

PT8 - Tender Award Report

This document is used to summarise the procurement process



Report Title	Work and Health Programme Contract
Report Author	Victoria Lord
Report Date	03/11/2017
Procurement Reference	prj_COL_8381

High Level Summary

Key Area	Outcome
Purpose of Report	Authorisation to award tender
Tender Process	Quasi - Competitive Dialogue advertised under the light regime in OJEU.
Proposed Provider	Ingeus
Cost (excl. VAT)	Funding for Central London, for which The Corporation will be the accountable body, is estimated to be approximately £54million, including contract cost and overhead expenses, with around £29million funded by Department of Work and Pensions (DWP) and £25million match funded by the ESF
Potential Risks	<p>ESF funding – risk on audit that they take back some funding if they are not satisfied the procurement has been transparent and in accordance with the regulations.</p> <p>Risk of challenge on award due to shrinking market, and reduced government funding for the welfare to work sector.</p> <p>DWP participant referral process integration is not ready on time for start of contract 1st March 2017.</p> <p>Contract isn't signed quickly leading to delays to implementation.</p> <p>Ingeus may decline the contract, on the back of national and other regional decisions.</p>

Detailed Summary

1. Summary

Details of what needs to be approved and a list of key areas covered by the report

1.1 Recommendation to award the contract to Ingeus based on the evaluation results contained within this report.

2. Recommendations

Details of who the contract is to be awarded to, proposed contract term, extensions and other relevant details

2.1
Recommendation that the contract is awarded to Ingeus for an initial 7- year period with the options to extend for a further 25 months.

3. Current Service Provision

Details of current supplier, contract arrangements, expiry dates and potential exit issues.

3.1
The Work and Health Programme Contract is a new contract.
The contract supports people who have been out of employment for a minimum of 24 months, including people with health conditions, and helps with support and training to get them back into supported employment.
The contract is for a period of 7 years with an option to extend for 25 months, starting on 1st March 2018. The contract value

is £54m, 30% is paid as a management fee, while the remainder is paid on performance related to participant earning outcomes. The money is paid on achievement of the lower earning threshold, with a second payment made on achievement of the higher earning threshold – this is to incentivise either getting participant better paid roles, or for sustaining employment for longer. The management fee will be paid subject to minimum service standards being delivered.

4. Evaluation Summary

Overview of the tender process including PQQ and ITT outcomes; evaluation criteria and weighting, evaluation outcomes including overview of the top 3 ranked suppliers.

4.1 – Tender Evaluation

Tender was advertised in OJEU & contracts finder on 1st March 2017

SQ stage

The following PQQ evaluation criteria was set;

Section	Pass/Fail criteria	See Section
Qualification Envelope		
1.4	Potential Supplier Information	Information Only Not scored
1.5	Grounds for Mandatory Exclusion	4.3
1.6	Grounds for Discretionary Exclusion	4.3
1.7	Economic and financial Standing	4.4
1.8	Group Details	Information Only
1.9	Insurance	4.3
1.10	Skills and Apprentices	Information Only
Technical Envelope		
2.1	Modern Slavery	4.3
2.2	London Living Wage	4.3
2.3	Examples of Experience	4.3
2.4	Technical and Professional Ability	4.5

The technical and professional ability was scored as follows;

Question Number	Question sub criteria	Word Count	Weighting
2.4.2	Service and performance	Max four sides A4 (font size 11)	5
2.4.3	Integration	Max four sides A4 (font size 11)	5
2.4.4	Supply chain management	Max two side A4 (font size 11)	2.5

2.4.5	Employer Network	Max four side A4 (font size 11)	5
2.4.6	Service users	Max two side A4 (font size 11)	2.5

11 submissions were received on 31st March 2017. 2 (APM & Prospects) of the bidders failed to pass all the pass / fail sections.

Supplier	Score	Rank
Seetec	82.5	1
Ingeus	80	2
Shaw Trust	70	3
Maximus	67.5	4
Reed in Partnership Ltd	67.5	4
Avanta Enterprise Limited	65	6
G4S	60	7
Pinnacle Group	57.5	8
Serco	55	9
APM	0	10
Propsects Services	0	10

The five top scoring companies were invited to submit a tender for an outline design. (ITPD)

ITPD stage

The IPTD was issued on 11th May 2017, and 5 bidders (Ingeus, Maximus, Reed in Partnership, Seetec and Shaw trust) submitted their tenders on 12th June 2017.

The following evaluation criteria and weighting has been used throughout the competitive dialogue process.

Evaluation Criteria Final Tender Stage					
Ref	Tier 1 Criteria - Method Statement	Tier 1 Weighting	Ref	Tier 2 Criteria	Tier 2 Weighting
A	Design Overview	12			
B	Detailed Service Deliver	32	B1	Processes to support Participants starting and staying on the programme	12
			B2	Approach to assessment and action planning for when people join the programme	12
			B3	Approach to securing sufficient quality employment opportunities	24
			B4	a) Approach to integrating support with borough and health provision b) Approach to securing non-employment outcomes (Health)	24
			B5	Approach to securing non-employment outcomes	10
			B6	Approach to delivering in-work support	10
			B7	Additional Service Standards	8

C	Business Assurance	20	C1	Approach to mobilising the contract	12
			C2	a) Staffing for delivery and sub-contracting for delivery. b) Details of Sub-Contractors and supply chain	28
			C3	Case Management and IT Systems	12
			C4	Quality Standards	12
			C5	Business Continuity	8
			C6	Risk Register	8
			C7	Decommissioning	8
			C8	Sustainability of service delivery	12
D	Performance Offer	16	D1	Core Performance Offer Rationale	60
			D2	Approach to improving Performance	40
	Price	20		Lower Income Output Payment	60
				Higher Income Output Payment	40

Following presentations and clarifications of the ITPD round the Bidders scored as follows;

Supplier	Score	Rank
Ingeus	69.32	1
Seetec	69.22	2
Reed in Partnership	65.70	3
Maximus	61.60	4
Shaw Trust	57.48	5

Following final evaluation, in line with our evaluation methodology, the two lowest scoring bids did not progress to the next stage of the process. Maximus and Shaw trust scored the lowest.

The highest scoring bids were invited to submit Final Solutions (ISFT)

ISFT stage

The ISFT was issued on 21st August 2017 and Ingeus, Reed in Partnership and Seetec submitted their final tenders on 22nd September 2017.

Following presentations, clarifications and final evaluation the bidders were awarded the following scores:

Supplier	Score	Rank
Ingeus	80.64	1
Reed in Partnership	76.93	2
Seetec	71.05	3

4.2 – Tender Results

Rank 1 - INGEUS – 80.64

Rank 2 – REED IN PARTNERSHIP – 76.93

Rank 3 – SEETEC- 71.05

5. Savings, efficiencies and benefits

Pricing overview, including cost type (fixed cost, schedule of rates etc) and cashable and non-cashable savings achieved.

5.1 There are no savings with this project. Contract is granted funded.

6. Lessons Learnt

6.1

Overall the process was delivered on time and has had a successful outcome.

SQ stage;

One bidder (Prospects) complained about the lack of clarity in our financial evaluation model, but following an explanation, and feedback on their submission, did not pursue their complaint and did not challenge the process. The City has as a result amended the wording in this financial vetting evaluation model for future procurements to ensure that the methodology is clearer.

ISDS Stage;

No issues were recorded.

ISFT stage;

Additional moderation sessions had to take place as time allowed for this process was not adequate. It would have been helpful had moderation sessions been broken down over several sessions. These sessions were very thorough, and ultimately helpful in ensuring accurate feedback for bidders.

With hindsight, these could have been broken up into different shorter sessions, as some of the longer sessions were less productive.

Moderation guidance on what to consider for each question may have assisted evaluators to be more prepared for sessions and City Procurement will reflect on what can assist evaluators for future projects.

7. Contract Management Plan

Details of persons managing the contract covering roles and responsibilities of individual staff.

7.1

Central London Forward will contract manage the contract going forward on behalf of the 12 London boroughs

Jo Asphall will be the Contract manager.

8. Approval Sign Off

Name of Approve	Delegated Authority to Town Clerk in consultation with Chair and Deputies of Finance Committee Policy and Resources Committee.
DCCS Category Board for information	06/11/17

