



Department
for Work &
Pensions

Invitation to Tender

Instructions to Potential Suppliers

**Dynamic Purchasing System for the Provision of Work
Focused Activities
Central England Proof of Concept**

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INSTRUCTIONS AND INFORMATION ON TENDERING PROCEDURES

1. General Information

1.1 This Invitation to Tender ("**ITT**") is issued in connection with DWP's requirement to establish a dynamic purchasing system ("**DPS**") for the provision of work focussed activities for the Central England area. It is being conducted under the "light touch regime" pursuant to Regulation 74 of the Public Contracts Regulations 2015.

1.2 Please note that in this ITT, unless otherwise indicated, the following terms shall have the following meanings:

" Authority " or " DWP "	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
" Contracting Bodies "	the Authority and any other contracting body described in the OJEU Notice
" DPS Agreement "	an agreement entered between the Authority and each successful Potential Supplier in relation to the DPS
" Potential Supplier "	any person or organisation responding or, where the context requires, potentially responding to this ITT
" Tender "	a tender submitted by a Potential Supplier

1.3 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.**

1.4 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 and how Potential Suppliers are accredited for admission onto the DPS;
- How to submit questions and requests for clarification; and
- Instructions explaining how to complete and submit a Tender.

1.5 **Please read the information and instructions carefully because non-compliance with the instructions may result in disqualification of your Tender from this procurement.**

- 1.6 The Dynamic Purchasing System Agreement and the Call Off Terms and Conditions form an integral part of this ITT. They set out further rights and obligations which apply to DWP and successful Potential Suppliers.
- 1.7 **Potential Suppliers need to ensure that they have read all the documentation contained within this ITT (Specification, The Dynamic Purchasing System Agreement and the Call Off Terms and Conditions plus these Instructions to Potential Suppliers) thoroughly so that questions or clarifications are not raised unnecessarily.**
- 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 \(ePS\)](#) (Bravo) portal. No hard copy documents will be issued and all communications between DWP and Potential Suppliers (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 Bravo 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, please note the guidance in the Pre Qualification Questionnaire.
- 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

Competition

- 3.1 It is DWP's intention that this procurement exercise will comply with the overriding EU Procurement Directive principles of equal treatment and transparent competition to ensure value for money.

DWP's Terms and Conditions

- 3.2 The DPS Agreement and Call-Off Terms and Conditions form an integral part of the ITT. They set out further rights and obligations which apply to DWP and Potential Suppliers.
- 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.
- 3.4 Potential Suppliers must sign the DPS Agreement at the point of application stating they accept the DWP Terms and Conditions.

Costs and Expenses

- 3.5 DWP and Contracting Bodies will not be liable to Potential Suppliers for any costs, expenses, work, loss of profit or effort which may be incurred in preparing and/or submitting its Tender or in connection with any call off process.
- 3.6 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

- 3.7 All information supplied by DWP to Potential Suppliers 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 Potential Suppliers 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 evaluation score(s) achieved by and name(s) of the successful Tenderer(s);
- 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.

3.8 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 and to each Contracting Body, any of the Potential Suppliers documentation/information (including any that the Potential Supplier considers to be confidential 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 and Contracting Bodies. Potential Suppliers taking part in this competition consent to these terms as part of the competition process.

Dynamic Purchase System Duration

3.9 The Dynamic Purchase System will commence on the 6th July 2015 and last for a period of up to four years. All DPS Agreements will expire on 5th July 2019 unless terminated sooner in accordance with the terms of the Dynamic Purchasing System Agreement.

Amendments to the Tender Process or Tender Documents by DWP

3.10 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.

3.11 DWP reserves the right to discontinue this tendering process at any time and not to award a contract.

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.

Potential Supplier Clarification (Q&A)

- 3.13 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.
- 3.14 Potential Suppliers need to ensure they have read all the documentation contained within the ITT (Specification, The Dynamic Purchasing System Agreement and the Call-Off Terms and Conditions and these Instructions) thoroughly so that questions or clarifications are not raised unnecessarily. Attention is also drawn to the final Phase 1 Q&A log which can be found on the DWP e-Procurement Solution portal via the 'Visible to Suppliers' folder.
- 3.15 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.
- 3.16 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.
- 3.17 It will be the responsibility of the Potential Supplier to monitor the portal for the latest activity.

Acceptance and Return of Tenders

- 3.18 Notwithstanding anything in this ITT, Potential Suppliers should note that DWP is not bound in any way and does not have to accept any Tender.
- 3.19 The Tender (which should be completed in accordance with the information set out in the ITT) must be completed and submitted in its entirety to the DWP e-Procurement Solution portal.
- 3.20 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.

Declaration by Potential Supplier

- 3.21 Please note the question in the PQQ regarding the declaration by Potential Supplier. This is your offer to enter into an agreement with DWP. It is the responsibility of the Potential Supplier to ensure that your final submission corresponds with the information stated as this will form the basis of your Tender proposal.
- 3.22 The DPS Agreement requires a scanned signature at section 11. The document must be returned in Microsoft Word and not converted to PDF as DWP need to also sign the Agreement.

Period for which Tenders shall Remain Valid

- 3.23 Tenders shall remain valid and capable of acceptance for the duration of the DPS. (Please see the Specification regarding “refresh” and new entrants).

Variant Proposals

- 3.24 Variant proposals will not be accepted unless otherwise stated in the Dynamic Purchasing System Agreement.

4. Data Security

- 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 are required to confirm they will agree to act in accordance with the DWP security policy and complete and upload a security plan as part of their Tender.
- 4.3 As part of the ITT, Potential Suppliers will be required to answer a number of basic information security questions. This will provide DWP with a basic view of the Potential Suppliers information security measures. At award (the call off stage) a Potential Supplier may be required to submit further detail regarding the security measures they propose to use in delivery of a specific contract. DWP will assess the data risk for each call off and if the risk is deemed ‘low’ then the original questions answered as part of selection onto the DPS will be proportionate. If the data risk is assessed as higher then suppliers will be required to submit a security plan detailing, more specifically, the information security measures they propose to use in delivery of a specific contract. DWP will not enter into any call-off agreement unless appropriate security protections are in place.

Off-shoring

- 4.4 By submitting a Tender the Potential Supplier agrees to comply with the DWP Offshoring Policy and Potential Suppliers confirm that they have read and understood the DWP Offshoring policy. Further information on the DWP Offshoring policy is available at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/251307/guide-for-dwp-contractors-offshoring-policy.pdf.

Baseline Personnel Security Standard

- 4.5 Potential Suppliers are required to confirm that they will comply with the Baseline Personnel Security Standard and pre employment checks when recruiting staff who will have access to DWP data (checks will include, identity, employment history, nationality/immigration status and criminal record checks). A link to the requirements is included in the PQQ.

5. Freedom of Information Act

- 5.1 DWP is committed to open government and to meeting its legal responsibilities under the Freedom of Information Act 2000 and associated legislation ("**FOIA**"). All information submitted to DWP may need to be disclosed by DWP in response to a request under FOIA. 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.
- 5.2 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 FOIA 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.

6. Procurement Timetable

- 6.1 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.

Date	Action
12 th June 2015	Re-Publication of the ITT to Potential Suppliers (Tranche 2)
12 th June 2015 onwards	New Potential Suppliers can submit Tenders
6 th July 2015	DPS went live
Monthly	Monthly refresh of the DPS database

15th June – 26 th June 2015	Evaluation of Tenders and Approvals
5 th July 2019	DPS Ends

7. Tender Submission Process

Background

- 7.1 The process will be administered 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.

The Invitation to Tender Pack is available on Bravosolution and Tender responses should be submitted via BravoSolution. If you are not a BravoSolution registered supplier, you must register with BravoSolution to bid – <https://dwp.bravosolution.co.uk/web/login.shtml>

Helpline telephone number: 0800 368 4850

Helpline email: help@bravosolution.co.uk

- 7.2 The DWP e-Procurement Solution portal relies on the completion of a Qualification Envelope and a technical Envelope. The Qualification and Technical Envelopes 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 location on DWP e-Procurement Solution portal. Please follow the on screen instructions.

Acceptance onto the DPS will be through the submission of a Pre-Qualification Questionnaire (PQQ) accessed through the Qualification Envelope; agreement to sign up to the Dynamic Purchasing System Agreement and Call Off Terms and Conditions; and on assurances that the requirements of the DPS will be met. The PQQ consists of a number of questions that require the Potential Supplier to respond by indicating Yes or No, where an inappropriate answer may constitute exclusion from the competition.

Potential Suppliers will also be required to complete a Service Offer indicating which Jobcentre location(s), the Programme Category and the claimant group(s) they wish to be considered for.

- Qualification Envelope – This is the first stage in the process. Potential Suppliers must access this folder and follow the on screen instructions. You will be presented with a Pre Qualification Questionnaire for completion. Potential Suppliers must complete the required boxes where advised and upload the required information where prompted. The questionnaire is in the main designed so potential suppliers have to provide a Yes or No response. Please note the grounds for mandatory exclusion and the grounds for discretionary exclusion.

Qualification Envelope	
Whole Document PQQ response Compliance Check	Compliance checks to ensure all relevant information requested as part of the PQQ has been submitted in the format required. PQQ responses not meeting requirements will give the Authority grounds for exclusion for non-compliance.
1.1 Supplier information	With the exception of 1.1.9 a response must be provided for all questions. For 1.1.9 this is only required if you have answered "Other" to 1.1.8.
1.2 Bidding Model	All relevant questions must be answered. In addition if a Potential Supplier will be sub-contracting part/all of the service, an Annex A must be completed. The Annex A should detail each sub-contractor's name, what they would be delivering and the location. If bidding as a Consortium the lead member should also complete an Annex B and each member of the consortium must complete an Annex C.
1.3 Contact Details	All questions in this section must be answered and contact details must be kept up to date.
1.4 Licensing and Registration	Answer each question on Licensing and Registration and provide additional information where applicable.
1.5 Grounds for Mandatory Exclusion 1.6 Non Payment of Taxes & 1.7 Grounds for Discretionary Exclusion	If a Potential Supplier answers "yes" to any of the questions under 1.5 and fails to satisfactorily complete the Annex E at 1.9 (Self Clean) then they will immediately be excluded from the DPS.
1.8 Conflict of Interest	If a Potential Supplier answers "yes" with regards to the Conflict of Interest question (1.7.6) they must also complete Annex D
1.10 Economic and Financial Standing	Potential Suppliers should complete all applicable questions and submit either A, B, C or D to demonstrate their economic / financial standing

1.11 Financial Viability Risk Assessment (FVRA)	Although the FVRA will not be conducted until the call-off stage, Annexes F and G must be completed and attached.
1.12 Insurance	This is a yes/no question. Please note that if a Potential Supplier is not a Sole Trader but answers “No” to this question they will be excluded from the DPS.
1.13 Compliance with Equality Legislation	If a Potential Supplier answers “Yes” to 1.13.1 or 1.13.2 they must complete Annex V. They may be excluded if they are unable to demonstrate to the authority’s satisfaction that appropriate remedial action has been taken to prevent similar unlawful discrimination reoccurring.
1.14 Health and Safety	If a Potential Supplier answers “Yes” to 1.14.2 they must complete and attach Annex X. The authority will exclude Potential Suppliers that have been in receipt of enforcement/remedial action orders unless the bidder(s) can demonstrate to the authority’s satisfaction that appropriate remedial action has been taken to prevent future occurrences or breaches.
1.15 FOI Commercially Sensitive Information	Potential suppliers should complete and attach an Annex Q If they are submitting any information they consider to be commercially sensitive, giving full details.
1.16 Security Plan	All Potential Suppliers must complete the Security Questionnaire (Annex J) before being admitted to the DPS. Any Supplier that answers 'No' to any of the questions will be excluded from the DPS. A Security Plan is not required at this stage but may have to be supplied when a contract is called off the DPS (depending on the specific requirement).
1.17 Offshoring	If a Potential Supplier answers “Yes” to 1.17.1 they must complete and upload an Annex M
1.18 Dynamic Purchasing Agreement	All Potential Suppliers must complete sections 6,7,8 and 10 only of the DPS Agreement and attach it at 1.18.2. Nothing else needs to be completed at

	this stage. The DPS Agreement must contain an embedded signature and should be returned in Microsoft Word and not converted to PDF.
1.19 Confirmation and Declaration	Potential Suppliers should check that all required questions have been answered; all pre-populated answers have been checked and all required attachments have been uploaded before answering 1.19.1. Please note if Potential Suppliers answer “No” to 1.19.2 they will be excluded from the DPS.

- Technical Envelope – This is used for gathering information on supplier’s delivery proposals and prices for the services they are offering. This information on the provision/price is required to enable evaluation of the proposal at the call off stage.
- At 2.1.1, Potential Suppliers will be presented with Annex K, (Supplier Service Offer spread-sheet) and at 2.1.2 with Annex L (Word Factsheet). **Potential Suppliers will need to complete an Annex K and an Annex L for every programme that they wish to deliver.** For example, If a supplier proposes offering provision under a specific category (e.g. Moving Towards Work) and wishes to propose a couple of options (e.g. a One Week Programme or a Two week programme) then a separate Annex K and Annex L will be required for each of the options detailing the course content and the associated price.
- Annex K will be used to indicate (amongst other things); the service category that the provision falls under; the locations in which services can be provided; the claimant group to be delivered to; the work focused activity they would wish to deliver and the price. Please see Annex 6 for notes on the completion of Annex K and Annex 7 for advice on how to calculate the prices to be quoted on the Supplier Service Offer.
- Annex L will be used to; describe the content of provision and how it would be delivered; provide details and evidence of how provision will ensure that the claimant will move closer to work/move into work or remain in work (as appropriate); provide details of a Potential Supplier’s performance expectations, together with supporting rationale and details of how performance of the provision will be managed to ensure outcomes and / or outputs are achieved. Potential Suppliers should only enter information in the appropriate answer boxes.

- Annex L must be completed in Arial Font 12 and must not exceed 2 pages in length. This is the Potential Suppliers opportunity to clearly detail their proposed provision.
 - Once Annex L has been completed it must be embedded into Annex K (at column AF row 95). Annex K **should not be** converted into PDF format. Once a Potential Supplier has embedded Annex L into Annex K, it can only be opened by DWP.
- 7.3 Responses must not exceed the pre-set margins and space allocation; e.g where requested in the Factsheet suppliers should not exceed the page allowance of 2 Pages of A4 (**font Arial 12**) for detailing their delivery proposal. These limits are provided in the Factsheet document and any response in excess of these allocations will be disregarded and will not be evaluated.
- 7.4 Bullets, tables, graphs and charts in support of your responses are all permitted. Responses must be presented using Arial font size 12 (English Language and black typeface) this includes instances where information may be tabulated as part of the response. Illustrative screen shots, graphs and charts should be presented within the allocated page limit for the question they are relevant to and must not be embedded separately as embedded information will be disregarded.
- 7.5 Tenders must be completed using Microsoft Word and MS Excel 2010 format. Files submitted in Microsoft Project format will not be accepted.
- 7.6 All acronyms and abbreviations, if used, must be fully explained.
- 7.7 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.
- 7.8 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. Altering the Factsheet will lead to information not being collected by the Dynamic Purchasing System. If suppliers have any doubts please contact DWP through the DWP e-Procurement Solution Portal message system.
- 7.9 All Tenders must be submitted to DWP using DWP e-Procurement Solution Portal. Tenders submitted by any other means will not be accepted. Any questions suppliers have must be raised through the DWP e-Procurement message system.
- 7.10 A Tender may be completed and submitted at any time before the closure of the DPS, using DWP e-Procurement Solution Portal. Instructions

explaining how to submit and complete the Tender to DWP are located within the e-Sourcing Portal.

- 7.11 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. Where suppliers are converting to GBP (£) please include the conversation rate used.

Labelling your Tender Forms (File Names)

- 7.12 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 the envelope.

Qualification and Technical Envelopes

- 7.13 The envelopes contain 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 at the call-off stage. Where there is a requirement to upload attachments to questions within this envelope the suggested format is as follows.

File Naming

ITT Response required	How your response should be uploaded
Pre Qualification Questionnaire Supplier Service Offer	Provision (e.g. Category 2 – Jobsearch Course - Company Name (e.g. Do Well for People))

Withdrawal

- 7.14 A Potential Supplier may withdraw from this procurement by choosing not to submit a Tender. It would be helpful to the DWP if you could advise us that you will not be submitting a proposal, and, if possible, the reasons behind your decision.

Additional Materials, Documents and Attachments

- 7.15 No additional documentation should be submitted with a Tender unless specifically requested by DWP

- 7.16 Information that forms part of general company literature, or promotional brochures, should not be submitted and will not form part of the evaluation process.
- 7.17 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, MS Excel, MS Power Point, Adobe Acrobat or jpeg formats. No other file formats should be used.

Subcontractors and Consortia

- 7.18 It is important that the Tender is completed accurately to enable DWP to establish a full understanding of the proposed approach to the delivery of the requirement.
- 7.19 The Tender must be completed in the Name of the economic operator (typically a company or similar legal entity) that will ultimately enter into an agreement with DWP and therefore, assume liability for performance of the contract.
- 7.20 With the exception of subcontractors advised in the ITT response, no organisation other than the Potential Supplier will be able to provide services through the agreement, 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.
- 7.21 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.
- 7.22 When responding to DWP's questions in the Tender, the Potential Supplier should ensure they answer all the required questions and articulate clearly their intended delivery proposal in the Supplier Service Offer.
- 7.23 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.
- 7.23.1 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. 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'.

7.23.2 Consortium proposals

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

Changes to the Contracting Arrangements

7.24

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.

8 TENDER EVALUATION

Overview of the Evaluation Process

8.1 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 at the Call-Off stage, which may also give the department grounds to exclude you from further evaluation. See Annex 1 to 5 for further details on DWP's approach to financial risk assessment.

8.2 All compliant Tenders who pass this initial selection stage will then be eligible for entry on the Dynamic Purchasing System. The final stage will then be the completion of the Dynamic Purchasing System Agreement between DWP and the Supplier.

Award of Call-Off Contracts (General Overview please refer to the specification)

9 Filters/Qualifiers

9.1 Following identification of a specific requirement the Contracting Body will access the DPS Directory of Services and the data will be filtered as detailed below:

- Delivery Category - Has the Supplier indicated that they wish to deliver provision in the required Category? Y/N
- Delivery location(s) – Has the Supplier indicated that they can deliver in the required locations? Y/N
- Claimant Group – Has the Supplier indicated that they will deliver to the required Claimant Group? Y/N
- Deliverable volumes – Does the Supplier have the capacity to deliver the indicative volumes (claimants and/or courses)? Y/N
- Speed of availability/implementation – Can the Supplier commence delivery within the required timeframe? Y/N
- After applying the above filters reference will be made to the proposed budget available on the business case. (e.g. available budget £30,000 for 50 claimants = unit price of £600 per claimant). The DPS Directory of Services system will then be accessed to identify if the remaining Potential Suppliers are offering a unit price for the required provision of £600 or less. If Yes, the Contracting Body will proceed with the further stages set out below, if not Contracting Body will reconsider its business case.

9.2 **Evaluation Criteria to determine Suitability of provision**

9.2.1 By applying the above filters a shortlist of Potential Suppliers will be produced. For each of the shortlisted Potential Suppliers, the following questions will be considered, using the information provided within the detailed description section of the Factsheet:

1. Is it clear from the information provided, how the provision will move claimants closer to work/into work or help them remain in work (as appropriate);
2. Have performance expectations in the form of outcomes and/or outputs clearly been articulated together with a sound rationale for these?
3. Does the description of the proposed provision and how it will be delivered meet the requirements of the individual call-off?
4. Has the Supplier clearly described how they will manage the performance of the provision to ensure outcomes are achieved?

9.2.2 After consideration of the delivery proposal (contained in the Supplier Service Offer) against the above questions a score will be awarded for each of the above questions according to the following table. Any Suppliers who score a 0, for any of the above questions will be removed from the shortlist:

Score	Criteria
8	Thorough and detailed evidence provided which fully satisfies the requirements.
6	Evidence provided satisfies most of the requirements with minor gaps in coverage or detail.
4	Evidence provided satisfies some requirements but has moderate gaps in coverage or details.
2	Evidence provided does not satisfy significant parts of the requirement
0	Evidence provided fails to satisfy the stated requirement

9.2.3 Following the initial assessment a weighting will be applied – please see table below:

Criteria	Weighting (multiplication factor)	Maximum Score Available
1. Does the description of the proposed provision and how it will be delivered meet the requirements of the individual call-off?	X3	24
2. Is it clear from the information provided, how the provision will ensure the claimant will move closer to work/into work or help them remain in work (as appropriate).	X1	8
3. Have performance expectations in the form of outcomes and/or outputs clearly been articulated together with a sound rationale for these?	X1	8
4. Has the Supplier clearly described how they will manage the performance of the provision to ensure outcomes are achieved?	X1	8

Please note the questions are listed in order of importance (as reflected in their corresponding weighting) – see paragraph below on tie break operation.

9.2.4 Once quality scores have been awarded, all suppliers scoring 90% or more of the score achieved by the top scoring supplier, will be assessed on price (e.g. Top score achieved is 40, all the suppliers scoring 36 or more will be considered).

9.2.5 The supplier who, in the opinion of DWP, best meets the requirements of the individual call-off and is offering the lowest price, will be awarded the call-off contract and will be issued with an Order Form which will set out the requirement. The Call-Off Terms and Conditions are not negotiable and will apply to each contract called off under the DPS.

Tie Breaker

9.2.6 This will only be applied where two or more Potential Suppliers have achieved the same score in the delivery evaluation and are offering the same price.

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

Step 1

The Potential Suppliers identified after the quality assessment and the pricing consideration will be contacted to establish if they are still able to deliver their delivery proposal and that their price remains valid (Suppliers will not be asked to revive their price, the check is merely to ensure that they wish to remain being considered). Any suppliers who advise that they no longer wish to deliver the programme or are unable to for the price they originally quoted will be excluded from the competition.

Step 2

If a clear winner has not been established the next step will be to look at the individual scores for the 4 questions with the contract being awarded to the supplier who scores highest taking each question in turn.

e.g. Two suppliers left in competition – both score 6 for questions one and two but supplier A scores 6 for question 3 while supplier B scores 4. The contract will be awarded to supplier A.

9.2.9 Independent Approval

The results of the 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.

10 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 may require a signed

Parent Company Guarantee (PCG) to be in place prior to any contract being signed.

11 Publication of Contract Award on Contracts Finder

- 11.1 Potential Suppliers should note that due to DWP transparency requirements (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.

12 Contract Award

Contract Documentation

- 12.1 In relation to the DPS Agreement, DWP will be responsible for producing a DPS Agreement and issuing them for signature to the successful Potential Suppliers.
- 12.2 In relation to call off contracts, Contracting Bodies will be responsible for producing an Order Form and Call Off Terms and issuing them to the successful supplier.

13 Expenditure with Small and Medium Enterprises (SMEs)

- 13.1 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.

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

- 13.2.1 The Authority recognises the important role SMEs have in helping to deliver economic growth and prosperity. SMEs are defined as enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding 50 million euro, and/or an annual balance sheet total not exceeding 43 million euro. The Authority is committed to supporting the government's 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.
- 13.2.2 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;
- 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.

13.2.3 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.

Financial Viability Risk Assessment

The aim of the FVRA is to assess the supplier's financial stability and is to ensure the supplier has sufficient resources to successfully deliver a Call Off Contract, with a minimal risk of failure.

The assessment will consist of an evaluation of the data the supplier submits on the following templates:

- **FVRA Template:** Suppliers are required to submit details of their most recent key financial data (e.g.: Turnover, Assets, and Liabilities etc.).
- **Legal Entity Template:** Suppliers are required to submit details of their organisational structure (e.g.: Company Registration Number, VAT Registration Number etc.) and additional financial narrative to support the financial details submitted in the FVRA Template.

Individual suppliers responses will be assessed on the following three areas:

- Organisational Stability;
- Growth Management; and
- Financial Stability.

On receipt of the above templates, DWP will assess the Supplier as Red/Amber/Green using a risk based approach. If the assessment of any of the above areas produces a RAG rating of RED, further investigation may be required by the Department to more fully understand the issues causing the RED rating. The Department reserves the right to exclude entry onto the DPS system based on a Red FVRA rating. If suppliers believe their financial data will return a rating of RED, they may provide any mitigating evidence in the narrative boxes within the Legal Entity Template.

Financial Viability and Risk Assessment

The aim of the evaluation is to ensure bidders 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 bidder makes available to the Authority.

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).

In order to comply with the accounting standard, IAS 24 Related Party Disclosures, bidders 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.

Where the bidding organisation has a Parent Company, then the Parent Company accounts should also be supplied. If your organisation has a Parent Company, and should you be deemed successful in bidding for this contract, then DWP will require a signed Parent Company Guarantee (PCG) to be in place prior to any contracts being signed.

The PCG will not be negotiable; however there may be exceptional circumstances where the wording needs to be amended or a deed of guarantee supplied. These may include Special Purpose Vehicles (SPVs), frameworks, consortia and organisations that have parent companies based abroad.

In order for a like for like evaluation on organisations 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.

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.

Individual bidder responses will be assessed on the following three areas:

- Organisational Stability;
- Growth Management; and
- Financial Stability;

If the assessment of any of the above areas produces a RAG rating of **RED** the result will be potential elimination from the procurement. An organisation that has a negative balance sheet (technically insolvent) will be given a RAG rating of **RED**. Further investigation and clarification will be required by the Authority to fully understand the issues causing the red rating.

As part of such investigation and clarification the Authority may require the Supplier to provide supplementary information relating to the matters specified. If, following such clarification, the Authority 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, the Authority reserves the right not to eliminate the Supplier from the procurement process, and to amend the RAG rating from RED to **AMBER**.

If you identify that your organisation will be rated RED, but believe there to be mitigating circumstances, then you should submit an explanation and supporting evidence of the mitigating circumstances with your annual accounts.

If any bidders score a mixture of **AMBER** and **GREEN** in the criteria listed in **Annex 2**, the greater number of **AMBER/GREEN** takes priority. If a bidder has an equal number of **AMBER/GREEN** the bidder will be deemed **AMBER**. An

AMBER rating does not exclude an organisation from progressing in the competition.

For an organisation which achieves an **AMBER** rating it may be necessary before contracting with that organisation for a bidder to supply additional evidence that the bidder can manage the level of growth, from an organisational, financial and delivery perspective. **Annex 2** provides the RAG criteria and related action across all areas of the assessment.

Organisational Stability

This section focuses on the overall stability of the organisation based on set criteria. Using the data supplied in the financial statements, an assessment will be completed to determine the stability of the organisation.

If the assessment raises major concerns about the organisation [please see the qualification table at **Annex 3** for more information] this will result in the organisation being given a **RED** rating which will result in the potential elimination from the process.

Organisations who do not fall into the above rating category will receive a **GREEN** rating.

Growth Management

This section provides an initial assessment of an organisation's ability to manage the contract. Please see **Annex 4** for details that will be used in the assessment at this stage.

Turnover growth analysis will focus on the contract limit, and an organisation's ability to manage a single contract.

This analysis will be used to identify how the organisation is likely to achieve the following:

- **Financial Strength** - can the organisation cope financially with the size of contract or asset requirement; and
- **Capacity** - does the organisation have the resource to carry out the work?

The Authority will assess each organisation's ability to carry out and complete the contract, and will calculate an organisational 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.

Failure to meet the threshold will not mean automatic elimination from the competition, but further assurances will be sort by the Authority regarding the organisation's ability to grow and cope with the requirements of the contract. Failure to provide these assurances will result in elimination from the competition.

If the organisation 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

This section involves completing a ratio analysis of the financial information contained in the bidding organisation's financial statements and will inform the outcome of this part of the assessment.

Two ratios will be analysed: the Acid Test ratio (1) and the Debt ratio (2). Please see **Annex 5** for details of the scoring and weighting criteria that will be attributed to this assessment.

Suppliers will be required to explain how they will fund the working capital requirements for this contract. DWP requires tangible evidence that the organisation has access to sufficient working capital before contract execution.

When analysing a bidding organisation's Liabilities, the Authority will exclude any amounts in relation to Provisions for Pensions Liabilities.

Outcome

The overall outcome of the analysis is intended to produce a field of bidders 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	Bidder exits the exercise subject to further clarification
AMBER – Tentative Progression	Bidder 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	Bidder progresses to next stage

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 further clarification	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
GROWTH MANAGEMENT	Growth Management - Under minimum contract value	Elimination from the process subject to further clarification	Red
	Growth Management - Over minimum contract value	Progression	Green
FINANCIAL STABILITY	Ratio Analysis AMBER = 2 to 6 points	Tentative Progression or Progression depending upon outcome of analysis.	Amber
	GREEN = 7 to 10 points	Progression	Green

Turnover Growth Methodology

The table below shows the scoring and weighting mechanism for Turnover Growth (section 8 refers).

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

Financial Stability and Growth Management Scoring Methodology

The financial tests performed during the evaluation process are as follows (section 9 refers):

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

- i) All bidders will be given an **Amber** or **Green** risk rating based on this assessment. **Green** and **Amber** risk rated bidders will be deemed as having passed the analysis for this competition.
- ii) For those bidders achieving an **Amber** rating Finance may seek further clarification and reassurance that any potential risks can be fully mitigated.
- iii) Bidders scoring between 2 and 6 marks in total are given an **Amber** rating; bidders 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.

DPS spread sheet

General Information to assist completion of the Technical Envelope

For the Service Provider:

- 1) Name of Supplier – single text box
- 2) Provision Title – single text box
- 3) Claimant Groups – Multiple selections allowed. A single button (*Select ALL groups*) is available to select all 9 categories automatically. The button will change to *De-select ALL groups* if used, as an undo feature. This will toggle between the two states as appropriate.
- 4) Service Categories – Single selection only. Cells will highlight red if more than one selected.
- 5) Service Category (addressing barriers) - as at 4, but also highlights red if anything other than “Addressing Barriers” is selected at 4.
- 6) Locations – Multiple selections allowed. As at 3, a *select ALL locations* button will populate all offices / districts, replaced with a *De-select ALL locations* when used. This will toggle between the two states as appropriate. Each list of Jobcentres has a drop-down box above it next to the District name. This allows for Yes / No selection of all offices in each District individually. Again, this will toggle between the two states as required.
- 7) Claimant Engagement – a drop-down menu for single / group delivery.
- 8) 9) 10) Will be available for use / greyed out depending on selection made at 7. Is restricted to only accept a whole number numerical entry. Also will turn red if the figures conflict (e.g. if the minimum figure is greater than the maximum etc.)
- 11) Availability – restricted to a whole number numeric input. Turns red at conflict as with 8,9 and 10 above.
- 12) Sub Contractors – Yes / No drop down menu
- 13) Provision Description – two text boxes. A message will appear if they exceed 500 characters, telling them to reduce their text to 500 characters or less, and how many characters are currently in use.
- 14) Provision Price – four boxes, restricted to numerical input – decimal points allowed.

Unit Price

The payment model will comprise of the following payments, dependent upon the type of provision being offered. Evidence must be provided to support individual claims for payment. Specific evidence requirements will be stipulated at the point a contract is called off the DPS. Please see the specification for more detailed information on the 7 categories of The Employability Journey:

Categories 1 – 3: Engagement; Establishing Need/Identifying Barriers and Moving Towards Work

- A **Completion Fee**, based on the completion of the specified delivery. Payments will represent **100%** of the successful supplier's unit price.

Categories 4 – 6: Addressing Barriers; Skills For Work and Getting Jobs

- A **Start Fee**. Payments will represent **10%** of the successful bidder's unit price and is payable when a claimant enters the provision.
- A **Completion Fee**, based on the completion of the specified delivery. Payments will represent **30%** of the successful bidder's unit price.
- A **Job Outcome Fee**. Payments will represent **60%** of the successful bidder's unit price. Please see paragraph 11.5.2.2 of the specification for the definition of a job outcome.

Category 7 only: Keeping Jobs

- A **Start Fee**. Payments will represent **25%** of the successful bidder's maximum unit price and is payable when a claimant enters the provision.
- A **Completion Fee**, based on the completion of the specified delivery. Payments will represent **75%** of the successful bidder's maximum unit price.

All potential Suppliers must submit their unit prices on the Supplier Service Offer.

Attach a File In To An Excel Spreadsheet

Step 1

Save Your Word Document in a suitable directory

Step 2

Open the Excel spreadsheet and click inside the cell of the spreadsheet where you want to insert the object.

Step 3

Select the "Insert" tab. Click "Object" in the Text group to open the Object dialog box.

Step 4

Select the "Create From File" tab. Click the "Browse" button and locate the file you want to attach. Click the file to select it and click the "Insert" button.

Step 5

Select the "Create Icon" check box to insert an icon that links to the file.

Step 6

Click "OK" to attach the file.

Step 7

Save the spreadsheet before closing Excel.