



Department
for Work &
Pensions

Invitation to Tender

Instructions to Potential Suppliers

Lone Parent Support Programme

**In the Jobcentre Plus District of
Leicestershire & Northamptonshire**

Contract Reference: UI DWP 101533

January 2015

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INSTRUCTIONS AND INFORMATION ON TENDERING PROCEDURES

1. General Information

- 1.1 Please note that, unless otherwise indicated, references to the "Authority" or to "DWP" throughout these documents mean the Secretary of State for Work and Pensions acting as part of the Crown through his/her representatives in the Department for Work and Pensions. References to "Potential Supplier" means any person or organisation responding or, where the context requires, potentially responding to this Invitation to Tender (ITT).
- 1.2 These instructions, together with the specification and all other information and documents to which they refer, are designed to ensure that all Tenders are given equal and fair consideration. It is important therefore, that you provide all the information asked for in the format and order specified.
- 1.3 This document contains the information and instructions Potential Suppliers need in order to submit a completed Tender, for example:
 - Information regarding the procurement, such as the timetable, specific conditions of contract, evaluation process and award/evaluation criteria;
 - How to submit questions and requests for clarification and
 - Instructions explaining how to complete and submit a Tender.
- 1.4 Please read the information and instructions carefully because non-compliance with the instructions may result in disqualification of your Tender from this procurement.
- 1.5 The Terms and Conditions form an integral part of this ITT and will apply throughout this procurement. They set out further rights and obligations which apply to DWP and successful suppliers.
- 1.6 Potential Suppliers need to ensure that they have read all the documentation contained within this ITT (Specification, Terms and Conditions and these Instructions) thoroughly so that questions or clarifications are not raised unnecessarily.
- 1.7 Potential Suppliers need to be aware that all Central Government Departments and their Executive Agencies and Non Departmental Public Bodies are subject to control and reporting within Government. In particular, they report to the Cabinet Office and HM Treasury for all expenditure. Further, the Cabinet Office has a cross-Government role delivering overall Government policy on public procurement – including ensuring value for money and related aspects of good procurement practice. For these purposes, the Authority may disclose within Government any of the Potential Suppliers documentation/information (including any that the Potential Supplier considers to be confidential

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and/or commercially sensitive such as specific bid information) submitted by the Potential Supplier to the Authority during this procurement. The information will not be disclosed outside Government. Potential Suppliers taking part in this competition consent to these terms as part of the competition process.

- 1.8 DWP actively encourages Potential Suppliers to utilise SMEs (where it is relevant to do so and provides value for money) within their supply chains. Please see [relevant](#) section of this document for more detailed information regarding the Authority's approach to engaging with SMEs.

2. Administration of the Procurement Process

- 2.1 DWP will be administering the procurement process electronically via the [DWP e-Procurement Solution \(ePS\)](#) portal. No hard copy documents will be issued and all communications with DWP (including final submission of Tenders) will be conducted via DWP e-Procurement Solution Portal.
- 2.2 To ensure all communications relating to this procurement are received the Potential Supplier must ensure that the point of contact it nominates in DWP e-Procurement Solution Portal is accurate at all times. Access to the Portal is available 24 hours a day, 7 days a week, and 365 days a year anywhere in the world via the internet unless notified otherwise by DWP e-Procurement Solution portal.
- 2.3 Support available to help you to understand and use the system includes:
 - Freephone helpdesk (0800 368 4850), available Mon-Fri 8am to 6pm (UK time in English language only);
 - Help guides.
- 2.4 Potential Suppliers must ensure that their DWP e-Procurement Solution registration directly relates to the part of the supplier organisation that submits the Tender (i.e. some larger suppliers may have several subsidiaries so registration needs to apply to that part of organisation responsible for this particular requirement).
- 2.5 Where a consortium/Special Purpose Vehicle (SPV) is formed to submit a Tender, this must only be submitted by and in the name of the supplier chosen as the "Lead" supplier for that consortium/SPV.
- 2.6 Where there is a change of supplier chosen to "lead" a consortium/SPV PRIOR to Tender submission, the new lead supplier must register on DWP e-Procurement Solution portal and the previous lead supplier should immediately "decline" their option to submit a Tender.
- 2.7 Should you have any queries with accessing the portal, please contact DWP e-Procurement Solution's dedicated supplier helpdesk by calling 0800 368 4850 or by emailing: help@bravosolution.co.uk.

3. Conditions Applying to this Tender

Open Procedure

- 3.1 As this requirement is classed as a Part B service, DWP is not obliged to apply the main Regulations in the Public Contract Regulations (2006).
- 3.2 It is DWP's intention that this Competitive Procurement Exercise will comply with the overriding EU Procurement Directive principles for open and transparent competition to ensure value for money.

DWP's Terms and Conditions

- 3.3 Potential Suppliers are not permitted to submit their own terms and conditions, whether standard or otherwise and no amendments to DWP's terms and conditions will be considered.

Costs and Expenses

- 3.4 Potential Suppliers will not be entitled to claim from DWP any costs or expenses which may be incurred in preparing and/or submitting its Tender.
- 3.5 This applies whether or not the Supplier or any other organisation is successful and also applies to any additional cost a Potential Supplier may incur, if DWP modifies or amends its requirements or if DWP cancels this procurement for whatever reason.

Confidentiality

- 3.6 All information supplied by DWP to you must be treated in confidence and not disclosed to third parties, other than is necessary to obtain sureties or quotations, for the purpose of submitting this Tender. All information supplied by you to DWP will similarly be treated in confidence except: -
 - I. For the disclosure of such information with regard to the outcome of the procurement process as may be required to be published in the Official Journal of the European Union in accordance with EU Directives or elsewhere, in accordance with the requirements of UK government policy on the disclosure of information relating to government contracts;
 - II. That as part of the debriefing process we will inform any eliminated Tenderer, who has made an admissible Tender, of the characteristics and relative advantages of the successful Tender(s), as well as, where appropriate, the qualitative evaluation score(s) achieved by and name(s) of the successful Tenderer(s);

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- III. In pursuance of DWP's obligations under the Freedom of Information Act 2000;
- IV. That references may be sought from banks, existing or past clients, or other referees submitted by the Tenderer.

Contract Period

- 3.7 The contract will be for the period 6th April 2015 to 31st March 2016 unless terminated by DWP in accordance with the terms of the contract. Subject to satisfactory performance and with the agreement of both parties, the contract may be extended. See paragraph 9.2 of the Specification document for further details.
- 3.8 Not used.

Amendments to the Tender Process or Tender Documents by DWP

- 3.9 DWP reserves the right to vary the tender process and/or amend the tender documents (including this ITT Instructions to Potential Suppliers document) at any time, prior to the deadline for receipt of Tenders. Any such amendment will be numbered, dated and issued by DWP via the DWP e-Procurement Solution portal. Where amendments are significant, DWP may at its discretion extend the deadline for receipt of Tenders.
- 3.10 DWP reserves the right to discontinue this tendering process at any time and not to award a contract.

Previous or current contracts with DWP

- 3.11 Potential Suppliers who currently undertake, or have previously undertaken, work for DWP should note that the Tender will be evaluated purely on their response to this ITT. DWP's prior knowledge or experience of organisations will not form part of the evaluation.

Inducements

- 3.12 Offering an inducement of any kind, in relation to obtaining this or any other contract with DWP, will disqualify your Tender from being considered and may constitute a criminal offence.

Collusion

- 3.13 Please note that the Qualification Envelope of the ITT contains a "Certificate of Bona Fide Tendering". If you answer NO to question 1 you must complete Annex C so you can demonstrate to DWP that adequate remedial action has been implemented. If you answer NO to any other question under Bona Fide Tendering your Tender will not be evaluated.

Potential Supplier Clarification (Q&A)

- 3.14 Potential Suppliers have the opportunity to raise questions about the ITT and request clarification about the requirement. All questions raised must be submitted via the [DWP e-Procurement Solution](#) portal.
- 3.15 All questions and answers will be made anonymous and broadcasted to all Potential Suppliers via the DWP e-Procurement Solution portal. It will be the responsibility of the Potential Supplier to monitor the portal for the latest activity.
- 3.16 The last date for the submission of and responses to questions via the DWP e-Procurement Solution portal, is shown in the procurement timetable – see paragraph 7.1.
- 3.17 The final date for questions and answers and dissemination allows sufficient time for Potential Suppliers to impact this information before finalising their Tenders for submission.
- 3.18 If a question is deemed by a Potential Supplier to be commercially confidential, then the supplier should indicate that they believe this is the case. DWP will consider this and, if in agreement, will exercise due discretion in handling the question and limiting the circulation of the answer(s) to your organisation.
- 3.19 Questions not deemed to be commercially confidential will be considered by DWP to be of significance to all Potential Suppliers. All questions and answers will be made anonymous and made available to all Potential Suppliers via the [DWP e-Procurement Solution](#) portal. If DWP intends to follow this course of action it will inform you before sharing the question and response with all Potential Suppliers which will provide you with an opportunity for the question to be withdrawn.

Acceptance and Return of Tenders

- 3.20 By issuing the ITT, DWP is not bound in any way and does not have to accept any Tender.
- 3.21 The Tender, comprising of the information set out in the ITT, must be completed and submitted in its entirety to the DWP e-Procurement Solution portal by the stipulated deadline.
- 3.22 Tenders will remain unopened until the deadline for receipt has passed and then they will be opened and logged in accordance with DWP procurement procedures. The Tenders will undergo an initial compliance check to ensure that all information requested has been received. Tenders will be rejected if the complete information requested is not included as part of the tender documentation.

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Declaration by Potential Supplier (Technical Envelope)

- 3.23 This document is your offer to enter into a contract with DWP. It is the responsibility of the Potential Supplier to ensure that your final submission corresponds with the information stated on this Declaration Statement as this will form the basis of your Tender proposal.
- 3.24 This document should also act as a final checklist to confirm that you have submitted all of the required responses. To ensure equality of treatment for all Potential Suppliers you must return all of the information required, to enable a full evaluation of your Tender to take place. If any of the documents are missing at tender opening stage, your Tender will be classed as non-compliant and will not be evaluated resulting in your disqualification from the procurement exercise.
- 3.25 You will note that this document requires a scanned signature and if your proposal is successful then a “wet signature” will be required at contract award stage.

Period for which Tenders shall Remain Valid

- 3.26 Tenders shall remain valid and capable of acceptance for 180 days from the closing date for receipt of Tenders.
- 3.27 Not used.

Variant Proposals

- 3.28 Variant proposals will not be accepted unless otherwise stated in the Contract Notice.
- 3.29 Not used.

4. Data Security

Draft Security Plan - (ITT – Technical Envelope & Annex E)

- 4.1 Cabinet Office has introduced mandatory requirements relating to data handling, security and information assurance in government contracts. Information must be protected, together with systems, equipment and processes which support its use. Our contractors must provide an appropriate level of security.
- 4.2 Potential Suppliers (whether for a contract or place on a framework) are required to submit a Draft Security Plan detailing how you will comply with DWP Security Policy for Contractors. A copy of this document can be found on ['Gov UK - Other DWP procurement and policy documents'](#) and full guidance is provided in the relevant document and in Schedule 6 of

DWP Standard Terms and Conditions. A full Security Plan will be due 20 days after contract award.

Off-shoring - (ITT Technical Envelope & Annex F)

- 4.3 In accordance with DWP Offshoring Policy, prior written consent from DWP must be sought where Potential Suppliers (and/or their sub-contractors) are proposing to host or access Departmental systems, services or official information outside of the United Kingdom, or to bring foreign nationals to the United Kingdom to provide services in delivery of the Contract.
- 4.4 Potential Suppliers must be aware of this and must submit an application for approval, together with their Tender. Where DWP gives consent, the Potential Supplier shall comply with any reasonable instructions notified to it by DWP in relation to DWP Data in question. More information can be found in the document A Guide to DWP Offshoring Policy which can be found on ['Supplying DWP - Terms and Conditions'](#).

Baseline Security Standard (Part of Terms and Conditions).

- 4.5 Where contractors staff are to be given access to DWP's assets (defined as premises, systems, information or data) the attention of Potential Suppliers is drawn to their contractual obligation. Full details of the actions required to comply with the above procedures, can be found in the guidance document 'HMG Baseline Personnel Security Standard – A Guide for DWP Contractors'. A PDF version of this document can be viewed at: ['Supplying DWP - Terms and Conditions'](#).
- 4.6 Contractors' staff working in Northern Ireland will be required to be cleared via the Access NI procedures, more information can be obtained at www.dojni.gov.uk/accessni. A copy of this document in Microsoft Word format can be provided on request. Please note that Potential Suppliers are expected to meet any costs this may involve.

5. Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) - (ITT Technical Envelope & Annexes G & H)

- 5.1 Your attention is drawn to the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE). It is DWP's view that TUPE is unlikely to be applicable if this ITT results in a Contract being placed. Nevertheless, it is your responsibility to consider whether or not TUPE applies in the individual circumstances of your Tender, particularly if you are proposing to submit an innovative Tender.
- 5.2 If you have a contrary view to that of DWP on the applicability of TUPE, you must advise DWP using Annex G, giving the reasons no later than 1 week prior to the tender return date. You should use the DWP e-Procurement Solution portal for this.

6. Freedom of Information Act - (ITT Technical Envelope & Annex Q)

- 6.1 DWP is committed to open government and to meeting its legal responsibilities under the Freedom of Information Act 2000. All information submitted to DWP may need to be disclosed by DWP in response to a request under the Act. If you consider that any of the information included in your Tender is commercially sensitive, please identify it and explain (in broad terms) what harm may result from disclosure if a request is received, and the time period applicable to that sensitivity.
- 6.2 You should be aware that even where you have indicated that information is commercially sensitive, DWP may be required to disclose it under the terms of the Act if a request is received. Please note that the receipt of material marked 'confidential' or equivalent by DWP should not be taken to mean that DWP accepts any duty of confidence by virtue of that marking. If a request is received, DWP may also be required to disclose details to unsuccessful Tenderers.

7. Procurement Timetable

- 7.1 Set out below is the proposed procurement timetable. This is intended as a **guide** and, whilst DWP does not intend to depart significantly from it, there may be occasions where the timetable will be subject to minor change.

Activity	Date
Publication of the ITT to all Potential Suppliers	12 th January 2015
Deadline for submissions of Tender Questions (Q&A) – online/electronic facility	21 st January 2015
Deadline for Publication of Q&A	23 rd January 2015
Deadline for receipt of Tenders	10am on 30 th January 2015
Evaluation of Tenders, recommendations and approvals.	2 nd – 19 th February 2015
Intention to Award notification issued to successful and unsuccessful Tenderers	20 th February 2015
Standstill period (Alcatel – see paragraph 10.7) and offer debrief to both successful and unsuccessful Tenderers	20 th February – 5 th March 2015
Sign contract	6 th March 2015
Go Live	6 th April 2015

8. Tender Submission Process

Background

8.1 DWP e-Procurement Solution portal relies on the completion of 3 envelopes which will contain all of the information DWP requires to enable full evaluation to take place. All information should be uploaded as per instructions into the relevant envelopes on DWP e-Procurement Solution portal.

- Qualification Envelope – Is used for gathering information to qualify Potential Suppliers for further evaluation
- Technical Envelope – Is used for gathering information to allow for full evaluation of the technical side of the proposal
- Commercial Envelope – Is used to gather the Pricing Proposal

Tender Completion

8.2 The information or text contained within the ITT (including its Annexes) and your response, any variation of them and any formal interchange of correspondence or information, may be incorporated, whether by reference or otherwise, into any subsequent contract/framework agreement that DWP may enter into as a result of this ITT.

8.3 To participate in this procurement, Potential Suppliers are required to submit a fully compliant Tender and must answer all questions as accurately and concisely as possible. Only information provided in response to the ITT will be evaluated. To ensure equality of treatment of all Potential Suppliers DWP reserves the right to reject any non compliant Tender.

8.4 You should answer all questions using the templates provided, presenting them in the same sequence and using the same references. Please ensure all answers are self contained with no cross-referencing. Only information entered into the appropriate answer boxes (which may be extended as necessary but should not exceed any applicable word limit/page count) or in additional documents supplied as requested, will be taken into consideration for the purposes of evaluating the Tender.

8.5 Responses must not exceed the pre-set margins and space allocation. In some cases DWP may put a word limit on your response to some or all questions. These limits are provided in the Invitation to Tender document and any response in excess of these allocations will be disregarded and will not be evaluated.

8.6 Therefore, bullets, tables, graphs and charts in support of your responses are all permitted. Responses must be presented using Arial font size 12

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(English Language and black typeface) this includes instances where information may be tabulated as part of the response. The only exception permitted is for illustrative screen shots, graphs and charts, which should be presented within the allocated page limit for the question they are relevant to and must not be embedded separately as this information will be disregarded.

- 8.7 Tenders must be completed using Microsoft Word and MS Excel 1997 – 2010 format. PDF Files are also acceptable. **Files submitted in Microsoft Project format will not be accepted.**
- 8.8 All acronyms and abbreviations, if used, must be fully explained.
- 8.9 Where a YES, NO or Not Applicable response is required, please click the appropriate YES, NO or Not Applicable statement on the drop down options bar

Tender Submission Procedure

- 8.10 The ITT and any attachments have been specifically designed to be compatible with DWP e-tendering and e-evaluation requirements and must not, under any circumstance, be altered.
- 8.11 All Tenders must be submitted to DWP using DWP e-Procurement Solution Portal. Tenders submitted by any other means will not be accepted.
- 8.12 A Tender may be completed and submitted at any time before the tender submission deadline, using DWP e-Procurement Solution Portal. Instructions explaining how to submit and complete the Tender to DWP are located within the e-Sourcing Portal.
- 8.13 The Potential Supplier is responsible for ensuring that its Tender has been successfully completed and all information is uploaded to DWP e-Procurement Solution Portal prior to the tender submission deadline.
- 8.14 Please allow sufficient time to submit your Tender. It is recommended that the Potential Supplier allows time for a final check to be undertaken, prior to the submission deadline. It will not be possible for you to upload any further information after the tender submission deadline. IT problems within your own system will not be considered reasonable grounds for late submission.
- 8.15 A Potential Supplier may modify and resubmit its Tender at any time, prior to the tender submission deadline. Tenders cannot be modified by Potential Suppliers after the tender submission deadline. Upon the tender submission deadline, the Potential Supplier must ensure that it has only submitted a single Tender through DWP e-Procurement Solution Portal. The only exception to this is where DWP has stated in the contract notice that variant proposals will be accepted and the Potential Supplier has

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chosen to submit a variant proposal in addition to the main compliant proposal.

- 8.16 Financial information should be submitted in the format requested (usually MS Excel). Documents which have related financial information should be submitted in GBP (£). Instructions on DWP e-Procurement Solution Portal will clearly identify the format and where these documents should be uploaded.
- 8.17 Bidders should note that, in cases where the requirement may be divided into more than one Contract Package Area (CPA), they will be required to complete a separate Technical Envelope and a separate Commercial Envelope (both of which will be contained within the relevant CPA 'Folders') in respect of each CPA they wish to bid for. However, bidders will be required to complete the Qualification Envelope (contained in the Generic 'Folder') only once. See paras 8.19 to 8.28 for further information / guidance on how to complete the Qualification, Technical and Commercial Envelopes.

Labelling your Tender Forms (File Names)

- 8.18 Potential Suppliers will be invited to submit responses to online questions and upload a suite of documentation that reflects the requirements of the ITT. It is vitally important that, when using DWP e-Procurement Solution Portal, Potential Suppliers correctly name any documents and attachments that are required to be uploaded as a response to questions within each of the envelopes.

Qualification Envelope

- 8.19 This envelope contains questions the Potential Supplier may have already answered in setting up their organisation Profile and the answers to those questions will be used to pre-populate your response.
- 8.20 Potential Suppliers may change these answers so they differ from those saved in their Organisation Profile and save those new answers on their response. These answers will be applied back to their Organisation Profile when the ITT is evaluated by the Buyer.
- 8.21 Potential Suppliers may also supply different answers to these questions in other ITT's they submit. In this case the response saved to your Organisation Profile will always be the response which was most recently evaluated by the Buyer.
- 8.22 Where Potential Suppliers do not want to change any information they will be given a prompt to confirm that everything recorded is current and correct.

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8.23 Where there is a requirement to upload documents within the envelope, the suggested format is as follows. Please note this is an example and your submission should reflect what is requested in the ITT.

ITT Response required	How your response should be uploaded
Financial and Economic Standing (Regulation 24)	Contract title (i.e. supply of widgets), Financial & Economic Standing 2010/2011 accounts (before uploading your accounts you should label them 'Annex D') Company Name (i.e. ABC Ltd) 2011/2012 accounts Company Name (i.e. ABC Ltd)

Technical Envelope

8.24 This envelope contains specific questions to which a response is required. It is this information which will enable DWP to carry out a qualitative evaluation of the proposal. Where there is a requirement to upload attachments to questions within this envelope the suggested format is as follows.

ITT Response required	How your response should be uploaded
Draft Security Plan Annex E – Draft Security Plan	Contract title (e.g. supply of widgets) Annex E - Draft Security Plan Company Name (i.e. ABC Ltd)

Commercial Envelope

8.25 This envelope is where the Pricing Proposal should be uploaded. This information should be uploaded as follows.

ITT Response required	How your response should be uploaded
Pricing Proposal Commercial Envelope, Annex S – Pricing Proposal	Contract title (e.g. supply of widgets), Annex S – Pricing Proposal Company Name (i.e. ABC Ltd)

8.26 On the occasions that the requirement is divided into CPAs the ITT will be individually labelled to reflect the requirement for each CPA. This still requires the Potential Supplier to insert their company name where requested. A separate technical and commercial envelope must be completed **for each CPA in which a Potential Supplier wishes to submit a Tender.**

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- 8.27 The details in the Qualification Envelope will need to be completed only once but Potential Suppliers should still familiarise themselves with the instructions shown on DWP e-Procurement Solution Portal, as confirmation will be needed that the details are correct for each CPA that a proposal is being submitted.
- 8.28 These labels are also part of DWP e-Tendering and e-evaluation requirements and must not be altered. In addition, the other tender document file names must not be altered under any circumstance.

Deadline for Submission of Tenders

- 8.29 All Tenders must be received by DWP by the tender submission deadline, which is shown in the procurement timetable.
- 8.30 To ensure that all Potential Suppliers are treated fairly, Tenders received after the tender submission deadline may be rejected by DWP. The decision whether to reject a Tender received after the tender submission deadline, is made entirely at DWP's discretion.
- 8.31 A Potential Supplier may withdraw from this procurement by choosing not to submit a Tender by the tender submission deadline. It would be useful to the Department if you could advise us, in advance, that you will not be submitting a proposal and, if possible, the reasons behind your decision.

Additional Materials, Documents and Attachments

- 8.32 No additional documentation should be submitted with a Tender unless specifically requested by DWP
- 8.33 Information that forms part of general company literature, or promotional brochures, will not form part of the evaluation process and should not be submitted.
- 8.34 The Tender should not contain any inserted, pasted or embedded pictures or documents (image files, Adobe Acrobat documents or other Word documents), unless specifically requested by DWP.
- 8.35 Any additional documents requested by DWP must be clearly referenced, within the body of the Tender, using a unique, un-ambiguous and relevant file name. They must be saved using MS Word (in Web Page, filtered format only), MS Excel, MS Power Point, Adobe Acrobat or jpeg formats. No other file formats should be used.

Subcontractors and Consortia

- 8.36 It is important that the Tender is completed accurately to enable DWP to establish a full understanding of the proposed approach to provision of the requirement.

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- 8.37 The Tender must be completed in the name of the economic operator (typically a company or similar legal entity) that will ultimately enter into a contract with DWP and therefore, assumes liability for performance of the contract.
- 8.38 With the exception of subcontractors identified in Annexes A & I of the ITT response, no organisation other than the Potential Supplier will be able to provide services through the contract, whether group company, subsidiary, parent company, holding company, associated company, franchisor, fellow franchisee, strategic partner or organisation in any other relationship whatsoever. For the avoidance of doubt, the use of any kind of group companies associated with the Potential Supplier can be only as subcontractors identified in the ITT Response.
- 8.39 DWP recognises that, on occasions, new subcontractors may be added to the supply chain. In these cases the Potential Supplier must seek approval from DWP, via the normal contract management procedures. Acceptance of the additional subcontractor will be at DWP's discretion.
- 8.40 When responding to DWP's questions in the Tender, the Potential Supplier should give examples of its own experience and capability to demonstrate its ability to provide the services in accordance with the requirements of the ITT.
- 8.41 DWP is happy to receive Tenders from economic operators collaborating as a consortium or subcontracting elements of its obligations. Where one of these approaches is adopted the following guidance set out in this paragraph must be followed.
- 8.41.1 Subcontracting proposals
- a) If a Potential Supplier needs to rely on the capability and/or experience of one or more subcontractors in its Tender, to demonstrate the Potential Supplier's ability to provide the services in accordance with the requirements of the ITT, it must inform DWP in its Tender. A Potential Supplier using this approach should indicate that it is a 'prime contractor' for the purposes of responding to the relevant question(s) in the selection questionnaire.
 - b) A Potential Supplier's Tender must clearly identify, in response to any question, when it is relying on a subcontractor, the name of the particular subcontractor and explain the subcontractor's capability and experience as the context of the question requires.
 - c) DWP does not require all subcontractors be disclosed. It only requires a Potential Supplier to disclose those subcontractors who directly contribute to the Potential Supplier's ability to meet its obligations under the contract.

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There is no need to specify those subcontractors providing general services to the Potential Supplier (such as window cleaners, lawyers, desktop software providers etc) that indirectly enable the Potential Supplier to perform the contract. For example if DWP requires a Potential Supplier to hold a particular licence – then the Potential Supplier may indicate that 'XYZ Co' holds the licence and indicate that services covered by the scope of this licence will only be performed by its subcontractor 'XYZ Co'.

8.41.2 Consortium proposals

- a) If a group of economic operators wish to act jointly to provide the Services they may do so:

with all parties signing the resultant contract and assuming joint and several responsibility for performance of the contract. Please note that in accordance with Regulation 28, DWP may require the consortium to form a single legal entity for the purpose of concluding the contract; **or**

using a separate entity (often referred to as a special purpose vehicle or "SPV") which will ultimately enter into the contract with DWP. Please note that if the SPV does not yet exist, or has a limited trading history, it is likely that the consortium members will need to nominate a guarantor for the SPV's performance of the contract.

- b) The consortium should nominate one of its members to lead the tendering process. If the SPV exists, then the SPV should lead and complete the Tender in its name and 'voice'. If the SPV does not yet exist or the consortium plans to collaborate on a joint and several basis, then it should nominate a lead consortium member. The lead member will then be treated as the "Potential Supplier" by DWP for the purposes of this ITT and to communicate with the consortium.
- c) Where the Potential Supplier relies on the capability and/or experience of one or more consortium members in its Tender, to demonstrate the consortium's ability to provide the available services in accordance with the requirements of the ITT, it must inform DWP in its Tender.
- d) A Potential Supplier's Tender must clearly identify, in response to any question, when it is relying on another consortium member, the name of the particular consortium member and explain the consortium member's capability and experience as the context of the question requires.

8.41.3 Other Scenarios

It is difficult for these instructions to deal with all potential consortium and subcontracting scenarios. If a Potential Supplier is unsure how to classify and communicate its contracting arrangements in its Tender, then it should contact DWP at the earliest opportunity in accordance with the questions and clarification section.

Changes to the Contracting Arrangements

8.42 DWP recognises that arrangements in relation to consortia and subcontracting may be subject to occasional change. Potential Suppliers should therefore respond in the light of such arrangements as are currently envisaged. Potential Suppliers are reminded that any future change in relation to the consortium membership and subcontracting arrangements must be notified to DWP at the earliest opportunity. DWP will make a further assessment of the Tender by applying the selection criteria and/or award criteria to the new information provided.

TENDER EVALUATION

Overview of the Evaluation Process

- 9.1 All Competitive Procurements have both selection and award stages as defined in the Public Contract Regulations.
- 9.2 DWP will undertake a selection appraisal of your organisation to satisfy itself that you are fundamentally eligible to Tender. In this regard, the ITT contains questions relating to mandatory and discretionary grounds for exclusion of Potential Suppliers on the grounds of eligibility. In addition, the information provided, under Economic and Financial Standing, will be subject to a financial risk assessment which also may give the department grounds to exclude you from further evaluation. See Appendix A for further details on DWP's approach to financial risk assessment.
- 9.3 All compliant Tenders who pass this initial selection stage will then be subject to separate Qualitative and Pricing Evaluation.

Selection Appraisal

- 9.4 At the selection stage Potential Suppliers are assessed against the following:
 - a. Regulation 23, criteria for the rejection of economic operators;
 - b. Regulation 24, information as to the economic and financial standing;

Qualitative Evaluation (Award Stage)

- 9.5 Evaluators will assess responses to the questions in the ITT and will award scores based on the award criteria and sub-criteria set out in 9.13 to 9.14 – of this guidance.
- 9.6 The criteria are shown in descending order of importance.

Pricing Proposal Evaluation (Award Stage)

- 9.7 The pricing proposal evaluation will be based on the information provided in the pricing proposal documentation (Annex S of the Commercial Envelope) and evaluated as set out in paragraph 9.16 of this guidance.
- 9.8 The pricing proposal evaluation will be undertaken by different evaluators to those individuals involved with the qualitative evaluation process.

Evaluation Summary Table

Response Heading	Marking Methodology
Whole Document Preliminary Tender Compliance Check Please complete – Declaration by Potential Supplier	Compliance checks to ensure that Tenders include all the relevant information requested as part of the ITT and that it has been submitted in the format required. Tenders not meeting requirements will give DWP grounds for exclusion for non-compliance.
Qualification Envelope	
Organisation and Contact Details	Not scored, but full information must be provided. Additionally <u>Annex A</u> must be completed if you will be sub-contracting part/all of the service or if you are Tendering as part of a Consortium.
Grounds for Mandatory Rejection (Regulation 23)	If you answer “Yes” to any question in this section it is unlikely your proposal will be evaluated further.
Grounds for Discretionary Rejection (Regulations 23, 24, 25 & 26 of the Public Contract Regulations 2006).	If you answer “Yes” to any question in this section it is possible your proposal will not be evaluated further. However, if you can demonstrate that suitable remedial action (<u>Complete Annex B</u>) was taken then this information will be taken into account by DWP when considering putting your proposal forward for further evaluation.
Bona Fide Tendering	If you answer ‘No’ to any of the questions in 2 – 6 inclusive your proposal will not be evaluated. If you

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	answer 'NO' to question 1 you must complete <u>Annex C.</u>
Economic and Financial Standing (Regulation 24)	Using the financial information (e.g. accounts, etc) – to be uploaded as <u>Annex D,</u> a financial risk assessment will be carried out on the financial standing of your company. This will be Risk Rated as Red, Amber or Green. Those assessed as being a Red Risk will be eliminated from the exercise.
Technical Envelope	
Draft Security Plan	You must provide a Draft Security Plan at <u>Annex E.</u>
DWP Offshore Proposal Questionnaire	If applicable, you must complete Off-shoring questionnaire at <u>Annex F.</u>
TUPE Contrary View to that of DWP	If you have a contrary view to that of DWP as to whether or not TUPE applies you must complete <u>Annex G.</u> Response is required no later than 1 week prior to the stated tender return date. You should use the DWP e-Procurement Solution portal for this.
Qualitative Evaluation (Specific Service Delivery Questions)	Tenders will be scored using predetermined scoring criteria as detailed within this document.
Proposed Sub-Contractors	Please use <u>Annex I</u> to provide details of your proposed sub-contractors.
Freedom of Information	Not scored but if consider that any of the information, included as part of your Tender, to be commercially sensitive you must complete <u>Annex Q.</u>
Declaration by Potential Supplier <u>PLEASE NOTE: -</u> Failure to provide all of the documents requested will invalidate your Tender.	Please complete and attach the declaration provided to confirm that all the information requested by DWP has been completed and uploaded as part of your Tender proposal. This is your commitment that you offer to enter into a contract with DWP as stipulated in the declaration.
Commercial Envelope	
Pricing Proposal Evaluation	The pricing proposal evaluation will be undertaken separately to the Qualitative Evaluation using predetermined scoring criteria, as detailed within this document. Your pricing proposal must be uploaded to <u>Annex S</u>

Qualitative Scoring Methodology

Score	Description
6	Thorough and detailed evidence provided which <u>fully satisfies</u> the requirements
4	Evidence provided <u>satisfies most</u> of the requirements with minor gaps in coverage or detail
2	Evidence provided <u>does not satisfy significant parts</u> of the requirement
0	Evidence provided <u>fails to satisfy</u> the stated requirement

9.9 The responses to the ITT will then be scored against the criteria and weightings stipulated in the table below using the scoring scale set out above.

9.10 The overall score for each section will be calculated by: totalling the individual scores for each question within the section (e.g. 1.4.2.1, 1.4.2.2 and 1.4.2.3), calculating the average score for the section, then multiplying the average score by weighting stipulated in the table below.

9.11 The highest overall score for Part 1.4 will be awarded 70 marks and all other scores will be awarded marks based on the percentage deviation from this highest score.

9.12 An overall score of 0 against any section (e.g. 1.4.1) will result in removal from the competition and the remainder of your tender being disregarded.

Award Criteria and Weighting

9.13 The information provided in the tender proposal will be evaluated against the pre-determined Award Criteria as stated in the Invitation to Tender.

9.14 The ITT, set up on DWP e-Procurement Solution Portal, requests Potential Suppliers to submit responses which directly correspond with the Award Criteria. The overarching Award Criteria will often be made up of sub-criteria by which the Award Criteria will be evaluated.

Criteria Number	Criteria	Weighting	Maximum Score Available
1.4.1	Please provide a detailed / structured account and breakdown of your proposed content and method of delivering the 'Lone Parent Support Programme' provision (together with supporting rationale for your	5	30

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	<p>approach), as detailed in the specification. Your response should include:</p> <p><u>1.4.1.1</u> proposed arrangements for handling claimant referrals to the provision from JCP, including claimant speed of access;</p> <p><u>1.4.1.2</u> details of the process you will follow (i.e. the content and method of your proposed delivery,) in order to efficiently and successfully deliver all elements of the 5 week course provision requirements outlined in the Specification document;</p> <p><u>1.4.1.3</u> an outline of how you propose to timetable / schedule delivery of the 5 week courses in each of the required locations in the CPA. This should include provisional dates / timings;</p> <p><u>1.4.1.4</u> your proposals for delivery of post course Follow-on Support for claimants who progress into work following their participation on the course. Bidders should include an appropriate rationale for the use of any solutions which are seen as being 'innovative';</p> <p><u>1.4.1.5</u> an outline description of the systems your organisation will use to administer the provision effectively (e.g. keep accurate and auditable records on customers, outcomes, claims etc) and to gather / analyse / act upon customer feedback.</p>		
1.4.2	<p>Please provide details of the venues / premises from which you propose to deliver the 'Lone Parent Support Programme' provision. Your response should include:</p> <p><u>1.4.2.1</u> full address details, including postcodes, for all premises from which you propose to deliver the 5 week course, together with supporting rationale for choosing these premises, i.e. why do you consider them suitable;</p> <p><u>1.4.2.2</u> details of facilities available at these</p>	3	18

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	<p>proposed delivery premises;</p> <p><u>1.4.2.3</u> if you intend to use your existing premises for delivery of any element of this provision, please explain how this would fit with their current use. Alternatively, where new premises are proposed, please give an indication of timescales required to secure these premises.</p>		
1.4.3	<p>Please provide details of your staffing resource, including that of any sub-contractors you propose to employ, in order to deliver and manage all elements of the provision. Your response should include:</p> <p><u>1.4.3.1</u> Full Time Equivalent (FTE) staff numbers, together with supporting rationale for your proposals;</p> <p><u>1.4.3.2</u> an outline of the roles and responsibilities for all staff involved (including delivery and management);</p> <p><u>1.4.3.3</u> information about the qualifications and / or experience of the staff who will be involved in both the delivery and the management of all elements of the proposed provision, together with an explanation of why you believe these to be appropriate in the context of this provision;</p> <p><u>1.4.3.4</u> an indication of how your proposals fit within your organisations' overall management structure.</p>	3	18
1.4.4	<p>Please provide a detailed example which demonstrates your organisation's experience of successfully delivering this type of provision (or similar) and / or your experience of working with the Lone Parent customer group described in the provision Specification.</p> <p>If your organisation has no previous experience of this type of provision or the Lone Parent customer group you should provide details of any steps / research you have undertaken in order to gain a sufficient understanding and working knowledge.</p>	2	12

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1.4.5	<p>Please provide details of your links within and / or working knowledge / experience of the Contract Package Area (CPA). If your organisation has no previous experience of working within the CPA, you should provide details of any steps / research you have undertaken in order to gain sufficient understanding and working knowledge. Your response should include:</p> <p><u>1.4.5.1</u> local employers / local labour market / employment agencies;</p> <p><u>1.4.5.2</u> JCP;</p> <p><u>1.4.5.3</u> other local organisations / partnerships.</p>	1	6
	Total		84

Pricing Proposal Evaluation Methodology

9.15 Your pricing proposal is required at Annex S of the Commercial Envelope. We have asked for: (i) Course Fee, (ii) Course Completer Fee, (iii) Training / 'Milestone' Achievement Fee, (iv) Job Outcome Fee and (v) Sustained Job Outcome Fee. See the Specification for further details of the payment model, including the maximum budget available for this contract.

9.16 The lowest total price will be awarded 30 marks and each other price proposal will be awarded a score based on the percentage deviation from the lowest price.

Overall Tender Mark

9.17 The scores from both Part 1.4 of the Technical Envelope and Annex S of the Commercial Envelope will be added together to give the overall Tender mark out of 100. Contracts will be awarded according to the highest overall Tender Marks.

Tie Breaker

9.18 This will only be applied where two or more winning Potential Suppliers have achieved the same score in the evaluation of the bids. In these circumstances, the tie breaker will involve additional weighting being awarded to certain questions in the ITT response.

9.19 Where a tiebreaker is required, it will be applied to the scores of all Potential Suppliers with winning equal; scores. Note that the use of one tie breaker may not be sufficient to clearly identify the winner. So in the event that the first tie breaker does not produce a result which differentiates the

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Potential Suppliers who have the same score, a second tie breaker will be used.

9.20 The application of the tie breaker will be as follows.

Step 1 –

10% of the total weighted score for Part 1.4.1 will be added to the Final Score.

Step 2 –

10% of the total weighted score for Part 1.4.3 will be added to the score from Step 1.

Step 3 –

10% of the total weighted score for Part 1.4.2 will be added to the score from Step 2.

9.21 If when applying the tie breaker, a clear result is identified (i.e. the tie breaker score differentiates the Potential Suppliers who have the same score from the initial evaluation of bids), the process will be terminated at that step. If a winner is identified at any step, they will be appointed as a Preferred Supplier.

Tender Clarification

9.22 DWP may need to clarify details of your Tender. In those instances DWP will send any questions, using DWP e-Procurement Solution portal, to the named person (by email) registered on the system, who should then arrange for a reply to be provided by the stipulated deadline.

9.23 DWP may seek independent financial and market advice to validate information declared, or to assist in the evaluation.

10. Contract Award

Parent Company Guarantee (PCG)

10.1 If your company has a parent company and should you be deemed successful in tendering for this contract, then DWP will require a signed Parent Company Guarantee (PCG) to be in place prior to any contract(s) being signed.

10.2 The PCG will not be negotiable; however there may be exceptional circumstances where the wording needs to be amended or an equivalent deed of guarantee supplied. These may include Special Purpose Vehicles

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(SPVs), consortia and organisations that have parent companies based abroad.

- 10.3 If the parent company is a charity, DWP would need to understand whether there is anything in the provisions of the charity's constitution that prevents them from being able to offer a PCG. In these circumstances, DWP may require an alternative guarantor.

Ranking of Supplier Submissions – Recommendation for Contract Award

- 10.4 The tender process has been designed to ensure that tenders are evaluated fairly to ascertain the most economically advantageous tender and once the qualitative and financial aspects have been evaluated, DWP will produce a ranked merit list based on this tender process.

- 10.5 The Potential Supplier(s), who obtain(s) the highest overall score from the evaluation process, taking into account the Award Criteria weightings, will be recommended for contract award.

- 10.6 Before any contract can be entered into, DWP is mandated to seek and obtain Independent Approval.

10.6.1 Independent Approval

The results of the Qualitative and Pricing Proposal Evaluation Process (resultant rankings along with the marks awarded) will be independently checked and verified by individual(s) not previously involved in the procurement process.

Standstill Period

- 10.7 The standstill period is a minimum 10 day pause between contract award decision and the formal award of the contract, and is a legal requirement of Part A Services, which all Government Departments must comply with. As this contract is for Part B Services, there is no legal requirement for DWP to apply a standstill period.

Publication of Contract Award on Contracts Finder

- 10.8 Irrespective of whether or not publication of a Contract Award Notice in OJEU is required, details of all contracts awarded with a value greater than £10,000 will be published on the Contracts Finder website. Details will be published after 20 days following the end of the standstill period, or after 20 days from the award of contract where no standstill applies.

11. Post Contract Award

Contract Documentation

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11.1 DWP will be responsible for producing a final contract document and issuing to the successful supplier(s).

11.2 Not used.

11.3 Not used

11.4 Not used.

Expenditure with SMEs

11.5 The Authority is required to provide regular reports on the level of procurement spend with SMEs to the Cabinet Office. To measure and accurately report on this, the Contractor and, where applicable, its sub-contractors shall identify the volume of indirect expenditure the Authority undertakes with SMEs and shall provide this information on a quarterly basis to the Authority or Cabinet Office.

12. Use of Small and Medium Enterprises (SMEs) in Contractor's Supply Chain

The Authority recognises the important role SMEs have in helping to deliver economic growth and prosperity. SMEs are defined as:

- Medium-sized – no more than 250 employees, a balance sheet that does not exceed £35.4m (€43m) and/or turnover that does not exceed £41.4m (€50m);
- Small – less than 50 employees and a turnover or balance sheet total of not more than 10 million Euros;
- Micro – less than 10 employees and a turnover or balance sheet total of not more than 2 million Euros.

The Authority is committed to supporting the governments target of 25% of government spending with third party suppliers to go to SMEs through either direct spend or indirectly through the supply chain where it is relevant to the contractual requirement to do so and provides value for money.

In support of the government's commitment on SMEs, the Authority is putting in place processes to promote greater engagement with SMEs. The Authority encourages its suppliers to make their sub-contracting opportunities accessible to smaller companies and implement SME-friendly policies in their supply-chains.

The Contractor is encouraged to:

- Open opportunities for SMEs in supply chains by splitting requirements into smaller elements to make them more attractive to the SME market whilst bringing innovation, flexibility and value for money;

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- Advertise any sub-contracting opportunities where appropriate and economical to do so, for example by using Contracts Finder or informing local networks/partners;
- Where possible pay SMEs earlier than the contractual requirement of 30 days from receipt of valid invoice; and
- Work with SMEs throughout the life of the contract to develop innovative and cost effective solutions delivered through the supply chain.

Regular contract review meetings should be used to enable both parties to explore continued and increased use of SMEs where appropriate throughout the life of the contract. Additional information may be requested by the Authority on the volume of business undertaken throughout the supply chain with SMEs.

13. DWP Complaints Procedure

13.1 The Authority has published a [Commercial Complaints Process](#) for use during competitive procurement.

This process gives details of : -

- DWP Commercial Code of Practice – Competitive Tendering
- The DWP Commercial Complaints Process
- Information to accompany a commercial complaint

APPENDIX 1

Financial Viability Risk Assessment

- 1.1 The aim of the evaluation is to ensure Potential Suppliers who proceed have sufficient resources to successfully deliver the contract with a minimal risk of failure. The assessment will consist of an evaluation of the accounts and other financial and organisational data that the prospective Potential Supplier makes available to DWP.
- 1.2 Special Purpose Vehicles (SPVs) will be assessed using the same approach as other companies, except each member of the SPV will have their contribution to the key metrics apportioned based on their equity holding in the organisation (or proposed equity holding if the SPV has not yet been formed).
- 1.3 In order to comply with the accounting standard, IAS 24 Related Party Disclosures, Potential Suppliers are required to ensure that their financial statements contain the disclosures necessary to draw attention to the possibility that its financial position, and profit or loss, may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.
- 1.4 Where the Potential Supplier has a Parent Company, then the Parent Company accounts should also be supplied. See paragraphs 12.1 to 12.3.
- 1.5 In order for a like for like evaluation on Potential Suppliers based abroad, the Authority will require that all financial accounts are converted and supplied in GB sterling, stating the exchange rate used and the justification for this exchange rate.
- 1.6 The analysis of the accounts will consider the size of the business, its age and which sector of industry it is trading in, as well as focusing on appropriate ratio analysis and organisational growth. The financial appraisals will be conducted by suitably qualified and experienced staff to ensure an accurate, consistent and professional approach.
- 1.7 Individual Potential Supplier responses will be assessed on the following three areas:
 - Organisational Stability;
 - Financial Stability; and
 - Growth Management;
- 1.8 If the assessment of any of the above areas produces a RAG rating of **RED** the result will be potential elimination from the procurement. A Potential Supplier that has a negative balance sheet (technically insolvent) will be given a RAG rating of **RED**. Further investigation and

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clarification will be required by DWP to fully understand the issues causing the red rating.

- 1.9 As part of such investigation and clarification DWP may require the Potential Supplier to provide supplementary information relating to the matters specified. If, following such clarification, DWP is satisfied that there are clear and robust mitigating circumstances, which provide satisfactory assurance that there is minimal risk of contract failure as demonstrated by the clarification and/or supplementary information provided then DWP reserves the right not to eliminate the Supplier from the procurement process, and to amend the RAG rating from RED to **AMBER**.
- 1.10 If a Potential Supplier identifies that their organisation will be rated RED, but believe there to be mitigating circumstances, then they should submit an explanation and supporting evidence of the mitigating circumstances with their annual accounts.
- 1.11 If any Potential Suppliers score a mixture of **AMBER** and **GREEN** in the criteria listed in **Annex 2**, the greater number of **AMBER/GREEN** takes priority. If a Potential Supplier has an equal number of **AMBER/GREEN** the Potential Supplier will be deemed **AMBER**. An **AMBER** rating does not exclude an organisation from progressing in the competition.
- 1.12 For a Potential Supplier which achieves an **AMBER** rating it may be necessary, before contracting with them, for the Potential Supplier to supply additional evidence that they can manage the level of growth, from an organisational, financial and delivery perspective. **Annex 1** provides the RAG criteria and related action across all areas of the assessment.

Organisational Stability

- 1.13 This section focuses on the overall stability of the Potential Supplier based on set criteria. Using the data supplied in the financial statements, an assessment will be completed to determine the stability of the Potential Supplier. If the assessment raises major concerns about the Potential Supplier please see the qualification table at **Annex 2** for more information this will result in the Potential Supplier being given a **RED** rating which will result in the potential elimination from the process.
- 1.14 Potential Suppliers who do not fall into the above rating category will receive a **GREEN** rating.

Growth Management

- 1.15 This section provides an initial assessment of a Potential Supplier's ability to manage the contract. Please see **Annex 3** for details that will be used in the assessment at this stage.

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- 1.16 Turnover growth analysis will focus on the contract limit, and a Potential Supplier's ability to manage a single contract.
- 1.17 This analysis will be used to identify how the Potential Supplier is likely to achieve the following:
- **Financial Strength** - can the Potential Supplier cope financially with the size of contract or asset requirement; and
 - **Capacity** - does the Potential Supplier have the resource to carry out the work.
- 1.18 DWP will assess each Potential Supplier's ability to carry out and complete the contract, and will calculate a Potential Supplier threshold initially based on 75% of their turnover. Organisational / group / SPV structures will also be taken into account, where appropriate, as part of this financial threshold calculation. It is anticipated that this financial threshold must be equal to or higher than the annual contract value to progress.
- 1.19 Failure to meet the threshold will not mean automatic elimination from the competition, but further assurances will be sought by DWP regarding the Potential Supplier's ability to grow and cope with the requirements of the contract. Failure to provide these assurances will result in elimination from the competition.
- 1.20 If the Potential Supplier progresses through to future stages of the procurement exercise, a Growth Capacity model may be used to explore financial and non financial elements to further measure growth potential. This will be dependant on contract size. The non financial elements will include, but not be limited to:
- Strategic Management;
 - Supply Chain Management;
 - Infrastructure;
 - People and Skills; and
 - Policies and Procedures.

Financial Stability

- 1.21 This section involves completing a ratio analysis of the financial information contained in the Potential Supplier's financial statements and will inform the outcome of this part of the assessment.
- 1.22 Two ratios will be analysed: the Acid Test ratio (1) and the Debt ratio (2). Please see **Annex 4** for details of the scoring and weighting criteria that will be attributed to this assessment.
- 1.23 When analysing a Potential Supplier's Liabilities, DWP will exclude any amounts in relation to Provisions for Pensions Liabilities

Outcome

1.24 The overall outcome of the analysis is intended to produce a field of Potential Suppliers considered viable to undertake and conduct the contract.

Qualifying Criteria

The following table defines the RAG assessment and related action.

Criteria	Outcome
RED - Potential Elimination	Potential Supplier exits the exercise subject to paragraph 1.8 of Annex 1 refers.
AMBER - Tentative Progression	Potential Supplier progresses to next stage, but analysis continues and a dialogue commences between DWP and the organisation. The possibility of elimination at a later date does exist, but is not definite.
GREEN - Progression	Potential Supplier progresses to next stage

ANNEX 2

Elimination and Progression Criteria

The following table shows the elimination/progression criteria for the assessment:

Measure	Criteria	Action	RAG Rating
ORG STABILITY	Negative Balance Sheet (technically insolvent)	Elimination from the process subject to paragraph 1.8 of Annex 1 refers	Red
	The organisation is actually Insolvent, or is in the process of being declared insolvent.	Elimination from the process	Red
	The organisation has been wound up or is in the process of being wound up.	Elimination from the process	Red
	The organisation is in administration or is in the process of being put into administration.	Elimination from the process	Red
FINANCIAL STABILITY	Ratio Analysis AMBER = 2 to 6 points	Tentative Progression or Progression depending upon outcome of analysis. Progression	Amber
	GREEN = 7 to 10 points		Green
GROWTH MANAGMENT	Growth Management - Under minimum contract value	Elimination from the process subject to paragraph 10.19 above	Red
	Growth Management - Over minimum contract value	Progression	Green

Turnover Growth Methodology

The table below shows the scoring and weighting mechanism for Turnover Growth (paragraphs 1.15 to 1.20 of Annex 1 refers).

Criteria	Score
Turnover Growth	Greater than 75% = Red Less than 75%> = Green

ANNEX 4

Financial Stability and Growth Management Scoring Methodology

The financial tests performed during the evaluation process are as follows (paragraphs 1.21 to 1.23 of Annex 1 refers):

Criteria	Score
Acid Test Ratio	<p>>1.1 = 5</p> <p>>0.8 <1.1 = 3</p> <p><0.8 = 1</p>
Debt Ratio	<p><0.5 = 5</p> <p>>0.5 <1.0 = 3</p> <p>>1.0 = 1</p>

- i) All Potential Suppliers will be given an **Amber** or **Green** risk rating based on this assessment. **Green** and **Amber** risk rated Potential Suppliers will be deemed as having passed the analysis for this competition.
- ii) For those Potential Suppliers achieving an **Amber** rating Finance may seek further clarification and reassurance that any potential risks can be fully mitigated.
- iii) Potential Suppliers scoring between 2 and 6 marks in total are given an **Amber** rating; Potential Suppliers scoring above 6 marks in total are given a **Green** rating.
- iv) When analysing a bidding organisation’s liabilities, Finance will exclude any amounts in relation to provisions for Pensions Liabilities.