

MINISTRY OF SOCIAL DEVELOPMENT

TE MANATŪ WHAKAHIATO ORA

Ministry of Social Development Procurement plan

For Panel Secondary Procurement Processes over \$100k all of life

Cross-agency Evaluation of the COVID-19 Wage Subsidy Scheme: Process and Outcome Evaluations

Procurement Number: PN 21.226.01

Developed by:

- Out of scope [REDACTED], Senior Analyst Research and Evaluation
- Out of scope [REDACTED] Contractor Research and Evaluation
- Out of scope [REDACTED] Procurement Advisor, Procurement Practice



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Endorsements and Approvals

All signatures must be completed before submission to the Procurement Board for approval.

Approval of the budget for the process evaluation

Delegated financial authority holder		
Total Whole-of-Life Cost:	\$300,000 GST excl	Cost code: 128200
Financial year	Amount	Funding type
2021/22	\$270,000 GST excl	Opex
2022/23	\$30,000 GST excl	Opex
Name and title:	Nic Blakeley, DCE Strategy and Insights	
Signature:	See attached email	Date: 24 August 2021

Approval of the budget for the outcome evaluation

Delegated financial authority holder		
Total Whole-of-Life Cost:	\$450,000 GST excl	Cost code: 128200
Financial year	Amount	Funding type
2021/22	\$250,000 GST excl	Opex
2022/23	\$200,000 GST excl	Opex
Name and title:	Nic Blakeley, DCE Strategy and Insights	
Signature:	See attached email	Date: 24 August 2021

Approval of the proposed Agreement

Manager Procurement Practice	
Contract type:	Consultancy Services Order
Contract term for the process evaluation:	Ten months, with one right of renewal of ten months if required under unforeseen circumstances (1 + 1)
Contract term for the outcome evaluation:	18 months, then one right of renewal of 18 months if required under unforeseen circumstances (2 + 1)
Name and title:	Out of scope, Manager Procurement Practice
Signature:	Out of scope
Date:	24 August 2021

Authority to proceed

Sponsor and Manager Procurement Practice			
Approval to:	Go to market and identify the preferred supplier(s) for the evaluation activities		
Sponsor Name:	Rachel Skeates-Millar	Signature:	Out of scope
Manager Procurement Practice Name:	Out of scope	Signature:	Out of scope
Date:	24 August 2021		



Endorsement of the plan

Procurement Board Chair (or delegate)

Endorsement The Procurement Board endorses this plan as meeting current Procurement Practices and procedures

Name and title: **Melissa Gill, DCE Organisational Assurance and Communication**

Signature:

Date:

30/8/21

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Background and What Panel

What we are buying and why

The COVID-19 pandemic and the Government's public health response in the form of lockdowns presaged significant economic consequences for both business and workers in New Zealand. Businesses and firms faced varying degrees of impact based on a range of characteristics, including industry and firm size. Given the considerable cost of labour, a key concern for businesses/firms affected by COVID-19 was the ability to continue to pay workers.

The New Zealand Government introduced a range of measures to mitigate the impacts of the pandemic-induced economic shock for firms and the potential for an economic downturn. One of the key forms of support was the COVID-19 Wage Subsidy Scheme (WSS).

The COVID-19 WSS was first announced on 17th March 2020 as part of the Government's initial response to the COVID-19 pandemic. It was a rapidly deployed, high trust scheme developed and stood-up at unprecedented pace and under highly unusual circumstances and working conditions. Due to the unprecedented nature of the COVID-19 pandemic, the WSS sits within multifaceted and inter-dependent public health, business, benefit, and economic policy responses.

The core objective of the Scheme can be broadly stated as maintaining employment attachment and supporting worker incomes during temporary, economic disruption due to COVID-19.

Given the speed with which the COVID-19 Wage Subsidy was designed and operationalised, its design and implementation evolved over time. The WSS has had four iterations:

1. The original Wage Subsidy.
2. The Wage Subsidy extension.
3. The Wage Subsidy resurgence.
4. The Wage Subsidy March 2021.

Following the 17th March 2020 announcement of the first WSS, the Wage Subsidy Extension was announced on 14th May 2020, the Resurgence Wage Subsidy was announced on the 17th of August 2020, and the Wage Subsidy March 2021 was announced on 4th March 2021.

Through the WSS, more than \$13 billion has been paid to businesses whose revenues suffered because of COVID-19 lockdowns.

In May 2021, the Office of the Auditor General (OAG) released an audit of the management of the WSS. This audit report recommended that a cross-agency evaluation of the WSS be undertaken to examine the development, operation, and impact of the WSS to inform future crisis-support schemes. Cabinet has authorised the draw-down of up to \$1 million from the COVID-19 Response and Recovery Fund (CRRF) for the evaluation.

In line with the OAG recommendations, a cross-agency evaluation will be conducted to:

1. understand how well the WSS was developed and implemented (**ie a process evaluation**), and
2. assess the extent to which the WSS achieved its intended outcomes, within the context of COVID-19 and other Government supports (**ie an outcome evaluation**).

The evaluation is being coordinated by the Ministry of Social Development (MSD), with support from the other agencies involved in the development and implementation of the WSS - Inland Revenue (IR),

the Ministry of Business, Innovation and Employment (MBIE), and the Treasury. An evaluation Working Group of representatives from these agencies have been working for some months to scope the high-level approach for the evaluation which has been approved by a Steering Group of nine senior managers from the agencies and an external expert (refer to the attached document in Appendix One: *High-level evaluation approach for the COVID-19 Wage Subsidy scheme*). The Steering Group provides high-level oversight of, and decision-making for the evaluation.

The requirement documents for the outcome evaluation and the process evaluation will stress the need for the outcome evaluation supplier(s) and the process evaluation supplier(s) to work closely together. The outcome evaluation supplier will be required to work with the process evaluation supplier to develop a rubric setting out criteria and standards for different levels of performance of the WSS. This rubric will be used by both suppliers.

Which panel is being used and why

Process evaluation

The All-of-Government (AoG) Consultancy Services Panel is being used to select suppliers for the process evaluation because of the need for evaluation-specific methodologies, specifically, expertise in designing complex, cross-agency evaluations; developing evaluative rubrics; and collecting and analysing evidence against rubrics.

Outcome evaluation

The AoG Consultancy Services Panel is also being used to select suppliers for the outcome evaluation because of the need for evaluation-specific methodologies, specifically, strong evaluation knowledge and skills with respect to outcome evaluations, experience in cost benefit/value for money analysis, and experience accessing and using the Integrated Data Infrastructure (IDI).

Requirements and costs

Detailed requirements

Process evaluation

A supplier is sought for the process evaluation with highly developed evaluation technical expertise (mixed method evaluation design, data collection and analysis, and report writing) and demonstrated experience in evaluating public policy in a complex implementation context involving multiple agencies.

Specific areas of required expertise include:

- track record of designing complex, multi-strand evaluations.
- track record of conducting high quality mixed-method evaluations within tight timeframes.
- experience developing and using evaluation rubrics.
- programme theory/logic development expertise for complex, multi-agency policy.
- experience evaluating policy implementation where attribution is problematic.
- demonstrated experience building effective and reciprocal relationships with whānau, hapū, and iwi.
- evaluation contract management skills.

Specialist knowledge areas such as employment and tax law, and labour market knowledge will be helpful. The supplier may subcontract another provider(s) with such knowledge to assist with the evaluation.

The purpose of the evaluation is to provide information to inform work that is already underway to identify potential responses to future economic shock situations where maintaining employment attachment is critical. This means the schedule for the evaluation is tight (November 2021 - July 2022), requiring the evaluation supplier to have sufficient capacity to meet the reporting deadlines.

This policy work also means we are seeking a supplier that is responsive and collaborative, for example, by designing the evaluation in such a way that "touch-base" meetings to discuss "snapshot" findings can be held with officials over the course of the evaluation.

The specific evaluation activities to be procured are:

- Intervention logics for phase one and two of the scheme.
- Documentation of the history of decision-making in relation to the scheme.
- Development of the process component of the evaluation plan.
- Development of success criteria/evaluation rubrics for the scheme that will be used for the process evaluation and the outcome evaluation.
- Completion of the process evaluation.

Outcome evaluation

A supplier is sought for the outcome evaluation with highly developed technical expertise and demonstrated experience in evaluating public policy in a complex implementation context involving multiple agencies.

Specific areas of required expertise include:

- A track record of designing complex, multi-strand evaluations.
- A track record of conducting high quality outcome and impact evaluations within tight timeframes.
- A strong understanding of public policy and the public sector.
- Quantitative data analysis skills.
- Experience modelling direct and indirect economic effects of significant policy changes and investments.
- Cost-effectiveness/value for money analysis skills.
- Evaluation contract management skills.

Specialist knowledge areas such as employment and tax law, and labour market knowledge will be helpful. The supplier may subcontract another provider(s) with such knowledge to assist with the evaluation.

The purpose of the evaluation is to provide information to inform work that is already underway to identify potential responses to future economic shock situations where maintaining employment attachment is critical. This means the schedule for the evaluation is tight (November 2021 - December 2022), requiring the evaluation supplier to have sufficient capacity to meet the reporting deadlines.

This policy work also means we are seeking a supplier that is responsive and collaborative, for example, by designing the evaluation in such a way that "touch-base" meetings to discuss "snapshot" findings can be held with officials over the course of the evaluation.

Suppliers of the outcome evaluation will be expected to complete the following activities:

- A stocktake of existing evidence on outcomes of the WSS.

- Collaborate with the process evaluation supplier to develop two intervention logics - one for the original WSS and its extension, and another for the two resurgence WSSs (August 2020 and March 2021).
- Develop the outcome evaluation component of an overarching evaluation plan.
- Collaborate with the process evaluation supplier to develop success criteria for the outcome evaluation.
- An outcome evaluation examining whether the WSS was effective in meeting its objectives.
- A cost-effectiveness/value for money analysis or economic evaluation comparing the resources used for the WSS with the outcomes achieved.

Given the short timeframe for the outcome evaluation, the supplier will need to have the capacity to assemble a team of sufficient scale with specialist expertise to scope and deliver the quantitative analysis required.

Estimated costs and key dates

Process evaluation

It is anticipated that up to \$300,000 of the funding available for the evaluation from the COVID-19 Response and Recovery Fund will be used for the process evaluation. We require the contract to commence sometime in November 2021 and be completed by July 2022. An extension is possible if unforeseen circumstances are to arise.

Outcome evaluation

It is anticipated that up to \$450,000 of the funding available for the evaluation from the COVID-19 Response and Recovery Fund will be used for the outcome evaluation. We require the contract to commence sometime in October or November 2021 and be completed by December 2022. An extension is possible if unforeseen circumstances are to arise.

Stakeholders

Internal stakeholders

Name and Project Title	Responsibilities and Role
Sponsor/Business Owner	Nic Blakeley, DCE Strategy and Insights
Evaluation Team	<p>The Evaluation Team will be the COVID-19 cross-agency evaluation Working Group (listed below) which consists of four senior evaluators from MSD, IR and MBIE, plus a member from Treasury who was involved in developing the Wage Subsidy Scheme policy. A Māori member of the MSD Research and Evaluation team will also be a member of the Evaluation Team, providing a Kaupapa Māori perspective on evaluation proposals.</p> <p>The Evaluation Team will:</p> <ul style="list-style-type: none"> • have input into the proposal requirement document, specifically, confirm (i) the skills and knowledge areas required of the supplier and (ii) confirm the questions that providers must respond to in their proposal in relation to the WSS outcome evaluation. • have input into the proposal evaluation criteria relating to the requirement outcomes and proposed solution (as per page 9 below). • scrutinise and score proposals based on the evaluation criteria.

Name and Project Title	Responsibilities and Role
	<ul style="list-style-type: none"> recommend the preferred supplier to the cross-agency Evaluation Steering Group for endorsement. <p>The Evaluation Team consists of the following members below.</p> <p>Chair, non-scoring:</p> <ul style="list-style-type: none"> Out of scope, Procurement Advisor, Procurement Practice <p>Scoring members:</p> <ul style="list-style-type: none"> Out of scope, Senior Analyst Research and Evaluation Out of scope, Contractor Research and Evaluation TBC, Kaupapa Māori, Role TBC, data expert <p><i>Cross-agency Working Group members:</i></p> <ul style="list-style-type: none"> Out of scope Principal Advisor, Welfare and Oranga Tamariki, Treasury Out of Inland Revenue Out of scope MBIE
Project Team	<p>The Project Team is the cross-agency WSS evaluation Working Group as listed above, as well as Out of scope Manager Research and Evaluation, MSD). The Working Group has scoped the evaluation and developed <i>the high-level evaluation approach for the COVID-19 Wage Subsidy scheme</i> document (as attached in Appendix One) which has been approved by the cross-agency evaluation Steering Group.</p>

External stakeholders

The key external stakeholders are the cross-agency Evaluation Steering Group.

Procurement process

The approach

This is a closed secondary procurement process using the All-of-Government (AoG) Consultancy Services panel agreement. Our Requirements will be sent to the providers identified in the 'Selection process' section below.

The selection method

The selection method to be used for this secondary procurement processes is competitive quotes based on a closed tendering process involving several providers from the Consultancy Services Panel.

The selection process

Shortlisting process that was followed

The Online Panel Directory was used to provide a longlist of providers using the filters and criteria outlined in the table below.

Filter	Criteria
Subcategory	<ul style="list-style-type: none"> Policy, Research and Development
Focus area	<ul style="list-style-type: none"> Evaluating
Tier	<ul style="list-style-type: none"> 1, 2 & 3

The longlist of suppliers was scrutinised by two evaluators from the MSD Insights team to identify suppliers that demonstrated expertise and experience in evaluative-specific methodologies. This list was then examined by two additional members of the cross-agency evaluation Working Group. Working Group members were asked to consider the following aspects for each evaluation:

Process evaluation	Outcome evaluation
<ul style="list-style-type: none"> Strong process evaluation knowledge and skills Supplier size/capacity to undertake the process evaluation in a short timeframe Supplier is Māori/has Māori evaluators Experience of doing one or several large, multi-layered and multi-streamed evaluations Project management experience Knowledge of machinery of government required Knowledge/background in the WSS desirable 	<ul style="list-style-type: none"> Strong outcome evaluation knowledge and skills Experience in cost benefit/value for money analysis Economic expertise/analysis skills Experience in using and access to the longitudinal business database and familiarity with other firm level data sets Experience in using and access to IDI Understanding of the labour market Quantitative skills Project management experience Knowledge of machinery of government required Knowledge/background in the WSS desirable

Based on the applied filters and criteria above, the Working Group members have shortlisted the following providers to participate in the process and outcome evaluation procurement process:

Process evaluation	Outcome evaluation
<ol style="list-style-type: none"> Allen & Clarke* Auckland UniServices Limited* Kinnect Group Members* <ol style="list-style-type: none"> Julian King & Associates Limited Wayz The Knowledge Institute Limited Pragmatica Limited RESEARCH EVALUATION CONSULTANCY LIMITED Martin Jenkins* Synergia* 	<ol style="list-style-type: none"> Allen & Clarke* Auckland UniServices Limited* Deloitte Kinnect Group Members* <ol style="list-style-type: none"> Julian King & Associates Limited Wayz The Knowledge Institute Limited Pragmatica Limited RESEARCH EVALUATION CONSULTANCY LIMITED Landcare Research New Zealand Limited Martin Jenkins* Motu: Economic and Public Policy Research Trust NZ Institute of Economic Research Incorporated (NZIER) Richard Fabling Schiff Consulting Sense Partners Synergia*

*Providers invited to apply for both the process and outcome evaluation.

Selection process to be completed

- An Advance Notice has been sent to the shortlisted providers asking them to confirm if they can meet the Preconditions and required expertise of the process and/or outcome evaluation (or may consider partnering with another supplier with specific areas of expertise) and wish to receive a copy of the Secondary Procurement Requirements document and bid for the work.
- A copy of our Requirements, along with a Response Form, will be sent to the shortlisted providers via email.
- Shortlisted providers will have the opportunity for an individual discussion/supplier briefing.
- Shortlisted providers will have 15 full working days to respond.
- Shortlisted providers will submit their response to Procurement@msd.govt.nz. All responses will be checked by the Procurement Lead where compliant responses will be sent to the Evaluation Panel at the same time.
- The Evaluation Panel will assess and score the responses individually using the set evaluation criteria.
- A Moderation meeting will be held to moderate scores and select the preferred provider.
- A Recommendation and Evaluation Report will be written and signed by the appropriate approvers.
- The preferred provider(s) whose response closely fits the evaluation requirements will be awarded the work and contracted using a Consultancy Services Order (CSO).

Proposed timeline

Action	Indicative date (2021)
Pre-procurement	
Procurement plan developed	Friday 13 August
Requirements document developed	Friday 13 August
Procurement plan signed	Friday 20 August
Procurement Board to approve/reject Procurement Plan	Thursday 26 August
Secondary Procurement Process	
Requirements document released	Tuesday 31 August
Supplier briefing/s (if requested)	Week of 6 September (depending on supplier availability)
Last date for supplier questions	Wednesday 15 September
Last date for agency to answer questions	Thursday 16 September
Closing date	Monday 20 September
Evaluation	
Evaluation Panel confidentiality and conflict of interest declarations signed	Week of 30 August
Evaluation Panel briefing meeting	Week of 30 August
Responses sent to Evaluation Panel	Monday 20 September
Evaluations completed	Monday 27 September
Moderation session meeting	Tuesday 28 September
Shortlisted suppliers notified of supplier clarifications or supplier presentation (if required)	Wednesday 29 September
Shortlisted respondent/s presentations (if required)	Week of 4 October
Evaluation Report developed	Friday 8 October
Evaluation Report shared with Steering Group	Friday 8 October
Procurement Board to approve/reject Evaluation Report	Thursday 14 October
Post-evaluation	

Action	Indicative date (2021)
Advise providers of outcome	Friday 15 October
CSO contract developed and signed with preferred provider	Week of 18 October
Debrief unsuccessful suppliers	Week of 25 October
Contract start date	Monday 25 October

Evaluation Methodology

Method

The evaluation model that will be used is a weighted attribute (weighted score). The response will be scored out of a total of 1000 points.

Evaluation team

The cross-agency evaluation Working Group will be involved in the evaluation of bids and recommending the preferred supplier.

Non-voting members

Role	Name and Title	Organisation
Chair of evaluation panel:	Out of scope [redacted], Procurement Advisor	MSD

Voting members

Representative/s	Name and Title	Organisation
Business group:	Out of scope [redacted], Senior Analyst, Research and Evaluation	MSD
External subject matter expert:	Out of scope [redacted], Contractor Research and Evaluation	Analytic Matters
Kaupapa Māori expertise:	TBC	MSD
Cross-agency evaluation Working Group member:	Out of scope [redacted], Principal Adviser, Welfare and Oranga Tamariki	Treasury
Cross-agency evaluation Working Group member:	Out of scope [redacted] Intelligence and Insights Specialist, Customer Insights and Evaluation	Inland Revenue
Cross-agency evaluation Working Group member:	Out of scope [redacted], Principal Analyst, Evidence & Insights	MBIE

Preconditions/Prerequisites

Each respondent must meet the following before its bid will be considered for the RFQ.

Preconditions for the process evaluation

1. The respondent must have significant previous experience of designing and undertaking evaluations of complex, multi-agency public policy.
2. The respondent must be experienced at finishing projects on time and to budget.

Preconditions for the outcome evaluation

1. The respondent must have experience of doing one or several large, multi-layered and multi-streamed evaluations.
2. The respondent must be experienced at finishing projects on time and to budget.

Criteria and weighting

Criterion	Weighting
Proposed Solution (fit for purpose)	
Meets or exceeds the requirements	300
Ability to provide the required services	
Capability of the supplier to deliver	
Previous experience and track record as a supplier delivering similar services	300
Experience of the people recommended by the supplier to provide the services	
References provided	
Capacity of the supplier to deliver	
Resource availability	400
Ability to meet immediate and ongoing timelines	
Public Value and Broader Outcomes (https://www.procurement.govt.nz/broader-outcomes/)	
Demonstration of supporting New Zealand Government's broader social, cultural, economic and/or environmental outcomes	For Consideration
Pricing, including the pricing model and estimated total cost over whole-of-life	
Total weightings	1000

Pricing:

Price will not be a weighted criterion. Instead price will be on a ranked basis and taken into account in relation to contracting best Public Value over the whole-of-life of the contract.

Rating scale

The panel will use the following rating scale to evaluate suppliers' bids against the criteria.

Score	Descriptor
10	World-class additional relevant benefit in...
9	Outstanding additional relevant benefit in...
8	Very good additional relevant benefit in...
7	Good additional relevant benefit in...
6	Marginal additional relevant benefit in...
5	Meets provision of needs in...
4	Marginal deficiency in...

Score	Descriptor
3	Poor deficiency in...
2	Very poor deficiency in...
1	Critical deficiency in...
0	No response to...
C	Clarification required

Due diligence

The following due diligence criteria will be verified by the evaluation panel.

Evaluation and due diligence options	Criteria		
	Fit for purpose	Ability to deliver	Value for money
Response documents	✓	✓	✓
Clarifications of responses	✓	✓	✓
Reference checks (if required)	✓	✓	✓
Interview / Presentation (if required)	✓	✓	
Accepts proposed contact conditions		✓	

Risk management

The risks outlined in the table below have been determined using the follow Risk Rating Matrix:

Likelihood	MSD Business Risk Rating Consequence				
	Routine	Minor	Moderate	Major	Severe
Almost Certain	Medium	Medium	High	Very High	Very High
Likely	Low	Medium	Medium	High	Very High
Possible	Low	Low	Medium	High	High
Unlikely	Very Low	Low	Medium	Medium	High
Rare	Very Low	Very Low	Low	Medium	Medium

Overall, this procurement is deemed medium-value, medium-risk. Key procurement risks have been assessed using the Risk Rating Matrix below.

Risk	Likelihood	Consequence	Rating	Mitigation	Responsible
------	------------	-------------	--------	------------	-------------



No one responds to market engagement	Unlikely	Major	Medium risk	Complete market engagement and approach contingency list of suppliers identified.	Procurement & Business Lead
Supplier(s) capability is not up to MSD's required standard	Unlikely	Major	Medium risk	Ensure CV's are reviewed, and capability requirements are agreed. Use the termination provision of the contract in the event of unsatisfactory performance.	Procurement & Business Lead
Supplier(s) responses do not meet requirements	Unlikely	Major	Medium risk	Approach contingency list of suppliers identified.	Procurement & Business Lead
Supplier(s) unable to meet the required timeframes	Likely	Major	Very High	Agree an indicative timeline with the preferred provider at the contract award stage as to when certain deliverables are to be completed by. Hold regular meetings with supplier(s) to check the progression against the deliverables and outline any issues and risks that have/may arise. Provide the supplier(s) with the appropriate support required.	Contract manager

Probity management

It is essential that the agency demonstrates ethics and integrity in its procurements. This means:

- Acting fairly, impartially, and with integrity.
- Being accountable and transparent.
- Being trustworthy and acting lawfully.
- Managing conflicts of interest.
- Protecting the supplier/s commercially sensitive and confidential information.

Probity in this procurement will be managed by:

- Ensuring compliance with the agency's code of conduct.
- Ensuring that financial authority for the procurement is approved before proceeding to tender
- Ensuring everyone involved in the process signs a confidentiality agreement and declares any actual, potential or perceived conflict of interest.
- Identifying and effectively managing all conflicts of interest.
- Treating all suppliers equally and fairly.
- Providing each supplier with a comprehensive debrief at the end of the tender process.
- Engaging an independent Auditor to evaluate the processes and ensure compliance.



Contract Management

- The responsibility for managing this contract and supplier relationship management will pass to **Out of scope**, Senior Analyst, Research and Evaluation, Insights upon the signing of the contract. This person will develop a contract and relationship management plan in consultation with the successful supplier/s.

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Appendix 1: Supporting Documentation

Please find below supporting documents in this Appendix.

1. [High-level evaluation approach for the COVID-19 Wage Subsidy Scheme](#)
2. [Terms of Reference - Wage Subsidy Evaluation Steering Group](#)
3. [Wage Subsidy \(WS\) Scheme phase one: preliminary intervention logic](#)
4. [Wage Subsidy \(WS\) Scheme phase two: preliminary intervention logic](#)

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From: Nic Blakeley ^{Out of scope} @msd.govt.nz>

Sent: Tuesday, 24 August 2021 2:32 PM

To: ^{Out of scope} @msd.govt.nz>

Cc: ^{Out of scope} @msd.govt.nz>

Subject: RE: For sign out: Memo & Procurement Plan - Wage Subsidy Scheme Evaluation 18.08 [for approval please]

Approved.

But the team should consider adding the current wage subsidy to the scope. They probably are, but can you please raise with them.

From: ^{Out of scope} @msd.govt.nz>

Sent: Thursday, 19 August 2021 10:38 AM

To: Nic Blakeley ^{Out of scope} @msd.govt.nz>

Cc: ^{Out of scope} @msd.govt.nz>

Subject: FW: For sign out: Memo & Procurement Plan - Wage Subsidy Scheme Evaluation 18.08 [for approval please]

Hi Nic

For your approval via email to me thanks.

^{Out of scope}

From: ^{Out of scope} @msd.govt.nz>

Sent: Wednesday, 18 August 2021 8:54 pm

To: ^{Out of scope} @msd.govt.nz>

Cc: ^{Out of scope} @msd.govt.nz>; ^{Out of scope}

^{Out of scope} @msd.govt.nz>

Subject: For sign out: Memo & Procurement Plan - Wage Subsidy Scheme Evaluation 18.08

^{Out of scope}
Hi

Please find the attached Memo & Procurement Plan for cross-agency evaluation of the COVID-19 Wage Subsidy Scheme for Nic to approve. I have also attached the email approval from Rob. If you need any further information ^{Out of scope} cc' will be able to assist.

If Nic has a iPen and iPad, he can electronically sign the PDF documents. Please can you return to me once approval has been signed/given so I can file.

Thank you

Kia pai tō rā

^{Out of scope} – Executive Assistant to Rob Hodgson, Group General Manager

Insights MSD | Strategy and Insights Group

Phone: ^{Out of scope} | www.msd.govt.nz

Ministry of Social Development | Level 2, 89 Terrace | PO Box 1556 , Wellington 6140




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Project management support for Wage Subsidy Scheme evaluation

Approvals

Project sponsor			
Approval to:	Proceed to tender and identify the preferred supplier.		
Name:	Rachel Skeates-Millar		
Position / title:	General Manager Research and Evaluation		
Signature		Date	6 July 2021

Holder of delegated financial authority			
Total budget approved:	\$48,000		
Budget type:	Opex		
Budget code:	Nominal 14815		
Name:	Rachel Skeates-Millar		
Position / title:	General Manager Research and Evaluation		
Signature		Date	6 July 2021

Procurement Practice Manager			
Approval of:	Proceed to formal engagement of sole price provider		
Name:	Out of scope Manager Procurement Practice		
Signature:	Out of scope	Date	8 July 2021

Purpose

The purpose of this procurement plan is to seek approval to contract Dr [Out of scope] for 20 weeks to provide project management support for the cross-agency evaluation of the Wage Subsidy Scheme (WSS).

Background

In May 2021, the Office of the Auditor General released an audit of the management of the Wage Subsidy Scheme (WSS). This recommended that the Ministry of Social Development (MSD), Inland Revenue (IR), Ministry of Business, Innovation and Employment (MBIE), and the Treasury carry out timely evaluation of the development, operation, and impact of the WSS to inform preparation for future crisis-support schemes. Soon after, Cabinet authorised the drawdown of up to \$1 million from the COVID-19 Response and Recovery Fund (CRRF) for an evaluation of the WSS.

A cross-agency Working Group involving members from MSD, IR, MBIE, and Treasury has been meeting regularly since May 2020 to plan monitoring and evaluation of the WSS. [Out of scope] has been a member of this group while completing a six-month contract with MBIE.

Since funding from the CRRF has been made available, the Working Group has been focused on how this will be used to undertake a thorough evaluation of the WSS. The primary objectives of the evaluation identified by the Working Group (and approved by the cross-agency Steering Group overseeing the evaluation) are to:

- understand how well the Scheme was implemented over time,
- identify the extent to which the intended outcomes of the Scheme were achieved in the short and medium-term for recipient employers and employees, and
- identify the lessons for policy design and delivery of future support schemes responding to economic crises.

The Working Group has proposed a two-stage evaluation that includes a process evaluation and an outcome evaluation. These stages will be completed using a mixed methods approach. The outcome evaluation will include a cost-effectiveness/value for money analysis. Both stages of the evaluation will be procured by external supplier(s) through a competitive tender process.

The WSS evaluation Steering Group, and the Auditor General, have both requested timely evaluation of the Scheme. This is important to ensure that findings are available as early as possible to inform the development of related policies.

To support the procurement of evaluation activities as efficiently as possible, the first draw down from the CRRF will be to employ a contractor to provide the WSS Working Group with project management support. [Out of scope] is ideally placed to provide such support.

The Requirement

Across the duration of her contract, [Out of scope] will:

- Complete the closed competitive procurement process for the process evaluation stage of the WSS evaluation, including obtaining procurement board sign-off, advising on appropriate suppliers from the consultancy services panel, developing tender documents and coordinating evaluation of responses, and development of Consultancy Service Orders (CSOs) with chosen supplier(s)
- Collate relevant background materials on the WSS to be shared with chosen supplier(s)
- Continue to be a member of the WSS Working Group as a representative of MSD
- Assist with development of relevant planning documentation to be approved by the WSS Steering Group, such as documents on timeline and scope
- Facilitate communications between the Working Group and Steering Group

Cost and timeframes

A contract for **Out of scope** is proposed for 20 weeks beginning on the 12th July and ending on the 7th of December 2021. **Out of scope** will be contracted to work an average of **Out of scope** per week over this time, at an hourly rate of **Out of scope**.

The anticipated whole of life cost of the contract is: \$48,000.

Procurement Process

The intention is to direct source Dr **Out of scope** to provide the service on the following rationale:

Out of scope can bring her extensive knowledge of public policy, the public sector, and workings of government to the project manager role we are seeking to contract, which will be invaluable given the complex nature of the WSS. **Out of scope** has worked as an independent consultant undertaking policy-related research, evaluation, and policy analysis for New Zealand government agencies since 2007. Before becoming self-employed, she worked in research, evaluation and policy roles in government agencies over a twenty-year period, and her doctoral thesis examined the practice of evaluative reasoning in the Aotearoa New Zealand public sector.

Out of scope has in-depth technical knowledge of the WSS. **Out of scope** participation in the WSS Working Group, and the nature of her work with MBIE, have resulted in an understanding of the development, implementation, and constraints of the WSS that we cannot access from any other supplier. Her contract with MBIE was to develop a research programme on the suite of 30 firm-level business support measures funded by the CRRF, based on consultations with MBIE's economic policy teams and a review of official documents about the Wage Subsidy and other measures. She has written a scoping paper that presents four options for the research programme that differ according to focus and scope, as well as a "Lessons learned and insights" report based on interviews with 20 MBIE policymakers involved in designing the WSS and nine other business support measures. This is intended as an internal document for organisational learning purposes.

Out of scope recent work ensures she can provide suppliers procured to complete the WSS evaluation with information on the diverse range of fiscal supports that may have interacted with the WSS over time. She will also be able to undertake the key activities of the proposed contract without needing significant lead in time to become familiar

with the WSS (^{Out of scope}) has already developed a theory of change underpinning the scheme) and the relationship between the WSS Working Group and Steering Group. This is particularly important considering the need to complete the evaluation in a timely manner to ensure that findings are of maximum relevance and usefulness to policy makers.

This direct source procurement process is in accordance with the:

- 1) Government Rules of Sourcing,
- 2) AOG Business and Finance secondary sourcing process, and
- 3) MSD internal procurement policy.

Indicative timeline

Action	Indicative date
Quotation received	01/07/2021
Procurement plan approved	9/07/2021
Contract start date	12/07/2021

Contract

^{Out of scope}

is a member of the Consultancy Services panel. Therefore, the form of contract used will be a Consultancy Services Order.

We anticipate the contract commencing 12 July 2021 and ending 7 December 2021.

Risk

Overall, this procurement is deemed low-value, low-risk.

Probity

Probity in this procurement will be managed by:

- acting fairly, impartially and with integrity, acting lawfully, and being accountable and transparent
- ensuring compliance with the agency's code of conduct is complied with
- identifying and effectively managing all conflicts of interest.