

Work Programme Question & Answer Log – Issue 1 - 22 December 2010

This document reflects questions that have been asked in relation to the Work Programme draft ItT documentation that was issued on the 9 December 2010.

Question Ref.	Question	Answers
3	<p>Section 35, Minimum service standards, in the Work Programme Prospectus issued on 29 November 2010 states that:</p> <p>“The Government is clear that providers are best placed to know what works for customers and as such we will not specify what providers should deliver. However, customers should know what level of service they can expect. As a result, bidders for Work Programme contracts will be asked to provide a summary in their tender of the minimum service they will offer to all customer groups. These minimum service levels will be translated into a small number of Key Performance Indicators within each contract and will be articulated to customers at the point they start the provision"</p> <p>Is this covered in section 4.1b Service Requirement of the Draft ITT?</p>	The Minimum Service Levels for the Work Programme delivery are requested at 4.1b of the ItT Form.
4	Section 3.6 of the Instructions for Bidders doesn't appear to contain evaluation criteria for section 5.6 Managing the Customer Experience, of the Draft ITT. Will evaluation criteria for section 5.6 of the ITT be issued?	Evaluation Criteria for Question 5.6 of the ItT Form will be included in the Final documentation.
6	<p>JOB OUTCOME PAYMENT – cumulative</p> <p>Please can you provide a more detailed explanation of the cumulative element of the Job Outcome Trigger Point? E.g. Can the customer have 5 weeks in employment then 3 weeks out of employment and then 8 weeks in employment – totalling 13 weeks cumulative in work period over 16 weeks?</p>	The Job Outcome trigger point can be reached through either 1 job lasting 13wks or a number of jobs of varying durations, say, 3wks-break-4wks-break-3wks-break-3wks, that cumulatively add up to 13wks (the break can be a period off-benefit or a period of claiming a benefit) This will be clarified in the latest version of the specification.

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8	<p>SUSTAINMENT PAYMENT The period for payment is based on 4 consecutive weeks. What is the maximum break in employment before the customer has to go back to 'Job Start'? e.g. If a customer is in work for 21 weeks (13 to Job Trigger Point and 8 consecutive sustainment weeks) and then breaks employment for 6 weeks and claims benefits, when he/she secures work again at week 28 can we immediately start claiming the Sustainment Payment again (at the end of the first 4 weeks. This would mean that for this person the provider would have drawn down 3 Sustainment Payments and would have 10 remaining (JSA 25+ customer) How many breaks, as detailed above, would be allowed for each customer?</p>	<p>A Provider can claim Sustainment Payments for each complete 4 weeks in-work, as long as the break in employment does not occur after the customers 104 weeks allotted time.</p>
9	<p>POINT 2.09 Please could you provide further information regarding the Work Capability Assessment and the Fortnightly Jobsearch Review? Is this documentation provided by DWP and mandatory or are provided able to develop their own?</p>	<p>Providers will not be required to perform FJRs or WCAs. FJRs are performed by JCP and WCAs are procured separately from the Work Programme</p>

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10	2.10 suggests that the provider can include mandatory elements of the customer journey. Are these mandatory elements at the discretion of the provider and can we develop our own bespoke to the customer?	Mandatory elements are at the discretion of the Provider, and Providers can develop their own mandatory activity which is bespoke to the customer. This is subject to the rules on the types of activity each customer group can be mandated to. When applying mandatory activity to customers it is incumbent on the supplier to understand the level of conditionality applicable to the individual at that time
11	A3.06 Can the first discussion with the customer be done via telephone in order to agree initial actions and enter a date on PRaPs, or does the discussion need to be face to face to trigger the attachment date.	It is for Bidders to decide the most appropriate method for the first discussion with the customer.
18	Could DWP provide further information on how the level of Sustainment Payments and length of time for which they will be paid have been calculated?	Providers will receive payments for a successful outcome at different rates depending on the customer group. This reflects that some groups will require more support. The maximum amount received for a successful outcome depends on the job outcome fee, the “4-weekly” sustainment payments, the trigger point at which outcomes start being paid and the payment period over which employment qualifies for a sustainment payment. These four levers have been calibrated in such a way that the maximum amount for a successful outcome is generally higher for the harder to help groups.
22	Will there be regional funding tariffs to reflect the regional and varying costs of delivery?	No. Providers are asked to factor local costs into their bids.

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23D	<p>Please can the Department clarify our interpretation of the year one customer volumes in the draft ItT? Our interpretation is that customers that are part way through an existing programme such as FND or Pathways, will not transfer into the Work Programme at commencement. If our interpretation is incorrect, please can the Department provide additional information regarding customer volumes and applicable funding arrangements for these customers?</p>	<p>That is correct - customers returning from FND / Pathways will join the JCP Offer before Work Programme</p>
24	<p>Regarding the JSA Early Access group, what age group for NEET are you referring to (i.e. 16 and 17, but not those who are included in the 18-24 JSA group)? Similarly, what data sources have you used to generate the JSA Early Access Group number? Does this group also include lone parents?</p>	<p>Annexe 2 contains details of the customer groups eligible for WP. Jobseekers aged 18 who have been NEET for 6 months form a part of the mandatory early access group</p>
25	<p>Part 4 of the ItT: Re question 4.1 Process Map – please clarify what DWP expects in terms of a Process Map. Can this be submitted in A3? Is this limited to one page or can it be multiple pages? If multiple pages, is there any limit to the page number?</p>	<p>We can accept in A3 format but it would help us if you would please use A4 where possible. Whilst there is no page limit for Annexes requested in the ItT form, bidders should seek to provide clear, concise and legible information. Excessive information which does not directly relate to the response e.g. company/promotional literature will not be evaluated and should not be submitted.</p>

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27	<p>Re question 4.1 – please clarify what DWP means by “customer requirements defined in the Specification”. Specifically, does DWP require a description of how the customer journey will be tailored to all 7 customer groups or is this question asking how we will meet the service requirement for all individual customers. If DWP requires information in relation to all 7 customer groups then the detail will be severely restricted by the limit of 4 pages. If this is the case will DWP increase the page limit for this question?</p>	<p>Customer requirements are defined in the Service Requirements at Section 2 along with links to other areas of the Specification. How you respond to this section is for you to decide.</p>
	<p>A1.13 page 25/26 Summary of factors affecting WP volume calculations Adjusting referrals to starts – Could DWP please clarify those customers that the 90% (reference section 9) has been applied to and how this relates to the subsequent paragraph of a reference to a 15% reduction</p>	<p>The 90% assumption is applied at all groups eligible for WP. The 15% reduction is applied in addition to this to all groups excluding the JSA Early Access</p>

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31	<p>Bid Evaluation Weighting: At the Preferred Supplier briefing on Thursday the 2nd December DWP inferred that the bid evaluation weighting would be near 80:20 Quality: Finance; though in the draft ItT this is 50:50, please clarify this rationale?</p>	<p>There is no set percentage split when bringing the Quality and Price scores together. The two scores are arrived at independently and follow different processes. When calculating the Combined Tender Score the two marks achieved in the assessments will be added together. It may appear that the ratio between quality and pricing scores is 50:50 as each element has a total of 60 marks available. However, the balance between quality and finance will vary depending upon the marks achieved, so there is no standard percentage balance. The total highest mark available through the qualitative assessment is 500 and the highest scoring bid is converted into the top score of 60 with all other tenders being awarded marks in relation to their percentage variance from the highest scoring quality tender. This relative positioning approach is not used when considering the marks to be awarded for the financial evaluation. For each percentage point below the maximum price, 1 point will be awarded - up to a maximum of 20 points (20% reduction). Percentage reductions over 20% will score 1 point for every 2.5% reduction. When calculating the combined score the two marks achieved for the different assessments (quality and finance) are added together.</p>

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32	<p>ItT Annex 3 Sub-contractor Declaration: The Annex includes the sentence: 'I confirm I have seen the full tender document and am content with my role as described and with the terms I have agreed with the Prime Contractor.' The full tender document is commercially sensitive particularly if subcontractors are potential primes themselves and for this reason it is not practical to show subcontractors this document in its entirety. We will ensure that we have had discussions with all subcontractors named in the bids and we will put in writing to them the intended role and activities we have assigned them within our bid submission. Could the annex be amended to support this alternative process, (we are fully comfortable with the wording from the FND1 version).</p>	<p>Annex 3 of the ItT - Sub -Contractor Declaration has been amended to read as follows: I confirm I have seen the full tender document (excluding any Commercial in Confidence information relating to other Providers) and am content with my role as described and with the terms I have agreed with the Prime Contractor.</p>
33	<p>Question 5.5 of the draft ItT: Question refers to the 'Future Services Schedule' though this is not shown anywhere else in the documentation provided. Please provide or clarify?</p>	<p>The Future Services Schedule referred to at Q5.5 can be found at Appendix 3 'Future Services' of the Terms and Conditions</p>
34	<p>A4.18 – Minimum Performance Levels and Incentive payment model: Para reads: Minimum performance and incentive payments levels, based on in year jobs over in year referrals; Clarification is required regarding the rationale of performance expectation of outcomes vs. referrals as opposed to outcomes vs. starts on FND or outcomes vs. leavers on ND etc. While we accept the need for providers to be accountable for referral to start ratios, this definition of performance will likely have significant negative impact on performance percentage achievable, even with the most effective referral to start ratios (FND around 90%). Given the required step change in performance required under the Work Programme and the stretching minimum performance levels we request an amendment to either 1. Lower the minimum performance levels to compensate for customers that are referred that do not start, (particularly as some of these are outside provider influence) or 2. Revert to FND style outcomes vs. starts and have a separate KPI for referral to start ratios.</p>	<p>Both the Minimum Performance Level and Incentive payment levels are calculated on the basis of referrals not starts so the action in point 1 of this question has already occurred.</p>

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36a	<p>Finance Model. Bidders are being asked to provide detailed subcontractor costs as part of their submission. By doing this all bidder will need to ask all subcontractors for a high level of detailed costings which, will be an onerous task for many smaller organisation particularly those in the Voluntary and Community sector. This could then be compounded if these small organisation wish to work with a range of bidders all working to different models, the end result could be the reduction in diversity within all supply chains as these organisation walk away from the process. Could the subcontractor costs be reflected in a more simplified way?</p>	<p>The Pricing Proposal has been revised to simplify the level of details required on Subcontractor costs.</p>
37	<p>In the Instruction to Bidders - Appendix B – Para 9.3 it states “We will then start the allocations with the bidder who has potentially won the highest value of contracts across all CPAs, Where two bidders have potentially won the same value of business across all CPAs we will use the Tie Breakers identified in Section 7 to identify the first organisation to have CPAs allocated.” This gives a disproportionate advantage to all bidders who can and do submitted bids for 7 framework areas. Where an organisation decided to only apply for, and get award access to, a single framework area the maximum value of contracts available to them is approximately 15% of the combined available contract value for an organisation on 7 frameworks. Therefore in an area like London you could have the one of the highest scoring bids and because you will not be allocated any contracts until the higher value winners have been agreed all the spaces in the one area you are bidding for may have gone. This potentially means that the highest scoring bid will not result in the bidder gaining a contract. If our assumption is correct we would asked the DWP to review this criteria and add a weighting to overcome this issue, possibly based on the % success rate of bids submitted to those scoring in the top 3 of any area. Without this smaller (regionally strong) and voluntary and community sector organisations will be</p>	<p>Appendix B - Process for identification of Preferred Bidders has been amended (Para 9.3). This has been amended to read 'We will then start the preferred bidder allocations starting with the CPA that has the highest scoring bidder across all of the CPAs. Where bidders have equal scores the Tie Breakers detailed in Section 7 will be used to identify which CPA will be the first to have preferred bidders allocated'.</p>

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	seriously disadvantaged even if they submitted a bid that scored better than any other in the competition.	
43	<p>Sustain payments are for each 4 week continuous employment period.</p> <p>If employment is broken within the 4 week period but it continues with a second employer say, 3 weeks with 1 employer immediately followed by 1 week with another, is the sustainment period still eligible?</p> <p>Also, if 3 weeks is worked with 1 employer, a week gap then 3 weeks with a second employer, no sustainment payment is eligible?</p>	Where 4 complete weeks, without a break, are not achieved, no Sustainment Outcome payment will be due.
56	Under A5.11 the job outcome payments may change following the introduction of Universal credit, will providers run the risk of being disadvantaged and, if so, will there be compensation by adjustments to the contract to balance?	We may change the definition of job outcome when Universal Credit is introduced but we do not expect this to materially alter the economic balance of contracts. We have set out our pricing schedule for the duration of the contracts. We may seek to recalibrate the payment model in response to unforeseen market behaviour or changes to the labour market, but this would be subject to negotiations with providers.
66	<p>Process for identification of preferred bidders</p> <p>Could you explain the rational behind Section 9 of the Instructions to Bidders in relation to allocations of bidders based on the highest value of contracts across all CPAs (section 9.3, 4th bullet point)</p>	Appendix B - Has been amended please see response to Q37
67	<p>Stakeholder and Employer Assessment Weighting</p> <p>Should not higher weightings be attached to stakeholder and employer engagement given the centrality of this work to achievement of outcomes (Mini-competition Question 7.1 and 7.2).</p>	DWP are content that the weightings allocated to this section are proportionate and correct

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68	<p>Supply chain</p> <p>There appears to be relatively little emphasis in the evaluation approach (as compared with the prospectus) on ensuring the supply chain reflects the potential of civic society organisations. Most of the supply chain questions are about process rather than type of supplier. How will the authority measure the make up of the supply change in the assessment?</p>	<p>DWP have reviewed this area and are content that the ItT products strongly emphasise the need to engage with the Voluntary and Community Sector and the information provided in the evaluation criteria is satisfactory. There are considerations reflected within the Supply Chain Management part of the ItT Questionnaire which is the most strongly weighted criteria and will therefore have a considerable impact on the outcomes. Considerations are also reflected in the Stakeholder Engagement sections of the ItT Questionnaire.</p>
72	<p>1.10 Which local strategic partners do DWP consider to be key?</p>	<p>It is for bidders to engage with JCP who should be able to help them identify who are key strategic partners in each CPA. However it is for bidders to engage with a range of local organisations and for bidders to decide who are key partners in development of their bid in order to meet the needs of local people.</p>
85	<p>Only one job payment payable per customer- what happens if due to the change in market share a customer who has fallen out of a first job moves over to the other provider – do they get paid a job outcome or not if they succeed in moving the person into work?</p>	<p>No existing customer will move to a new provider due to market share shift. The change will be to new referral volumes.</p>
86	<p>Are minimum performance expectations being set as a flat rate across the country or will this be differentiated per customer group and increased over time –by how much as it refers to the life of the contract?</p>	<p>Minimum performance expectations are set at a national level. They apply to 3 customer groups – JSA YP, JSA 25+ and ESA Flow. Minimum performance levels will be 10% above non-intervention levels. These are defined for each relevant customer group and for each year of the contract in the ITT.</p>

Question Ref.	Question	Answers
88	Job outcome payments- does the provider only get a payment 4 weekly if all weeks are sustained what happens if they complete 2 or 3 weeks do you get a pro rata payment?	A Job Outcome payment is only payable when the trigger point, as defined for each customer group, has been reached. E.g. if the Job Outcome trigger point is 13 weeks, this can be reached through either a job lasting 13 continuous weeks or by a number of shorter duration jobs, which cumulatively add up to 13 weeks. Sustainment Outcome payments are due for each complete 4 weeks in-work.
89	In the ITT form part 5.6 page 11 there does not appear to be any guidance in the associated instructions to bidders guidance for that question – the only question without guidance provided?	Amended in the final version of the documents
90	Re Annex 3 of the Tender Form – can DWP clarify when a subcontractor declaration is required? Specifically in the scenario whereby our sub-contractors operate their own supply chain	We would expect declarations for all subcontractors who deliver services under the Work Programme Contract whether they are at first or subsequent levels. We do not require this information for minor delivery partners who deliver on an irregular or ad hoc basis e.g. spot purchases unless they play a key part in your delivery model.

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91	Can DWP clarify how they will define the sustained outcome period and whether there is a maximum time limit imposed for any breaks in employment	Once the Job Outcome trigger point has been reached and a Job Outcome payment has been claimed and paid the Sustainment Outcome payment period would start to be accrued from this point and a Provider would be able to claim a Sustainment Outcome payment for every 4 complete weeks in-work up to the maximum number of Sustainment Outcomes claimable as defined for each customer group, and as long as there has been no break in employment after the 104 weeks allotted time.
93	We are surprised to note that the financial proposal now equates to 50% of the scoring for bid submissions, particularly as it was only stated at the briefing session on December 2nd that this would account for 20% of the assessment.	Please see response to Q31

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94	We are surprised to see that the ITT and financial model focussed on working with customers by benefit type rather than to provide a universal service which addresses barriers to work, irrespective of benefit type. Please can you clarify how to reconcile this?	The different customer groups are priced differently to reflect the different average costs of getting someone from each into work. As many of the customer groups on the Work Programme have previously been ineligible for this level of support we want to see that providers have plans to provide appropriate support. We will not specify what appropriate must be and providers will be free to tailor this to the individual. As the Work Programme will be funded through recycling the benefit savings generated from moving customers into work, a straightforward objective basis for differential pricing is to use benefit type.
95	Is the criterion for measuring sustainability that a customer is 'off benefit' or in the same job?	A Job which takes a customer off benefit.
100	Can you explain how you have calculated the expected sustainability payments for each customer group? There is significant variance between estimated sustainability rates.	The maximum payment providers can receive for an outcome does depend on the level of the sustainment payment, but it also depends on the job outcome payment, the trigger point for a payment and the payment period for sustainment payments. These are calibrated with the aim of increasing maximum payment for outcomes for harder to help groups, thus looking at the "4-weekly" sustainment payment in isolation can be misleading.

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102	Can you confirm the situation in regard to 'go live' – for example would we be expected to provide full geographical coverage from day 1 of the contract. Can increase of capacity to full coverage be phased over time?	The Government has committed to having the Work Programme in place nationally by summer 2011. We would not necessarily expect full coverage immediately. Providers will be asked to describe their implementation plans in their bids and the date (before end June 2011) that they expect to be able to provide full coverage. This will form part of the bid evaluation criteria.
103	Is the weighting allocated correctly for Q5.5 and Q5.6 given the page length allocated to these questions?	DWP have reviewed the weighting allocated to these questions and are content that the weightings are proportionate and correct. However, upon review we have amended the number of pages allocated for responses. Bidders responses MUST be limited to two sides of A4 for each questions ie Q5.5 and Q5.6
104	What are the evaluation criteria for section 5.6 Managing Customer Experience? These are missing.	Amended in final version of documents
108	Do we need to refer to Data Security issues in the bid as they will be described in the Security Plan? (pg 63)	There are no specific Data Security questions in the ItT form - it is for bidders to decide what information they consider relevant in their responses
109	In regard to question 9.1, how can a score of 10 be achieved as the question refers to service commencement only – please confirm how we can demonstrate improvement throughout the life of the contract	Score of 10 is achieved by providing robust evidence that the requirements/criteria will be achieved in accordance with any applicable timescales i.e. By applying the elements which are applicable to the question.

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110	Please confirm how outcome payments will work where a customer is an ex-offender who has participated on the NOMS ESF programme	NOMS only pays while participants are on the programme. If they achieve an outcome after they leave, then we would not pay the provider as it would be after the participant completion date. One of the 'soft outcomes' under NOMS ESF is for a start in mainstream services. There would be no double funding
117	Is there a limit to the number of pages for each of the Annexes? e.g. does Annex 5 Resource Plan need to be on a single page?	Whilst there is no page limit for Annexes requested in the ItT form bidders should seek to provide clear, concise and legible information. Excessive information which does not directly relate to the response e.g. company/promotional literature will not be evaluated and should not be submitted.
118	As the draft ITT is marked "commercial in confidence", are we able to forward it to our bankers and other funders?	The final version will be issued on 22 December and will be published in the public domain on the Supplying DWP website. As such these final products will not be classed as Commercial in Confidence and can be shared with bankers and funders as appropriate.
119	If we need to identify a new delivery location is it acceptable to provide the first 3 digits of the post code area only as opposed to a specific postal address?	DWP have not asked for postal addresses - it is for the bidder to decide the level of information provided on delivery locations.

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121	In clause 1.8.2 of the draft contract, it is stated that where “the level of discrepancies in connection with, any documentation, supplied (or inputted) by the Prime Contractor via the PRaP System exceeds fifteen (15) per cent of the total volume of documentation, supplied (or inputted) by the Prime Contractor via the PRaP System in the Month in which the Prime Contractor's Default arises, the Prime Contractor shall pay all costs in connection with such Default.” Could you please give an example of how this percentage would be measured in practice?	The error rates would be measured against totals for specific periods (to be determined) e.g. total of incorrect starts against overall starts in a Contract Package Area in a quarter.
122	Can you confirm that the Independent Case Examiner is a party employed by the Contracting Body to undertake the task referred to in Clause 2.11 of the draft contract.	The Independent Case Examiner is not employed by, but is contracted by, DWP to provide an independent complaints review service to the Department's customers. The status of the Independent Case Examiner is independent office holder.
123	Clause 2.5.7 states that the Prime Contractor must “ensure that any relevant staff employed in the provision of the Services” have had CRB checks. What is meant by relevant in these circumstances?	This would apply to all staff who, during the course of delivering the contracted service, have direct contact with those customers considered to be vulnerable or at risk.
124	In Clause 2.12.5 it is stated that “The Contracting Body may, at its sole discretion, elect to make changes to the Minimum Performance Levels and/or the Minimum Service Levels from time to time”. Can we confirm that clearly those changes would be made according to capacity and in consultation with the Prime Contractor?	As the Contracting Body, DWP would need to be assured that, whatever the change intended, there would be the required capacity and capability within the provider network to undertake and deliver the change. It would therefore be commercially sensible to consult with Prime Contractors about the possible implications on capacity etc. before introducing any such change.

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129	With the final ITT please can DWP provide full details of the workings which show how they have calculated the volume throughflow of customers during each year of the contract (the accuracy of these numbers will be absolutely critical, and figures have proved less than accurate in the past)	Annexe 1 within the draft ITT contains details of how the indicative volumes were produced. There will be no further detail in the final ITT
131	Please may we have clarification on what the non-intervention rate actually is since this is the basis for working out minimum performance levels (p13 of the specification). What is it, please?	The non intervention level is the level of job outcomes that would occur in the absence of any employment programmes.
134	The Pricing Model Guidance notes refer to tables C.11 & C.13 on the Outcome Volumes tab which will highlight expectations gaps between DWP minimum levels and providers projected outcomes, but they do not appear to be on the worksheet? Please clarify.	A bidder will input their proposed volumes in the yellow cells for both job outcomes and sustainment outcomes. Table C11 and C12 act as a check to ensure bidders are meeting the DWP's minimum illustrative performance expectations by year and grand total. If the performance offer falls below DWP's illustrative expectations the cells turn red to signify to the bidder.
144	Specification and Supporting Information A1.07 24 It would be helpful to receive further information about the assumptions underpinning Departmental estimates of the volume of ESA/IB customers as these seem small.	Annexe 1 within the draft ITT contains details of how the indicative volumes were produced. There will be no further detail in the final ITT

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145	<p>Specification and Supporting Information Annex 2 – Overview of customer groups Page 33 What scope is there within the contract to reward providers to work with lone parents claiming Income Support whose youngest child has yet to reach the age of 7 (before 2012) or 5 (thereafter) and who want to work?</p>	<p>Lone parents who choose to claim Jobseekers Allowance or Employment and Support Allowance will have access to Work Programme support at the appropriate referral stage indicated by their customer group. Customers who are in receipt of employment and support allowance, with a youngest child below the age of 7 (before 2012) or 5 (thereafter) may in some cases also be in receipt of income support. These customers can volunteer to join the Work Programme, though they will not be placed under an increase in conditionality should they opt for Work Programme support until their children get older</p>
146	<p>Annex 3 Sub-contractor declaration The Annex includes the sentence: 'I confirm I have seen the full tender document.....' There are commercial confidentiality issues with sharing a completed tender. Would the wording used for FND contracts not be sufficient. i.e. ensuring that sufficient negotiations regarding volumes and price had been discussed?</p>	Please see response to Q32