



Invitation to Quote

**Invitation to Quote (ITQ) on behalf of Department for Business,
Innovation & Skills (BIS)**

**Subject UK SBS Invitation to Tender for Non-financial Reporting
Research**

Sourcing reference number BLOJEU-CR150091

UK Shared Business Services Ltd (UK SBS)
www.uksbs.co.uk

Registered in England and Wales as a limited company. Company Number 6330639.
Registered Office North Star House, North Star Avenue, Swindon, Wiltshire SN2 1FF
VAT registration GB618 3673 25
Copyright (c) UK Shared Business Services Ltd. 2014

UKSBS

Shared Business Services

Table of Contents

Section	Content
1	<u>About UK Shared Business Services Ltd.</u>
2	<u>About our Customer</u>
3	<u>Working with UK Shared Business Services Ltd.</u>
4	<u>Specification</u>
5	<u>Evaluation model</u>
6	<u>Evaluation questionnaire</u>
7	<u>General Information</u>

Section 1 – About UK Shared Business Services

Putting the business into shared services

UK Shared Business Services Ltd (UK SBS) brings a commercial attitude to the public sector; helping our customers improve efficiency, generate savings and modernise.

It is our vision to become the leading provider for our customers of shared business services in the UK public sector, continuously reducing cost and improving quality of business services for Government and the public sector.

Our broad range of expert services is shared by our customers. This allows our customers the freedom to focus resources on core activities; innovating and transforming their own organisations.

Core services include Procurement, Finance, Grants Admissions, Human Resources, Payroll, ISS, and Property Asset Management all underpinned by our Service Delivery and Contact Centre teams.

UK SBS is a people rather than task focused business. It's what makes us different to the traditional transactional shared services centre. What is more, being a not-for-profit organisation owned by its customers, UK SBS' goals are aligned with the public sector and delivering best value for the UK taxpayer.

UK Shared Business Services Ltd changed its name from RCUK Shared Services Centre Ltd in March 2013.

Our Customers

Our Customers

Growing from a foundation of supporting the Research Councils, 2012/13 saw Business Innovation and Skills (BIS) transition their procurement to UK SBS and Crown Commercial Services (CCS – previously Government Procurement Service) agree a Memorandum of Understanding with UK SBS to deliver two major procurement categories (construction and research) across Government.

UK SBS currently manages £700m expenditure for its Customers.

Our Customers who have access to our services and Contracts are detailed [here](#).

Our Procurement ambition

Our vision is to be recognised as a centre of excellence and deliver a broad range of procurement services across the public sector; to maintain and grow a procurement service unrivalled in public sector.

Procurement is a market-shaping function. Industry derived benchmarks indicate that UK SBS is already performing at or above “best in class” in at least three key measures (percentage savings, compliant spend, spend under management) and compare well against most other measures.

Over the next five years, it is the function’s ambition to lead a cultural change in procurement in the public sector. The natural extension of category management is to bring about a fundamental change in the attitude to supplier relationship management.

Our philosophy sees the supplier as an asset to the business and the route to maximising value from supply. This is not a new concept in procurement generally, but it is not a philosophy which is widely employed in the public sector.

We are ideally positioned to “lead the charge” in the government’s initiative to reform procurement in the public sector.

UK SBS Procurement’s unique selling points are:

- Focus on the full procurement cycle
- Leaders in category management in common and specialised areas
- Expertise in the delivery of major commercial projects
- That we are leaders in procurement to support research
- Use of cutting edge technologies which are superior to those used generally used across the public sector.
- Use of market leading analytical tools to provide comprehensive Business Intelligence
- Active customer and supplier management

‘UK SBS’ contribution to the Government Procurement Agenda has been impressive. Through innovation and leadership UK SBS has built an attractive portfolio of procurement services from P2P to Strategy Category Management.’

John Collington

Former Government Chief Procurement Officer

Section 2 – About Our Customer

Department for Business, Innovation and Skills (BIS)

The Department for Business, Innovation & Skills (BIS) is the department for economic growth. The department invests in skills and education to promote trade, boost innovation and help people to start and grow a business. BIS also protects consumers and reduces the impact of regulation.

BIS is a ministerial department, supported by 48 agencies and public bodies.

Department for Business, Innovation and Skills achievements include:

- Funding 457,000 apprenticeship starts in 2010-11 Academic Year
- Committing £75 million to support innovation in technology-based SMEs
- Helping 25,000 UK businesses (mainly SMEs), employing over 13 million people, to make the most of opportunities for growth in overseas markets; Growth Accelerator is a new Department for Business funded-service to help up to 26,000 small and medium enterprises (SMEs) grow as much as they can over three years. Working with an experienced coach, businesses will receive a personalised growth plan, training and workshops, networking and peer to peer support. SMEs can also learn how to develop their leadership and management capability.
- With the Cabinet Office, leading the review of 1,200 regulations across Government as part of the Red Tape Challenge, more than half of which will be scrapped or improved.

<http://www.bis.gov.uk>

Section 3 - Working with UK Shared Business Services Ltd.

In this section you will find details of your Procurement contact point and the timescales relating to this opportunity.

Section 3 – Contact details		
3.1	Customer Name and address	Department for Business and Innovation, 1 Victoria Street London SW1H 0ET
3.2	Buyer name	Liz Vincent
3.3	Buyer contact details	Tel: 01793 867740 Email: research@uksbs.co.uk
3.4	Estimated value of the Opportunity	£45,000
3.5	Process for the submission of clarifications and Bids	All correspondence shall be submitted within the Emptoris e-sourcing tool. Guidance Notes to support the use of Emptoris is available here. Please note submission of a Bid to any email address including the Buyer <u>will</u> result in the Bid <u>not</u> being considered.

Section 3 - Timescales		
3.6	Date of Issue of Contract Advert and location of original Advert	19/11/2015
3.7	Latest date/time ITQ clarification questions should be received through Emptoris messaging system	24/11/2015 14.00
3.8	Latest date/time ITQ clarification answers should be sent to all potential Bidders by the Buyer through Emptoris	26/11/2015
3.9	Latest date/time ITQ Bid shall be submitted through Emptoris	08/12//2015 14:00
3.11	Anticipated rejection of unsuccessful Bids date	16/12/2015
3.12	Anticipated Award date	16/12/2015
3.13	Anticipated Contract Start date	17/12/2015
3.14	Anticipated Contract End date	31/03/2016
3.15	Bid Validity Period	60 days

Section 4 – Specification

Invitation to Tender

THE IMPACT ON COMPANIES OF NON-FINANCIAL REPORTING

Background

Non-financial reporting and the subject of the research

Company Annual Reports provide shareholders, lenders and creditors with information on company's financial and non-financial performance, which they are able to use to inform their own economic decision-making (e.g. whether to invest in, lend to or trade with the company).

Narrative information (or non-financial reporting (NFR)) adds depth and context to the financial information contained in companies' financial accounts. The intended effect is to enable investors to make better informed decisions based on company strategy and to provide shareholders and other interested parties (e.g. Civil Society organisations) access to the data they need to effectively hold companies to account.

The UK's existing narrative reporting framework is structured to allow an assessment of the business strategy, its performance and position, the main risks it faces and the policies it implements to manage those risks. The requirement to produce a Strategic Report specifically helps shareholders assess how the directors have performed their duties as directors, (under Section 172 of the Companies Act 2006) to promote the success of the company¹. The idea is that the increased transparency and accountability of companies specifically to their investors but also to other stakeholders in this way would encourage companies to employ best practice on all matters covered by the regulation, without the need for prescriptive legislation on what these policies or practices should be. **The subject of the current research is whether this has happened in practice, and what are the costs and benefits of this non-financial reporting.**

Existing Disclosure Requirements and Forthcoming Policy Changes

There currently exist two tiers of reporting requirements for all companies that are not exempt from NFR (i.e. small unquoted companies): that for un-quoted companies and that for companies quoted on an EU regulated exchange. The first group is required to prepare a 'business review' according to the requirements that were set in 2006 in the Companies Act.² The second is subject to the

¹ Section 172 of the Companies Act 2006: duty to promote the success of the company: A director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to—

- (a) the likely consequences of any decision in the long term,
- (b) the interests of the company's employees,
- (c) the need to foster the company's business relationships with suppliers, customers and others,
- (d) the impact of the company's operations on the community and the environment,
- (e) the desirability of the company maintaining a reputation for high standards of business conduct, and
- (f) the need to act fairly as between members of the company.

² In 2006 the Companies Act introduced a requirement for companies to prepare a business review, and for quoted companies an enhanced business review. The enhanced business review was similar to the Operating and Financial Review (OFR) requirements (which had been introduced to implement requirements in the EU Accounts Modernisation Directive, but repealed in December 2005).

additional requirements set out in section 414(c) of the Companies Act 2006 and implemented by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013³.

The 2013 amendments to the Companies Act 2006 aimed to improve corporate transparency by re-focusing narrative reporting on strategic issues that are valuable to shareholders⁴. Specifically, the Strategic Report should include an overview of the financial as well as non-financial risks and opportunities facing companies, and how they are incorporated into their business strategies and models. A number of reporting requirements relating to the Director's Report were also repealed as part of the reforms (either because they would already be covered by the new proposals or no longer considered useful). The intended effect was to increase transparency and enhance investors' ability to hold companies to account. The material changes to the content and format of the reporting framework fell only on quoted companies, while non-quoted companies have not been required to produce anything different from what they are doing from 2006.

The issue has also recently received attention at the European level, due to concerns about the low level of non-financial information produced by companies in some parts of the EU. In 2012 it was estimated that more than 50% of non-financial reports are published by companies established in only four large EU Member States (United Kingdom, Germany, Spain and France)⁵. Following the EU consultation in 2011,⁶ the European Commission concluded that the information currently provided by companies is often not sufficiently material, balanced, accurate, timely and comparable and laid out new requirements on disclosure of non-financial information by companies. These requirements (referred to in this ITQ as "the EU NFR Directive") were set out and adopted by Member States in October 2014 as amendments to the EU Accounting Directive (2013/34/EU)⁷ - and are to be transposed into UK law by amendments to existing legislation.

Both the UK and EU regulatory changes include two main areas of disclosure:

Business Strategy and Risks

Currently in the UK, the Strategic Report must include a description of the business model, quantitative and qualitative data on business strategy and the risks that it faces, as well as information on the policies the company implements to address these risks and the effectiveness of these policies. Companies also have to include a narrative on the company's approach to a number of specified non-financial factors that affect the operations and performance of the company (including where appropriate, non-financial key performance indicators). These are environmental factors, employee related matters, and social and human rights matters. Where no information is provided, this has to be stated in the report. These regulations came into force in October 2013 and early research seems to suggest the reforms have had a positive effect on the quality of reporting.⁸

³ <http://www.legislation.gov.uk/ukxi/2013/1970/contents/made>

⁴ In their response to the BIS 2010 consultation "The Future of Narrative Reporting", responses from investors indicated that disclosure of company strategies, risks and opportunities was important in enabling them to make informed decisions on the likely long term performance of their investments. Available at www.bis.gov.uk/consultations

⁵ "Global Winners & Reporting Trends", CorporateRegister.com, 2012 available at <http://www.corporateregister.com/crra/help/CRRRA-2012-Exec-Summary.pdf>

⁶ Public Consultation on Disclosure of Non-Financial Information by companies. The summary report and the 260 responses received are available at http://ec.europa.eu/internal_market/consultations/2010/non-financial_reporting_en.htm

⁷ Amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups was published on 15 November 2014 in the Official Journal under the title "Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014".

⁸ Black Sun publishes its annual analysis of FTSE 100 corporate reporting, the most recent of which included an assessment of the progress made under the new requirements. The report is called "The Complete 100: Making connections...", Black Sun PLC, 2014. This can be found at <http://www.blacksunplc.com/corporate/research/index.jsp>.

The EU NFR Directive extends the domestic requirements to include a statement on the company's approach to anti-corruption and bribery matters. Also, where an undertaking does not pursue any policies in relation to one or more of the matters listed, the Directive requires a clear and reasoned explanation for why this is so (which goes beyond the existing obligation to merely state that there is no information to disclose on the matter). The requirements of the Directive are to take effect 6 December 2016, for financial years starting 1 January 2017, subject to public consultation and the passage through Parliament of domestic legislation to transpose the Directive.

Disclosure on Diversity Issues

Improving the gender diversity of corporate boards has been a recent focus of policymakers in the UK⁹ and the EU¹⁰. Diverse boards, that contain individuals from a variety of backgrounds, and with a variety of skills and perspectives, are believed to lead to better run companies. There is some evidence to suggest that diversity on company boards is associated with business performance¹¹. The rationale behind improved disclosure around board diversity is that greater transparency could contribute to improved diversity. UK legislation now requires companies to provide a gender breakdown of their directors, senior management and employees as a whole in their Annual Reports. Disclosure of diversity policies, on the other hand, is not currently a legal requirement as the UK preferred to take a voluntary approach, following recommendation by the 2011 Davies Review. The Financial Reporting Council amended the UK Corporate Governance Code (CGC) in 2012 suggesting that companies include in their annual report, a description of the board's policy on diversity, including gender, any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives¹². Adherence to this part of the CGC is reported to be high among the FTSE 100 firms¹³.

The EU NFR Directive is to amend the corporate governance statement that quoted companies are required to produce as part of their fulfilment of the listing rules¹⁴. Effectively, all quoted companies would then be required to report on the diversity policy they apply in relation to their administrative, management and supervisory bodies including information on the implementation and success of the policy. Where a company affected by the EU NFR directive does not have a diversity policy, it would also have to provide a clear, reasoned explanation of why this is the case in its Annual Report.

Aims and Objectives of the Project

The main objectives of the research are to better understand the impact non-financial reporting requirements have on companies' behaviour and the benefits and costs involved in non-financial reporting. The research will be used to build the Government's evidence base around company behaviour and 'what works' to change company behaviour. Building this knowledge should help with future policy development and could reduce the need for prescriptive regulation, in line with the Government's desire to reduce 'Red Tape'. The evidence would also inform the Post Implementation Review (PIR) of the 2013 Narrative Reporting regulations and the regulatory Impact Assessment of the UK implementation of the EU NFR Directive.

⁹ Lord Davies' independent review of women on boards was published in February 2011 <http://www.bis.gov.uk/assets/biscore/business-law/docs/w/11-745-women-on-boards.pdf>

¹⁰ http://ec.europa.eu/justice/newsroom/gender-equality/news/121114_en.htm

¹¹ "Corporate governance, board diversity, and firm value", Carter, Simkins and Simpson, 2003

¹² Available at : <https://www.frc.org.uk/Our-Work/Publications/Corporate-Governance/UK-Corporate-Governance-Code-2014.pdf>

¹³ 85% of FTSE 100 companies now disclose their boardroom diversity policy and over 58% have clear, measurable objectives.

¹⁴ Disclosure and Transparency Rules (DTR) 7.2 of the Financial Conduct Authority: <https://www.handbook.fca.org.uk/handbook/DTR/>

Approach

As explained above, there currently exist two reporting regimes for companies – one for un-quoted companies and that for companies quoted on an EU regulated exchange. **We propose to investigate the impact of the difference between these two NFR regimes and the impact it has on company behaviour.** These requirements differ in content (what non-financial information they ask companies to report), as well as in their approach. An example of difference in content is that, quoted companies are required to provide a gender breakdown of their employees at different levels of staff but un-quoted companies are not. A difference in approach is that while quoted companies are required to report information relating to each of certain specified matters, (environmental matters, employee matters and social community matters), a less specific approach towards reporting on these matters is undertaken for unquoted companies. The requirements are instead to provide information that would enable users to assess how directors have performed their duties under section 172 of the Companies Act 2006 (which gives them the duty to promote the success of the company having regard for, among other things, environment matters, employee matters, and community matters). Furthermore where a quoted company does not provide information on any of the specified matters it has to state clearly that it has not done so.

We would like to investigate the impact of both these differences.

Research questions

The questions will mainly focus on the impacts of the disclosure requirements on company behaviour. We would like the research to investigate:

- The impact of non-financial reporting on corporate behaviour and what drives it. The main research questions to be answered are:
 1. Who does the company perceive as the main users of its NFR?
 2. Has company behaviour changed in response to changed reporting requirements (e.g. behaving more ethically/environmentally friendly, changes to board composition, greater consideration of key business risks etc.)?
 3. To what extent is this as a result of reporting on certain issues or practices? What other factors have influenced company behaviour?
 4. Which reporting practices have had the most impact on company behaviour and what has driven this (e.g. is it concerns about customer perceptions and/or investor perceptions, or other stakeholders such as employees)?
- The possible benefits of the current narrative reporting requirements on internal information flows and decision-making.
 5. Has the process of compiling the report improved knowledge within the firm and/or identified areas of your business that could be improved?
 6. To what extent has the process of reporting to NFR requirements improved the knowledge of the board? Has the process of compiling the report helped companies identify policies or practices that could be improved?
- The extent to which stakeholders have taken an interest in what is reported through non-financial reporting measures
 7. Have there been any actions/requests for action as a result of the increased transparency?
- We would also like to investigate company perceptions of the 'comply or explain' approach and

whether companies perceive any benefits from it (e.g. have the disclosures had an impact on company image and position among stakeholders?).

8. What are company views on the 'comply or explain' approach
 9. How do they perceive a company that chooses to explain rather than comply would be viewed by investors/other stakeholders/investors?
 10. What non-financial information do companies perceive to be of most interest to their stakeholders and what might improve on the current disclosure requirements?
- Lastly, we would also wish to include interview questions on the time and cost to businesses of preparing the reports under the current requirements for both quoted and unquoted. Also we wish to consider how these would change with the implementation of the EU NFR Directive: BIS would advise the successful bidder of the changes to be brought in through the EU NFR directive in order to help develop the interview questions.

Methodology

Given that we seek to make inferences about company behaviour, we expect it would be valuable for the researchers to interact directly with companies and their stakeholders. In addition to that we require quantitative as well as qualitative analysis of companies' compliance with and reaction to non-financial reporting. We therefore suggest semi-structured telephone CATI interviews, alongside desk research of company reports, would be the most appropriate method. We welcome further refinements to the methodology from those tendering, including the use of online surveys alongside of interviews. If an online survey is proposed, bidders should specify how the questionnaire would be developed and piloted.

Sample

The sample frame is companies within scope of the UK NFR requirements from the ONS Interdepartmental Business Register (IDBR). BIS would be happy to assist with drawing the sample of firms from the database.

We are considering proposals for 200-400 companies (in total covering both the sample of quoted companies and the "control" sample of unquoted companies, though both will be asked cost questions). The population of firms in scope of NFR requirements broadly includes all firms except unquoted companies that fall under the EU definition of a small firm (which are exempt from the reporting requirements). We estimate this to be a population of about 45,000 UK companies. Within this, an about 800 are quoted on an EU regulated exchange and would be subject to the changes brought in with the 2013 reforms.

Bidders should propose the sample sizes that would ensure sufficient confidence in the findings for minimum spend. We require a sufficient sample size that can be used to produce estimates that are representative of the general population and which would also allow robust estimates to be made for sub-populations such as high-level industrial sectors and company size bands. They should provide separate costings for undertaking the research with a total of 200, 300 and 400 companies, specifying what scope there would be in each case for the stratification of these samples (by sector and/or size) without compromising the robustness of the analysis.

You should also include in your bid how you propose to deal with non-response – that is, those companies contacted for interview that do not participate and the appropriate reasons (e.g. could not contact the company or company refused to participate).

Analysis

Research questions 1 – 7 above should be investigated through a comparison of the differences in behaviour between the two existing NFR regimes (those for quoted and unquoted companies). We recommend two frameworks of analysis: a cross-sectional framework, comparing company responses (and therefore behaviour) in the two regimes seeking to establish any systematic differences that would allow inferences to be made about the causality of the reporting requirements. This should therefore also include an assessment of other factors that might be driving behaviour changes (perhaps by analysing differences or similarities between closely matching companies facing different requirements). The other is a longitudinal framework of analysis that investigates changes in behaviour within companies since the reforms in 2013. For instance, does the data indicate a trend in the formal development of company policies toward gender diversity *after* the disclosure requirements were implemented? Of course interview questions would need to have been structured to enable such deductions to be made.

Bidders should **recommend methods most appropriate** to capture the impact on company behaviour. They should include in their proposals what aspects of the differences in the two regimes they propose to investigate within each of the two frameworks for analyses (cross-sectional and longitudinal), the data/evidence they propose to collect and explain how the analysis of this would allow conclusions to be made on causality. They should also include how they would treat non-responses in their research outputs and how they propose to critically evaluate the accuracy of the data collected.

Bidders should also provide thoughts on the methodology concerning the collation and assessment of cost data.

Any other specific requirements

Desk Research

To investigate whether the NFR regulations have been a catalyst for positive change in company behaviour we first need to identify those that actually comply with the reporting requirements. An analysis of company annual reports would therefore be required for firms to be included in the sample. BIS would develop and provide clear criteria for deciding whether a company is generally in compliance with the reporting requirements. These would be in the form of simple questions relating to current NFR requirements. For quoted companies for example, the questions would include:

- Does the company report on the mandatory general information relating to the business (business model, strategy, risks, gender breakdown)?
- Does it report on the mandatory information required on its planned actions (e.g. policies/approach to manage risks)?
- Does it provide information on the matters specified in the legislation (environmental, employee (including gender related), social and human rights)?
- If they don't do they explicitly state that they have not done so?
- Where disclosures are made, are these boilerplate disclosures or do they meet the quality criteria (again, BIS would specify the criteria to be used).

Bids should include proposals on how the samples of compliant firms would be derived from the total population of firms in scope under each regime.

Apart from ascertaining the sample for the interview stage, the company reports assessed in order to

reach the desired sample would also provide other insights. In particular we would like this stage of the project to analyse and report on:

- the extent to which companies are compliant with their respective regulations.
- the extent to which different requirements actually impact *reporting behaviour*. For instance, are quoted companies actually disclosing information in a way that meets the objective of becoming more transparent and accountable to their stakeholders?
- Whether there is any evidence of changes in company practice coming through in the reports.

The cost of this element of the project should be provided separately in the bid.

Project completion date

Interim findings: 29th February 2016

Final report: 31 March 2016

Deliverables (with approximate dates)

In order to increase awareness of research and evaluation reports, all contractors are to ensure the following deliverables (over the course of the project) are included in the costings for this project:

1. Inception Meeting – a kick-off meeting to discuss and agree the details of the proposed methodological approach for both stages of the project - plus sampling framework and approach for non-response (estimated 17th December 2015);
2. Inception report – including agreed methodological approach for both stages of the project - plus sampling framework and approach for non-response (estimated 23rd December 2015);
3. Draft report on the compliance analysis of company annual reports and finalised sample for interview surveys (estimated 18th January 2016);
4. Quality assured dataset of survey results, including basic summary statistics (all enabling interrogation by BIS) (estimated 22nd February 2016);
5. Fortnightly updates on emerging findings and project progress (these can be by phone or VC unless a face to face meetings is required);
6. Presentation of interim findings (estimated 29th February 2016);
7. Draft final report (estimated 18th March 2016);
8. Quality assured final report for publication (estimated 31 March 2016); and
9. A technical report detailing the methodology of the research and analysis.

The final report for this research / evaluation project must be formatted according to BIS publication guidelines. The template will be provided by the project manager. Datasets to support those to be published in the final report must be provided in an accessible format (Excel).

Section 5 – Evaluation model

The evaluation model below shall be used for this ITQ, which will be determined to two decimal places.

Where a question is 'for information only' it will not be scored.

The evaluation team may comprise staff from UK SBS, the Customer and any specific external stakeholders UK SBS deem required. After evaluation the scores will be finalised by performing a calculation to identify (at question level) the mean average of all evaluators (Example – a question is scored by three evaluators and judged as scoring 5, 5 and 6. These scores will be added together and divided by the number of evaluators to produce the final score of 5.33 ($5+5+6 = 16 \div 3 = 5.33$))

Pass / fail criteria		
Questionnaire	Q No.	Question subject
Commercial	FOI1.1	Freedom of Information Exemptions
Commercial	AW1.1	Form of Bid
Commercial	AW1.3	Certificate of Bona Fide Bid
Commercial	AW3.1	Validation check
Commercial	AW4.1	Contract Terms
Price	AW5.6	Implementation of E-Invoicing
Quality	AW6.1	Compliance to the Specification
-	-	Invitation to Quote – received on time within e-sourcing tool

Scoring criteria

Evaluation Justification Statement

In consideration of this particular requirement UK SBS has decided to evaluate Potential Providers by adopting the weightings/scoring mechanism detailed within this ITQ. UK SBS considers these weightings to be in line with existing best practice for a requirement of this type.

Questionnaire	Q No.	Question subject	Maximum Marks
Price	AW5.2	Price	30.00%
Quality	PROJ1.1	Understanding the environment	10.01%
Quality	PROJ1.2	Meeting the project objectives	14.98%
Quality	PROJ1.3	Methodology	24.99%
Quality	PROJ1.4	Staff and suitability of working arrangements	14.98%
Quality	PROJ1.5	Project timescales	5.04%

Evaluation of criteria

Non-Price elements

Each question will be judged on a score from 0 to 100, which shall be subjected to a multiplier to reflect the percentage of the evaluation criteria allocated to that question.

Where an evaluation criterion is worth 20% then the 0-100 score achieved will be multiplied by 20.

Example if a Bidder scores 60 from the available 100 points this will equate to 12% by using the following calculation: Score/Total Points available multiplied by 20 ($60/100 \times 20 = 12$)

Where an evaluation criterion is worth 10% then the 0-100 score achieved will be multiplied by 10.

Example if a Bidder scores 60 from the available 100 points this will equate to 6% by using the following calculation: Score/Total Points available multiplied by 10 ($60/100 \times 10 = 6$)

The same logic will be applied to groups of questions which equate to a single evaluation criterion.

The 0-100 score shall be based on (unless otherwise stated within the question):

0	The Question is not answered or the response is completely unacceptable.
10	Extremely poor response – they have completely missed the point of the question.
20	Very poor response and not wholly acceptable. Requires major revision to the response to make it acceptable. Only partially answers the requirement, with major deficiencies and little relevant detail proposed.
40	Poor response only partially satisfying the selection question requirements with deficiencies apparent. Some useful evidence provided but response falls well short of expectations. Low probability of being a capable supplier.
60	Response is acceptable but remains basic and could have been expanded upon. Response is sufficient but does not inspire.
80	Good response which describes their capabilities in detail which provides high levels of assurance consistent with a quality provider. The response includes a full description of techniques and measurements currently employed.
100	Response is exceptional and clearly demonstrates they are capable of meeting the requirement. No significant weaknesses noted. The response is compelling in its description of techniques and measurements currently employed, providing full assurance consistent with a quality provider.

All questions will be scored based on the above mechanism. Please be aware that the final score returned may be different as there may be multiple evaluators and their individual scores will be averaged (mean) to determine your final score.

Example

Evaluator 1 scored your bid as 60

Evaluator 2 scored your bid as 60

Evaluator 3 scored your bid as 50

Evaluator 4 scored your bid as 50

Your final score will $(60+60+50+50) \div 4 = 55$

Price elements will be judged on the following criteria.

The lowest price for a response which meets the pass criteria shall score 100. All other bids shall be scored on a pro rata basis in relation to the lowest price. The score is then subject to a multiplier to reflect the percentage value of the price criterion.

For example - Bid 1 £100,000 scores 100.

Bid 2 £120,000 differential of £20,000 or 20% remove 20% from price scores 80

Bid 3 £150,000 differential £50,000 remove 50% from price scores 50.

Bid 4 £175,000 differential £75,000 remove 75% from price scores 25.

Bid 5 £200,000 differential £100,000 remove 100% from price scores 0.

Bid 6 £300,000 differential £200,000 remove 100% from price scores 0.

Where the scoring criterion is worth 50% then the 0-100 score achieved will be multiplied by 50.

In the example if a supplier scores 80 from the available 100 points this will equate to 40% by using the following calculation: $\text{Score/Total Points} \times 50$ (80/100 x 50 = 40)

The lowest score possible is 0 even if the price submitted is more than 100% greater than the lowest price.

Section 6 – Evaluation questionnaire

Bidders should note that the evaluation questionnaire is located within the **e-sourcing questionnaire**.

Guidance on completion of the questionnaire is available at
<http://www.uksbs.co.uk/services/procure/Pages/supplier.aspx>

PLEASE NOTE THE QUESTIONS ARE NOT NUMBERED SEQUENTIALLY

Section 7 – General Information

What makes a good bid – some simple do's ☺

DO:

- 7.1 Do comply with Procurement document instructions. Failure to do so may lead to disqualification.
- 7.2 Do provide the Bid on time, and in the required format. Remember that the date/time given for a response is the last date that it can be accepted; we are legally bound to disqualify late submissions.
- 7.3 Do ensure you have read all the training materials to utilise e-sourcing tool prior to responding to this Bid. If you send your Bid by email or post it will be rejected.
- 7.4 Do use Microsoft Word, PowerPoint Excel 97-03 or compatible formats, or PDF unless agreed in writing by the Buyer. If you use another file format without our written permission we may reject your Bid.
- 7.5 Do ensure you utilise the Emptoris messaging system to raise any clarifications to our ITQ. You should note that typically we will release the answer to the question to all bidders and where we suspect the question contains confidential information we may modify the content of the question to protect the anonymity of the Bidder or their proposed solution
- 7.6 Do answer the question, it is not enough simply to cross-reference to a 'policy', web page or another part of your Bid, the evaluation team have limited time to assess bids and if they can't find the answer, they can't score it.
- 7.7 Do consider who your customer is and what they want – a generic answer does not necessarily meet every customer's needs.
- 7.8 Do reference your documents correctly, specifically where supporting documentation is requested e.g. referencing the question/s they apply to.
- 7.9 Do provide clear and concise contact details; telephone numbers, e-mails and fax details.
- 7.10 Do complete all questions in the questionnaire or we may reject your Bid.
- 7.11 Do check and recheck your Bid before dispatch.

What makes a good bid – some simple do not's ☹️

DO NOT

- 7.12 Do not cut and paste from a previous document and forget to change the previous details such as the previous buyer's name.
- 7.13 Do not attach 'glossy' brochures that have not been requested, they will not be read unless we have asked for them. Only send what has been requested and only send supplementary information if we have offered the opportunity so to do.
- 7.14 Do not share the Procurement documents, they are confidential and should not be shared with anyone without the Buyers written permission.
- 7.15 Do not seek to influence the procurement process by requesting meetings or contacting UK SBS or the Customer to discuss your Bid. If your Bid requires clarification the Buyer will contact you.
- 7.16 Do not contact any UK SBS staff or Customer staff without the Buyers written permission or we may reject your Bid.
- 7.17 Do not collude to fix or adjust the price or withdraw your Bid with another Party as we will reject your Bid.
- 7.18 Do not offer UK SBS or Customer staff any inducement or we will reject your Bid.
- 7.19 Do not seek changes to the Bid after responses have been submitted and the deadline for Bids to be submitted has passed.
- 7.20 Do not cross reference answers to external websites or other parts of your Bid, the cross references and website links will not be considered.
- 7.21 Do not exceed word counts, the additional words will not be considered.
- 7.22 Do not make your Bid conditional on acceptance of your own Terms of Contract, as your Bid will be rejected.

Some additional guidance notes

- 7.23 All enquiries with respect to access to the e-sourcing tool and problems with functionality within the tool may be submitted to Crown Commercial Service (previously Government Procurement Service), Telephone 0345 010 3503.
- 7.24 Bidders will be specifically advised where attachments are permissible to support a question response within the e-sourcing tool. Where they are not permissible any attachments submitted will not be considered.
- 7.25 Question numbering is not sequential and all questions which require submission are included in the Section 6 Evaluation Questionnaire.
- 7.26 Any Contract offered may not guarantee any volume of work or any exclusivity of supply.
- 7.27 We do not guarantee to award any Contract as a result of this procurement
- 7.28 All documents issued or received in relation to this procurement shall be the property of UK SBS.
- 7.29 We can amend any part of the procurement documents at any time prior to the latest date / time Bids shall be submitted through Emptoris.
- 7.30 If you are a Consortium you must provide details of the Consortiums structure.
- 7.31 Bidders will be expected to comply with the Freedom of Information Act 2000 or your Bid will be rejected.
- 7.32 Bidders should note the Government's transparency agenda requires your Bid and any Contract entered into to be published on a designated, publicly searchable web site. By submitting a response to this ITQ Bidders are agreeing that their Bid and Contract may be made public
- 7.33 Your bid will be valid for 60 days or your Bid will be rejected.
- 7.34 Bidders may only amend the Contract terms if you can demonstrate there is a legal or statutory reason why you cannot accept them. If you request changes to the Contract and UK SBS fail to accept your legal or statutory reason is reasonably justified we may reject your Bid.
- 7.35 We will let you know the outcome of your Bid evaluation and where requested will provide a written debrief of the relative strengths and weaknesses of your Bid.
- 7.36 If you fail mandatory pass / fail criteria we will reject your Bid.
- 7.37 Bidders are required to use IE8, IE9, Chrome or Firefox in order to access the functionality of the Emptoris e-sourcing tool.

- 7.38 Bidders should note that if they are successful with their proposal UK SBS reserves the right to ask additional compliancy checks prior to the award of any Contract. In the event of a Bidder failing to meet one of the compliancy checks UK SBS may decline to proceed with the award of the Contract to the successful Bidder.
- 7.39 All timescales are set using a 24 hour clock and are based on British Summer Time or Greenwich Mean Time, depending on which applies at the point when Date and Time Bids shall be submitted through Emptoris.
- 7.40 All Central Government Departments and their Executive Agencies and Non Departmental Public Bodies are subject to control and reporting within Government. In particular, they report to the Cabinet Office and HM Treasury for all expenditure. Further, the Cabinet Office has a cross-Government role delivering overall Government policy on public procurement - including ensuring value for money and related aspects of good procurement practice.

For these purposes, UK SBS may disclose within Government any of the Bidders documentation/information (including any that the Bidder considers to be confidential and/or commercially sensitive such as specific bid information) submitted by the Bidder to UK SBS during this Procurement. The information will not be disclosed outside Government. Bidders taking part in this ITQ consent to these terms as part of the competition process.

- 7.41 From 2nd April 2014 the Government is introducing its new Government Security Classifications (GSC) classification scheme to replace the current Government Protective Marking System (GPMS). A key aspect of this is the reduction in the number of security classifications used. All Bidders are encouraged to make themselves aware of the changes and identify any potential impacts in their Bid, as the protective marking and applicable protection of any material passed to, or generated by, you during the procurement process or pursuant to any Contract awarded to you as a result of this tender process will be subject to the new GSC from 2nd April 2014. The link below to the Gov.uk website provides information on the new GSC:

<https://www.gov.uk/government/publications/government-security-classifications>

UK SBS reserves the right to amend any security related term or condition of the draft contract accompanying this ITQ to reflect any changes introduced by the GSC. In particular where this ITQ is accompanied by any instructions on safeguarding classified information (e.g. a Security Aspects Letter) as a result of any changes stemming from the new GSC, whether in respect of the applicable protective marking scheme, specific protective markings given, the aspects to which any protective marking applies or otherwise. This may relate to the instructions on safeguarding classified information (e.g. a Security Aspects Letter) as they apply to the procurement as they apply to the procurement process and/or any contracts awarded to you as a result of the procurement process.

USEFUL INFORMATION LINKS

- [Emptoris Training Guide](#)
- [Emptoris e-sourcing tool](#)
- [Contracts Finder](#)
- [Tenders Electronic Daily](#)
- [Equalities Act introduction](#)
- [Bribery Act introduction](#)
- [Freedom of information Act](#)