**SBSS Market Engagement Event**

**1 November 2017**

The following questions were raised by suppliers attending the Student Bursary Support Service (SBSS) market engagement event held at Sheffield on 1 November.

1. **General**

**Question 1.1**

Has there been any evaluation of the three current schemes?

**Answer 1.1**

An internal value for money assessment has been undertaken on Professional and Career Development Loans (PCDL). Vulnerable Bursaries have not been formally evaluated but we undertake ongoing internal evaluation through surveys to institutions. Care to Learn (C2L) was evaluated in 2009 but is continuously reviewed internally, the last being in 2016.

**Question 1.2**

Will the service need to make provision for multiple languages?

**Answer 1.2**

Multiple languages will not be incorporated as the service is open only to institutions in England.

**Question 1.3**

Are we able to know the identity of the current contract holder?

**Answer 1.3**

This information is in the public domain (via contract award notice): the current contract holder is Capita Business Services Limited.

**Question 1.4**

Will there be any provision for paper applications?

**Answer 1.4**

While the service will be all-digital, there will be a small number of applicants with no online access. It is expected that this will be less than 20 per academic year. The service provider should be able to access a limited number of offline applications, and this will be tested in the digital assessments.

**Question 1.5**

What will be the evaluation framework of tenders in terms of price vs quality?

**Answer 1.5**

Our current working assumptions is for the evaluation criteria for assessment will be 70% quality, 30% price. There will be priority areas addressed in terms of how suppliers meet Government Digital Service (GDS) standards.

**Question 1.6**

Is there an uncertainty over a closure option due to government funding commitments?

**Answer 1.6**

Funding for C2L and Bursaries is committed. There is an element of uncertainty regarding PCDL, so we will be asking for two prices in the tender inclusive and exclusive of PCDL. This will be to allow for any policy review decision that we will not be re-procuring PCDL.

**Question 1.7**

Will the service need to be UK based in future or is there an offshore option?

**Answer 1.7**

At present, offshoring of data within the EEA is permissible, subject to approval by the DfE Senior Information Risk Owner (SIRO). Offshoring of sensitive data outside the EEA is not permissible.

**Question 1.8**

What are the expectations of availability of the helpline?

**Answer 1.8**

The helpline will need to be available from Monday to Friday, 9.00am to 5.00pm.

**Question 1.9**

Will there be any further marketing within the contract to sustain and increase demand?

**Answer 1.9**

These services are demand-led and there is a limited impact we can have, particularly on PCDL as a loan mechanism.

**Question 1.10**

We could incorporate additional innovation driven by demand and use data to highlight benefits, but is there an appetite for this?

**Answer 1.10**

We are looking for value for money and innovation, anything that makes the service more robust and efficient will be considered.

**Question 1.11**

We would include analysis of data for the users of services, if required, will this be included in the ITT?

**Answer 1.11**

GDS digital service standards requirements include user needs and research as one of its 18 standards, if a need is identified in any proposal, this will be considered.

**Question 1.12**

If the incumbent supplier is not re-tendered, how would a dual process work?

**Answer 1.12**

We will migrate services scheme by scheme for minimum disruption. Two systems will need to operate in the transition period on two different URLs, in order to be clear on which route existing and new applicants need to go.

**Question 1.13**

Will there be flexibility to add in or remove new/existing policies if they emerge?

**Answer 1.13**

We have some flexibility in adding and removing policies, though there are some challenges in terms of requiring internal approvals. We would seek to factor these in to the contract, though there are also rules governing the size and percentage of changes that can be made.

**Question 1.14**

Is any ‘mystery shopper’ activity included in the contract?

**Answer 1.14**

This type of activity isn’t included, but we do undertake audits of the process and checking on steps taken, as well as samples of responses from call handling agents. We carry out user feedback surveys and discuss with the service provider to identify areas of improvement. This activity will continue.

**Question 1.15**

Will payments under the contract be made quarterly or on a transactional basis?

**Answer 1.15**

Payments will be mixed between partly fixed (ie service irrespective of volume) and partly transactional based on unit price.

**Question 1.16**

Management of the current contract is ‘hands off’ operationally – will this continue?

**Answer 1.16**

We work closely with the supplier around any issues or concerns, but broadly yes this will continue with most contact happening through contract managers.

**Question 1.17**

In terms of policy development, will this happen through policy teams in the department?

**Answer 1.17**

Yes, policy teams will cascade any changes to ESFA who will consider the implications and work with the supplier.

**Question 1.18**

In terms of change management, what are the implications for customers in transition between suppliers?

**Answer 1.18**

Existing users will be informed in advance of any impending changes and actions they will need to take. This will be undertaken jointly between the supplier and ESFA, and covered in our regular online ESFA bulletins. Migration would need to form part of the contract, including the logistics for transfer from the existing to new supplier, and minimising disruption to service users.

**Question 1.19**

Can we suggest improvements to the service as running (beyond the core processes) as part of continuous improvement within the contract?

**Answer 1.19**

Yes, continuous improvement will be part of contract requirements, and also forms part of the GDS standard.

**Question 1.20**

KPIs mentioned are described as delivery focussed – will there be continuous improvement KPIs in the contract?

**Answer 1.20**

These are difficult to define and thus enforce. We would be looking to strike a balance between softer targets around improving the user experience and making efficiencies.

**Question 1.21**

Do we have a feel for user satisfaction of the current service?

**Answer 1.21**

User feedback received has generally been positive and these have been undertaken on C2L and bursaries, those for PCDL are awaited.

**Question 1.22**

Will there be an opportunity to use experience as a supplier to shape policy development?

**Answer 1.22**

Policy teams work with Ministers to determine need. Service provider skills are most useful in translating these policy needs to system requirements, as well as developing flexibility in how the service is delivered.

**Question 1.23**

Will the specific information be included in the ITT to prepare bid, including any Financial Conduct Authority (FCA) requirement?

**Answer 1.23**

Information will be included in the ITT. FCA requirement is not in the current contract.

**Question 1.24**

Why will the new SBSS system be embedded?

**Answer 1.24**

This is due to government policy relating to corporate standards, with citizen facing services accessed from one point. The supplier’s background admin systems will not need to be on GOV.UK. If it is a requirement it will be clearly stated in the ITT.

**Question 1.25**

In respect of the requirement to meet the Government Digital Services standards, please explain whether this would be by self-certification / audit or whether GDS Service Assessments will be required. If Service Assessments are required, please clarify the process and timescales for arranging these and specify any external costs involved.

**Answer 1.25**

GDS service assessments will be required and need to be carried out at the end of each phase of the project (discovery, alpha, private beta, public beta) before progressing to the next phase. They are organised by the DfE DDaT (Digital, Data and Technology) team and the assessment panel is typically comprised of specialists from within the DfE DDaT community. Exceptionally, an assessment may be carried out by GDS representatives. Project teams will be expected to provide supporting documentation and representation at these meetings (representation varies, but could comprise user researched, ux engineer, lead developer, product manager) to walk the panel through the design and respond to any queries. Other than time and effort to produce documentation and attend the assessment meetings, no additional costs are associated with the assessment process.

**Question 1.26**

Please could you provide more information on the web-chat requirement? Does SBSS have an existing or preferred means of the contractor providing this (eg via a Government service as for the SMS messaging)?

**Answer 1.26**

The incumbent uses propriety webchat software. There is an expectation that the proposed solutions will include features expected from a user of a digital service. The service provider is at liberty to use any system/software to provide webchat facilities. Although webchat is not a mandatory feature, its omission will affect the quality related scores when bids are evaluated.

**Question 1.27**

We understand that the contractor would receive payments from DfE weekly in order to fund outgoing payments. Please clarify whether payments are received by the contractor in advance or whether there is a dependency on the contractor’s own cashflow? Please explain the process by which the weekly payments to the contractor are reconciled to outgoing payments. Would there be a possibility of using a contractor’s BACS Bureau Service to enable payments to be made direct from a DfE account instead of the contractor receiving weekly funding? Are any recipients paid by cheque (and if so, how many)?

**Answer 1.27**

DfE will provide funds on a just in time (JIT) basis for the service provider to pay fees and claims. DfE will send one payment to the service provider to cover all of the payments made to the institutions and providers. The service provider will retain evidence to support the request for payment. No payments by cheques will be made.

**Question 1.28**

Are there any influential third parties involved in the services (for example a particular childcare provider / educational institution / agency)? Please explain the nature of their involvement. Do any service users operate outside the standard processes?

**Answer 1.28**

There are no influential parties involved in the service other than the ESFA. The standard processes apply to all parties. There are occasions where childcare providers may need one-off advance payments particularly where an application has not been processed within the required timescales. The service provider must ensure that childcare providers do not suffer hardship as a result of processing errors or delays. Any advance payments must be reconciled against the scheduled payments.

**Question 1.29**

How many active or pending user accounts are in place across the three services? Will the new contractor be responsible for communicating with existing service users about any change of service provision, or will this be handled by the outgoing contractor? Are any particular challenges anticipated in respect of users cooperating with the transition? Is there an expectation that users may be required to re-register? Where beneficiaries have an assigned support worker, should all communications be copied to the support worker?

**Answer 1.29**

There approximately 10,000 active user accounts in any given academic year. Once a young person becomes ineligible for financial support through Care to Learn (currently 19 years old), there access to the portal account will not be required and will lapse. Education institutions and childcare providers will be used year on year, with new organisations being added as and when required. The new contractor will be responsible for all communications with all active or potentially active users when the service is migrated. Currently support workers do not have user accounts, but should be made aware of changes to the service. The service provider to work with the ESFA and incumbent service provider to agree the most effective and appropriate way to migrate user accounts. The service was transformed from paper-based to digital in 2015, any initial reluctance to move to a digital service was experienced in 2015. We are not expecting any resistance to the change in service provider.

**Question 1.30**

What expectation is there for the new contractor to receive and maintain legacy data? If this is a requirement, please provide an indication of how many years of past data would need to be accessible through the new system. Is a data specification and/or anonymised sample available? Are any assurances available in respect of the quality of the existing data, or is there any cause for an incoming contractor to have concern in this respect?

**Answer 1.30**

The new contractor will be required to receive some legacy data from the incumbent service provider to maintain the continuity of active application records. However, the data relating to inactive applications will be transferred to ESFA. Data specification is not available however the ITT will include a list of data captured through the existing service which will form the core of data requiring migration. Data will have to be retained for the duration of the contract, after which it will transfer to a new supplier or DfE.

1. **Care to Learn (C2L)**

**Question 2.1**

C2L has seen the most reduced demand and applications continue to fall, as LAs generally do not market it as a service. Will funding levels be maintained?

**Answer 2.1**

It is difficult to make assumptions about future government policy direction. C2L has been through a policy review and been found fit for purpose, as have bursaries. However, we have no mechanism for raising the profile of these services so bidders should assume no increase in marketing to stimulate demand.

1. **PCDL**

**Question 3.1**

What will be the duration of financial support of PCDL?

**Answer 3.1**

For the duration of the loan, on average this is for four years.

**Question 3.2**

Who does due diligence on learning providers?

**Answer 3.2**

Due diligence will be undertaken by the service provider.

**Question 3.3**

Will the same commercial bank be used for PCDL?

**Answer 3.3**

The current bank contract will complete in spring 2019 and so we will be going out to tender for the lender in 2018.  It may or may not be the same lender.

**Question 3.4**

What is the timeline for any government policy review of PCDL?

**Answer 3.4**

There are no specific dates for review, but this is ongoing as the government is looking more broadly at student loan support. This will be made clear in the ITT.

**Question 3.5**

Is the intention for PCDL.net to continue, as there would be efficiencies if so?

**Answer 3.5**

It is not intended for PCDL.net to be included in scope of the ITT and would have to go through a separate procurement. There is potential for efficiencies, but we can’t include it as part of this process.

**Question 3.6**

Please provide further information on the PCDL portal, including whether there will be a means for the new system to communicate directly with it (eg via API) or whether all interactions with this portal will require manual involvement? If there is an API, please could you provide the specification. Please could you provide access to a demo account and documentation for the PCDL portal?

**Answer 3.6**

User accounts will be provided to the service provider to carry our certain manual activities. PCDL.net provides a facility for the service provider to upload data using a file in xml format. The service provider may use this facility to upload loan enquiries, loan applications, loan recoveries and loan adjustments. The format of these xml files will be provided to the successful bidder.

**Question 3.7**

Will the new service provider or the Department for Education be responsible for procuring new commercial banking services when the current agreement with the Co-op bank expires?

**Answer 3.7**

It will be the responsibility of the Department for Education to procure new commercial banking services.

**Question 3.8**

Will existing loans remain with the Co-Op or be expected to be transferred to the new bank?

**Answer 3.8**

The expectation is that the loans will remain with the original bank that issued the loan, and that the new service provider will manage any changes to the current loans in the PCDL system, regardless of which bank issued the loan or is currently managing the loan.

1. **Bursary Fund for vulnerable students (VB)**

**Question 4.1**

In terms of validation of bursary payments, do we check the funds have been passed on to the learner?

**Answer 4.1**

No, the supplier makes the payment to the education institution and the institution checks on learner eligibility.

1. **Procurement**

**Question 5.1**

Is there any flexibility on the timeline for submission of tenders?

**Answer 5.1**

There is at least a year’s lead-in time before user testing begins. There may be some scope for a trade off in terms of a shorter development lead- in time to allow for slightly longer time for bid preparation and submission of tenders.

**Question 5.2**

Will set-up and mobilisation costs be incorporated into the contract?

**Answer 5.2**

The intention will be that these will be included in the overall contract value and will cover how each supplier’s methodology and approach will comply with the new GDS standards design standards.

**Question 5.3**

Will the service be procured via a Crown Commercial Service (CCS) framework?

**Answer 5.3**

We have engaged CCS to help identify a suitable framework that best meets our requirements but currently none of the existing frameworks can deliver the full range of our requirements, thus we have opted for a full procurement process. Procurement frameworks in future will need to have an end to end approach.

**Question 5.4**

Why has the grants and programmes framework been dismissed as a method of procurement?

**Answer 5.4**

We have explored a number of sourcing routes including current CCS frameworks, but do not see them as fitting our requirements in terms of duration, flexibility and scope. Many have a heavy focus on IT but do not prioritise our requirements around support, terminology/service descriptions used is not wholly fit for purpose or appropriate.

**Question 5.5**

Will the service be run under an ESFA or DfE contract?

**Answer 5.5**

The service provider will be operating under a DfE contract and will be administered by its Executive Agency ESFA.

**Question 5.6**

If a consortium bid was proposed, would it need to be formed at the time of the bid?

**Answer 5.6**

We would want the lead contractor, named partners and governance arrangements between the organisations to be clearly identified at bid submission. Whilst a formal partnership agreement would not be necessary at the bid stage, the bidder will be required to submit sufficient information for each member of the consortium to enable the department to conduct an objective assessment of the consortium’s capability and capacity to meet the department’s requirements. Details of the information required will be set out in the Invitation to Tender.

**Question 5.7**

Is tendering for three services at the same time a commercial decision?

**Answer 5.7**

Over time, student support services have diversified, but retained under one contract to achieve economies of scale on shared elements such as payments to customers and data capture.

**Question 5.8**

Are the existing systems owned by DfE and will intellectual property rights (IPR) be transferred?

**Answer 5.8**

No, these are Capita off the shelf systems, customised with DfE branding. As the systems behind the services belong to Capita, there will be no IPR transfer.

**Question 5.9**

Will the list of attendees to this supplier event be circulated, to allow for approaches to potential consortium partners?

**Answer 5.9**

Yes, names of attendees will be circulated and was a condition of attending.

**Question 5.10**

Will there be any opportunity to experience the service as a non-user?

**Answer 5.10**

We are not aware of a mechanism to experience the service as a non-user due to security requirements. However, screenshots can be made available to illustrate the client journey, and a ‘how to’ video is available.

**Question 5.11**

Will the contract be issued with a capped maximum budget?

**Answer 5.11**

We have published an approximate ballpark figure, there is no cap but part of the bid evaluation criteria will be on price and value for money

**Question 5.12**

Updated EU regulations on data protection are due to come into force in 2018 – will these need to be covered?

**Answer 5.12**

Any government regulations that are subject to change will need to be incorporated.

**Question 5.13**

If the current service is seen as good, are there elements ESFA wish to see retained?

**Answer 5.13**

We are looking more for service providers to come up with solutions, taking account of DfE branding and GDS requirements in terms of features, styles, accessibility and consistency of look and feel with other GOV.UK services.

**Question 5.14**

The number of staff used in the current service is quite high?

**Answer 5.14**

The current service provides significant levels of customer support. Your proposals may not require as many staff. You will be provided average enquiry handling times to enable you to assess the required level of support and hence staffing.

**Question 5.15**

We need to know what intellectual property the Department owns and what Capita owns.

**Answer 5.15**

The current systems are provided ‘Software as a Service’ (SaaS) and department has no IPR ownership of these systems. The Department investigated licensing but consider this probably no longer relevant. Information will be in the ITT. We are not looking to own any proprietary software, but want to use what is readily available wherever possible.

**Question 5.16**

With a brand new solution and data migrated across, what is the criteria for archiving and the SLAs? It would be useful to understand, as we presumably need a cost for migrating data.

**Answer 5.16**

The specification will be an output based one, how you deliver is up to you, as long as payments are validated, on time and accurate. There will be a requirement to migrate some data to ensure that continuity of some applications is maintained across multiple academic years. This will require co-ordination with the incumbent service provider. We do not want to be proscriptive.

**Question 5.17**

Can you provide some definition about consortia?

**Answer 5.17**

If a supplier has independent experience and has worked on something like this before, very good, but it should not be a massive score variation. Embedded relationships are an advantage but not a deal breaker. We will only contract with one organisation but there is no restriction of client and sub-contractor relationships.

**Question 5.18**

What have you done to level the playing field? Doesn’t parallel running give the incumbent an advantage?

**Answer 5.18**

There is no advantage for the incumbent as we are not buying like for like. Also, meeting GDS service standards will play a part, which wasn’t the case in the last procurement. The bid evaluation will not be solely on price which to an extent mitigates the incumbent advantage.

1. **TUPE**

**Question 6.1**

What are the potential implications of any TUPE indemnity clause being considered?

**Answer 6.1**

We will meet some of the incumbent’s costs if necessary and would also consider this for a new supplier. This would be dependent on the approach of the incumbent in this situation, i.e. in terms of redeploying staff within its organisation.

**Question 6.2**

Can you say more about TUPE? What is the average salary?

**Answer 6.2**

There are 40 to 60 staff at the current supplier, captured by TUPE regulations. Anonymised salary costs will be included in the ITT. The current contract does not end until August 2019. Capita may want to keep their staff, of course.

**Question 6.3**

The number of people involved in TUPE is quite high.

**Answer 6.3**

We should not lose sight of the fact that your business process may be different and you may not need as many people.