**IN CONFIDENCE**

**Invitation to Participate in Dialogue (ITPD) & Submit a Final solution**

**V6 25th November 2024**

**Part 2**



**Out of hours call centre service**

**Part Two:**

**Evaluation Methodology**

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# **1. Overview**

**1.1 Overview**

This ITPD (Part 2) should be read by Bidders in conjunction with the ITPD (Part 1). This Part 2 sets out the further details of the Evaluation Methodology to be applied to select a Bidder for the Overarching Agreement at the end of the Competitive Dialogue.

# **2. General Updates, Information for Bidders and Bid Assumptions**

2.1 This section provides Bidders with an update on general information contained within the ITPD Part 1 document supplemented with additional information on which Bidders shall base their Final Solution Submissions including their method statements.

**2.2** **Employment and Pensions**

A list of the employees of the existing contractor who may TUPE transfer to the successful Bidder on the Commencement Date of the Overarching Agreement is available to Bidders **once they have signed and returned the Confidentiality Agreement (Appendix 8 to ITPD Part 1)** The Council is committed to incentivising the incumbent contractor to provide accurate information on TUPE and will provide regular updates as the competitive dialogue progresses. In addition, the Council will consider indemnifying bidders against any cost variation arising from TUPE should the circumstances arise. At the moment the bidder risk profile arising from potential uncertainty in the TUPE list is considered to be low as regular TUPE updates have been received from the incumbent supplier.

# **3 Final Tender Submission Requirements**

3.1 This section sets out the Council’s more detailed requirements for the Method Statements and complete Final Tender Responses after dialogue closes.

3.2 A checklist of the requirements for submission is provided in **Appendix 2 to the ITPD Part 1.**

**3.3 Technical Submission Requirements**

Bidder’s Proposals

3.3.1 The series of template Method Statements to be populated are set out in **Appendix 7 to the ITPD Part 1**. Bidders must ensure that the content of the submitted Method Statements adequately address the specified requirements of the Council.

3.3.2 It is the intention that the Bidders’ draft Method Statements will be discussed in dialogue and then developed so that, once completed, they will make up the Bidder’s Tender and be part of the Final Tender. The Method Statements of the preferred Bidder, who becomes the Service Provider, will form the Services delivery plan and therefore key terms of the Services Agreements.

3.3.4 Bidders must, through each of the Method Statements, show how their solutions will be delivered in order to meet the requirements in the terms of the Overarching Agreement, Services Agreement and the Specification. Please illustrate this with any relevant examples of similar solutions delivered for other internal audit clients.

**3.4 Submission Requirements regarding Economic Cost**

Bidder’s Own Financial Model

3.4.1 At least one week prior to the Commercials 1 dialogue session (in week 2 of the dialogue for each bidder), the Bidders shall submit their own financial model which will inform their population of the Bid Back Financial Table. The Council will review this and use if for discussion purposes within the dialogue meeting.

3.4.2 The financial model must be transparent in all respects. All output data should be traceable with relative ease and all data must be visible on the face of spreadsheets within the financial model. Whilst Bidders are free to design their own financial model which must feed into the Council’s bid back financial appendix, the Council requires the following basic structure:

* compatibility with Microsoft Excel;
* linked to the Bid Back Financial Table;
* set the data inputs, data outputs and workings areas out completely separately within the model
* set out the hard-coded data found only in the data input areas;
* ensure data output and workings areas are driven entirely by formulae;
* not incorporating password protection (unless the password is disclosed);
* not containing protected macros;
* expressing costs in pounds sterling (thousands) which must be capable of being presented in both real terms and nominal terms;
* include an assumptions input schedule;
* include clear input costs for the operational period;
* separate outputs (as per the Bid Back Financial Table) in respect of :

|  |
| --- |
| Bronze |
| Silver |
| Gold |
| Team Leader |
| More complex calls |
| Market research |
| Social media activity |
| Admin tasks |
| Management Costs |
| Mobilisation costs |
| Rostering |
| TUPE |

Figure 1

**3.5 Indexation**

3.5.1 Bidders shall price their solution on the basis of current prices and should not build in inflation into the Bid Back Financial Table.

3.5.2 Please refer to the Overarching Agreement for a full description as to how inflation will be paid to the Service Provider during the life of the Overarching Agreement and Services Agreement. The Council’s intention is to have a transparent and fair treatment of inflation to avoid the need for risk- based pricing.

# **4. Evaluation Criteria and Methodology**

**4.1** **Introduction**

4.1.1 The underlying principle of the evaluation methodology is to provide a structured and auditable approach to awarding the contract, selecting the Most Economically Advantageous Final Tender (“MEAT”) that meets the Council's requirements for the Services on the basis of the Method Statements and Bid Back Financial Table developed in dialogue (“the Evaluation Methodology”).

4.1.2 Bidders issued with this ITPD Part 1 and Part 2 will follow the process in Figure 1 below:

Qualified Bidders

Single Round of Dialogue (Final Solutions)

Evaluation

SQ process

OJEU

Contract

Completion

Dialogue Closed and call for Final Solutions

Contract Engrossment

Alcatel (Standstill period)

Preferred Bidder

Evaluation

Mobilisation of the new Service Provider

Service

Live with new provider

**Figure 1**

4.1.3 The Council reserves the right to amend the procurement as described in Figure 1 by including additional rounds if this is considered necessary.

4.1.4 **The Council has set affordability thresholds for elements below:-**

* + - 1. **The individual management cost for each Existing Participant will not exceed £1200 per month, only changing to reflect any inflationary increase**
      2. **The individual management cost for New Participants will not exceed £1200 per month, only changing to reflect any inflationary increase**
      3. **All of above is in the context that volume discounts will apply, and that the Council will expect value for money solutions from bidders**
      4. **Please refer to the Management and Summary Sheets of the Bid Back Financial Table**
    1. **Final Tender Submissions which exceed the above affordability thresholds will be judged as non- compliant. Such tenders will be rejected**.
    2. The Council reserves the right to amend the affordability thresholds before the close of dialogue, but will allow firms reasonable time to prepare and discuss such a change before the dialogue is closed.

4.1.7 Bidders must price for all elements of the Services. Those who do not price for all elements of the Services will be judged as non- compliant and their tender will be rejected.

4.1.8 The Final Tender Submissions will be evaluated using the Evaluation Methodology described below and Bidders will be ranked on the basis of the aggregated financial and quality scores for all elements of the Services. The Bidder who has the highest aggregate score will be identified as the preferred Bidder.

For the avoidance of doubt there will be one preferred Bidder and no separate shortlisting for each element of the Services.

**4.2 Evaluation Criteria and Weightings**

4.2.1 Primary evaluation criteria that are applicable to all stages of the procurement are provided in the table below.

|  |  |
| --- | --- |
| **Primary Criteria** | **Weightings** |
| 1. **Deliverability and Service Performance** | **40%** |
| 1. **Sustainability** | **5%** |
| 1. **Social Value** | **10%** |
| 1. **Derogations to the Overarching Agreement (including the Services Agreement)** | **5%** |
| 1. **Business and Financial** | **40%** |
| **TOTAL** | **100%** |

**Figure 3** (“the Evaluation Criteria”)

4.2.2 Sub criteria and weightings for the primary and secondary criteria that will be used for the evaluation of the Final Tender Submissions are provided below.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Primary Criteria** | **Secondary Criteria for ISDS** | **Weightings for ISDS** |
| 1 | Deliverability and Service Performance | **MS1: Management and Training of call handling staff** | **5%** |
|  |  | **MS2: Your Contract Management** | **5%** |
|  |  | **MS3: Equalities and Vulnerability** | **5%** |
|  |  | **MS4: Your compliance with the specification** | **5%** |
|  |  | **MS5: Dealing with complaints** | **5%** |
|  |  | **MS6: Innovation including IT aspects** | **5%** |
|  |  | **MS7: Mobilisation- both initial and for new joiners** | **5%** |
|  |  | **MS8: Business continuity** | **5%** |
| 2 | Sustainability | **MS9: Environmental Management** | **5%** |
| 3 | Social Value | Please specify how would add social value to the community from the delivery of this contract including providing apprenticeship and work experience opportunities in the separate social value bid back spreadsheet. This is attached as Appendix 15 to the ITPD Part 2.  Marks will be awarded on this formula:-  Bidder A's Social Value Bid Score =  Bidder A's SV Bid multiplied by 10 %  Highest SV Bid | **10%** |
| 4 | Derogations to the contract | Evaluated on the basis of acceptance of the Overarching Agreement (including the Services Agreement) terms and conditions with reasonable amendments for appropriate risk allocation. **Bidder’s responses are expected to be credible, realistic and sufficiently detailed.** The higher the risk that is placed on the Council the lower it will be scored based on an assessment of how much risk is transferred to the Council. The higher the risk that is taken by the bidder the higher it will be scored based on how much risk is transferred to the bidder. | **5%** |
| 5 | Business and Financial | **Bid Price**  **Bid Back Financial Table**  **Summary of Cost Sheet**  “**Your figure into evaluation mechanism” Summary Sheet Cell B26)** | **40%** |
|  | **TOTAL** |  | **100%** |

(“The Evaluation Criteria”) **Figure 4**

**4.3**  **Initial Assessment**

4.3.1 The Final Tender will first be reviewed to ensure that:

1. it has been submitted on time and meets the Council’s requirements/instructions which have been notified to Bidders and does not include any variations to the Overarching Agreement which have not been agreed;
2. that the Bid Back Financial Table and all the Method Statements in Figure 4 above have been submitted. Final Tender Submissions which do not have all the elements present may be judged as non-compliant;
3. **the Final Tender Submission satisfies the affordability Thresholds detailed in 4.15**
4. the Final Tender Submission is sufficiently complete to enable it to be reviewed in accordance with the Evaluation Methodology (the Council, may at its discretion, request additional information in relation to a solution where this requirement has been substantially met, such information is to then be considered as if it had been submitted as part of the Final Tender Submission); and
5. the Bidder has not contravened any of the terms and conditions of the competitive dialogue procedure.
6. The Council will make robust use of its powers under the Procurement Regulations 2015 to challenge solutions which it does not consider to be economically sustainable. Should a concern(s) be evident the Council will make contact with the Bidder with questions on specific matters identified.

4.3.2 All Final Tender Submissions that are compliant will then be evaluated as described herein.

4.3.3 In dialogue:

* Bidders will be asked to present their solution to the Project Team to illustrate and clarify the scope of the proposals.
* Bidders will be given specific feedback as to how closely their emerging proposals match the Council’s requirement
* The Council will require bidders to work to improve their solution throughout dialogue and for this reason bidders changing the basis of their solution after dialogue will place themselves in a situation of not knowing whether their changes do in fact meet the Council’s requirement
* Information submitted by the Bidders in response to requests by the Council during the dialogue meetings may be taken into account when evaluating the solution.
* The Council may also issue clarification information before the close of dialogue to assist the development of the Bidders’ solutions. Information submitted by the Bidders in response to clarification questions post Final Tender Submission may be taken into account when evaluating the solution of a particular bidder.

**4.4** **Further Information – Evaluation of Deliverability and Services Performance**

4.4.1 Method Statements will be evaluated using the evaluation scheme below and then an appropriate percentage score will be applied on a pro-rata basis depending on what percentage is available for that particular question.

Thus, if a Bidder scores 5 out of 10 for a method statement worth 5% its score for that method statement will be:-

5 multiplied by 5% = 2.5%

10

|  |  |
| --- | --- |
| SCALE SCORE (out of 10) | MEANING |
| 0 | Absent- no elements of the requirements are described |
| 1 | Very weak – very significant shortcomings |
| 2 | Weak – significant shortcomings |
| 3 | Poor – some shortcomings |
| 4 | Some slight shortcomings |
| 5 | Compliant-Meets expectations |
| 6 | Slightly exceeds expectations- some added value |
| 7 | Good –added value present |
| 8 | Very good- significant added value |
| 9 | Outstanding- high levels of added value |
| 10 | Exceptional- very high levels of added value |

**Figure 5**

**4.5** **Further Information – Evaluation of Business and Financial aspects (40%)**

4.5.1 The prices bid back for the Services will be automatically summed in the Bid Back Financial Table Summary Sheet **“**Total c/f into evaluation mechanism B21**.** The figure thus produced by this addition shall hereinafter be called “Bid”. Marks will be awarded to Bidders under this category using the following formula:

Your Financial Score= Lowest Bid Received multiplied by 40%

Your Bid

**4.6 Evaluation of derogations (bidder proposed changes) to the contract**

4.6.1 Bidders have the ability to send through any proposed changes that they wish to make to the Overarching Agreement terms and conditions before the commencement of dialogue by **at least one week before the commencement of dialogue** in **Appendix 10 to ITPD Part 1**. The Council will consider these and give feedback to Bidders on their acceptability at Dialogue Session 2. The Council is not bound to accept any changes to the Overarching Agreement terms and conditions. Bidders should bring any necessary legal representative to the session covering derogations.

4.6.2 Bidders may for example propose a derogation if it materially reduces their risk profile and enables them to Bid back better prices.

4.6.3 The Council will give feedback on proposed derogations in accordance with Figure 6.

4.6.4 **If a derogation is declared non- acceptable, this will mean that if is included in your tender, the Tender will be non-compliant and will be rejected .**

4.6.5 Derogations which transfer risk to the Council will score between 0 -4. **If a Bidder proposes no derogations to the Contract they will be awarded a score of 2.5% under this evaluation heading.**

4.6.6 When bidders put the Final Tender Submission together they must list their derogations in the form attached as Appendix 10 to ITPD Part 1

4.6.7 When bidders put their Final Tender together they must list their derogations in the form attached as Appendix 10 to ITPD Part 1

4.6.8 The Council will assess each derogation in a Bidder’s final Refined Solution Response as per Figure 6. The scores will be calculated in accordance with the formula:-

**Score for derogations = [Sum of individual derogation scores/ 10n] multiplied by 5%**

n = the number of derogations bid back.

| **Score** | **Meaning** |
| --- | --- |
| 10 | **Amendments giving rise to exceptional levels of added value for the Council:** proposed amendments are very or wholly advantageous to the Council and will bring exceptional benefits to the Council with persuasive reasoning/identification of benefits provided to support derogations backed up with market precedent; |
| 9 | **Amendments giving rise to very high levels of added value for the Council:** proposed amendments are very or wholly advantageous to the Council and will bring very significant benefits to the Council with persuasive reasoning/identification of benefits provided to support derogations backed up with market precedent |
| 8 | **Amendments giving rise to high levels of added value for the Council:** proposed amendments are very or wholly advantageous to the Council and will bring significant benefits to the Council with persuasive reasoning/identification of benefits provided to support derogations backed up with market |
| 7 | **Amendments giving rise to some added value for the Council:** proposed amendments are very or wholly advantageous to the Council and will bring some benefits to the Council with persuasive reasoning/identification of benefits provided to support derogations backed up with market |
| 6 | **Amendments giving rise to a small amount of added value for the Council:** proposed amendments are very or wholly advantageous to the Council and will bring a small amount of benefits to the Council with persuasive reasoning/identification of benefits provided to support derogations backed up with market |
| 5 | **No Amendments:** no amendments; |
| 4 | **Amendments of Some Significance:** amendments that do not meet the Council's required risk position as set out in the Contract in several areas and which would create disadvantage to the Council due to the number and/or seriousness of the derogations proposed; |
| 3 | **Amendments- Significant-:** amendments that do not meet the Council's required risk position as set out in the Contract in several areas and which would create significant disadvantage and are unacceptable to the Council due to the number and/or seriousness of the derogations proposed; |
| 2 | **Amendments Very Significant:** amendments that do not meet the Council's required risk allocation position as set out in the Contract and would create very significant disadvantage and are unacceptable to the Council due to the number and/or seriousness of the derogations proposed |
| 1 | **Amendments Highly Significant:** amendments that do not meet the Council's required risk position as set out in the Contract in several areas and would create highly significant disadvantage and are unacceptable to the Council due to the number and/or seriousness of the derogations proposed; |
| 0 | **Amendments Exceptionally Significant:** amendments that do not meet the Council's required risk allocation position as set out in the Contract and would create exceptionally significant disadvantage and are unacceptable to the Council due to the number and/or seriousness of the derogations proposed; |

**Figure 6**