENVELOPE

CONFIDENTIAL - ESF P2

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Commercial Employment Provision

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BIRMINGHAM, B16 8NS



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Procurement Timetable

- Issue PQQ 2nd March 2009
- Return PQQ Noon 14th April 2009
- Short-listed bidders informed w/c 25th May 2009
- Issue ITT w/c 1st June 2009
- Return of ITT 17th July 2009
- Preferred Bidders informed w/c 31st August 2009
- Contract Award w/c 12th October 2009
- Delivery Commences 14th December 2009



Further Networking Opportunities

- Facilitate networking opportunities between potential Prime and sub contractors
- Creation of Networking Database



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QUESTIONS?



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ANY FUTURE QUESTIONS?

Email Address:

ESFBIRMINGHAM.PST@DWP.GSI.GOV.UK

Published responses on Website Address:

http://www.dwp.gov.uk/supplyingdwp/what_we_buy/welfare.asp



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