



Invitation to Quote

Invitation to Quote (ITQ) on behalf of Department for Business, Energy and Industrial Strategy (BEIS)

Subject UK SBS How has the UK warehousing sector been affected by the fissuring of the worker-employer relationship in the last 10 years?

Sourcing reference number CR18103

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Section 1 – About UK Shared Business Services

Putting the business into shared services

UK Shared Business Services Ltd (UK SBS) brings a commercial attitude to the public sector; helping our Contracting Authorities improve efficiency, generate savings and modernise.

It is our vision to become the leading service provider for the Contracting Authorities of shared business services in the UK public sector, continuously reducing cost and improving quality of business services for Government and the public sector.

Our broad range of expert services is shared by our Contracting Authorities. This allows Contracting Authorities the freedom to focus resources on core activities; innovating and transforming their own organisations.

Core services include Procurement, Finance, Grants Admissions, Human Resources, Payroll, ISS, and Property Asset Management all underpinned by our Service Delivery and Contact Centre teams.

UK SBS is a people rather than task focused business. It's what makes us different to the traditional transactional shared services centre. What is more, being a not-for-profit organisation owned by the Department for Business, Energy & Industrial Strategy (BEIS), UK SBS' goals are aligned with the public sector and delivering best value for the UK taxpayer.

UK Shared Business Services Ltd changed its name from RCUK Shared Services Centre Ltd in March 2013.

Our Customers

Growing from a foundation of supporting the Research Councils, 2012/13 saw Business, Energy and Industrial Strategy (BEIS) transition their procurement to UK SBS and Crown Commercial Services (CCS – previously Government Procurement Service) agree a Memorandum of Understanding with UK SBS to deliver two major procurement categories (construction and research) across Government.

UK SBS currently manages £700m expenditure for its Contracting Authorities.

Our Contracting Authorities who have access to our services and Contracts are detailed [here](#).

Section 2 – About the Contracting Authority

Department for Business, Energy & Industrial Strategy (BEIS)

The Department for Business, Energy and Industrial Strategy (BEIS) was created as a result of a merger between the Department of Energy and Climate Change (DECC) and the Department for Business, Innovation and Skills (BIS), as part of the Machinery of Government (MoG) changes in July 2016.

The Department is responsible for:

- developing and delivering a comprehensive industrial strategy and leading the government's relationship with business;
- ensuring that the country has secure energy supplies that are reliable, affordable and clean;
- ensuring the UK remains at the leading edge of science, research and innovation; and
- tackling climate change.

BEIS is a ministerial department, supported by 46 agencies and public bodies.

We have around 2,500 staff working for BEIS. Our partner organisations include 9 executive agencies employing around 14,500 staff.

<http://www.beis.gov.uk>

Section 3 - Working with Department for Business, Energy & Industrial Strategy (BEIS).

In this section you will find details of your Procurement contact point and the timescales relating to this opportunity.

Section 3 – Contact details		
3.1	Contracting Authority Name and address	Department for Business, Energy and Industrial Strategy 1 Victoria Street , London, SW1H 0ET
3.2	Buyer name	Karl Oakley
3.3	Buyer contact details	Research@uksbs.co.uk
3.4	<u>Maximum</u> value of the Opportunity	£40,000 excluding VAT
3.5	Process for the submission of clarifications and Bids	All correspondence shall be submitted within the Emptoris e-sourcing tool. Guidance Notes to support the use of Emptoris is available here. Please note submission of a Bid to any email address including the Buyer <u>will</u> result in the Bid <u>not</u> being considered.

Section 3 - Timescales		
3.6	Date of Issue of Contract Advert and location of original Advert	Tuesday 24 th July 2018 Contracts Finder
3.7	Latest date/time ITQ clarification questions shall be received through Emptoris messaging system	Thursday 9 th August 2018 11:00 BST
3.8	Latest date/time ITQ clarification answers should be sent to all Bidders by the Buyer through Emptoris	Friday 10 th August 2018
3.9	Latest date/time ITQ Bid shall be submitted through Emptoris	Tuesday 13 th August 2018 14:00 BST
3.11	Anticipated notification date of successful and unsuccessful Bids	Thursday 30 th August 2018
3.12	Anticipated Award date	Friday 31 st August 2018
3.13	Anticipated Contract Start date	Monday 3 rd September 2018
3.14	Anticipated Contract End date	Monday 10 th December 2018
3.15	Bid Validity Period	60 Days

Section 4 – Specification

Background

The Office of the Director of Labour Market Enforcement was established under the Immigration Act 2016 to bring together a coherent assessment of the extent of non-compliance and labour market exploitation, identifying routes to tackle exploitation and harnessing the strength of the three main enforcement bodies. The legislation sets out that, as part of this role, the Director must produce an annual labour market enforcement strategy that, in part, **sets out the Director's assessment of the scale and nature of such non-compliance in the labour market.**

There are three labour market enforcement bodies that sit within the Director's remit. The bodies each have very different remits and responsibilities, covering different sectors, geographies, and types of offence.

- The HMRC National Minimum Wage (NMW) team is the most substantial operation, enforcing the national living/minimum wage. With more than 400 staff, HMRC NMW team's funding was £25.3m in 2017/18.
- The Gangmasters and Labour Abuse Authority (GLAA) licenses gangmasters in horticulture and food processing but, since the end of April 2017, has taken on additional powers under the Police and Criminal Evidence Act 1984 to enforce certain other labour market offences. To reflect this wider remit, the GLAA received an increase in funding from £4.8m in 2016/17 to £7.1m in 2017/18.
- Finally, The Employment Agency Standards (EAS) Inspectorate is a small unit which monitors employment agencies. In 2017/18, EAS core funding was £0.5m, though they did receive additional funding of £250,000 for a one-off capital investment.

The final labour market enforcement body is the Health and Safety Executive (HSE), which does not fall under the Director's remit.

Nevertheless, the Director's remit covers the whole spectrum of labour market non-compliance, ranging from a basic lack of understanding and application of labour rights through to criminal exploitation on a large scale, from low-level to the most serious offences. To be clear, HSE-specific offences are not strictly part of the Director's remit, though they may be symptomatic of other labour market offences.

Annual Labour Market Enforcement Strategy

One of the Director's responsibilities is to produce an annual strategy on labour market enforcement. The first full strategy was published in May 2018 [\[link here\]](#) and the Director is now focusing on preparing for his second strategy which he is scheduled to deliver to Government by the end of March 2019. This second strategy will in part focus on three key sectors that were identified in his first strategy as being at risk of labour exploitation: **hotels; restaurants and food service; and warehousing (and logistics).**

Alongside a public call for evidence that the DLME Office intends to run over summer and early autumn 2018, we are looking to commission research to provide a stronger evidence on the current scale and nature of employment practices into each of these three sectors,

how they have evolved over time and the degree to which this impacts on employer compliance with labour regulations.

Aims & Objectives

The Director's first full labour market enforcement strategy highlighted the profound changes that have taken place in the UK labour market in the last four decades, including the decline in both trade union membership and collective bargaining coverage, and labour's share of national income.

Also there has been a *fissuring* of the employment relationship between the worker and the employer (Weil 2008). This relationship is now increasingly complex where employers have contracted out, franchised, subcontracted and devolved many functions that were once done in-house.

Weil (2010, 2014) provided evidence of the degree of fissuring in selected industries in the US, how the nature of fissuring varied by industry, and the direct and indirect impacts it may have on levels of compliance with labour (and health and safety) laws.

To support work on their second labour market employment strategy, the Director's Office are now looking to commission similar research into three specific sectors in the UK labour market: **hotels; restaurants and food services; and warehousing and logistics.**

These will be commissioned in separate, tenders. Tenderers are welcome to bid for one or more of these projects. The Director's office will facilitate some coordination between the contractors for each of the tenders to allow for a degree of consistency in approach.

This tender focuses on the UK warehousing and distribution sector (SIC 52, with a proposed focus on SIC 52.100 and/or 52.219 – e.g. picking and packing in distribution centres, rather than delivery services).

Synopsis:

The scoping study will comprise **two broad tasks:**

- A review of the existing evidence on the landscape of the UK warehousing sector, including: the growth of employment in these sectors; the nature of the employment relationship between employer and worker (e.g. direct employment versus use of outsourcing, franchising, supply chain models, etc.); and the scale of nature of reported non-compliance.
- Qualitative research of workers in the UK warehousing sector: interviewing workers in the sector, focused on a selection of businesses in one/two locations to provide a picture of the nature of the fissured workplace, seeking to understand a) worker awareness of employment rights; and b) their own experiences of the degree of compliance with labour laws in this sector.

Research questions:

The primary research question for this scoping exercise is as follows:

How has the UK warehousing sector been affected by the fissuring of the worker-employer relationship in the last 10 years?

The subsidiary questions that underpin this research project will seek to address are set out below:

- *What is the current size of the UK warehousing services sector in terms of employment and contribution to the UK economy? What is the demographic breakdown of the warehousing sector, both in terms of firms and workers? Is there any particular regional concentration of this industry? How has the sector grown over recent decades? What have been the drivers behind this growth?*
- *How are workers recruited to this sector (e.g. directly by employer, agency, online recruitment, etc.)? What is the nature of the employment relationship in this sector? For example: are workers directly employed by the end user, or through other structures, such as: outsourcing, franchising, supply chains, employment agencies, etc.?*
- *With a focus on the Director's remit, what is the level of awareness of employment rights among workers in this sector? To what extent are workers generally aware of routes to get advice or make a complaint? What is the experience of workers in this sector with non-compliance with labour laws?*
- *Are there any other data or information sources that provide a sense of the scale and nature of non-compliance in this sector? If so, what do these tell us?*

Methodology

Proposed approach:

Tenderers are invited to propose in detail the specific approach that will be used to address the research questions.

It is anticipated that the first part of this project will draw heavily on literature reviews and studies from academia, government, and business and unions/NGOs. Bidders may also wish to engage with relevant experts.

The second part of the project will require a small-scale qualitative research exercise. This is expected to take the form of a small survey of workers within the sector, focusing on a selection of employers within the sector in one or two geographic locations (tenders must include a rationale of the particular geographies chosen). It is accepted that the results here will not necessarily be representative but the research project should be designed with the aim to provide some useful insight into the working practices that workers are experiencing within this sector.

Bidders should include the details of the research design, including approximate sample sizes, geographic locations, and time scales in their proposal.

Deliverables

The principle outputs from the project will be:

- Estimated w/c 15 October 2018: an interim report of no more than 30 pages, including the review of the existing evidence forming part of the bid proposal.

(This will form a section of the final report)

- Estimated w/c 12 November 2018: presentation with findings from qualitative research to be given to DLME
- Estimated w/c 03 December 2018: final report covering a) literature review/desk research and b) findings from qualitative research

Members of the office of the Director of Labour Market Enforcement will meet regularly with the tenderer to receive updates on the progress of the project.

The final report will be published on the Director's webpage on Gov.UK alongside publication of the Director's second labour market enforcement strategy (tentatively scheduled for Q2 2019).

Terms and Conditions

Bidders are to note that any requested modifications to the Contracting Authority Terms and Conditions on the grounds of statutory and legal matters only, shall be raised as a formal clarification during the permitted clarification period.

Section 5 – Evaluation model

The evaluation model below shall be used for this ITQ, which will be determined to two decimal places.

Where a question is 'for information only' it will not be scored.

The evaluation team may comprise staff from UK SBS and the Contracting Authority and any specific external stakeholders the Contracting Authority deems required. After evaluation the scores will be finalised by performing a calculation to identify (at question level) the mean average of all evaluators (Example – a question is scored by three evaluators and judged as scoring 5, 5 and 6. These scores will be added together and divided by the number of evaluators to produce the final score of 5.33 ($5+5+6=16 \div 3 = 5.33$))

Pass / fail criteria		
Questionnaire	Q No.	Question subject
Commercial	SEL1.2	Employment breaches/ Equality
Commercial	FOI1.1	Freedom of Information Exemptions
Commercial	AW1.1	Form of Bid
Commercial	AW1.3	Certificate of Bona Fide Bid
Commercial	AW3.1	Validation check
Commercial	SEL3.11	Compliance to Section 54 of the Modern Slavery Act
Commercial	SEL3.12	Cyber Essentials
Commercial	SEL3.13	General Data Protection Regulations (GDPR)
Commercial	AW4.1	Contract Terms Part 1
Commercial	AW4.2	Contract Terms Part 2
Price	AW5.1	Maximum Budget
Quality	AW6.1	Compliance to the Specification
Quality	AW6.2	Non Disclosure
-	-	Invitation to Quote – received on time within e-sourcing tool

Scoring criteria			
Evaluation Justification Statement In consideration of this particular requirement the Contracting Authority has decided to evaluate Potential Providers by adopting the weightings/scoring mechanism detailed within this ITQ. The Contracting Authority considers these weightings to be in line with existing best practice for a requirement of this type.			
Questionnaire	Q No.	Question subject	Maximum Marks
Price	AW5.2	Price	20%
Quality	PROJ1.1	Approach	30%
Quality	PROJ1.2	Understanding the Environment	20%
Quality	PROJ1.3	Project Delivery	30%

Evaluation of criteria

Non-Price elements

Each question will be judged on a score from 0 to 100, which shall be subjected to a multiplier to reflect the percentage of the evaluation criteria allocated to that question.

Where an evaluation criterion is worth 20% then the 0-100 score achieved will be multiplied by 20%.

Example if a Bidder scores 60 from the available 100 points this will equate to 12% by using the following calculation:

$$\text{Score} = \{\text{weighting percentage}\} \times \{\text{bidder's score}\} = 20\% \times 60 = 12$$

The same logic will be applied to groups of questions which equate to a single evaluation criterion.

The 0-100 score shall be based on (unless otherwise stated within the question):

0	The Question is not answered or the response is completely unacceptable.
10	Extremely poor response – they have completely missed the point of the question.
20	Very poor response and not wholly acceptable. Requires major revision to the response to make it acceptable. Only partially answers the requirement, with major deficiencies and little relevant detail proposed.
40	Poor response only partially satisfying the selection question requirements with deficiencies apparent. Some useful evidence provided but response falls well short of expectations. Low probability of being a capable supplier.
60	Response is acceptable but remains basic and could have been expanded upon. Response is sufficient but does not inspire.
80	Good response which describes their capabilities in detail which provides high levels of assurance consistent with a quality provider. The response includes a full description of techniques and measurements currently employed.
100	Response is exceptional and clearly demonstrates they are capable of meeting the requirement. No significant weaknesses noted. The response is compelling in its description of techniques and measurements currently employed, providing full assurance consistent with a quality provider.

All questions will be scored based on the above mechanism. Please be aware that the final score returned may be different as there may be multiple evaluators and their individual scores will be averaged (mean) to determine your final score.

Example

Evaluator 1 scored your bid as 60

Evaluator 2 scored your bid as 60

Evaluator 3 scored your bid as 40

Evaluator 4 scored your bid as 40

Your final score will $(60+60+40+40) \div 4 = 50$

Price elements will be judged on the following criteria.

The lowest price for a response which meets the pass criteria shall score 100.

All other bids shall be scored on a pro rata basis in relation to the lowest price. The score is then subject to a multiplier to reflect the percentage value of the price criterion.

For example - Bid 1 £100,000 scores 100.

Bid 2 £120,000 differential of £20,000 or 20% remove 20% from price scores 80

Bid 3 £150,000 differential £50,000 remove 50% from price scores 50.

Bid 4 £175,000 differential £75,000 remove 75% from price scores 25.

Bid 5 £200,000 differential £100,000 remove 100% from price scores 0.

Bid 6 £300,000 differential £200,000 remove 100% from price scores 0.

Where the scoring criterion is worth 50% then the 0-100 score achieved will be multiplied by 50.

In the example if a supplier scores 80 from the available 100 points this will equate to 40% by using the following calculation: Score/Total Points multiplied by 50 ($80/100 \times 50 = 40$)

The lowest score possible is 0 even if the price submitted is more than 100% greater than the lowest price.

Section 6 – Evaluation questionnaire

Bidders should note that the evaluation questionnaire is located within the **e-sourcing questionnaire**.

Guidance on completion of the questionnaire is available at <http://www.uksbs.co.uk/services/procure/Pages/supplier.aspx>

PLEASE NOTE THE QUESTIONS ARE NOT NUMBERED SEQUENTIALLY

Section 7 – General Information

What makes a good bid – some simple do's 😊

DO:

- 7.1 Do comply with Procurement document instructions. Failure to do so may lead to disqualification.
- 7.2 Do provide the Bid on time, and in the required format. Remember that the date/time given for a response is the last date that it can be accepted; we are legally bound to disqualify late submissions. Responses received after the date indicated in the ITQ shall not be considered by the Contracting Authority, unless the Bidder can justify that the reason for the delay, is solely attributable to the Contracting Authority
- 7.3 Do ensure you have read all the training materials to utilise e-sourcing tool prior to responding to this Bid. If you send your Bid by email or post it will be rejected.
- 7.4 Do use Microsoft Word, PowerPoint Excel 97-03 or compatible formats, or PDF unless agreed in writing by the Buyer. If you use another file format without our written permission we may reject your Bid.
- 7.5 Do ensure you utilise the Emptoris messaging system to raise any clarifications to our ITQ. You should note that we will release the answer to the question to all Bidders and where we suspect the question contains confidential information we may modify the content of the question to protect the anonymity of the Bidder or their proposed solution
- 7.6 Do answer the question, it is not enough simply to cross-reference to a 'policy', web page or another part of your Bid, the evaluation team have limited time to assess bids and if they can't find the answer, they can't score it.
- 7.7 Do consider who the Contracting Authority is and what they want – a generic answer does not necessarily meet every Contracting Authority's needs.
- 7.8 Do reference your documents correctly, specifically where supporting documentation is requested e.g. referencing the question/s they apply to.
- 7.9 Do provide clear, concise and ideally generic contact details; telephone numbers, e-mails and fax details.
- 7.10 Do complete all questions in the questionnaire or we may reject your Bid.
- 7.11 Do ensure that the Response and any documents accompanying it are in the English Language, the Contracting Authority reserve the right to disqualify any full or part responses that are not in English.
- 7.12 Do check and recheck your Bid before dispatch.

What makes a good bid – some simple do not's Ⓜ

DO NOT

- 7.13 Do not cut and paste from a previous document and forget to change the previous details such as the previous buyer's name.
- 7.14 Do not attach 'glossy' brochures that have not been requested, they will not be read unless we have asked for them. Only send what has been requested and only send supplementary information if we have offered the opportunity so to do.
- 7.15 Do not share the Procurement documents, they are confidential and should not be shared with anyone without the Buyers written permission.
- 7.16 Do not seek to influence the procurement process by requesting meetings or contacting UK SBS or the Contracting Authority to discuss your Bid. If your Bid requires clarification the Buyer will contact you. All information secured outside of formal Buyer communications shall have no Legal standing or worth and should not be relied upon.
- 7.17 Do not contact any UK SBS staff or the Contracting Authority staff without the Buyers written permission or we may reject your Bid.
- 7.18 Do not collude to fix or adjust the price or withdraw your Bid with another Party as we will reject your Bid.
- 7.19 Do not offer UK SBS or the Contracting Authority staff any inducement or we will reject your Bid.
- 7.20 Do not seek changes to the Bid after responses have been submitted and the deadline for Bids to be submitted has passed.
- 7.21 Do not cross reference answers to external websites or other parts of your Bid, the cross references and website links will not be considered.
- 7.22 Do not exceed word counts, the additional words will not be considered.
- 7.23 Do not make your Bid conditional on acceptance of your own Terms of Contract, as your Bid will be rejected.
- 7.24 Do not unless explicitly requested by the Contracting Authority either in the procurement documents or via a formal clarification from the Contracting Authority send your response by any way other than via e-sourcing tool. Responses received by any other method than requested will not be considered for the opportunity.

Some additional guidance notes

- 7.25 All enquiries with respect to access to the e-sourcing tool and problems with functionality within the tool must be submitted to Crown Commercial Service (previously Government Procurement Service), Telephone 0345 010 3503.
- 7.26 Bidders will be specifically advised where attachments are permissible to support a question response within the e-sourcing tool. Where they are not permissible any attachments submitted will not be considered as part of the evaluation process.
- 7.27 Question numbering is not sequential and all questions which require submission are included in the Section 6 Evaluation Questionnaire.
- 7.28 Any Contract offered may not guarantee any volume of work or any exclusivity of supply.
- 7.29 We do not guarantee to award any Contract as a result of this procurement
- 7.30 All documents issued or received in relation to this procurement shall be the property of the Contracting Authority. / UKSBS.
- 7.31 We can amend any part of the procurement documents at any time prior to the latest date / time Bids shall be submitted through Emptoris.
- 7.32 If you are a Consortium you must provide details of the Consortiums structure.
- 7.33 Bidders will be expected to comply with the Freedom of Information Act 2000 or your Bid will be rejected.
- 7.34 Bidders should note the Government's transparency agenda requires your Bid and any Contract entered into to be published on a designated, publicly searchable web site. By submitting a response to this ITQ Bidders are agreeing that their Bid and Contract may be made public
- 7.35 Your bid will be valid for 60 days or your Bid will be rejected.
- 7.36 Bidders may only amend the contract terms during the clarification period only, only if you can demonstrate there is a legal or statutory reason why you cannot accept them. If you request changes to the Contract terms without such grounds and the Contracting Authority fail to accept your legal or statutory reason is reasonably justified we may reject your Bid.
- 7.37 We will let you know the outcome of your Bid evaluation and where requested will provide a written debrief of the relative strengths and weaknesses of your Bid.
- 7.38 If you fail mandatory pass / fail criteria we will reject your Bid.
- 7.39 Bidders are required to use IE8, IE9, Chrome or Firefox in order to access the functionality of the Emptoris e-sourcing tool.
- 7.40 Bidders should note that if they are successful with their proposal the Contracting Authority reserves the right to ask additional compliancy checks prior to the award of any Contract. In the event of a Bidder failing to meet one of the compliancy checks

the Contracting Authority may decline to proceed with the award of the Contract to the successful Bidder.

- 7.41 All timescales are set using a 24 hour clock and are based on British Summer Time or Greenwich Mean Time, depending on which applies at the point when Date and Time Bids shall be submitted through Emptoris.
- 7.42 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 Contracting Authority may disclose within Government any of the Bidders documentation/information (including any that the Bidder considers to be confidential and/or commercially sensitive such as specific bid information) submitted by the Bidder to the Contracting Authority during this Procurement. The information will not be disclosed outside Government. Bidders taking part in this ITQ consent to these terms as part of the competition process.

- 7.43 The Government introduced its new Government Security Classifications (GSC) classification scheme on the 2nd April 2014 to replace the current Government Protective Marking System (GPMS). A key aspect of this is the reduction in the number of security classifications used. All Bidders are encouraged to make themselves aware of the changes and identify any potential impacts in their Bid, as the protective marking and applicable protection of any material passed to, or generated by, you during the procurement process or pursuant to any Contract awarded to you as a result of this tender process will be subject to the new GSC. The link below to the Gov.uk website provides information on the new GSC:

<https://www.gov.uk/government/publications/government-security-classifications>

The Contracting Authority reserves the right to amend any security related term or condition of the draft contract accompanying this ITQ to reflect any changes introduced by the GSC. In particular where this ITQ is accompanied by any instructions on safeguarding classified information (e.g. a Security Aspects Letter) as a result of any changes stemming from the new GSC, whether in respect of the applicable protective marking scheme, specific protective markings given, the aspects to which any protective marking applies or otherwise. This may relate to the instructions on safeguarding classified information (e.g. a Security Aspects Letter) as they apply to the procurement as they apply to the procurement process and/or any contracts awarded to you as a result of the procurement process.

USEFUL INFORMATION LINKS

- [Emptoris Training Guide](#)
- [Emptoris e-sourcing tool](#)
- [Contracts Finder](#)
- [Equalities Act introduction](#)
- [Bribery Act introduction](#)
- [Freedom of information Act](#)