

Work for Your Benefit

Pre-Qualification Questionnaire Provider Event

18 August 2009

WELCOME

- Who is here and why
- Plan for the day
- Agenda

Agenda

- Welcome and domestics
- Overview of Work for Your Benefit and volumes
- The Procurement Process
- Pricing and Financial Assessment
- (Q & A session after each presentation)
- Buffet Lunch
- Specialist/Expert Table Q & A and networking
- Review and Close

DOMESTICS

- Presentations on Work for Your Benefit will follow shortly
- Copies of the presentations will be published on the website and available for downloading

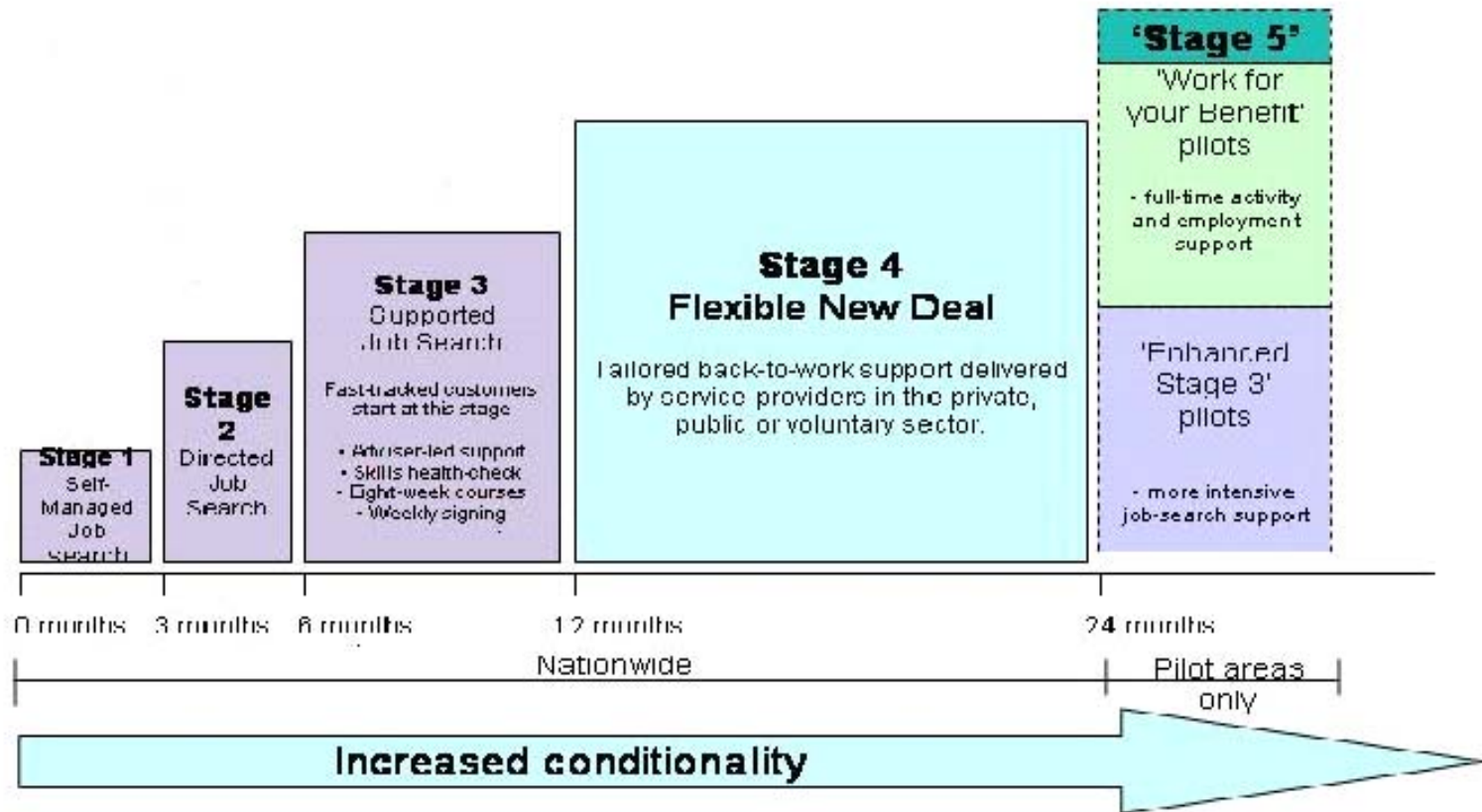
Work for Your Benefit Policy Overview and Design

Adam Baker

- Background and Context
- Customer Journey
- Programme design
- Volumes
- Questions

- Originally discussed in “*No one written off: reforming welfare to reform responsibility*” - July 2008
- Pilots confirmed in “*Raising expectations and increasing support: reforming welfare for the future*” – December 2008
- Welfare Reform Bill 2009

Background



- Unemployment is rising
- Government has put in place a range of support for the unemployed at day 1, 6 months and 12 months
- FND is still the central plank
- Still need tailored flexible support – and this includes support at 2 years

What do we want pilots to achieve

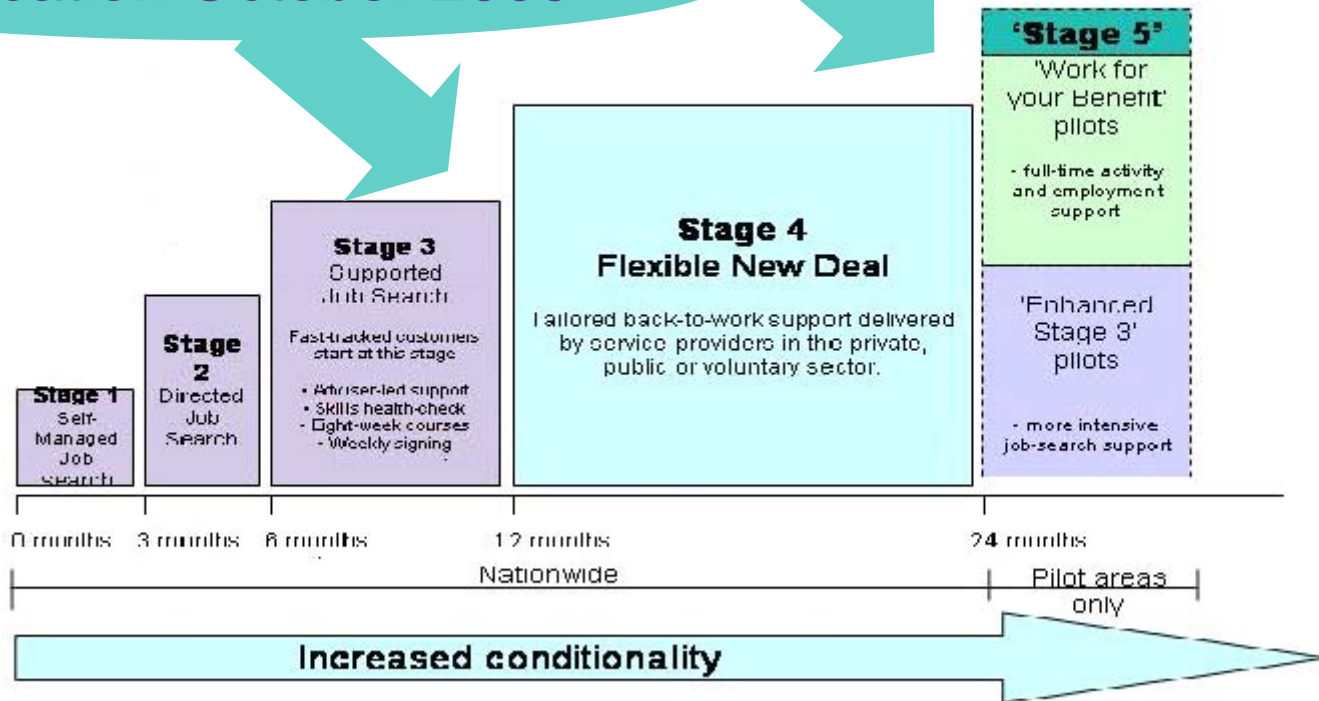
- These are pilots
- 2 areas
- Referrals for 2 years
- Will test 2 options for support; WfYB alongside a Jobcentre delivered alternative
- Data will help inform future of welfare to work provision in the UK

- WfYB fits at the end of the Flexible New Deal – for most people this will be at 2 years
- Jobseekers will be allocated to one of 3 options:
 - WfYB
 - Enhanced Support Period
 - Control group
- Options will last for up to 6 months
- Early Referral
- Return to Jobcentre Plus afterwards

Background

Allocation October 2009

Start WfYB October 2010



- Full time Work Experience
 - 30hrs a week for most
- Work experience should be tailored
 - Brokered approach not group activity
- We will not specify type of activity
 - Should be based on needs and aspirations of jobseeker
- Jobseekers will remain on benefit

- Can be in either public, private or voluntary sector
- Placements should be in addition to any existing or expected vacancies to ensure we minimise worker displacement
- Should be as close to “real work” as possible to maximise benefits to the Jobseeker
- Can be with either one or multiple placements, but longer placements are preferred

- As well as Work Experience, Jobseekers should also maintain their Job search
- WfYB should also include *up to* 10 hrs a week of additional employment support/training
- This is flexible and exactly what is provided will be the decision of the provider – however we would envisage at least regular contact with the Jobseeker
- During first 4 weeks of the programme the mix between work experience and other support can be varied

Objectives

- We ideally want people to gain experiences which will be of use to both them and their employer
- Can help develop work habits and routines that may have been lost or never developed
- Ideal outcome is for a person to move into work

- Around 5000 people will be referred to WfYB over 2 years
- About half in each contract area
- We will use allocation tool to help control volumes
- Total WfYB funding is approx £15m will be
- More detailed volume/funding assumptions will be provided at ItT stage

- Early referral
- What contact will be needed with Jobcentre Plus
- What happens after 6 months on WfYB

Any Questions



Cheranne Kermath
Commercial Directorate
The Procurement Process

Purpose of this presentation

- To identify key aspects of the Commercial Strategy for Work for Your Benefit
- To provide a detailed overview of the PQQ process including:-
 - Lessons Learned
 - Query Handling
 - Evaluation
- To confirm next steps

The Procurement & Commercial strategy for WfYB recognises the principles set out within the DWP Commissioning Strategy and builds on lessons learned from recent competitions

The Commercial Strategy is designed :-

- to maximise competition;
- have a contract package based on a City Region
- Increase transparency; and
- Introduce more interaction between DWP and the market.

Aims and objectives:

- to select suitably experienced providers through a competitive process that ensures:-
 - value for money
 - Propriety
 - Probity and
 - Conformity with public procurement legislation, policy and best practice
- resulting in the award of robust contracts that recognise DWP's drive for sustained job outcomes

DWP will enter into contracts with a single legal entity to deliver WfYB in one of the following ways:-

- direct delivery of a proportion of the requirement and sub-contracting of the remaining requirement
- sub-contracting of the entire requirement
- direct delivery of the entire requirement

Contract Packages

- 2 contract package areas:-
 - Manchester City Region – JCP Districts of Greater Manchester Central and Greater Manchester East & West
 - JCP Districts of Norfolk, Cambridgeshire and Suffolk
- contract period will recognise the duration of the WfYB pilot – starts during period October 2010 to 2012

Contract Package Values

- Anticipated volumes and budgetary indications are within Annex 4 of the published specification
 - 5000 estimated starts across both pilots
 - total contract value not expected to exceed £15m
 - shares between contract package areas based on JSA register size

- White Paper
- Accelerates devolution of power in the Welfare to Work system
- Sub-Regional Partnerships
- Manchester City Region

- Specification development
- 'Local fit' of tenders
- Performance Management of contracts
- DWP is the contracting authority and will manage the contract

Two stage standard DWP process:

- **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.

- **The Pre-Qualification Questionnaire (PQQ)**
 - Instructions for Bidders
 - WfYB Specification
 - Draft Terms and Conditions
 - The Pre Qualification Questionnaire

- Cabinet Office mandatory requirements relating to data handling, security and information assurance
- Providers must provide an appropriate level of security
- Bidders successful at the PQQ stage will be required to submit a draft Security Plan with their tender

Please: -

- answer the question clearly
- use allocated space BUT do not exceed
- don't assume that the assessment team is aware of your previous experience
- don't forget the signatures
- do not include supplementary information

Evaluation will comprise of:

- Compliance check on opening
- Examination of capacity and capability to deliver
- Financial appraisal

Key Milestones

- PQQ return – **12 noon Wednesday 9th September 2009**
- short-listed bidders informed – **Friday 30th October 2009**
- issue ITT – **Monday 2 November 2009**
- return of ITT – **Friday 15th January 2010**
- preferred bidders announced – **Monday 5th April 2010**
- delivery commences – **Monday 4th October 2010**

Query handling

- Any further questions or queries should be made to following e-mail address:

WORKFORYOURBENEFIT.PQQ@DWP.GSI.GOV.UK

- Final date for questions to be received Tuesday 1 September 09
- Responses will be published (and updated regularly) on Supplying DWP website address:

<http://www.dwp.gov.uk/supplying-dwp/what-we-buy/welfare-to-work-services/opportunities-to-tender/>

- Final update will be published Friday 4 September 2009

Next Steps

- Complete PQQs in accordance with the instructions
- If in doubt – raise a query!
- Ensure your response is returned in accordance with the instructions provided ie by **12 Noon on Wednesday 9 September 09**

Any Questions



Work for Your Benefit

Pricing and Financial Assessment

Maggie Kellman, Roger Varley
Commercial Directorate Finance and Resource Team

- Supplier Funding and Payments
- Finance Team's role
- Provider Capacity
- Questions

Funding and Payment

- 50% of Contract Value paid as a service fee – help with cashflow
- 50% paid on Outcomes (payable after 13 weeks in employment)
- Suppliers will claim payments using new Provider Referral & Payments System (PRaP)
- 2.5 year contract

How will DWP use the financial data in your PQQ response?

- Assessment of financial risk;
- Assessment of Financial Capacity; and
- Contract Award risk threshold

Financial information requirements

- Local Authorities
- Special Purpose Vehicles (SPVs) or Consortia

ITT stage

- Price assessment of tenders
- Financial Capability and Capacity risk assessment

What happens after the PQQ financial evaluation?

- Risk thresholds will be fed back to successful bidders
- Bidders have the opportunity to provide additional evidence and assurance, normally via a face-to-face dialogue with DWP finance specialists
- Feedback will be provided to all bidders

What should I bid for?

- Could be as a prime provider, sub-contractor or both.
- SPV/JV – several smaller bidders get together to form an SPV (Special Purpose Vehicle) or a JV (Joint Venture) to bid.

Any Questions



THANK YOU

Specialist / expert table & networking opportunities

Table 1 - Design and Service Requirements – Adam Baker

Table 2 - Procurement – Graham Noble

Table 3 - Pricing and Financial Assessment – Roger Varley

Table 4 - Special Purpose Vehicles – James Jennings