



# Memo

**To:** Nic Blakeley, DCE Strategy and Insights

**CC:** Rob Hodgson, Group General Manager Insights MSD  
Rachel Skeates-Millar, Manager Research and Evaluation

**From:** Out of scope Senior Analyst Research and Evaluation  
Out of scope Contractor Research and Evaluation

**Date:** 17 August 2021

**Security level:** IN CONFIDENCE

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## Procurement plan for the cross-agency evaluation of the COVID-19 Wage Subsidy Scheme

### Purpose

This memo seeks your approval of the Procurement Plan for the process and outcome evaluation components of the cross-agency evaluation of the Wage Subsidy Scheme (WSS).

### Background

In May 2021, the Office of the Auditor General (OAG) released an audit of the management of the 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. Cabinet has authorised the drawdown of up to \$1 million from the COVID-19 Response and Recovery Fund (CRRF) for the WSS evaluation.

To achieve the AOG's recommendation, a process evaluation and an outcome evaluation will be conducted.

- The process evaluation will consider how well the WSS was developed and implemented.

- The outcome evaluation will examine the extent to which the WSS achieved its intended outcomes, within the context of the COVID-19 pandemic, and other Government supports.

A high-level evaluation approach for the WSS evaluation outlining the process and outcome components was developed by a cross-agency WSS evaluation Working Group, and subsequently endorsed by the cross-agency Steering Group. Both groups include members from MSD, IR, MBIE, and the Treasury.

A report outlining the high-level evaluation approach and requesting the drawdown of \$1 million from the CRRF was submitted to the Minister of Finance and the Minister for Social Development and Employment on 30 July 2021 and approved on 3 August 2021. This report notes that process and outcome components of the evaluation will be procured from external supplier(s).

### **Procurement Plan**

The Working Group has developed a Procurement Plan that outlines expectations of suppliers. The supplier of the **process** evaluation will be expected to complete a chronology of the decisions made in relation to the different iterations of the WSS<sup>1</sup>, and fieldwork, analysis, and reporting to determine how well the WSS was designed and implemented. To ensure the timeliness of the findings, the supplier will be asked to provide "snapshot" findings over the course of the evaluation, and a final report on 31 July 2022.

The supplier of the **outcome** evaluation will be expected to complete a stocktake of existing evidence on outcomes of the WSS, examine whether the WSS was effective in meeting its objectives, and complete a cost-effectiveness/value for money analysis of the WSS in light of the outcomes achieved, as well as a findings report. The supplier will also be required to provide "snapshot" findings at regular intervals, and a final report in December 2022.

Requirement documents for both evaluation components will stress the need for the process evaluation supplier and the outcome evaluation supplier to work closely together to ensure the success of the WSS evaluation.

Up to \$300,000 of the CRRF will be used for the process evaluation, up to \$450,000 for the outcome evaluation, and \$250,000 will be available to support resourcing within participating agencies. The cross-agency Steering Group will consider how to spend any remaining funding at the end of 2022. Suggestions to-date include funding a comparison of the WSS with similar schemes overseas and examining the longer-term impacts of the WSS.

### **Supplier Selection**

The All-of-Government Consultancy Services Panel ("the Panel") is being used to select suppliers for this evaluation because of the need for evaluation-specific methodologies.

Specific areas of expertise required for the process evaluation include:

- Highly developed evaluation technical expertise (mixed method evaluation design, data collection and analysis, and report writing) and demonstrated

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<sup>1</sup> Includes the COVID-19: Wage Subsidy scheme, Wage Subsidy Extension, Resurgence Wage Subsidy, Wage Subsidy March 2021 scheme.

experience in evaluating public policy in a complex implementation context involving multiple agencies.

Specific areas of expertise required for the outcome evaluation include:

- Strong outcome evaluation knowledge and quantitative skills, labour market knowledge and economic expertise, experience in cost benefit/value for money analysis, and experience accessing and using the Integrated Data Infrastructure (IDI).

Given the timeframe for the outcome evaluation, the procurement plan specifies the need for the supplier to have the capacity to assemble a team of sufficient scale with specialist expertise to scope and deliver this evaluation component.

The selection method to be used for this procurement is competitive quotes based on a closed tendering process. Advanced notice of the evaluation has been given to ten suppliers for the process evaluation and 17 suppliers for the outcome evaluation. Supplier requirements documents will be released by the end of August. The supplier selection panel will consist of the cross-agency evaluation Working Group and a Kaupapa Māori advisor.

### **MSD's commitment to Māori**

On 28 July the Working Group participated in a wānanga facilitated by **Out of scope** Pou Matāmua Principal Advisor. The purpose of the wānanga was to understand how the evaluation will address MSD's commitment to Māori as outlined in Te Pae Tata.

During the wānanga, the Working Group developed a whaihangā statement outlining what excellence would look like with respect to an evaluation that is responsive to Māori:

*An evaluation that tells us how well the policy development, implementation processes and outcomes supported whānau Māori, getting really good information to provide learning for future generations.*

The Working Group discussed the evaluation activities needed to support achievement of the whaihangā statement. These will be presented to the Steering Group for their approval. At a minimum, we will require evaluation suppliers to have a team with the ability to effectively engage with iwi/hapu/whānau, and for the evaluation to investigate how the WSS supported the strategic objectives of Te Pae Tata.

- Key shift 1: Mana Manaaki  
The process evaluation supplier will be expected to identify how information about the WSS was shared with Māori and the appropriateness and acceptability of the approaches used. The process evaluation will also identify how Māori found the experience of trying to access the WSS, and the success factors that enabled Māori businesses to apply compared with those who did not.
- Key shift 2: Kotahitanga  
Partnering for greater impact will also be explored through the process evaluation, investigating policy development of the scheme and the consultation that occurred with government agencies, whānau, families, hapū, iwi, providers, and communities during this time.

- Key shift 3: Kia Takatū Tātou  
The outcome evaluation will enable an understanding of how the WSS supported the long-term social and economic development of Māori employers and employees. Both process and outcome evaluation suppliers will be expected to make recommendations for the design of future job attachment schemes to respond to and support Māori aspirations for their long-term social and economic development.

### **Recommendations**

We recommend that you approve the Procurement Plan for the process evaluation and the outcome evaluation to enable procurement of the evaluations to begin.

AGREE / DISAGREE

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Nic Blakeley

DCE Strategy and Insights

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Date



# Memo

**To:** *RSM* Rachel Skeates-Millar, General Manager Research and Evaluation

**CC:** [Out of scope] Manager Research and Evaluation

**From:** [Out of scope] Senior Analyst Research and Evaluation

**Date:** 1 July 2021

**Security level:** IN CONFIDENCE

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## Project management support for Wage Subsidy Scheme evaluation

### Purpose

This memo seeks your agreement to contract [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 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 scheme. [Out of scope] has been a member of this group while completing a six-month contract with MBIE.

The Working Group has proposed a two-stage evaluation of the WSS that includes a process evaluation and an outcome evaluation. Both stages of the evaluation will be procured by external supplier(s) through a competitive tender process.

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.

### The opportunity

[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. <sup>Out of scope</sup> 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.

<sup>Out of scope</sup> has in-depth technical knowledge of the Wage Subsidy Scheme. Her 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 contractor. 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 Wage Subsidy Scheme.

<sup>Out of scope</sup>'s 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. 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.

### Proposal

A contract for <sup>Out of scope</sup> is proposed for 20 weeks beginning 12 July 2021 and ending 7 December 2021. <sup>Out of scope</sup> will be contracted to work an average <sup>s 9(2)(b)(ii)</sup> week over this time, at an hourly rate <sup>s 9(2)(b)(ii)</sup>. The total cost of the contract will be \$48,000.

Across the duration of her contract, <sup>Out of scope</sup> will:

- Complete the closed competitive procurement process for the process evaluation stage of the WSS evaluation
- 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

### Recommendations

It is recommended that you:

1. **agree** to contract <sup>Out of scope</sup> for 20 weeks to provide project management support for the cross-agency evaluation of the WSS, particularly procurement of the process evaluation

AGREE / DISAGREE

2. **note** that the costs of this contract will be met through the first drawdown of the COVID-19 Response and Recovery Fund

*R. Skeates*

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Rachel Skeates-Millar

GM Research and Evaluation

*2 Jul 2021*

\_\_\_\_\_  
Date

RELEASED UNDER THE  
OFFICIAL INFORMATION ACT



# Memo

**To:** Debbie Power, Chief Executive, Ministry of Social Development

**From:** **Out of scope** Senior Analyst, Research and Evaluation

**cc:** Nic Blakeley, Deputy Chief Executive, Strategy and Insights  
Rob Hodgson, Group General Manager, Insights  
SM Rachel Skeates-Millar, General Manager, Research and Evaluation

**Date:** 12 November 2021

**Security level:** IN CONFIDENCE

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## Contract with Martin, Jenkins & Associates Limited for the cross-agency evaluation of the COVID-19 Wage Subsidy Scheme

### Purpose

This memo seeks your approval to engage Martin, Jenkins & Associates Limited (MartinJenkins) to complete the process evaluation component of the cross-agency evaluation of the COVID-19 Wage Subsidy Scheme. This requires Level 1 sign-off as the value of the contract is over \$200,000. The proposed contract is with MartinJenkins for 14 months.

### Background

In May 2021, the Office of the Auditor General released an audit of the management of the 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. Cabinet has authorised the drawdown of up to \$1 million from the COVID-19 Response and Recovery Fund for the WSS evaluation.

Officials from MSD, IR MBIE, and Treasury have collaborated to develop a high-level evaluation approach. This identifies the objectives of the evaluation, key evaluation questions, planned procurement of evaluation activities, and timeframes for deliverables. To achieve the evaluation objectives, a process evaluation and an outcome evaluation will be conducted.

- A **process evaluation** provides information on whether an initiative has been implemented as intended.



- An **outcome evaluation** measures the results of an initiative and determines whether intended outcomes were achieved.

## Proposal

We are engaging MartinJenkins to complete the process evaluation component of the COVID-19 WSS evaluation. They will be contracted from 22 November 2021 to 19 December 2022.

MartinJenkins will complete a chronology of the decisions made in relation to the different iterations of the WSS, as well as fieldwork, analysis, and reporting to determine how well the WSS was designed and implemented. To ensure the timeliness of findings, the supplier will provide "snapshot" findings over the course of the evaluation. MartinJenkins will also be responsible for a final report that synthesises findings from the process and outcome evaluation to identify lessons for the policy design and delivery of future schemes like the WSS.

Approval to engage MartinJenkins was provided by the MSD Procurement Board. A closed tendering secondary procurement process was followed using the All-of-Government (AoG) Consultancy Services panel.

MartinJenkins was selected as the chosen supplier for this work because they demonstrated an in-depth understanding of the WSS and the context within which it was implemented. They proposed a clear and well-articulated approach to conducting the process evaluation component, and to answering the key evaluation questions. MartinJenkins also provided evidence that they have the required technical expertise and experience to conduct the process evaluation to a high standard.

## Fee

The whole-of-life cost of the contract is \$350,000 (exclusive of GST and AoG Fee).

## Reviewed by

Reviewed/confirmed by Procurement	<b>Yes/No</b>
Reviewed/confirmed by Finance	<b>Yes/No</b>
Reviewed/confirmed by DCE S&I	<b>Yes/No</b>

## Recommendation

It is recommended that you:

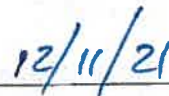
1. **approve** the engagement of MartinJenkins for the total value of \$350,000

**Agree/Disagree**

2. **sign** the FIN1032 Expenditure Approval Form



Rob Hodgson  
Group General Manager  
Insights MSD



Date

  
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Nic Blakeley  
Deputy Chief Executive,  
Strategy & Insights

14/11/21  
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Date

  
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Debbie Power  
Chief Executive, MSD

26/11/21  
\_\_\_\_\_

Date

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# Memo

**To:** Debbie Power, Chief Executive, Ministry of Social Development

**From:** **Out of scope** Senior Analyst, Research and Evaluation

**cc:** Nic Blakeley, Deputy Chief Executive, Strategy and Insights  
Rob Hodgson, Group General Manager, Insights  
RSM Rachel Skeates-Millar, General Manager, Research and Evaluation

**Date:** 12 November 2021

**Security level:** IN CONFIDENCE

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## Contract with Motu Economic and Public Policy Research Trust for the cross-agency evaluation of the COVID-19 Wage Subsidy Scheme

### Purpose

This memo seeks your approval to engage Motu Economic and Public Policy Research Trust (Motu) to complete the outcome evaluation component of the cross-agency evaluation of the COVID-19 Wage Subsidy Scheme. This requires Level 1 sign-off as the value of the contract is over \$200,000. The proposed contract is with Motu for 14 months.

### Background

In May 2021, the Office of the Auditor General released an audit of the management of the 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. Cabinet has authorised the drawdown of up to \$1 million from the COVID-19 Response and Recovery Fund for the WSS evaluation.

Officials from MSD, IR MBIE, and Treasury have collaborated to develop a high-level evaluation approach. This identifies the objectives of the evaluation, key evaluation questions, planned procurement of evaluation activities, and timeframes for deliverables. To achieve the evaluation objectives, a process evaluation and an outcome evaluation will be conducted.

- A **process evaluation** provides information on whether an initiative has been implemented as intended.

- An **outcome evaluation** measures the results of an initiative and determines whether intended outcomes were achieved.

### **Proposal**

We are engaging Motu to complete the outcome evaluation component of the COVID-19 WSS evaluation. They will be contracted from 22 November 2021 to 19 December 2022.

Motu will complete a stocktake of existing evidence on outcomes of the WSS, examine whether the WSS was effective in meeting its objectives, and complete a cost-effectiveness analysis of the WSS in light of the outcomes achieved, as well as a findings report.

Approval to engage Motu was provided by the MSD Procurement Board. A closed tendering secondary procurement process was followed using the All-of-Government (AoG) Consultancy Services panel.

Motu was selected as the chosen supplier for this work because they demonstrated a good understanding of the WSS and the context in which it was developed; proposed a clear approach to conducting the outcome evaluation; demonstrated that they have the required technical expertise and experience to conduct the outcome evaluation to a high standard; provided adequate examples of working collaboratively with other suppliers/government agencies and confirmed their willingness to work in close collaboration with the supplier of the process evaluation; and demonstrated that they have the capacity to deliver the service on time and to budget.

### **Fee**

The whole-of-life cost of the contract is \$340,000 (exclusive of GST and AoG Fee).

### **Reviewed by**

Reviewed/confirmed by Procurement **Yes/No**

Reviewed/confirmed by Finance **Yes/No**

Reviewed/confirmed by DCE S&I **Yes/No**

**Recommendation**

It is recommended that you:

1. **approve** the engagement of Motu for the total value of \$350,000

**Agree/Disagree**

2. **sign** the FIN1032 Expenditure Approval Form



Rob Hodgson  
Group General Manager  
Insights MSD

16/11/21

Date



Nic Blakeley  
Deputy Chief Executive,  
Strategy & Insights

16/11/21

Date



Debbie Power  
Chief Executive, MSD

21/11/21

Date

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