

# THE DWP RIGHT TO BID BIDDERS GUIDE

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## **Foreword - A BIDDER'S GUIDE TO DWP 'RIGHT TO BID'**

**Foreword by the Secretary of State for Work and Pensions, the Right Honourable Yvette Cooper MP and the Permanent Secretary, Sir Leigh Lewis.**

I would like to take this opportunity to announce my continued support for the 'Right to Bid' initiative announced by my predecessor, the Right Honourable James Purnell MP. The initiative outlined in the recent [White Paper 'No-one written off: Reforming welfare to reward responsibility'](#) was the establishment of a 'Right to Bid', to capture and explore innovative ideas from external organisations which can provide measurable improvements in the way services are delivered.

The Right to Bid initiative was introduced on 1 January 2009 and we are pleased to say that we have already had a significant amount of interest. However, our evaluation of the bids received to date has shown that many have failed at the first hurdle. This is mainly due to the bids proposing delivery models that replicate existing or planned Welfare to Work provision, or do not sit within DWP funded business, i.e. they describe LSC, Skills Development Scotland or Careers Wales funded provision.

In acknowledging this feedback, the aims of Right to Bid and the supporting processes have been clarified to help give potential bidders a greater understanding of our business, to help them target their proposals and increase the opportunities for success.

This Guide outlines the revised Right to Bid approach and process, and seeks your engagement and commitment.

We look forward to receiving your proposals.

**Yvette Cooper**

**Leigh Lewis**

## 1. What is 'Right to Bid'?

- 1.1 Right to Bid is a more radical approach to contracting which attempts to harness provider innovation in the way DWP services are delivered. Our aim is to make the most effective use of the experience, knowledge and perspectives of the public, private and voluntary sectors in realising our ambitions on Welfare Reform.
- 1.2 Right to Bid has already had a significant amount of interest. However, current evidence has shown that many of the bids received replicate existing or planned Welfare to Work programmes. We have also noted that many do not sit within DWP funded business. In light of these lessons, we have reviewed the supporting documentation and guidance in order to fully represent the aims of the initiative.
- 1.3 To enable bidders to achieve a greater understanding of the Right to Bid values we have taken into account the findings of the re-evaluation and introduced a number of practical changes including;
- Re-emphasising the guidance to provide bidders with a greater understanding of the aims of Right to Bid. This includes an explanation of DWP Business ([Annex 1](#)) in order to help focus proposals away from duplication.
  - Introduced a support mechanism for bidders to ask for advice prior to the submission of a bid (see section 4).
- 1.4 We are re-emphasising that the Right to Bid ethos is “a right to bid, not a right to fund”. Right to Bid is about encouraging small scale/proof of concept pilots that are focused to meet localised gaps in provision. In this light, we have introduced a funding limit of £500,000 per bid to encourage bidders to focus on proposals which deliver smaller scale pilots.
- 1.5 Also, Right to Bid **should not** be seen as a replacement funding source for provision that has had existing DWP/public body funding withdrawn due to a scheme termination or from open competition.
- 1.6 Bids that seek access or changes to departmental IT systems will not be taken forward under any circumstances.
- 1.7 In light of the above, the key attributes that we see contributing to a successful bid are where a bid is:
- of a scale that lends itself to setting up as a discrete pilot;
  - in a form which we can readily trial and evaluate;
  - well defined in scope;
  - clear in terms of the client group the bid is looking to engage with;
  - show research of and take into account existing delivery approaches;

- clear in its objectives and outcomes so that it can be readily evaluated; and
- capable of replication at a national level.

1.8 Where a bid does not meet all of the above key indicators, it will still follow the normal evaluation process as outlined in Annex 2. However, it will need to show stronger evidence against the indicators it does meet. If a bid does not meet any of the key indicators, it is unlikely to progress beyond the first tier evaluation.

## 2. What can be proposed under Right to Bid?

### 2.1 A bid should be within the strategic aims of DWP.

- DWP aims to move people into employment. Bids should be focused on job outcomes, with payments linked to results.
- Any bids outside the remit of DWP are unlikely to succeed. See [Annex 1](#) for more information about the remit of DWP, DBIS/LSC, Skills Development Scotland and Careers Wales

### 2.2 A bid should add value to, but not replicate, what we are already doing in our mainstream programmes.

- This might be displayed by showing how a proposal might support particular groups or individuals who currently do not receive all the support they need.
- A proposal may seek to trial a new methodology or intervention which has been used effectively elsewhere and has potential in employment programmes.
- Where proposals are defined to complement existing provision such as flexible New Deal, we would advise bidding organisations discuss their ideas with existing providers.
- We would not rule out support for ideas that address the needs of groups who are demonstrably not being best served through existing contracts and can clearly show added value.

### 2.3 A bid should also fit within the Welfare to Work Strategy. For example, towards employment support that is:

- personalised to the individual;
- is responsive to local needs and wider Government priorities;
- simple and easy to navigate; and,
- maximises job outcomes.

### 2.4 By the same token successful bids will show a firm understanding of the pattern of provision to which the Department is already committed to commissioning in the period ahead. This includes:

- Mainstream national programmes, such as flexible New Deal and Pathways to Work. Background information about some of our programmes can be found on DirectGov (i.e. for jobseekers and disabled people) but it would be useful for bidders to research what is available in their area.
- Specialist provision for particular groups, such as those with specific disabilities or with substance abuse issues
- Trials of multi-client provision; co-commissioning of employment and skills provision; provision funded by the recycling of benefits saved. [Raising Expectations and increasing support: reforming welfare for the future](#)

**2.5 They should be DWP business, i.e. To help customers find sustained work.** A job outcome is defined as;

- A job (or jobs as it may be employment with more than one employer) which:
- consists of at least 16 hours of work each week;
- begins within 13 weeks of the participant leaving the provision; and,
- is expected to last at least 13 weeks.

**2.6 They should fit with procurement rules governing the award of Government contracts.**

- UK and EU procurement rules normally require work which Government seeks to procure to be out to competitive tender. Exceptions can be made, however, for instances where the Government wishes to test or pilot innovative or time-bound proposals which it would be unfair or undesirable to put out to competitive tender (for example where a supplier puts forward a proposal which depends on the suppliers own intellectual control).
- Potential bidders should note that the Department has obtained legal advice that goods and services which are classified as 'Category A' under the European Union's Public Procurement Regulations cannot be procured through the *Right to Bid* process. However, since all welfare-to-work services are classified as EU 'Category B', *Right to Bid* is an acceptable acquisition method.
- Clearly if proposals are made of a scale or duration which are not capable of being accommodated in this way then, if the Department were attracted in principle by the proposal, it would need to discuss the position with the organisation making the proposal.

**2.7 The total costs for the proposal should be under £500,000.**

- The Right to Bid initiative was introduced to provide an opportunity to test out proposals to see how they can add value to existing services.
- Proposals should seek to address specific local needs and as such, not look to address national level issues. If, following evaluation, a Right to

Bid pilot is perceived suitable to benefit a wider geographical range, this would be taken forward separately

#### **2.8 A bid should identify details of how the proposal could be evaluated.**

- Bids should include brief details of how they propose to evaluate the effectiveness of their provision along with any associated costs.

### **3. Costs and Expenses**

- 3.1 You will not be entitled to claim from DWP any costs or expenses that you may incur in preparing and or submitting your Right to Bid Application Form at any stage of this procurement exercise. This applies whether or not your or any other organisation is successful. In addition, we reserve the right to cancel this exercise if circumstances should arise that would make this necessary.
- 3.2 Under no circumstances will DWP be liable for any costs or expenses borne by any potential Subcontractors, suppliers or advisers in relation to this Tender process.

## 4. The Bid Assessment Process

4.1 Bidders submit proposals to the dedicated Right to Bid mailbox, using a [standard pro-forma](#) which is available on the 'Supplying DWP' website.

**Please note that the application form has word count limits to sections of the form. Any information in excess of this will not be considered, nor will any supplementary folders, brochures or papers. It should also be noted that information received after the initial bid has been submitted will also not be considered.**

4.2 Bidders should be aware that by submitting proposals they acknowledge that the terms of any contract with DWP will be the standard DWP General Terms and Conditions for the Supply of Services which can be found on the ['Supplying DWP' website](#).

4.3 Any organisation that submits a bid acknowledges that any intellectual property which forms part of the bid is at the time of submission, the property of the organisation, or the organisation has the necessary licences to submit the bid and undertake the work for the DWP. Any bid which is successful in proceeding to the pilot stage will require that the bidding organisation grant to DWP a non-exclusive, perpetual, irrevocable licence to use the intellectual property and to sub-contract the licence for the purposes of the DWP.

4.4 Since the Department is adopting an open approach to Right to Bid and has no preconceived view of how many bids will be received within Welfare to Work, we are not setting a definite prescribed time limit for the period between receipt of bids and award of contracts.

4.5 We aim to progress bids as quickly as possible depending on the number and nature of proposals received, but ensuring that all proposals are acknowledged and that applicants are kept informed regularly of the progress of their proposal.

4.6 A flowchart at [Annex 2](#) gives an overview of the process that is taken.

4.7 Bids will be evaluated by a Right to Bid Evaluation Board who will assess the bids using a two tier evaluation process to ensure proposals support the principles of Right to Bid and have merits to be looked at more closely.

4.8 The first tier assessment of the bid is against the following key criteria:

- Does the bid fall within DWP's business remit?
- Does the bid duplicate existing/planned provision; If yes, does the proposed delivery model show innovation/added value to distinguish from existing/planned provision?

4.9 Should the answers be satisfactory, the following criteria are then assessed;

- Is the bid within the £500,000 limit?
- Is the bid genuinely innovative?
- Does the bid focus on outcomes, with payments linked to results, so success can be demonstrated?
- Are the services offered by the bid capable of replication in other areas of the UK following a pilot scheme?
- Does the bid support the Department's objectives as outlined in the [Welfare Reform White Paper](#) and/or [Departmental Business Plan](#)?

4.10 If successful at this stage, more detailed impacting will be undertaken in a second tier evaluation which will include;

- assessment of the local fit with Districts/Region where it is proposed to be delivered;
- assessment of the strategic fit with the programme or client group it impacts upon;
- evaluation by Jobcentre Plus who will give a detailed view on the merits or otherwise of the proposed delivery model and assess if the proposed service can be successfully piloted without disrupting or compromising existing provision; and,
- assessment for financial capability and stability.

4.11 Bids that do not pass first & second tier impacting will receive detailed feedback from the Right to Bid Team within seven working days of the relevant Evaluation Board.

4.12 Where proposals successfully pass through impact assessment, discussions will take place with the bidders to conclude a draft contract.

4.13 Negotiations are likely to include:

- funding to be provided (and over what period) including payment models;
- key performance indicators and the evaluation processes that are to be employed;
- other legal and operational issues that may arise from running the proposal.

4.14 Negotiations will also seek agreement on the appropriate lead time before the contract commences.

4.15 All contracts awarded under Right to Bid will be subject to regular performance assessments to ensure that they continue to deliver the results anticipated from the bid assessment phase. The agreed evaluation approach will operate during and after the end of the contract as appropriate.

4.16 A successful Right to Bid pilot does not guarantee further contracts. Right to Bid bids are about demonstrating proof of concept and as such could lead to several outcomes. These include;

- helping to inform our policy on how we do things in the future;
- provide useful lessons learned that we would want to share with our wider provider network in our approach to delivery; or
- might mean changes to contracted out provision. This would be subject to open competition as per departmental procurement rules.

## 5. How to contact the team

- 5.1 A dedicated mailbox for Right to Bid ([right.tobid@dwpgsi.gov.uk](mailto:right.tobid@dwpgsi.gov.uk)) is available and should be used in all communications with the Right to Bid team.
- 5.2 We are happy to offer support to prospective bidders. Whilst we are unable to discuss individual ideas, we can provide advice on the bidding process, including the key components of what makes a successful bid. Should a bidder wish to discuss the premise of Right to Bid, prior to submitting a bid, questions can be sent via this mailbox and will receive a response within 48 hours.
- 5.3 We will ensure that bidders receive regular communication on the progress of their bids with written updates provided following key events in the evaluation process.
- 5.4 The Right to Bid mailbox is also the vehicle for submission of bids and other communications with the team.

## **Annex 1 - About the Department for Work and Pensions**

### **6. The vision of the Department is to:**

- contribute towards fair, safe and fulfilling lives, free from poverty – for children, people in work and retirement, disabled people and carers;
- reduce welfare dependency and increase economic competitiveness by helping people to work wherever they can and employers to secure the skills and employees they need; and,
- provide greater choice and personalisation and higher quality of service for customers where it is in their interests and those of the taxpayer.

6.1 DWP is currently achieving its' departmental vision via a wide range of existing and planned provision. Listed below are some examples of these provisions.

### **7. The 12 month Guarantee**

7.1 DWP will implement a guaranteed offer of a job, work-focused training, or meaningful activity to all 18 to 24 year olds who reach the 12 month stage of their claim to Jobseeker's Allowance.

7.2 The guaranteed offer will consist of:

- jobs funded from the newly created Future Jobs Fund (see below);
- support to move into key employment sectors through a mix of training and recruitment subsidies;
- Care First – offering 50,000 traineeships in the social care sector;
- work-focused training; or
- a place on a Community Task Force programme delivering real help within their local community.

### **8. flexible New Deal**

8.1 The introduction of the flexible New Deal in October 2009 will establish a new, unified approach for all jobseekers, whatever their age, skills or barriers to work. Intensive adviser-led support will be provided to all Jobseeker's Allowance customers after six months on benefit, with some customers benefiting from this help from day one of their claim.

8.2 Longer-term jobseekers will receive up to 12 months of intensive support from a back-to-work service provider, who will be paid for placing customers into sustainable jobs.

8.3 The level of support jobseekers receive and the requirements placed upon them to find work will increase the longer they are on benefit to match their rights with their responsibilities.

## 9. Future Jobs Fund

9.1 The Future Jobs Fund will be a centrally held fund to which local authorities and others can bid. We expect this to create around 150,000 new jobs.

9.2 Jobs from the Fund will form a key component of the guaranteed offer to young people.

9.3 At the discretion of a personal adviser, the components of the guaranteed offer will also be extended to over-24-year-olds who face significant barriers in the labour market.

9.4 We expect the guaranteed offer to be in effect from early 2010. However, places and jobs (including the Future Jobs Fund) will start to become available from autumn 2009.

## 10. Rapid Response Service

10.1 Jobcentre Plus launched the Rapid Response Service (RRS) in April 2002 to help workers facing a major redundancy by enhancing Jobcentre Plus services in two ways.

10.2 As the name suggests, early intervention is a priority objective, helping some workers into new jobs before they have lost their current ones.

10.3 Secondly, through the RRS, Jobcentre Plus offers workers an enhanced range of options, not normally available to jobseekers. These improvements mean that the service can be an important resource for people in companies that are in this situation.

10.4 Jobcentre Plus must offer support to every employer proposing 20 or more redundancies, such as those covered by the statutory requirement to notify the Insolvency Service (HR1 form). In addition RRS support is to be offered to employers making fewer redundancies, where it is judged the cumulative impact of redundancies on the local labour market justifies the use of RRS support.

10.5 RRS is delivered in partnership with the employer and a range of other partners such as:

- the LSC
- Partnership Action for Continuing Employment ('PACE', Scotland)
- Skills Development Scotland
- Wales' Workforce Development Programme and Redundancy Action Team (ReAct)

- local authorities and
- Business Link and Regional Development Agencies.

## **11. Jobcentre Plus Support Contract (JCPSC)**

- 11.1 In October 2007 Ministers agreed that a core element of the JSA regime, (prior to Flexible New Deal), was the requirement for clients to participate in mandatory activities to improve employability. Much of this activity will be delivered via non-contracted provision but the Support Contract will be a key element of the approach.
- 11.2 In August 2008 Ministers were advised on how support for Lone Parents was expected to evolve reflecting the impact of the implementation of FND (which will result in the mandatory New Deal provision base ceasing to be available to voluntary customers). The Support Contract will help address the resulting provision gap so maintaining performance for these customer groups and supporting strategic priorities such as the Child Poverty target. The Support Contract will also replace Programme Centre provision currently used by Jobseekers Allowance (JSA) customers to improve employability. Additional places on the Programme Centre provision can be purchased to support voluntary customers, (Lone Parents, Partners and Carers) which will continue under the Support Contract.
- 11.3 The introduction of the JCPSC offers the opportunity to identify a more efficient, strategic mechanism for procuring such provision via a 'multi client contract' for both the JSA and Lone Parents, Partners and Carers client groups. JCPSC also delivers provision for Local Employment Partnership Pre-Employment Training (where Local Skills Council or Devolved Administration equivalent provision is not available), newly unemployed and Rapid Response Service customers.
- 11.4 The Support Contract will be implemented nationally and will Go Live on 7th December 2009.

## **12. Day One Offer**

- 12.1 This support is aimed at Jobseekers who have recently become unemployed (principally through redundancy) and have no recent experience of current jobsearch channels.
- 12.2 These customers will have differing levels of need, some will only need information on the latest jobsearch techniques and sources of information; others will need to be shown how to use modern jobsearch tools (e.g. internet jobsearch and recruitment sites) and develop electronic CVs.
- 12.3 We will build a package of Jobcentre Plus delivered advice into the Jobcentre Plus delivered JSA regime and make additional contracted provision available for customers who need further guidance and coaching support. Personal advisers will identify newly unemployed customers at the New Jobseeker Interview (NJI) and sort them into 3 broad groups:

- those that understand modern jobsearch techniques and don't need any additional support;
- those that would be able to help themselves once they have relevant information about modern jobsearch techniques through a 1 hour group information session;
- those that would benefit from direct referral to a 1 day advice and coaching session.

12.4 We will also identify newly unemployed customers with a professionals/ executive occupational background at the NJI to refer those who need jobsearch support to separate contracted provision delivered by specialist recruitment agencies.

## 13. DWP's work with partners

13.1 DWP also works in partnership with other government bodies in order to fulfil its objectives. As responsibility for some areas of government, such as skills, is devolved, the bodies which DWP works with in England, Scotland and Wales are often different.

13.2 Proposals under Right to Bid should not replicate the work of any of these bodies. See below for a brief description of their work.

## 14. Learning and Skills Council

14.1 The Learning and Skills Council (LSC) aims to make England better skilled and more competitive. Their goal is to improve the skills of England's young people and adults to ensure we have a workforce of world-class standard.

14.2 LSC provide programmes such as apprenticeships, basic skills provision, English for Speakers of Other Languages (ESOL) and Train to Gain.

14.3 More information about the work of LSC in England can be found at [www.lsc.gov.uk](http://www.lsc.gov.uk)

## 15. Department for Business, Innovation, and Skills (DBIS)

15.1 The Department for Business, Innovation & Skills has been created by merging the Department for Business, Enterprise and Regulatory Reform (BERR) and The Department for Innovation, Universities and Skills (DIUS). The Department has responsibility in England for higher and further education, skills, small business and enterprise

15.2 For learners, they aim to create an excellent, accessible education system to give people the skills they need to prosper, especially those making the difficult transition from welfare into work or from an unskilled job towards a more rewarding career.

15.3 For businesses, the same system must provide people with the skills they need today, and for the future.

15.4 The Department also has responsibility for small business and enterprise policy to ensure that Government – national, regional and local – understands and responds to the needs of entrepreneurs and small businesses.

15.5 Until the Department creates a new website, more information can be found at either [www.berr.gov.uk](http://www.berr.gov.uk) and [www.dius.gov.uk](http://www.dius.gov.uk).

## 16. Business Link

- 16.1 Business Link is developed in partnership with subject experts within government and relevant business-support organisations to support people starting up, already running a business, or looking to grow and develop their business.
- 16.2 You can access local advice and support online, by phone and face-to-face from regional Business Link operators across England.
- 16.3 These services are funded by Regional Development Agencies, and supported by government departments, agencies and local authorities.
- 16.4 Business Link also works in partnership with Business Gateway, Highlands & Islands Enterprise in Scotland, and Invest Northern Ireland.
- 16.5 To find your regional Business Link, please call the Business Link Helpline on Tel 0845 600 9 006.

## 17. Skills Development Scotland

- 17.1 The Scottish Cabinet Secretary for Education and Lifelong Learning announced in September 2007 that Careers Scotland, Scottish University for Industry, and key skills elements in Scottish Enterprise and Highlands and Islands Enterprise would be brought together to form a new single skills body to take forward and deliver on the vision set out in the Scottish Government's skills strategy 'Skills for Scotland'.
- 17.2 Skills Development Scotland aim to help individuals to realise their full potential, help employers be more successful through skills development, and work in meaningful partnership to enhance Scotland's sustainable economic development.
- 17.3 They will develop meaningful partnerships at national, regional and local levels working to drive forward positive and sustained change in Scotland's skills performance.
- 17.4 Various projects are underway to take forward a wide range of business change activity. This includes the development of future delivery models for the various services and activities offered by Skills Development Scotland.
- 17.5 Please see the website for more information - [www.skillsdevelopmentscotland.co.uk](http://www.skillsdevelopmentscotland.co.uk)

## 18. Careers Wales

18.1 Careers Wales has responsibility for education, skills and training for all ages in Wales.

18.2 They can offer support for adults who are;

- returning to learning;
- considering training;
- changing direction;
- volunteering; and,
- information and resources to support professionals.

*This list is not exhaustive*

18.3 More information can be found on their website at [Careerswales.com](http://Careerswales.com) .

## Annex 2 – Process Map

# Right to Bid – Procurement Process Map

