

TRANSFORMING REHABILITATION COMPETITION ORGANISATIONAL CHECKLIST

Roles within the Competition

Tier 1 Providers: Organisations, consortia or mutuals able to bear a significant amount of financial risk who will take over the running of the Community Rehabilitation Companies (CRCs) as “going concerns”. Tier 1 providers will contract directly with the MoJ.

Tier 2 Providers: This tier could encompass larger VCSE organisations, mutuals or other private sector organisations providing services at scale to Tier 1 providers on a sub-contractor basis. Organisations within this tier are still likely to have a sizeable annual turnover and be required to bear an element of PbR risk.

Tier 3 Providers: Organisations delivering small scale specialist services and interventions to Tier I and II providers, with limited, or no requirement to bear PbR risk.

Bidder Requirements

These specific requirements apply to Tier 1 providers; however some are likely to apply, either wholly or at a reduced level, to all aspects of the supply chain: ✓are intended to indicate the relative importance across the three tiers of organisation.

Participants must demonstrate:	Tier		
	1	2	3
They are in good financial standing.	✓✓✓	✓✓	✓
Access to funding equivalent to 50% of the annual contract value of any one lot they wish to bid for e.g. the smallest CPA has an indicative annual contract value of £11.7m, therefore bidders must demonstrate available funding of at least £5.85m.	✓✓✓	✓	
They pass the “Grounds for Mandatory Rejection” (there are also “Grounds for Discretionary Rejection”).	✓	✓	✓
Experience in funding and managing investments of at least £1 million.	✓		
Experience in successfully managing financial risk in a project or contract of at least £1 million.	✓✓	✓	
Experience in performing and managing related or relevant services to the core services (probation services) under the Transforming Rehabilitation contracts.	✓	✓	✓
Experience in delivering a complex, large scale mobilisation and transformation project.	✓		
Experience in delivering cost effective IT solutions and management	✓		

systems, in accordance with Government ICT Standards.			
The ability to handle, store and exchange large volumes of sensitive personal data from diverse, multiple sources	✓✓✓	✓✓	✓
Experience in handling protectively marked data to IL2 and/or IL3 levels or equivalent	✓	✓	✓
They have operational policies in place for dealing with data loss and breaches in ICT security	✓	✓	✓

Tier 1 providers must also provide a statement of all relevant services provided in the previous three years. **Relevant Services** for the purposes of this question are those services which meet at least one of the following requirements:

- The TUPE transfer of at least 500 staff;
- Implementation of ICT solutions - with a one time or annual contract value of £15m+;
- Offender management services, with a one time or annual contract value of £1m+; or
- with a one time or annual contract value of £5m+, contracts for:
 - The transfer of a large scale contract from the public sector to the private sector;
 - Rationalisation of an operation from multiple sites/locations;
 - Business process redesign;
 - Reputational management; or
 - Improving performance.

And, performance certificates for the previous 3 years:

- in respect to any Relevant Services, with a one time or annual contract value in excess of GBP 25 million; and
- in respect of offender management, with a one time or annual contract value in excess of GBP 1 million.
- Where a Potential Bidder has submitted less than 10 certificates, please provide additional certificates such that you have provided a total of 10 certificates. Additional certificates should be for other contracts in respect of any relevant service. These should be the largest contracts measured by one time or annual value.
- Where a Potential Bidder would be required to provide more than 10 certificates under this requirement, it may provide just the 10 largest contracts measured by one time or annual value plus any contracts over £1m in respect of offender management.

N.B. Where potential bidders rely on other entities e.g. members of a consortium, or material subcontractors (significant tier 2 providers), to enable it to perform the contract, these requirements apply to all members of the consortium or material subcontractors.

Assessing the Opportunity as a Tier 2 or 3 Provider:

Has your organisation completed the MoJ registration process?

All potential Tier 2 and 3 providers are recommended to register through this process. This should provide visibility to Tier 1 providers and ensure any sub-contracting agreements are made through the Industry Standard Partnering Agreement currently being developed by MoJ. This enshrines the market stewardship principles, referred to in the Principles of Competition document, to ensure fair subcontracting arrangements.

<https://consult.justice.gov.uk/digital-communications/931f5f69>

Organisations should also consider registering on Partnership Finder, a new searchable supply chain and consortia directory, developed by Clinks and the Cabinet Office, which helps Voluntary, Community and Social Enterprise (VCSE) organisations working in criminal justice to promote their services to commissioners and prime providers.

<http://www.clinks.org/partnership-finder>

N.B. Prime contractors cannot request or require exclusivity agreements from potential partners unless these organisations are joining to form a Tier 1 bidding entity, e.g. through a consortium, joint venture or special purpose vehicle. Tier 1 providers are prohibited from imposing exclusivity agreements on Tier 2 and 3 providers.

Strategic considerations for all providers:

Do these contracts fit with the strategic direction of your organisation?

Do these contracts cause any mission / value conflicts, for example:

- all providers will be required to report potential breaches of compliance with sentence or license conditions which may result in referral to court, or recall to prison;
- sentence or license requirements may involve the enforcement of punitive or restrictive elements such as unpaid work, exclusion requirements or mandatory drug testing;
- any potential escalations in the risk of harm must be referred to the NPS, for a reassessment of the risk status.

Does your organisation have strong stakeholder relationships, e.g. PCCs, Prisons, Probation Service, Local Authorities, Primes?

Is your organisation willing to work with/for "for-profit" organisations?

What is the potential reputational impact of engagement in these contracts to your organisation?

Commercial/Financial considerations:

- Is your organisation in good financial health?

- Is your organisation financially sustainable without the aid of grants?
- Is your organisation willing to agree contracts which have clear performance requirements and expectations?
- Is your organisation willing to contract on a Payment by Results basis?
- Does your organisation have reserves it can utilise?
- Is your organisation willing to put those reserves "at risk"?
- Does your organisation fully understand its cost base, and can you effectively "price" your service?
- Can your organisation manage cash-flow effectively?
- Is your organisation funded to deliver a service "primes" will seek to leverage in / access for free?
- Is your organisation willing to undertake a TUPE transfer?
- Can your organisation provide an appropriate pension scheme "broadly comparable" to the Local Government Pension Scheme (LGPS) and the Principal Civil Service Pension Scheme (PCSPS)?

Operational considerations

- Does your organisation currently work with offenders or other specialist groups?
- Do the services your organisation delivers reduce reoffending either as a direct outcome, or indirectly through recognised intermediate outcomes such as employment, housing, or mental health?
- Can your organisation provide credible evidence to demonstrate the impact of your services?
- Can your organisation demonstrate a strong track of historical performance?
- Can your organisation demonstrate continuous improvement in performance and / or innovation in service delivery?
- Can your organisation demonstrate strong stakeholder relationships and a good reputation within your locality?
- Can your organisation leverage additional services, partnerships or funding to enhance the overall offer to primes?
- Can your organisation deploy resources effectively, and cope with fluctuations in service demand?
- Can your organisation demonstrate robust performance monitoring and quality assurance processes?

N.B. These questions should by no means be viewed as a definitive list of considerations for any organisation and are simply intended to help organisations assess their potential involvement in the TR competition. Nor should the answer to any particular question be considered a definitive indicator as to whether or not to participate in the TR competition. While answering no to some questions might potentially lead organisations to exclude

themselves from participating, for example where participation clearly creates conflict with the organisation's mission or values, others may help clarify their role should they chose to participate, for example if an organisation will not contract on a Payment by Results basis that organisation cannot be a Tier 1 provider, and may struggle to secure contracts with a prime contractor as a Tier 2 provider.

Recommended Reading

Document	Read Y/N
Offender Rehabilitation Bill http://services.parliament.uk/bills/2013-14/offenderrehabilitation.html	
Transforming Rehabilitation - A Strategy for Reform https://consult.justice.gov.uk/digital-communications/transforming-rehabilitation/results/transforming-rehabilitation-response.pdf	
OJEU Contract Notice http://www.justice.gov.uk/downloads/rehab-prog/competition/rp-ojeu-contract-notice-0913.pdf	
Principles of Competition document http://www.justice.gov.uk/downloads/rehab-prog/competition/moj-principles-of-competition.pdf	
Rehabilitation Programme – Target Operating Model http://www.justice.gov.uk/downloads/rehab-prog/competition/target-operating-model.pdf	
Payment Mechanism – Straw Man document http://www.justice.gov.uk/downloads/rehab-prog/payment-mechanism.pdf	
Transforming Rehabilitation: a summary of evidence on reducing reoffending https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/243718/evidence-reduce-reoffending.pdf	
Tier II and Tier III Registration Process www.justice.gov.uk/downloads/rehab-prog/competition/tier-2-3-registration-process.pdf	

If there are any of these documents you have not read, it is strongly recommended that you do so at the earliest opportunity in order to provide you with the greatest level of understanding of the Transforming Rehabilitation competition.