



Department
for Work &
Pensions

DPS – the future of buying

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- Current Flexible Support Fund (FSF) procurement process is time and resource intensive. Need to find quicker more flexible method of procurement.
- DPS is a new way of delivering required provision locally; provides a speedier service and wider choice of Suppliers, including Small and Medium Enterprises.
- DPS is an electronic process for establishing and maintaining a list of suppliers that simplifies and reduces the time and cost involved for Suppliers in presenting their services to the market.
- All FSF provision requirements (under £500K) will be procured via the DPS

What's different with the DPS?

DPS brings significant cultural changes for DWP and suppliers

For DWP:

- We identify a gap and buy the best supplier offer to address this. Lets the market decide the best offer.
- Need a different mind-set when developing business cases:
- Work with a specific customer journey model with set payment models and outcome expectations – not developing detailed one off specifications
- DPS is quick and responsive and will support the end to end Commercial process from buying to supplier payment

What's different with the DPS?

For our Suppliers:

- Need to anticipate what DWP will be looking to buy and describe clearly what they can offer as part of the DPS Employability Journey.
- Have to develop offers that provide value for money, being mindful of the funding model for each category and their costs.
- DPS provides an opportunity to offer quality, innovation and a different approach
- Need to be able to react quickly to set up delivery within the timescales we require
- Being part of the DPS is no guarantee of business – a supplier may spend time and resource going through the accreditation process and never win a contract

DPS – the Employability Journey

The FSF Employability Journey consists of

- 8 categories with tailored outcomes and payment models
- 5 routeways to buy provision that covers more than one category

The specification for the DPS includes the Employability Journey and a narrative to provide more detail about each category

DPS Buying process

District Initial action:

- Identify gap in provision, checking that requirement is fully evidenced and caseload is ready to refer
- Develop robust DPS business case outlining requirements and indicative budget for the provision
- Obtain Finance Business Partner view on the strength of the business case and availability of FSF budget
- District Manager to then sign off request for provision

Buyer will

- QA business case to ensure it is fit for purpose
- Apply filters identified by District to select potential suppliers from the DPS catalogue
- Evaluate offers to find the supplier who provides best fit with the requirement and Value for Money (confirmed by independent evaluation)
- Provide details of the evaluation and a copy of the preferred offer on the business case

DPS – Business Case

Reflects the new Employability Journey.

Changes to note:

- Setting the indicative budget
- Breakdown of claimant benefit groups
- Deadweight
- FBP opinion on case for change

District Manager consideration

The District Manager then decides whether to proceed taking into account:

- The detail in the supplier's service offer – the contract will be awarded for the supplier to deliver the provision exactly as described offer.
- The results of the return on Investment calculation and the providers' financial viability

If the District Manager decides not to go ahead the rationale should be recorded on the business case

DPS Buying process- awarding the contract

If the District Manager wishes to go ahead the Buyer then:

- Contacts supplier to check if they are willing/able to deliver the provision required
- Liaises between Supplier and District to agree locations and start dates
- Completes and issues order form (the contract) for sign off by supplier and signs the contract on behalf of DWP
- Hands provision over to District once contract is in place

District then arranges start up meeting for the contract and is responsible for on-going performance management of the provision

Dynamic Purchasing System – summary

Delivers Flexible Support Fund

- faster
- to a local level
- at the right price
- to a consistent performance expectation
- with improved innovative SME engagement