

Invitation to tender for education and training services – Adult Education Budget 2017 to 2018

ITT 30198

27 January 2017

Please note that your response to this invitation to tender must be submitted through the Skills Funding Agency's e-tendering portal before 17:00 on 27 February 2017



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INTRODUCTION

1. Of interest to organisations listed on the Register of Training Organisations (RoTO), and who are seeking to deliver education and training provision funded by the Adult Education Budget (AEB).
2. It is a restricted procedure, of interest to organisations that are seeking to deliver AEB provision, and that:
 - a. are listed on the RoTO published on 25 January 2017
 - b. have passed the capacity and capability section for the delivery of education and training services
 - c. have at least expressed an interest in one of the following on their RoTO application:
 - Traineeships
 - Skills for Life
 - Pre-employment training
 - English for Speakers of Other Languages (ESOL)
 - Community Learning
 - Education and vocational skills training for employers
 - Skills support for the employed
 - Skills support for the unemployed

BACKGROUND

3. The Contracting Authority is the Secretary of State for Education acting through the Skills Funding Agency (SFA) – an executive agency of the Department for Education exercising functions to fund adult education and skills.
4. This document forms part of the Invitation to Tender (ITT), to procure the delivery of Education and Training Services funded by the AEB.
5. The ITT is following a restricted procedure, as allowed under the UK Public Contract Regulations 2015: Regulation 74 – Social and Other Specific Services.
6. This document contains the information that Applicants will need in order to respond to the ITT.
7. Recent changes to the Public Contract Regulations (2015) mean that the SFA can no longer automatically renew all of its current 'contracts for



services' at the end of the current contracting term. As a result, the SFA is releasing at least £110 million of AEB funds for procurement for the 2017 to 2018 funding year.

8. Please note that the majority of the AEB is currently awarded to designated institutions, as defined in the Further and Higher Education Act 1992, who are eligible to receive a grant. Existing AEB grants to these institutions are not affected by this regulation change, as it falls outside of the requirements for procurement under the [Public Contracts Regulations](#).
9. The SFA is seeking tenders to deliver education and training provision that complies with the funding arrangements set out in the adult education budget draft funding and performance-management rules 2017 to 2018 and funding rates and formula document (see useful links paragraph 10). The SFA reserves the right to extend contracts for a second and third period of up to 12 months subject to funding availability, the performance of the contract, and government skills policy.
10. Applicants may find the following links of value.

- [Adult education budget draft funding and performance-management rules 2017 to 2018](#)
<https://www.gov.uk/guidance/sfa-funding-rules>
- [Funding rates and formula 2017 to 2018](#)
<https://www.gov.uk/government/collections/sfa-funding-rates>
- [Changing Context for the AEB 2016 to 2017](#)
<https://www.gov.uk/government/publications/sfa-changes-to-the-adult-education-budget-for-2016-to-2017>
- [Qualifications: eligibility for public funding](#)
<https://www.gov.uk/government/publications/qualifications-getting-approval-for-funding>
- [The Post-16 skills plan and independent report on technical education](#)
<https://www.gov.uk/government/publications/post-16-skills-plan-and-independent-report-on-technical-education>
- [The report on effective practice in supporting Entry/Level 1 students in post-16 institutions](#)
<https://www.gov.uk/government/publications/supporting-entry-and-level-1-students-in-post-16-institutions>
- [Traineeships programme](#)
<https://www.gov.uk/government/collections/traineeships-programme#traineeships:-overview-for-training-organisations>
- [English indices of deprivation 2015](#)
<https://www.gov.uk/government/statistics/english-indices-of-deprivation-2015>
- [Individualised Learner Record \(ILR\) Specification document](#)
<https://www.gov.uk/government/publications/ilr-specification-validation-rules-and-appendices-2016-to-2017>
- [SFA financial assurance: funding higher-risk organisations and subcontractors](#)
<https://www.gov.uk/government/publications/sfa-financial-assurance-higher-risk-providers-and-subcontractors>
- [SFA Financial Health Assessment of Non-College Providers](#)
<https://www.gov.uk/government/publications/sfa-financial-health-assessment>
- [Equality Act 2010](#)
<http://www.legislation.gov.uk/ukpga/2010/15/contents>



DEFINITIONS

- **Achievement** – the outcome of a qualification or progression into learning or employment
- **Adult Education Budget (AEB)** – includes all SFA participation and support funding (not including European Social Fund, Advanced Learner Loans and apprenticeships). Its principal purpose is to engage adults and provide the skills and learning they need to equip them for work, an apprenticeship or further learning
- **Advanced Learner Loans** – Advanced Learner Loans help people aged 19 and over undertake vocational, technical and professional qualifications at Levels 3, 4, 5 and 6. Loans provide a source of fees support for learners, enabling them to reap the personal and financial benefits of their study, which in turn will support the economy
- **Applicant** – the organisation making an application in response to the ITT for AEB education and training provision
- **Award Decision Notice** – the notification that the SFA will issue to Applicants who have responded to the ITT
- **Compliant bids** – responses submitted by organisations which meet the application requirements set out in the ITT
- **Community Learning** – helps people of different ages and backgrounds gain a new skill, reconnect with learning, pursue an interest, and learn how to support their children better, or prepare for progression to formal courses or employment
- **Contracting authority** – Secretary of State for Education, acting through the SFA
- **Declaration of subcontractor's form** – document for completion by Applicants, whether intending to subcontract or not. If an Applicant does not intend to subcontract, it must complete a NIL return
- **Delivery period** – 1 August 2017 to 31 July 2018
- **Eligibility** – describes which organisations can respond to the ITT
- **e-tendering portal** – web based electronic tendering system used by applicants to access documentation, ask questions and submit bids
- **FOIA** – Freedom of Information Act 2000
- **Funding volumes and values spreadsheet** – Microsoft Excel document for completion by Applicants, providing information on the start volumes, geography of the proposed delivery, and the required funding
- **Funding costs** – value of the delivery of the service to deliver participation, and any appropriate learner/learning support costs to the



learner to complete the learning aim(s) agreed with them at initial assessment

- **Funding year** – 1 August 2017 to 31 July 2018
- **ITT** – Invitation to Tender
- **Learner support** – funding that enables providers to support learners with a specific financial hardship, which might prevent them from being able to start or complete their learning
- **Learning support** – funding that enables providers to put in place a reasonable adjustment, set out in the Equality Act 2010, for learners with an identified learning difficulty and/or disability to achieve their learning goal
- **Local area** – local authority areas
- **Online message board** – web based board used by Applicants and the SFA, as the only means of communication once the ITT is running
- **Organisation** – we use the term ‘organisation’ to include companies, charities, bodies, colleges, universities, sole traders and other types of legal entity, including those who are in the same group as, or are associated with, the main provider. The term ‘organisation’ excludes individuals who are self-employed or supplied by an employment agency and who are working under the main provider’s or employer-provider’s direction and control, in the same way as an employee
- **Non-compliant bids** – submissions by Applicants that do not meet the application requirements set out in the ITT
- **Ofsted** – Office for Standards in Education
- **RoTO** – Register of Training Organisations
- **SFA** – Skills Funding Agency
- **Service** – the services required to be delivered by eligible organisations that apply to the ITT and gain a contract for service delivery
- **Subcontractors** – organisations that are chosen by an Applicant to assist in delivering the Service
- **Traineeship** – provides unemployed young people with skills and experience to progress to an apprenticeship or sustainable work
- **Technical education** – supports progression into skilled employment that requires acquiring both a substantial body of technical knowledge and a set of practical skills valued by industry



WHAT WE ARE BUYING

11. The SFA is procuring AEB funded education and training provision for adults aged 19 and over.
12. The AEB funds learner participation, and learner and learning support. Its principal purpose is to engage adults and provide the skills and learning they need to equip them for work, an apprenticeship or further learning.
13. Through the SFA, the government has directed £1.5 billion of AEB funding in the current funding year, 2016 to 2017. This will support a range of skills provision from entry level up to Level 3. This provision broadly groups into the following four categories.
 - **Statutory entitlements**
 - English and maths GCSE and functional skills up to Level 2 (including as part of a traineeship), for those aged 19 and over who have not achieved a GCSE grade 4-9
 - Provision to support progression up to a first full Level 2, or a first full Level 2, for those aged 19 to 23
 - First full Level 3 for those aged 19 to 23
 - **Skills provision for unemployed** individuals aged 19 and over, supporting them to enter and progress in work
 - **Traineeships** – an education and training programme with work experience that supports adults aged 19 to 24, to prepare them for an apprenticeship, employment or further learning
 - **Community learning for learners furthest from learning or employment**, who find it difficult to play an active role in wider society or enter the workforce. This can happen for a range of reasons, such as addiction, mental health problems, because they struggle with English or maths, or because English is not their first language
14. Individuals who are furthest from learning and/or work may need extra support to address certain barriers that prevent them engaging or continuing learning. This support is funded through the AEB as follows:
 - **Learning support** – available to providers to meet the cost of making reasonable adjustments, as part of the Equality Act 2010, for learners who have an identified learning difficulty or disability, to achieve their learning goal, and/or
 - **Learner support** – available to providers to support learners with a specific financial hardship, such as child care or residential costs associated with learning. This will continue to be non-formula funded (paid on profile with in-year and year end funding declaration)



15. Funding awarded as a result of this procurement exercise can only be used to support eligible learners, and to deliver provision as set out in the adult education budget draft funding and performance-management rules 2017 to 2018. These rules can be found by following the link provided in paragraph 10.
16. The provision will also be subject to the SFA's AEB formula funding methodology and learner eligibility requirements. All participation and learning support costs will be calculated using the arrangements set out in the 'funding rates and formula' document. Learner eligibility is set out in the 'adult education budget draft funding and performance-management rules 2017 to 2018' (links for both documents can be found at paragraph 10).
17. Non-regulated activity similar to community learning that Applicants may plan to deliver will be subject to the AEB formula-funding methodology and AEB learner eligibility criteria, and not the current non-formula community learning methodology.
18. The SFA may make changes to the adult education budget draft funding and performance-management rules 2017 to 2018 rules and the funding rates and formula document, throughout the term of the contract.

ELIGIBILITY TO APPLY – WHO WE ARE BUYING FROM

19. The ITT is of interest to organisations listed on the Register of Training Organisations (RoTO), published on 25 January 2017, and who are seeking to deliver education and training provision funded by the AEB.

THE SERVICE REQUIREMENTS (the Service) – WHAT APPLICANTS WILL NEED TO DEMONSTRATE

20. The Service must comply with the adult education budget draft funding and performance-management rules 2017 to 2018 (link available at paragraph 10).
21. The SFA reserves the right to **prioritise contract awards** if Applicants bid to deliver to one or more of the key policy priorities outlined below.
 - a. **19-24 year olds traineeships**, where Applicants can evidence clear plans (or track record) for ensuring learners progress to apprenticeships and / or employment
 - b. **English and maths** provision for individuals aged 19 and over to support progression towards obtaining GCSE grade 4-9 or Functional Skills Level 2
 - c. **Skills provision for those who are unemployed and live in one of the priority disadvantaged areas**, increasing an individual's chances to get into work, earn more and/or progress to further learning. The areas are at Local Authority level as outlined within the English indices of deprivation



2015, referenced in paragraph 10, and priority areas as specified on the funding volumes and values spreadsheet

- d. **Delivery of technical programmes for adults aged 19-23**, without an existing Level 2 and Level 3 qualification and eligible for current legal entitlement. The SFA is looking for Applicants to build their capacity and capability to deliver Technical Certificates, and Tech Levels that currently fall within one of the developing 15 technical education employment routes and pathfinders
- While the first technical education pathfinder routes may not be ready for delivery until the academic year 2019 to 2020, priority will be given to bidders that begin the transition to a reformed technical education offer. This is moving away from delivery of broad vocational qualifications towards technical qualifications, which support individuals into skilled employment, the acquisition of technical knowledge and practical skills valued by industry and employers
 - For learners operating below Level 2 (the level of a Technical Certificate) or Level 3 (Tech Level), we expect Applicants to offer provision that will support those adults into technical education through locally responsive technical education 'tasters'. Along with the mix of basic knowledge and skills needed to access technical routes in the future, these should also take an account of the need to support independent living skills or engagement activity supporting adults to operate confidently and effectively in life and work

22. Applicants must be ready to deliver on the contract start date (1 August 2017). Applicants must:

- a. be able to demonstrate their readiness to deliver the Service immediately when the contract starts. Delivery must not be delayed in any way, such as by not having the appropriate staff, processes, premises or relationships that need to be established
- b. consider their readiness capacity, taking account of any existing commitments and pipeline business
- c. clearly demonstrate that they have the resources, processes and capability in place to deliver the service
- d. hold the appropriate approval and authority to deliver the Service. This must include relevant authority to deliver and award learning aims and qualifications that will be offered – for example, authority to deliver from the awarding body and issuing organisation

23. Applicants must have a track record in delivering high quality education and skills provision for those targeted by the AEB. Applicants must demonstrate:



- a. a history of successful delivery and management of the required Service. Applicants without delivery experience must be able to demonstrate how they will be able to successfully deliver what they are proposing in their Delivery Plan
- b. that their track record of delivery or relevant experience has resulted in high quality provision and successful learner outcomes. Applicants without delivery experience must be able to demonstrate how they will be able to successfully deliver what they are proposing in their Delivery Plan
- c. how they will effectively deliver the range and volume of education and training provision that they propose in their Delivery Plan
- d. how they have met or will meet the specific needs of the learners and local area(s) in which they plan to deliver
- e. that they have existing links with relevant local stakeholders or set out how they will establish relationships with stakeholders and partners, to meet the needs of learners and the local area(s) in which they plan to deliver. The SFA reserves the right to approach stakeholders named in successful tenderers bid to confirm relationship arrangements

24. Applicants must have capacity and capability for management and reporting. Applicants must:

- a. have in place and/or develop management information systems to enable them to submit performance management data to the SFA through the Individualised Learner Record (ILR). Applicants must put in place robust arrangements for collecting and retaining the evidence required to support payments
- b. demonstrate how they will manage and monitor any subcontracted provision, to ensure that high quality delivery is taking place that complies with our funding rules
- c. have processes and controls in place to ensure the eligibility of the learner, and that no double funding of learners takes place where the Applicant delivers similar service offers
- d. outline how they will monitor progress, take actions to correct any shortfalls, and demonstrate how they manage and mitigate any issues and risks to the successful delivery of the service
- e. demonstrate how they will collect and use:
 - feedback from learners and local key stakeholders, such as Jobcentre Plus, local enterprise partnerships (LEPs), and Local Authorities
 - any additional business intelligence that may be used to improve the effectiveness of Service delivery in the future



25. Applicants must be able to engage with and deliver the needs of local areas. Applicants must:

- a. demonstrate how they will take into account current employment market and local skills needs
- b. provide a flexible and responsive service to accommodate any local changes, new priorities, or new opportunities posed
- c. promote the service within the local area where they deliver, to successfully engage and recruit priority learners
- d. demonstrate an understanding of local stakeholders and how they contribute to and strengthen the service offer in the area they deliver. As a minimum, these should include JobCentre Plus, LEPs and Local Authorities.

26. Applicants must meet the needs of learners. Applicants must:

- a. demonstrate how they accurately and explicitly identify the skills needs of learners, and translate these into delivery programmes that support positive outcomes
- b. demonstrate their ability to:
 - undertake robust initial assessments of learners
 - produce effective and comprehensive individual learning plans
 - provide all the necessary support to learners across the range of provision proposed within the delivery plan
- c. demonstrate how they plan to:
 - support individuals through their learning journey
 - assure the quality of their provision to enable the best outcomes including learner progression
- d. Applicants must be able to identify where additional support is required including making reasonable adjustments under the Equality Act, (link available at paragraph 10) and have processes in place for administering learner support funding

27. Applicants must submit a clear and comprehensive plan for delivering the Service.

- a. The Applicant must clearly set out the scope of the service they plan to deliver, including how they will deliver the service over the contract duration and a description of learner outcomes.
- b. The plan must include the following:



- Learner start and achievement/outcome volumes for each of the groups the Applicant is delivering to, and the associated funding used from the value of this contract. These volumes and funding needs must be entered on the proposal of funding volumes and values spreadsheet that is supplied with this ITT for completion
 - A description of which local authority areas the service will be delivered in. This must also be recorded on the proposal of funding volumes and values spreadsheet that is supplied with this ITT for completion
 - For Applicants who will be using subcontractors to deliver provision, a description of their policy for doing so. A subcontractor declaration form (link available in paragraph 10) must be completed to support their application
- c. Applicants must ensure they avoid duplication of existing education and skills provision and/or other services. Applicants must offer a coherent service alongside other publically funded provision, from organisations such as the SFA, Education Funding Agency, Department for Work and Pensions, Big Lottery Fund, and Local Authorities. Applicants must outline complimentary provision and services where relevant

INSTRUCTIONS FOR APPLICANTS

28. This document forms part of the Invitation to Tender (ITT) to procure the delivery of AEB education and training services. This number of this ITT is 30198.
29. The contracting authority is the Secretary of State for Education acting through the SFA – an executive agency of the Department for Education exercising functions to fund adult education and skills.
30. This document sets out details of the services being procured by the SFA.
31. This document also sets out instructions to organisations on submitting responses to the ITT using the online e-tendering portal (Bravo).
32. This ITT details the general principles that apply to the SFA procurement processes. It also sets out the specific requirements for this ITT, and includes timelines and information about the criteria that the SFA will use to evaluate compliant bids.
33. Applicants should note that the terms 'We', 'Us', 'Our' and 'the SFA' refer to the Secretary of State for Education. The terms 'You', 'Your', 'They' and 'Their' refer to Applicants (bidding organisations).



34. Applicants must read and understand these instructions, alongside all other associated information and documents attached, before answering the questions and submitting the tender onto the e-tendering portal (Bravo).

35. An Applicant must respond to this ITT before 17:00 on 27 February 2017.

MAKING A RESPONSE TO THIS ITT

36. Applicants must complete their response in line with the requirements detailed in this document including the Service requirements, as the SFA will not evaluate non-compliant bids.

37. Applicants must respond to all elements of the ITT which may include online questions, declarations and/or attachments that need to be downloaded, completed and uploaded before publication.

38. Each text based question has a character limit, which cannot be exceeded. A character in this instance is defined as:

- a number
- a letter
- a punctuation mark
- a space
- a carriage return

39. Applicants must not use diagrams or tables in the spaces provided for answers, unless any question specifically requested them.

40. Applicants must provide all of the information in the specified format and order requested in the ITT.

41. An Applicant's response to a particular question must be contained in that question's answer box. The SFA will only consider responses provided against each question and will not look for extra information in another question's answer box when evaluating responses.

42. If an Applicant supplies any information for individual questions that is not requested in the ITT, the SFA will ignore it during the evaluation process.

43. The SFA reserves the right to modify, amend or provide further clarification regarding the online tender documents, at any time before the deadline for completion. The SFA will notify Applicants either by direct communication or as a broadcast message on the online message board of the e-tendering portal (Bravo). Where such modifications constitute a significant change, the SFA may, at its discretion, extend the deadline for completing the documents.



44. The SFA will not be able to access and view responses to the ITT until after the closing date and time has passed.
45. Applicants are actively encouraged to respond to this ITT as early as possible, to ensure that they meet the deadline. Applicants can submit partial bids while the ITT is open, as long as they fully complete the responses before the closing date and time. Please note that each time an application is submitted, it overwrites completely any previous application that has been submitted. It is recommended that previous applications are saved offline. This should be taken into account when submitting or attempting to submit responses close to the deadline.
46. If there are technical difficulties or a requirement for technical assistance at any time during this procurement process, Applicants should contact the e-tendering helpdesk at help@bravosolution.co.uk, supplying a screenshot showing any error messages they have received. Applicants should note that this email address will not be able to answer policy and/or procurement questions.
47. No part of this specification, any online document or its appendices, or any other communication from or with the SFA constitutes a contract or other binding agreement, or a representation that any contract shall be offered.
48. Applicants are not entitled to claim from the SFA any costs or expenses they may be incurring in preparing their application.

COMMUNICATING WITH THE SFA

49. An Applicant must only contact the SFA by using the online message board attached to this specific ITT on the e-tendering portal. This is to ensure that the SFA can maintain the integrity and robustness of the tendering process, and guarantee that answers provided to questions are consistent.
50. An Applicant must not contact any employee of the SFA to obtain any additional information about this ITT. Any contact made other than through the online message board may result in your application being excluded from the evaluation process.
51. We will make every effort to respond to any query within 3 working days of receipt on the online message board. The SFA reserves the right to extend this timeline where queries that are more complex are submitted. Please note that the closing date for receipt of messages to any query will be 17:00 on 23 February 2017.
52. We reserve the right to make our response to queries raised available to all organisations invited to tender, depending on the nature or content of the message.



FREEDOM OF INFORMATION

53. The SFA is subject to the Freedom of Information Act 2000 (FOIA). Under the provisions of the FOIA, the SFA must provide information it holds in response to a request made in accordance with the FOIA. This includes information about third parties. Organisations are referred to the SFA Freedom of Information Policy available on its website:

<https://www.gov.uk/make-a-freedom-of-information-request/the-freedom-of-information-act>

54. If, when completing your ITT response, you consider that any of the information you are providing is 'Commercial in Confidence', you must indicate what this is in a message sent through the online message board, before the deadline for closing the ITT. Should we then be asked for this information under FOIA, we may choose to apply an exemption.

PROCUREMENT TIMETABLE

55. The timetable set out below is fixed. The SFA reserves the right to amend the timings as necessary, and any such amendments will be advised via the online message board on the e-tendering portal (Bravo).

TASK	DEADLINE
Publication of ITT	27 January 2017
ITT closes	27 February 2017
Notification of tender results	19 May 2017
Mandatory 10 Day Standstill period	30 May 2017
Contracts issued	Contracts to be issued in June 2017
Delivery Commences	1 August 2017

COMPLIANCE

56. A compliant bid fully meets all the specified requirements of the specification for delivery of AEB education and training.

57. Applicants must complete all the following documents in full for their bid to be compliant.

- Online technical envelope questions
- Specification questionnaire
- Proposal of funding volumes and values spreadsheet
- A declaration of subcontractors

58. The SFA will not evaluate non-compliant bids.



59. You must submit the whole of your response to the e-tendering portal (Bravo) before the deadline for it to be compliant. The SFA will not accept late submissions.
60. The online technical envelope in the e-tendering portal (Bravo) contains a number of declarations that you must complete. You must also upload the questionnaire(s), spreadsheet and forms into any of the fields that request them.
61. The specification questionnaire consists of 6 questions, all of which require a response from you. Please ensure that you follow the instructions in the questionnaire for answering each question.
62. You must download and complete a proposal of funding volumes and values spreadsheet, for all of your planned delivery. Please ensure that you follow the instructions in the spreadsheet.
- 63. Please note that your response(s) to this Invitation to Tender must be submitted before 17:00 on 27 February 2017.**

EVALUATION

64. The SFA will award scores in line with the following regime for an Applicant's response to each of the 6 evaluation questions.
65. The table below shows the criteria that an Applicant's submission will be evaluated against.

Meets all requirements	Meets majority of requirements	Partially meets requirements	Fails to meet criteria/no answer provided
100	75	40	0

66. Each criterion has a minimum acceptable score as shown below.

Criteria	Related Question	Maximum Score Available	Minimum acceptable score
Readiness to deliver	1	100	75
Track record	2	100	75
Management Reporting	3	100	40
Engagement and meeting the needs of the local areas	4	100	40
Meeting the needs of learners	5	100	40
Delivery plan	6	100	75



67. The SFA will use the scores obtained through the evaluation process to prioritise contract awards.
68. The SFA will only consider an Applicant for a contract award if it scores the minimum number points for each of the 6 evaluation criteria, as detailed within paragraph 66.
69. The information provided on the proposal of funding volumes and values spreadsheet will be read alongside the Applicants responses to question 6, and will inform the score for question 6. Preference will be given to bidders that deliver priority provision within the priority areas, subject to sufficient coverage as outlined in paragraphs 81 and 82 below.
70. The SFA reserves the right to scale offers up or down at award stage, to ensure effective coverage of the service as outlined within this ITT. Bids received should be standalone, regardless of the area or provision bid for.

FUNDING

71. The minimum funding that is available in this ITT is £110 million, for the funding year 2017 to 2018. The funding year covers the 12-month delivery period from 1 August 2017 to 31 July 2018.
72. Contracts awarded from this procurement will initially last for one year (funding year 2017 to 2018), with an option to extend for a further 2 years. The SFA reserves the right to extend contracts for a second and third period of up to 12 months subject to funding availability, the provider's delivery and performance against the contract, and government skills policy.
73. From the funding year 2018 to 2019, contract funding values may also be affected by the devolution of AEB. The current proposed areas for AEB devolution are listed below:
- Cambridgeshire and Peterborough
 - Greater London (from funding year 2019 to 2020)
 - Greater Manchester
 - Liverpool City Region
 - Sheffield City Region
 - Tees Valley
 - West Midlands
 - West of England



74. The minimum initial contract award in the funding year 2017 to 2018 will be £100,000. We will consider tenders of a lower value from third sector organisations only (as declared on their RoTO application).

CONTRACT AWARD

75. The SFA reserves the right not to award a contract to any organisation that is not a legal entity.

76. The SFA reserves the right not to award a contract to any Applicant awarded Grade 4 for Overall Effectiveness, after an inspection by the Office for Standards in Education (Ofsted) or by an equivalent inspectorate. This also applies if the inspection takes place between the evaluation of ITT responses and the SFA's decision to issue a contract.

77. The SFA reserves the right not to award a contract, where its decision can be called into question by:

- information it already holds about the Applicant
- information it obtains from other Government bodies
- information that is already in the public domain

78. Initial contract values awarded will take into account the financial health of the Applicant organisation. Paragraphs 26 to 33 of the 'Financial Health Assessment of Non-College Organisations' policy explains how the SFA will consider turnover and existing financial commitments (link to this policy provided in paragraph 10). This includes a maximum of up to £1 million where the SFA has assessed business plans to form a financial health opinion.

79. Only if an Applicant has not yet traded for a sufficient period to produce financial statements, they must upload management accounts showing actual activity, along with financial forecasts. Management accounts and financial forecasts must cover a minimum period of 12 full months, with at least 3 of these months covered by management accounts showing actual activity to date. The SFA will not accept any alternate information in the place of financial statements. Abbreviated accounts will not be accepted.

80. Management accounts and financial forecasts must contain:

- profit and loss account
- balance sheet
- cash flow forecast
- narrative to support any assumptions made



81. The SFA will award individual contracts to support its aim of ensuring sufficient education and training skills provision in England. The range will include coverage of priority groups, AEB provision, and geographic coverage.
82. In order to achieve this, we will consider the range of provision that successful bidders have proposed in their submission. We reserve the right to reduce or increase the value of award before contract award notification, based on budget availability, AEB provision and geographic coverage.
83. The SFA does not guarantee to award a contract to all successful Applicants, and reserves the right not to award contracts if there are insufficient funds.
84. Where additional funding becomes available, the SFA reserves the right to offer a contract to one or more successful Applicants who were not awarded a contract in this ITT.
85. The SFA will provide full and final feedback from the ITT phase in an Award Decision Notice, in line with the timetable shown in this document.
86. Award decisions will be made in accordance with the evaluation criteria set out in this document, in addition to the following general principles.
- The SFA reserves the right to undertake an assessment of an organisation's financial health before awarding a contract, which may result in a change to the amount of funding an Applicant has requested
 - The SFA reserves the right not to award a contract if an Applicant is inspected by Ofsted (or an equivalent inspectorate) and is awarded Grade 4 for Overall Effectiveness. This can happen between the evaluation of the Applicant's bid and the recommendation to issue a contract
 - The SFA will not award a contract where any of the criteria set out in Regulation 57 of the Public Contracts Regulations 2015 apply to the Applicant
87. The SFA reserves the right not to award a contract where any of the conditions in the SFA's policy for higher risk organisations (link available at paragraph 10) and subcontractors apply to the Applicant.

COMPLAINTS

88. Applicants should note that there is no separate right of appeal against the award decisions made. If you believe that the SFA has not followed the published process or the decision made is unreasonable, you can make a complaint under the SFA's complaints procedure:
<https://www.gov.uk/government/organisations/skills-funding-agency/about/complaints-procedure>



89. Applicants considering making a complaint must note that a complaint can only be concerned with how the complainant has been treated through the procurement, and not about the outcome of a tender round, particularly where an award has been made to another applicant.

CONTRACT DURATION

90. The contract award is initially for the 12-month delivery period from 1 August 2017 to 31 July 2018. The SFA reserves the right to extend contracts for a second and third period of up to 12 months subject to funding availability, the provider's delivery and performance of the contract, and government skills policy.

DRAFT TERMS AND CONDITIONS

91. The SFA's current contracting arrangements will be used for successful Applicants who gain a contract award. The draft contract documentation is available to Applicants as part of this ITT.

PERFORMANCE MANAGEMENT

92. The SFA will follow its standard adult education budget funding and performance-management rules. These draft rules can be found by following the link at paragraph 10.
93. The SFA reserves the right to increase the value of contracts during their term. Any growth in contract value will be subject to availability of funding, contract delivery performance, and government priorities.
94. The SFA reserves the right to only extend contracts where performance of that contract aligns to agreed proposals. Contract delivery will be monitored by an additional learning delivery monitoring code through the ILR.

TUPE AND PENSIONS

95. You are advised that the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) may apply where the contract awarded is for the provision of services currently being carried out by an existing provider.
96. You must take your own legal advice on the application of TUPE.
97. You need to be aware of the specific requirements which apply to transfer of public sector employees. and should refer to The Cabinet Office Statement of Practice (COSOP) on staff transfers in the public sector, January 2000: <https://www.gov.uk/government/publications/staff-transfers-in-the-public-sector>



98. You also need to be aware of the new guidance published by HM Treasury on 4 October 2013 on a reformed Fair Deal policy:

<https://www.gov.uk/government/publications/fair-deal-guidance>