

Invest to Save – Question & Answer Log – UPDATED 15/3/10**Note: Includes Q&A from London, Birmingham events and subsequent questions in the Invest to Save inbox.**

Question Reference	Question	Answer	Area
PQQ 1.	How many Suppliers will be invited to the next stage?	DWP has a working assumption of progressing with up to 7 Suppliers per Contract Package Area at first stage of dialogue, reducing further to 3 Suppliers at the 2 nd phase of the CD process subject to the scores/ranking process.	Procurement
PQQ 2.	How can sub contractors be engaged in the process?	PQQ events were open to all organisations interested in the Invest to Save procurement. A list of organisations who have agreed to publish their details from these events will be posted on the DWP website. As part of the CD process each package area will hold an open day to facilitate networking activities.	Procurement
PQQ 3.	Will Primes be expected to mirror the agreed funding model with sub-contractors?	No – Primes should negotiate agreements directly with sub-contractors, taking into account the requirement of the DWP Code of Conduct.	Procurement
PQQ 4.	Will Invest to Save Supplier be able to apply for New Pathways contract when available?	There is nothing preventing Suppliers from bidding for other services subject to their organisational and financial capacity.	Procurement
PQQ 5.	What experience does DWP have of the Competitive Dialogue (CD) approach?	We have not previously used this approach for Welfare to Work contracts, however DWP has used the process for other categories of contracts and we have consulted with colleagues and other Government Departments to learn from their experiences.	Procurement
PQQ 6.	Why is DWP using CD approach this	Welfare to Work services are usually procured	Procurement

	time?	using a Restricted Tender process involving two stages (PQQ/ ITT); The ItS product provides a more “Open” specification which seeks Bidders solutions on the product and more specifically the Funding Model. CD process will allow detailed discussions to help refine delivery and funding solutions prior to written final submissions being invited.	
PQQ 7.	Can suppliers engage with and use the services of the Voluntary Sector?	Yes, we see this as a positive measure and indeed some services customers may need may be better delivered by voluntary/niche providers.	Procurement/ Policy
PQQ 8.	Is there scope for suppliers to be awarded more than one contract?	There is scope subject to DWP testing and being satisfied of an organisation’s Capability & Capacity.	Procurement
PQQ 9.	Will DWP reimburse any bidders costs for participating in Competitive Dialogue?	There is no provision for reimbursement of costs for participation.	Procurement
PQQ 10.	What impact do you expect the General Election to have on the competition?	During an election campaign the Government retains its responsibility to govern and Ministers remain in charge of their Departments. Essential business must be carried on. However, it is customary for Ministers to observe discretion in initiating any action of a continuing or long-term character. Decisions on matters of policy, and other issues such as large and/or contentious procurement contracts, on which a new Government might be expected to want the opportunity to take a different view from the present Government should be postponed until after the Election, provided that such	Procurement

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		<p>postponement would not be detrimental to the national interest or wasteful of public money'.</p> <p>'The key decision in any procurement is contract award. Other activity leading to this does not commit DWP to 'action of a continuing or long-term character'.</p>	
PQQ 11.	In the case of SPVs, is each SPV member allowed to complete a separate response to Q5.2,5.3, 5.4 and Q6 or do SPVs need to identify the most appropriate example from across all SPV partners?	<p>SPVs must provide a single composite response to Questions 5.2, 5.3, 5.4 and Q6.</p> <p>5.1 – on business background allows for separate responses.</p>	Procurement
PQQ 12.	In Q 5.2 bidders are asked to supply contract details for examples used – is this information included in the word count?	No – only the information/examples supplied in response to 5.2 a,b,c,d is counted. The contract title, dates etc are separate.	Procurement
PQQ 13.	Will DWP accept Tenders submitted electronically?	PQQ responses are to be submitted by post – one hard copy + 2 CD Roms. We will consider the strategy for the next stage and bidders will be informed in the instructions supplied.	Procurement
PQQ 14.	Where a PQQ is being submitted by an SPV should there be one PQQ or one PQQ per partner?	There should be one response for Parts 1 – 8, Part 9 – Financial Capacity must be completed for each member of the SPV.	Procurement
PQQ 15.	Q2.1 in the PQQ asks the organisation to indicate if it intends to subcontract part or all of the provision. We might decide to do things different in this	DWP require one PQQ per legal entity. DWP acknowledge that a supplier submitting a PQQ as the legal entity may adapt their bidding strategy depending on the contract packages they are	Procurement

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	respect in different locations. Can only one box be ticked? Or should we complete more than one PQQ?	tendering for; we ask that bidders indicate their early intentions and appreciate that this may change once the outcome of PQQ is known.	
PQQ 16.	Can an organisation bid as part of more than one SPV?	Yes	Procurement
PQQ 17.	As the PQQ appears to be limited by word count rather than page limit can you confirm that the use of appropriate diagrams and pictures is acceptable?	Apart from Q3.8 – request for one page chart illustrating ownership structure, DWP request that all questions are answered in narrative form.	Procurement
PQQ 18.	How much time will the Dialogue process take?	Following a Bidder Launch the first stage (ITPD) will continue with 3 wks dialogue followed by 3 wks to allow bidders to complete their Outline Solution. (Draft Documents will be issued at the start of the process); The next stage will involve around 7 wks dialogue and 4 weeks to complete the Final Tender documents. Full details of the Dialogue stage will be provided at an Invite To Participate in Dialogue (ITPD) Launch event which will be held within 2 weeks of the PQQ Outcome.	Procurement
PQQ 19.	How can the Third/Voluntary Sector be involved in Invest to Save / Outcome only programme?	The Third/Voluntary Sector are free to make a bid in their own right if they feel that is appropriate for their organisation. They could also consider a joint bid through an SPV approach. Alternatively, there is an opportunity to work with Prime Contractors in a sub-contractor/partnering approach.	Procurement
PQQ 20.	The CD process sounds a better approach to buying welfare services, why doesn't DWP use it for all provisions?	The CD approach is not a choice DWP makes, it can only be used were the authority (DWP) cannot :- <ul style="list-style-type: none"> • Objectively define the technical means 	Procurement

		<p>capable of satisfying the objectives, and/or</p> <ul style="list-style-type: none"> • Are unable to objectively specify the legal and/or financial make-up of a project. <p>Adopting a Competitive Dialogue approach is therefore determined by the awarding authority's ability or otherwise to fully specify the nature of the service to be delivered and (more particularly) the funding model to pay for provision of that service.</p>	
PQQ 21.	The timeline appears tight – why is there not more time for bidders to implement the provision?	DWP recognises the timeline appears tight, but are confident adequate time has been allocated to the key milestones in the procurement process e.g. Dialogue – allowing ideas to be fully discussed with the Authority and other key stakeholders before proposals are submitted. Implementation activities will vary from organisation to organisation and agreement can be reached with DWP later in the procurement exercise on the timing of when a full service will be available.	Procurement
PQQ 22.	How will sub-contractors be informed in the Competitive Dialogue (CD) process particularly around how the specification is developed?	The main route is via the DWP website where CD bidder details will be notified. Sub-contractors will be invited to be involved in network meeting planned during the Final phase of the CD process.	Procurement
PQQ 23.	What are the TUPE implications within each of the 5 Contract Package Areas?	The current assumption is that TUPE will not apply and there is ongoing analysis of the interaction between different programmes. Should this flag up any issues we shall revisit the issue of TUPE.	Policy

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PQQ 24.	How does DWP envisage 3 rd Sector involvement?	DWP's commissioning strategy is based on a Prime Contractor delivery model, i.e. fewer, larger contracts to be awarded. Please also see response to Question PQQ 19 above.	Procurement
PQQ 25.	Within the West Midlands there are 3 Sub Regional Partnerships. Is it 1 contract for the whole of the West Midlands Contract Package Area or 3?	DWP works with One Sub Regional Partnership for West Midlands. One contract will be awarded for the whole CPA.	Procurement
PQQ 26.	What are the expected/ aspirational job outcome targets for each CPA?	DWP has not included any specific expected/ aspirational targets within the specification rather Bidders will be responsible for making their performance offer.	Procurement
PQQ 27.	Will questions asked at CD stage be similar to current DWP ITT process?	High Level responses are required at the initial stage of CD with more detail required in the final stage.	Procurement
PQQ 28.	Are DWP opening the market to new suppliers?	DWP welcomes new entrants, looking to work with the wider market. In the case of Invest to Save Open Events were held last year and attended by over 200 people, where the policy intent of Invest to Save was shared. In addition to advertising on the DWP website the opportunity was also displayed in several newspapers and the OJEU website.	Procurement
PQQ 29.	PQQ asks about previous experience, would new players be disadvantaged?	No, experience need not be limited to dealing with welfare to work customer groups.	Procurement
PQQ 30.	A networking event involving local partners and sub-contractors is due around Sept/Oct can this be earlier?	Will be considered and details will be firmed up during the final dialogue stage.	Procurement

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PQQ 31.	When will sub-contractors be involved?	See Question PQQ 2 & 22.	Procurement
PQQ 32.	Question 5.2 of the PQQ asks bidders to provide 'contact' details for each example used, however no field is provided for this information.	This is a typing error. Only 'contract' details are required for which fields are provided	Procurement
PQQ 33.	Why is the specification in draft format for first phase Competitive Dialogue?	DWP will issue a high level specification for the initial stages of the Competitive Dialogue process which includes some non-negotiable items. During the Competitive Dialogue process the specification will evolve and develop to reflect more detailed requirements. A final definitive specification will be issued in advance of bidders submitting their final tender proposal.	Procurement
PQQ 34.	Would DWP be asking for responses to funding proposals at the first stage of Competitive Dialogue?	Yes - and details will be notified at Bidder Launch event.	Procurement
PQQ 35.	If there are 5 CPAs is it possible to have 5 different funding models?	Yes it is conceivable.	Procurement
PQQ 36.	How will DWP reduce the number of bidders at each stage of the competition?	Question PQQ 1. refers	Procurement
PQQ 37.	How subjective is the evaluation process?	The evaluation criteria are clearly communicated to all. Before any evaluation takes place assessors will undertake an internal benchmarking event to help ensure consistency and objective evaluation.	Procurement
PQQ 38.	How much of the assessment is made up of funding and delivery?	The scoring criteria still to be confirmed and communicated as part of the CD process.	Procurement
PQQ 39.	Has DWP sought advice and guidance from people with experience of CD?	Question PQQ 5. refers.	Procurement

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PQQ 40.	How will DWP manage any potential Intellectual Property Rights (IPR) issues which might arise during Competitive Dialogue?	Bidders will be required to tell us at the outset of the CD process post PQQ any issues or areas that they consider to be their Intellectual Property Right. We would then seek to reach agreement on what can be included in specification as it develops.	Procurement
PQQ 41.	How would it be viewed if a bidder introduced something into their final tender that had not been discussed with DWP as part of CD?	DWP will assess the bids that are formally submitted. Any proposal submitted at Final Stage should comply with the specification requirements.	Procurement
PQQ 42.	Would DWP accept variant bids?	The OJEU notice submitted by DWP indicates that we might accept variant bids. This will be confirmed during the CD process.	Procurement
PQQ 43.	Can bidders revise their original CPA rankings preferences during the process?	Yes	Procurement
PQQ 44.	If a bidder is successful in progressing to the CD stages in more than one CPA, will they need more than one team to participate in the CD process?	Final CD Process will be shared at the Bidder Launch event. How Bidders resource that requirement will be entirely at their discretion.	Procurement
PQQ 45.	What if, any, are the expected/ aspirational job outcome targets for each CPA?	DWP has not included any specific expected/ aspirational targets within the specification rather Bidders will be responsible for making their performance offer.	Procurement / Policy
PQQ 46.	What impact will localisation have on funding plans? For example, is joint funding with other local partners permissible?	There will be no scope for joint funding of ItS with local partners. This is due to the need for DWP to test and evaluate the funding model which is based on benefit savings.	Policy/ Localisation
PQQ 47.	What percentage of benefit savings can be passed on to suppliers?	It is not known at this stage what percentage of benefit savings can be passed on to suppliers.	Policy/ Finance

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		We are looking for providers' bids to include the level of saving they would require.	
PQQ 48.	Where data has been collected by suppliers as part of the delivery of Its, does that supplier retain IPR on the data?	Where the data has been collected at the request of or as a contractual requirement for DWP, that data remains the property of DWP. MI and Data collection will be set out as part of the contracts.	Procurement / Policy
PQQ 49.	Can the bidder/provider community have access to data/information held by government on the customer group?	There are issues around security and data protection that make this unlikely. Update: We will be able to update as and when we publish data which is broken down by impairment type. This customer group has not yet been migrated so assumptions from the existing customers must be made until data is available.	Policy
PQQ 50.	Can the bidder/provider community have access to data/information held by government on specific groups, as opposed to individual details, e.g. blind, partially sighted?	Analysis is based on assumptions from existing customers, who have not yet been subject to the Work Capability Assessment. DWP will look into this question further to establish what can be shared. Existing data on Pathways to Work customers is currently not shared.	Policy
PQQ 51.	I was under the impression that you had already carried out a pilot involving 193,000 people so why won't you share information that you have gathered from this.	I will look in to what information we are allowed to provide. Update: We have published the reports of our research, which can be found on the DWP website.	Policy
PQQ 52.	Is volunteering deemed as an outcome?	Customer involved in volunteering activities, whilst	Policy

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		recognised as a stepping stone to securing a job, would not constitute a job outcome or generate a job outcome payment. Job Outcome payments will only be made for customers moved into paid employment and off-benefit.	
PQQ 53.	Glasgow JCP District is involved in the 'Black Box' flexibility pilot. How will this impact on ItS customers in terms of being eligible for ItS, or the pilot?	Customers will be taken out of the pilot and mandated to ItS provision following ESA migration.	Policy
PQQ 54.	How will ItS impact on Pathways to Work provision?	Customers will be mandated onto ItS therefore not eligible to volunteer for Pathways to Work. Customers on Pathways (new ESA customers) will not be mandated or able to volunteer for ItS	Policy
PQQ 55.	What is the low attrition rate and on what is this rate based?	Less than 2% is the anticipated natural attrition rate based on those entering employment.	Policy
PQQ 56.	Will customers on ESA who appeal their WCA be mandated to ItS?	No, customers on appeal status are not eligible for ItS.	Policy
PQQ 57.	Disabled customers often have very high travel expenses due to them requiring adapted transport etc. who is going to pick up the cost for this?	The customer or provider who would pay this but I will look into this area in more detail. Update: The Provider will have to factor into their bids the costs associated with supporting someone into employment.	Policy
PQQ 58.	Can you clarify the relationship between Invest to Save (ItS) and Pathways and NDDP?	ItS is aimed at migrated IB customers not new ESA customers. ItS is not a replacement programme for Pathways to Work and NDDP.	Policy

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		Customers in an ItS Pathfinder area will not be allowed to volunteer for Pathways to Work.	
PQQ 59.	Can you provide more information about deadweight/natural attrition?	8% leave benefit for various reasons. Less than 2% leave benefit to go into employment. Further analysis is required to be undertaken to determine natural attrition rates for the ItS pathfinders and rate will be agreed with bidders during the competitive dialogue stage of the procurement exercise.	Policy
PQQ 60.	What is DWP's expected job entry rate for this group?	The natural attrition rate is less than 2% for this customer group. It will be for Bidders to determine a provider performance rate above the natural rate to support their proposals.	Policy
PQQ 61.	How fixed is the 2 year length of support?	The length of support available to the customer is fixed at 2 years for the ItS Pathfinder. DWP require fixed period to allow for an evaluation of the ItS Pathfinder.	Policy
PQQ 62.	Do DWP acknowledge that some groups will require longer help?	Yes. However, the pilot requires the majority of customers receive an equal length of time to allow for an evaluation of the Pathfinders.	Policy
PQQ 63.	How will DWP stop Providers from cherry picking/parking customers?	DWP anticipate that Providers will be required to deliver a minimum level of service to customers. The service will be discussed and agreed during the Competitive Dialogue process.	Policy

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PQQ 64.	Can Providers include an accelerated funding model in their proposals?	DWP is keen to receive innovative funding model proposals. The funding model will be discussed and agreed during the Competitive Dialogue process.	Policy
PQQ 65.	If customer leaves work early, will payments be based on their time in work only?	Yes. The funding available is based on the benefit savings.	Policy
PQQ 66.	Will DWP share retention rates with Providers?	DWP has agreed to review the data available on retention rates and will consider what data can be shared with Providers.	Policy
PQQ 67.	Do DWP recognise the risk the funding model presents to Third Sector organisations?	Yes. DWP are testing the model proposed by David Freud in his report "Reducing Dependency, Increasing Opportunity: Options for the Future of Welfare to Work". David Freud's report acknowledged the risk this type of funding model has on Third Sector organisations.	Policy
PQQ 68.	Are DWP looking for Providers to develop their own model and determine their own job outcome level?	Yes. DWP is encouraging Bidders to develop their own delivery model and determine job outcome levels.	Policy
PQQ 69.	Do DWP have evidence that Providers can deliver a service for the funding available?	DWP is testing the ItS model. The purpose of the Pathfinder is to test whether Providers can deliver a service using benefit savings. The Pathfinder will give Providers the opportunity to earn more as the number of job outcomes will be uncapped.	Policy

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PQQ 70.	Will ItS be subject to an equality impact assessment?	Yes.	Policy
PQQ 71.	Is there potential for different funding models for each of the Contract Package Areas?	Yes.	Policy
PQQ 72.	Is there potential for all contracts for the Contract Package Areas to be won by a single Provider?	Yes. See Question PQQ 8	Policy/ Procurement
PQQ 73.	What do you anticipate will be the rate of natural attrition into employment?	Analysts are reviewing the attrition rate and this will be shared during competitive dialogue. It is assumed to be below 2% annually.	Policy
PQQ 74.	During Competitive Dialogue will we review conditionality impact i.e. sanction resulting in no payments	No difference really to existing arrangements under CD it won't be reviewed. There will be a relatively open specification approach to contracting but there will be minimum levels of mandatory activity for each customer. There will be a focus on the flexible use of Gregg conditionality rather than extensive mandatory provision for all customers.	Project
PQQ 75.	What elements of the customer journey and experience are mandatory?	Although there will be a relatively open specification approach to contracting there will be minimum levels of mandatory activity for each customer but with a focus on the flexible use of	Policy

		<p>Gregg conditionality rather than extensive mandatory provision for all customers. We will look to providers to detail the mandatory activity they would see as a minimum with in their bids.</p> <p>Each customer journey will follow the same process to begin with in that all potential ItS customers will be migrated from IB to ESA followed by a Work Capability Assessment. Carried out by ATOS. Customers assessed capable of work will be referred to Job Seekers Allowance. Customers assessed as not capable of work will either be placed in the Support Group where they can volunteer for ItS or in the Work Ready Activity Group where they will be referred to an ItS provider.</p>	
PQQ 76.	How will a 'job' be defined?	<p>A 'job' is defined as over 16 hours per week working for a wage.</p> <p>In order to achieve a job outcome payment, providers will need to show that a customer is working for 16 hrs or more a week, in employment or self-employment. This will result in an off-benefit check.</p>	Policy
PQQ 77.	What if a customer goes into self employment, will this count as a job outcome that qualifies for a provider payment?	Yes, as long as the customer is working for 16 hours or more, in paid employment.	Policy
PQQ 78.	What's the main aim of ItS	Primary aim is to get customers into work.	Policy

		<p>Secondary to test the funding model.</p> <p>ItS aims to tackle long-term benefit dependency through increasing use of private sector contractors to deliver support, using benefit savings to reward providers for supporting claimants to achieve long term sustained employment.</p>	
PQQ 79.	How will Work Choice fit alongside ItS?	The policy team is exploring the relationship between ItS and Work Choice and this will be shared as soon as possible. We are, however, confident that ItS will fit in with other programmes, and that all customers will receive the kind of employment support they need.	Policy
PQQ 80.	Will the slides be circulated?	Yes – published on DWP website	Project
PQQ 81.	Can you please expand on what is meant by minimum activity?	With the exception of lone parents with the youngest child aged under 1, providers will be required to deliver a minimum conditionality to every customer (to be decided through the competitive dialogue process). Beyond this, providers will be able to require a customer to attend WFIs or undertake work-related activity where they think this would support moving the customer into work.	Project
PQQ 82.	Are there any non-negotiables	There are a number of non-negotiable key Principles underpinning ItS. These Principles include:	Policy

		<ul style="list-style-type: none"> • Providers will only be rewarded from the net benefit savings they deliver • Payments to providers should not exceed benefit savings and should take account of natural attrition into employment • Providers will only be paid for job outcomes with no service fee • Job outcomes will be paid to providers for a total maximum of 18 months per customer whilst the customer remains in work and off benefit. Payments may be aggregated but the total duration of payments for any one customer will not exceed 18 months. • Mandatory customer / provider engagement periods should not exceed 2 years • Customers will be sanctioned if they fail to comply with a requirement on them, but there will be a focus on the flexible use of Gregg conditionality • WCAs will be carried out by ATOS 	
PQQ 83.	Can you Clarify how ItS fits with other programmes e.g. Workchoice for the Customer group	<p>People will remain on existing programmes until mandatory referral will put them on ItS.</p> <p>As ItS will be delivered in specific areas and target a specific customer groups i.e. customers who have been on incapacity benefits for at least 2 years that the majority of these customers will not be participating in any other employment</p>	Policy

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		<p>programme. Where a customer is already participating in, for example, Pathways, either as a mandatory or voluntary customer, they will continue to engage with Pathways until they migrate to ESA. The same principle would be applied to other programmes.</p> <p>See Question PQQ 79</p>	
PQQ 84.	When does migration start?	We will start migration to ESA in October 2010. The migration process is planned to continue over three and a half years and be complete in 2014.	Policy
PQQ 85.	Will bidders interpret Gregg's model?	Yes – bidders will develop own model but within mandatory requirements. See Question PQQ 81.	Policy
PQQ 86.	Do DWP have a minimum expectation on the conditionality applied?	<p>All customers will have an initial WFI carried out by Jobcentre Plus. Following this, with the exception of lone parents with the youngest child aged under 1, providers will be required to deliver a minimum conditionality to every customer (to be decided through the competitive dialogue process). Beyond this, providers will be able to require a customer to attend WFIs or undertake work-related activity where they think this would be helpful in moving the customer closer to work.</p> <p>DWP expect bidders to respond stating the minimum conditionality they would apply, we expect all customers to have some engagement.</p>	Policy
PQQ 87.	Is the 18 months payment period flexible	No – 18 months is fixed	Policy

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		To encourage sustained job outcomes, providers will be paid for <i>up to</i> 18 months whilst the customer remains in work and off benefit. This is one of our key principles and therefore non-negotiable.	
PQQ 88.	What will happen if Contractors under perform – will DWP reduce payments?	DWP will follow standard contract management processes.	Policy
PQQ 89.	Which is more important - Gregg Conditionality or the Funding Model?	ItS has a number of equally important objectives. The key objective is increasing the number of long-term incapacity benefit customers moving into sustained employment through the use of: <ul style="list-style-type: none"> • A new and innovative funding model • increasing use of personalised conditionality • a relatively open specification approach to contracting • increasing use of private and voluntary sector contractors • collaborative working with local partners 	Policy
PQQ 90.	Innovative Funding could result in complex systems to administer. Will DWP collaborate with providers to come up with a system?	ItS is seeking to utilise the PRaP functionality for the referral and payment process to reduce the administrative burden placed on DWP and providers. We are working closely with the PRaP development team to ensure PRaP has the flexibility to meet delivery objectives.	Policy
PQQ 91.	What do you mean by 'each customer will have 2 years on the programme', what if someone is on ItS for 6 months then works for 12 months do they only have 6 months left on ItS?	Each customer will have 2 years mandated to the ItS programme, within the 4 year contracts- regardless of spells in employment or off benefit. In this example if someone works for 12 months and returns to the programme they still have the	Policy

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		remaining balance of 18 months on the programme. Customers will also be able to volunteer for 6 months at the end of their 2 years on the programme.	
PQQ 92.	Is it appropriate to start getting in touch with the Glasgow Partnership?	Not on the specifics of the Invest to Save programme and how it might fit with local strategies. At the moment, discussions are ongoing between DWP and Glasgow Works/ Jobcentre Plus on how local provision might align with ItS provision. However, it is acceptable to discuss general partnerships working and issues that are already in the public domain	Localisation
PQQ 93.	How can relationships with partners in Manchester be established?	See Question PQQ 92.	Localisation
PQQ 94.	Will there be one specification for all 5 Contract Package Areas (CPA) or will they differ from area to area?	Through Competitive Dialogue process the current high level 'open' specification will develop and it is possible that specifications may differ between CPAs.	Localisation
PQQ 95.	What local data will JCP have?	Local information is contained in the Specification Annexes, additional customer information can be found on the NOMIS site.	Localisation
PQQ 96.	When will be the first opportunity to engage with Partnerships?	This will take place during at the Competitive Dialogue stage, initially at the Launch Event and then subsequent workshops and Local Meetings.	Localisation
PQQ 97.	Are there any examples of what is meant by alignment of services and duplication of services?	Specific examples of services that may be aligned with ItS provision have been/are being identified by partnerships. These will form the basis of the discussions between DWP and partnerships as to	Localisation

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		what information will be provided in the ITPD Descriptive Document for each locality. This is to help shape the provision requirements, promote complementarity's, avoid duplication of services and maximise the provision available in each locality.	
PQQ 98.	What guidance is available for Bidders in terms of identifying localisation issues?	General web based or other information that is in the public domain published by partnerships may be useful. Once known details on key contacts within each of the Partnerships will be provided.	Localisation
PQQ 99.	How will suppliers be expected to collaborate with local partners – is there a list?	The PQQ specification explains that there is an expectation on suppliers to work with partnerships in their locality to maximise the effectiveness of provision. Partnership details are also contained in the PQQ specification and this information will be expanded in the Descriptive Document that will accompany the Invitation to Participate in Dialogue.	Localisation
PQQ 100.	When assessing the PQQ what would be the influencing factors for finance?	DWP will seek assurance that bidders taken to the next stage would not struggle financially were they to be ultimately successful. It is particularly important given the deferred revenue regime envisaged for Invest to Save.	CD Finance
PQQ 101.	Are DWP looking for a financial threshold for stability?	No. There is no financial threshold at the stage.	CD Finance
PQQ 102.	Where the bid is submitted in the name of a holding company which does not have an established track record of	Yes	CD Finance

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	trading, would DWP be prepared to accept the accounts of the trading company within the group?		
PQQ 103.	Does DWP have any idea what working capital might be required?	No. This will depend on various factors for example, bidder pricing proposals and costs of their delivery solutions.	CD Finance
PQQ 104	At the ItS briefing in London DWP outlined it would assess the financial aspects of bidders PQQ with reference to three areas: Turnover, Acid Test and Debt Ratio. Can you provide further detail on how you anticipate assessing these areas or what performance benchmarks you will be using?	DWP does not assess these against benchmark values, instead ranks bidders against each other according to relative risk. If the analysis highlights a particular concern e.g. an Acid Test Ratio well below 1 – then we would contact the organisation concerned to seek further assurance regarding liquidity before excluding on purely financial grounds.	CD Finance
PQQ 105.	In Parts 5.2 to 5.4 of the PQQ response document you provide space for “Organisation Name”. Am I right in assuming this space is for us to provide details of the funding authority and their contact name and address?	Organisation Name – is the “contracting authority” you provided a service for, along with the name of the contract and period of contract. The address is not requested – instructions are incorrect on this point.	Procurement
PQQ 106.	Will the list of delegates from the 2 briefing events be published?	Yes, we have sought agreement for those delegates attending the briefing events for details to be published.	Procurement
PQQ 107.	Please could DWP confirm whether potential bidders are allowed to engage with local Jobcentre Plus partners with regards to Invest to Save during the tendering process?’	Engagement with Local JCP Partners will be permitted and managed through the Competitive Dialogue process, full details will be provided at the Launch event following Invitation to Participate in Dialogue for organisations successful at the PQQ stage.	Procurement

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PQQ 108.	Please can you confirm whether some parts of part 9 can be submitted as PDF documents (CD ROM purpose only), i.e. accounts?	PDF documents are acceptable for parts of Part 9 Financial Information.	CD Finance
PQQ 109.	Please can you confirm for Invest to Save is a delegated authority able to sign the PQQ.	DWP request that the PQQ is signed by an employee of the bidding company.	Procurement
PQQ 110.	What is the unit price?	This will be agreed during competitive dialogue	EG Finance
PQQ 111.	Is there is a specific value to define savings?	Payments to providers will be a proportion of ESA benefit savings only, paid for a maximum 18 month period	EG Finance
PQQ 112.	Financial Capability – how will this be taken into account?	We will undertake an analysis of the financial information provided as part of the PQQ	CD Finance
PQQ 113.	What is the savings per week and what will be available for suppliers	Payments to providers will be a proportion of ESA benefit savings only. Current ESA payments are approx £90 a week, but customers migrating from IB will receive transitional protection. Our analysts are still working up the figures, they will be made available to you during the dialogue.	EG Finance
PQQ 114.	What actually qualifies for an outcome payment?	The customer must be in employment for 16 hours a week or more and off benefit. See PQQ 76	EG Finance
PQQ 115.	What timescale is applied to customer in a job to trigger payment?	We will make a payment once the customer has been in work for 4 consecutive weeks	EG Finance
PQQ 116.	Will DWP assess the Financial capacity of Subcontractors	We would look for assurance that Prime had done enough to investigate the capability of the sub-contractor they would be working with – using tested models.	CD Finance
PQQ 117.	3 rd Sector will have issues due to the	If they are unable to participate as a prime	EG Finance

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	funding model – may not be able to be involved?	contractor, they can participate as a subcontractor or within a consortium where their financial arrangements do not need to be on the same terms. Also refer to PQQ 19 & PQQ 67	
PQQ 118.	Are there penalties if performance is less than expected?	We can only make a payment if additional benefit savings are delivered	EG Finance
PQQ 119.	What is the attrition rate based on, eg is it those moving into employment only?	The natural attrition rate is based on customers who leave ESA, whether that be to other benefits, education, employment etc	EG Finance
PQQ 120.	Are Benefit Savings based on ESA only?	Yes, no other benefits will be included in the savings.	EG Finance
PQQ 121.	You mentioned that ItS is a generous payment but given the customer group is this so?	The level of outcome payments available under this pathfinder are higher than those for other programmes	EG Finance
PQQ 122.	How soon will you make the first payment?	The customer must be in work for 4 consecutive weeks. We will advise how soon after we make the payment as part of the dialogue process.	EG Finance
PQQ 123.	How will payments be made?	Via PrAP or an alternative standalone process. See PQQ 90	EG Finance
PQQ 124.	Is the contract viable in terms of conditionality?	We will ask providers to propose the minimum level of conditionality as part of the dialogue. See PQQ 75	EG Finance
PQQ 125.	Is there a forecast saving to inform Ministers?	No benchmark has been agreed, more a range of variables. As we can't define the funding model and are running the competition under competitive dialogue, DWP has no minimum savings expectation.	EG Finance
PQQ 126.	Will there be a cost to Government if ItS is unsuccessful?	There is no service fee, we only make a payment when a benefit saving has been realised.	EG Finance

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PQQ 127.	If the Key principle of 18 months cannot be extended we are unsure if the contract will be viable?	This will be a commercial decision which bidders will need to take.	EG Finance
PQQ 128.	What are the savings based on?	See PQQ 113	EG Finance
PQQ 129.	Will the savings paid to suppliers increase over time?	As part of the dialogue we could agree to vary the proportion of savings paid.	EG Finance
PQQ 130.	Will performance targets be set?	See PQQ 26/45	EG Finance
PQQ 131.	Can providers access other funding streams?	Outcome payments will be based on ESA savings only	EG Finance
PQQ 132.	Whilst accepting the Commissioning Strategy Prime Contractor approach, it is unlikely that charities/3 rd Sector organisations will risk relying purely on funding generated from job outcome payments	DWP will pay Prime Contractors only on a Job Outcome basis, however, Prime Contractors payments to sub-contractors need not follow that model. See PQQ 117	EG Finance
PQQ 133.	What is the source of the data for the Invest to save funding model?	Payments are based on ESA benefit payments updated every year.	EG Finance
PQQ 134.	Is the rate of benefit payments the same across all areas of the country and will the payments to providers be equal in all areas?	In the short term individuals will receive differing levels of benefit following their migration onto ESA, but we intend to use an average as the basis for the outcome payments	EG Finance
PQQ 135.	I was looking for clarification on the worked example which uses an annual conversation rate of 2-2.5%?	At the moment these are just examples, we would be looking for providers to tell us how many outcomes they could achieve	EG Finance
PQQ 136.	What is the difference between Pathfinder, Pilot, and trailblazer?	A pilot tests the policy, a pathfinder tests the delivery of an agreed policy, a trailblazer tests the rollout. They also require different legislation.	EG Finance
PQQ 137.	Is the rate of payment decided by how	We will not be able to provide personal data about	EG Finance

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	much benefit the customer was receiving before they were placed into work? Will we have this information and if we don't how can we advise a client as to whether it would be better for them to go back to work?	claimant's previous payments. We will agree a fixed rate of payment with the provider based upon average ESA payments. In relation to providing information to help providers give good advice to claimants, I believe this will be up to the claimant's discretion to provide this themselves.	
PQQ 138.	What is the fixed payment per customer likely to be?	Current ESA payments are approx £90 a week, but customers migrating from IB will receive transitional protection. Our analysts are still working up the figures, they will be made available to you during the dialogue.	EG Finance
PQQ 139.	What will you require in terms of evidence that we are getting the people we say we are into employment.	We can discuss this as part of the dialogue, but the NAO require the Department to gather evidence prior to making payments to providers for job outcomes.	EG Fiance
PQQ 140.	Is there any evidence from pilots or similar areas that this model and the rates on offer are going to be attractive in terms of profitability?	This is an innovative pathfinder which is testing many of the key principles for the first time	EG Finance
PQQ 141.	What is the maximum age limit for claimants to be on the Invest to save programme?	57 years	EG Finance