



Department
for Work &
Pensions

SME Event

**An opportunity to share and engage with
DWP buyers**

24th November 2017 – Leeds Town Hall



- **Introduction**
 - Overview of how we are organised
 - What we do and buy along
 - Why are we talking to you today
- **How and where DWP advertises contract opportunities**
- **Practical DWP Activities to support SME engagement**
- **Questions**

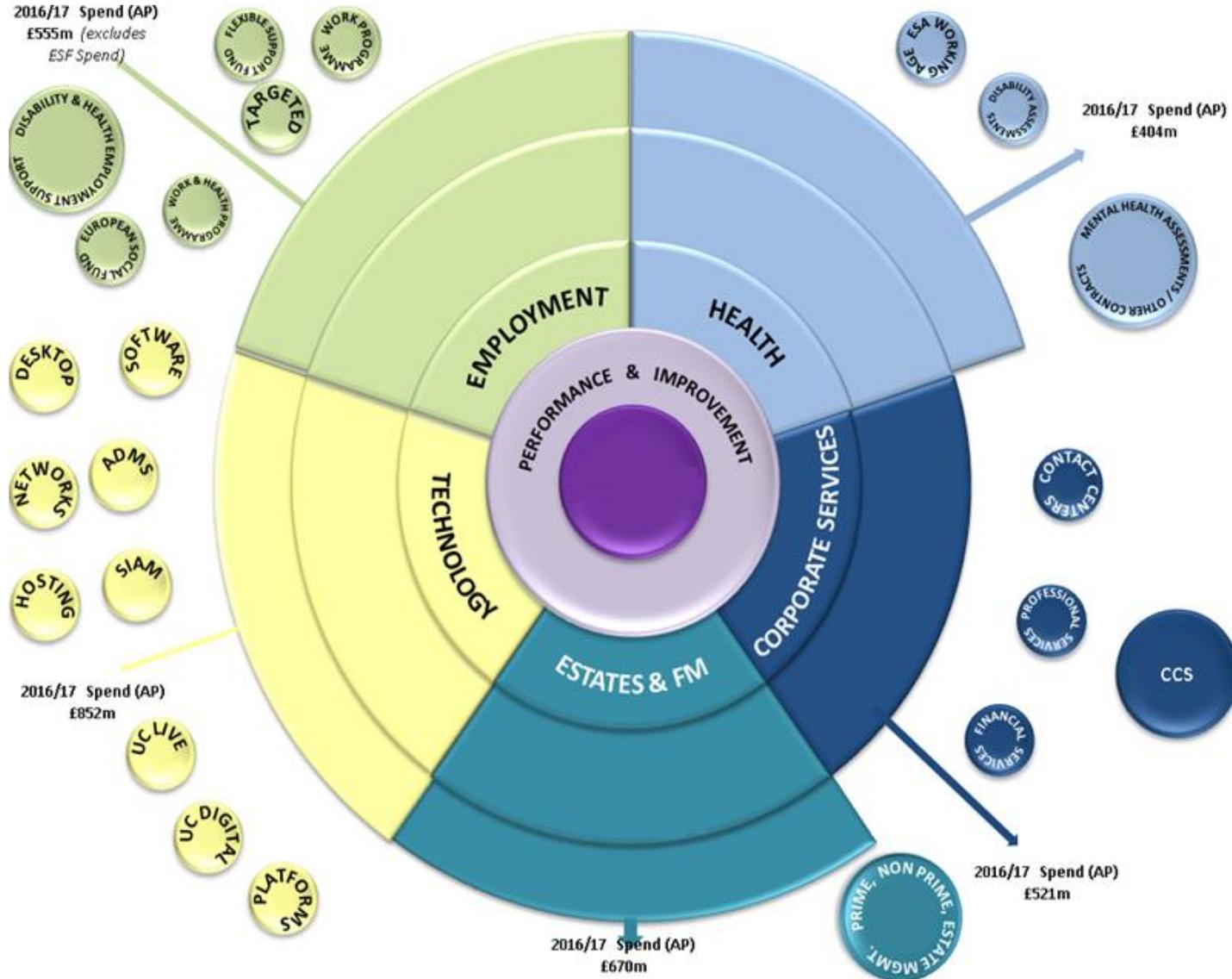
Background to the Department for Work and Pensions (DWP) -

- DWP is the biggest public service delivery department in the UK and serves over 20 million customers with responsibility for welfare and pension policy and is a key role in tackling child poverty.
- DWP is a ministerial department, supported by 13 agencies and public bodies.
- We provide our public facing services through: Jobcentre Plus, The Pension Service and the Child Maintenance Service.
- The Department for Work and Pensions (DWP) has a number of strategic objectives, particularly to enable work, independence and wider participation in society for people with disability or ill health.

Background to the DWP continued: Supplying DWP

- The DWP Commercial function exists to support the business and help meet DWP objectives and efficiency targets.
- In doing so we cover the sourcing and management of commercial suppliers that provide a broad range of services to all parts of the Department.
- DWP spends around £3.4 billion annually with external suppliers on (primarily):
 - Employment Support services
 - Health Services
 - IT
 - Estates and Facilities Management
 - General Goods and Professional Services
 - SME spend is around 14.4% of this overall spend in 16/17,

DWP Categories





DWP CD Employment & Health Services

- Provision of employment prospects and underlying health (or assessing related support &/ benefits) as well as supporting employers reduce the impact of ill-health on the workforce.
- Mental Health – emerging initiatives and proof of concept provision
 - government studies increasingly recognize interlinked-issues in these areas which require better redress in our society (e.g. Queens Speech, mental health programmes high on agenda).
- Providing Health Assessments to support benefits delivery.
- Increasing focus on more innovative or alternative approaches to mental-health and other smaller pilots, some recent or forthcoming opportunities.

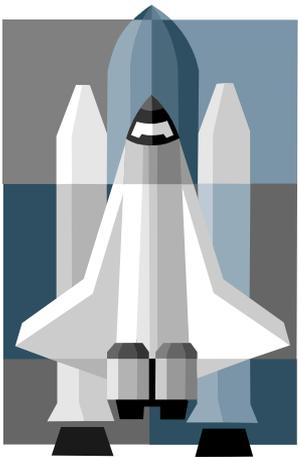
Test and learn opportunity

- Sourcing for a quick responsive commercial vehicle to support emerging requirements from our Innovation Fund and other Health and Employment programmes.

- Existing vehicles (ie: frameworks or OJEU) do not yet provide may not be the most suitable.

- We need to reduce time to market, increase innovative solutions and deliver faster to trial proof of concepts to support a wider evidence base for any future procurement.

- The new vehicle will enable us to have bidder ready to meet these needs, aware of the our terms and conditions, types of payment models and key performance measures.





AND.... Employment side of the buying activity

- 2017/18 Spend: approx. £400m
- Employment Market accounts for over 19% of all DWP spend
- Regular Strategic Supplier Forums promotion market engagement
- 15 Major Programmes across 4 areas;

Disability Employment Support

Specialist employment provision for customers with disabilities or long term health conditions, including:

- Work Choice
- Specialist Employability Support
- Employment trials from the Work & Health Unit

Work & Health Programme and the Work Programme

Designing and putting in place the commercial solution for the Work & Health Programme (WHP), and managing the Work Programme (WP).

Targeted Provision & European Social Fund 2014-2020

Provision for specialist customer groups, such as the self employed, or young people, including:

- New Enterprise Allowance
- Youth Obligation
- Relationship Support
- Community Work Placements

ESF: Partnered with Local Enterprise Partnerships to procure projects under the European Social Fund. Working with CEPD to manage live contracts

Flexible Support Fund & Access to Work

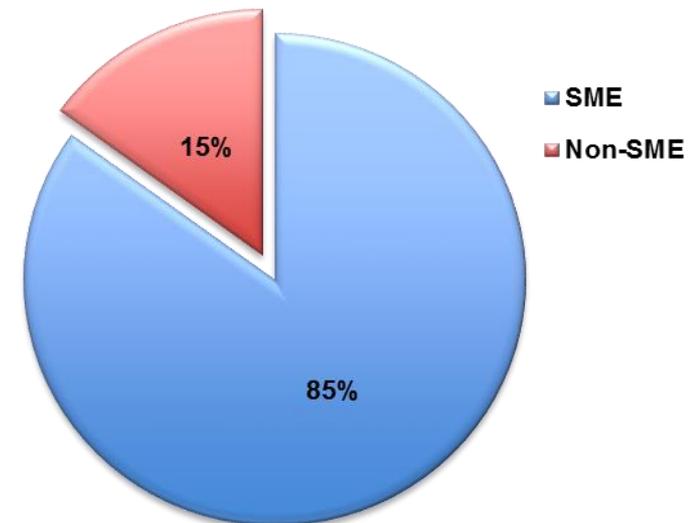
Supporting JCPs to directly purchase provision, via the Flexible Support Fund and the Dynamic Purchasing System.

Supporting disabled people in employment gain support

4- Good SME Engagement within recent employment procurements

- Dynamic Purchasing System launched August 2016 to procure lower value employment provision makes it easier for SMEs to engage.
- Current Market segmentation for DPS very positive- over 82% of providers are SMEs
- Ongoing Market Engagement activity highlighting opportunities for SMEs
- Encourage SME spend in supply-chain
- Identify potential secondment/ development opportunities with SMEs

FSF DPS Market Segmentation



DWP – Corporate Services

What do we buy?

Professional Services

- Contingent Labour. Business Travel. Recruitment.
- Consultancy. Research. Communications. Staff Support.



Financial Services

- Government Banking. Overseas Payments. BACS payments
- Debt Management. Payment Contingencies



Document Management

- Print. Post. Courier Services. Office Services.
- Scanning. Records Storage. Document Management. Logistics



Contact Centres and Shared Services

- Call Centres. Digital Service Centres.
- Case Management. Network Services.





Professional Services – Pipeline Opportunities

Contingent Labour

Public Sector Resourcing – supply chain needed for multi £Billion cross government framework. Spring 18 onwards.

DWP digital hub in Leeds. Plus HMRC super hub in 2019/20 – clear demand for public sector contractors (particularly in Digital specialisms).

Travel Management

Crown Hotel programme – supply chain needed for future Government Travel Programme. Tender coming out from CCS in Winter 17.

Socio Economic Research

Research Framework – CCS Government market social and economic research. March 2018. Dynamic Purchasing System.

Recruitment

Public Sector Recruitment - Executive Search Dynamic Purchasing System – ongoing opportunity to sign up to framework to provide recruitment services

New Public Sector Recruitment Framework – Jan 18

<http://ccs-agreements.cabinetoffice.gov.uk/procurement-pipeline>



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What is behind your drive to engage with SME's?

Recognition that SMEs are able to add value to DWP business, innovation, agility and flexibility in delivery both at lead and sub-contractor level.

Championing SME inclusion & encouraging more sustainable growth of market aspects most interested in (quicker/responsive suppliers and better understanding of needs and trends)





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Existing DWP Activity

DWP is committed to taking positive tangible steps to increase the amount of money it spends with SME's.

Some of the actions we are currently undertaking include:-

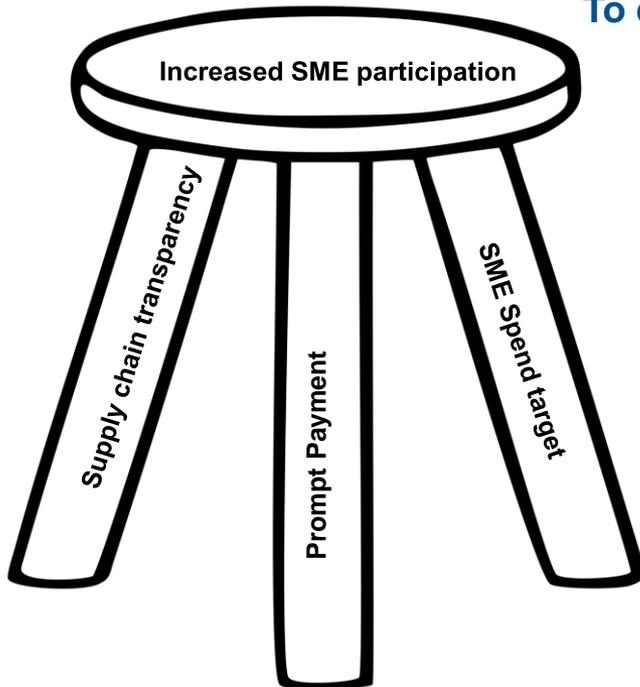
- Ongoing analysis of our existing expenditure to ensure we are clear on what we are spending and where this money is going.
- Engaging with other government departments to discuss variation in direct expenditure, so that we can share our good practice and emulate their successful activities.
- SME Champions network cross all categories of procurement who co-ordinate efforts and meet regularly to drive the SME agenda within DWP.
- Systematic early publication of the future procurement pipeline using Contracts Finder;
- Adopting a Category Management model, we have improved our approach to gathering market and supplier intelligence leading to improved identification of SME rich markets;
- Use of pre-procurement market engagement (e.g. boot camps, webinars, Solutions Exchange) to increase market knowledge and inform sourcing strategies;
- Activity and progress plan to engage with key suppliers regarding their targeted efforts to increase SME opportunities within their supply chain.
- Review of sourcing strategies (including optimum lot size)
- Review of procurement documents to ensure they are proportionate, aligned with the Lean policy and are SME friendly (by using an agreed checklist on SME friendly considerations);
- Increased use of the e-Procurement solution to integrate prompts on the SME agenda and minimise duplication of effort;
- Working with CCS and other government departments, we are looking to introduce more proportionate and leaner Terms and Conditions.



Supporting the Government's New 'Three Legged Stool Approach'

Small and medium-sized enterprises (SMEs) are the lifeblood of the economy. DWP is committed to supporting the Government's aim of reducing barriers faced by Small Businesses when bidding for public sector contracts and making it easier for SMEs to operate in the supply chain.

To deliver this ambition there are three legs to the stool:



Proposed new policy commitments for Central Government contracts above £5m per annum, from next year include :-

1. Using greater transparency to increase SMEs in the supply chain, by requiring them to publish annual data on their spend from government contracts flowing to smaller businesses in their supply chains
2. Improving visibility of opportunities available to SMEs by requiring suppliers to advertise their subcontracting opportunities on Contracts Finder so SMEs can bid
3. Making prompt payment part of the selection process for larger suppliers, and excluded them from the procurement process if a bidder fails to satisfy this selection condition

NB - The government will launch a consultation on these proposals in the coming weeks.



How and where do DWP advertise contract opportunities that can be found?

Contracts Finder, OJEU, PIN, Gov social media, Bravo, Digital, TED Marketplace, Delivery Partners, Prime Sub contracting, Supplier events, consultations

Quick tips on responding

- ensure read full instructions and spec and understand how your strengths correspond to the need
- attend any initial boot-camps and ask questions to ensure that understanding
- double-check sometimes overlooked 'compliance' pitfalls like mandatory certification or turnover thresholds, it's not worth bidding on something you might not be eligible for, although you could always ask the question
- tender windows usually involve Q&A opportunity for all bidders to do this



Thank You!

HEALTH-EMPLOYMENT.SMES-ENGAGEMENT-@DWP.GSI.GOV.UK