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**ANNEX C – GUIDANCE TO TENDERER**

1. **INTRODUCTION**
   1. This Annex C contains detailed instructions on the preparation and content of the Tender Deliverables. In submitting a Tender, the Tenderer must follow the instructions in this Annex C.
   2. If the Tender does not conform to these instructions, it may be deemed Non-Compliant and paragraph 6 (Exclusion of Tender for Non-Compliance) of Annex D (Evaluation of Tender) will apply.

**PART 1 - GENERAL INSTRUCTIONS ON PREPARING TENDER DELIVERABLES**

1. **CONTENT OF TENDER DELIVERABLES** 
   1. The Tenderer should adhere to the following instructions to ensure that its Tender Deliverables are clear and easy to understand and evaluate. These instructions are also intended to make the Tender Deliverables easier to incorporate into the Contract should the Tenderer be successful.
   2. It is the responsibility of the Tenderer to ensure it has all the information it requires in order to prepare its best Tender.
   3. The Tenderer should use consistent terminology and avoid unnecessary use of capitalised terms. In particular the Tenderer should:
      1. use the Contract terminology, including the defined terms (do not abbreviate defined terms) set out in Schedule 1 (Definitions) and Schedule 4 (Payment, Performance and Incentivisation Mechanism) of the Contract 1 Terms & Conditions and the defined terms in paragraph 1.1 (Definitions) of this ITN;
      2. include a list of any additional new defined terms that will apply to any Tender Deliverable and use these consistently throughout; and
      3. not capitalise a term that is defined (whether in the draft Contract 1 Terms & Conditions or a proposed Tender Deliverable) if the Tenderer does not mean to use the term in the context addressed in the definition.
   4. The Tenderer should use clear drafting including by:
      1. using numbered paragraphs and numbered pages;
      2. using clear and plain English and if technical language is needed, explaining the meaning and making sure that the language is clear and easily understood;
      3. being clear as to what any obligations are and who must perform them. For example the Tenderer should avoid saying "the Tenderer will work with the Authority to achieve [A] …" because it leaves the reader unclear about who is taking responsibility for what. It would be clearer to state "The Tenderer shall do [A]. Before commencing work on [A] the Tenderer shall consult with the Authority about [B]".
   5. The Tender must comply with the following formatting requirements:
      1. font: Arial, black, size 11 and with single line spacing;
      2. the page limits set out in each RoR in Appendix 1 (Technical Requirements of Response Questions) of this Annex C.
      3. prices must be in £GBP excluding VAT;
      4. cross references should only be included within the Tender where necessary to clearly direct the Authority's evaluation team to the parts of the Tender that contain relevant supporting evidence. This will ensure that all supporting evidence is correctly recognised as relating to a specific requirement. Evidence which is not clearly cross-referenced, and therefore cannot be located by the evaluation team, will not be considered in the evaluation. Where a response to a RoR cross refers to another response to a different RoR in the Tender, the response in the cross-referenced RoR response will count towards the page limit in both sections; and
      5. The Tender must be submitted:
         1. using native (for example, Word or Excel) format or searchable PDF format. The Financial Model must be submitted in the spreadsheet provided in Excel format; and
         2. submitted using separate files for each response to the Evaluation Criteria, clearly referenced and labelled.
   6. The Tender response must contain a table of contents which details each RoR response, page count and includes all attachments, annexes and appendices that form part of it.
   7. The Tender must **not** contain:
      1. any electronic link to any other document within the Tender or to any material not included in the Tender;
      2. any videos or moving graphics unless specifically allowed in this ITN;
      3. any images that do not add value to the Tender submission;
      4. any general marketing or promotional information, details of past contracts, or performance in any Tender Deliverable, unless expressly permitted in a particular Tender Deliverable; and
      5. any International Transfer and Arms Regulations or export controlled information. The Tenderer must contact navyacq-dmsngsptmiltraining@mod.gov.uk to discuss any exchange of ITAR or export controlled information and must ensure that it has the relevant permissions to transfer information to the Authority.
2. **CLARIFICATION QUESTIONS**
   1. Any matter relating to the ITN about which the Tenderer requires clarification shall be raised in the form of a clarification question through the DSP. All clarification questions shall be submitted via the DSP no later than the time and date stated in paragraph 9 (Proposed Timetable) of the ITN. The Authority reserves the right not to respond to clarification questions submitted after this date.
   2. Where the Authority's response to a clarification question introduces any information that could significantly impact the Tender, the Authority may extend the Tender Return Date. In these circumstances the Authority will endeavour to ensure that the Tender Return Date is extended so that the Tenderer has at least ten (10) Business Days between the date on which the Authority makes the additional relevant information available and the Tender Return Date to take account of the additional information in its Tender.
3. **CONTACT WITH THE AUTHORITY**
   1. The Tenderer and each Consortium member and their respective advisers may contact the Authority and its personnel in connection with the Contract procurement. Although, the Tenderer must ensure that the Commercial Officer is included in any correspondence to the Authority or its personnel.
   2. If the DSP is not available for any reason and the Tenderer must communicate with the Authority during this time, the following email address should be used navyacq-dmsngsptmiltraining@mod.gov.uk. Emails should be addressed to the Authority's Commercial Officer for this Contract. This email address should not be used at any other time. The Authority reserves the right not to respond to messages sent to this email address other than when the DSP is not available.
   3. Any communication issued by the Authority to the Tenderer Representatives at any time during the Contract procurement shall be deemed as communication with the Tenderer themselves.
4. **CONSORTIA AND SUB-CONTRACTING ARRANGEMENTS**
   1. The Authority requires the Tenderer to identify whether any and/or which Consortium Arrangements or Sub-Contracting Arrangements will apply in the case of its Tender, and in particular specify the Consortium Arrangement or Sub-Contracting Arrangement entity or entities or both, and the proportion of the Service or related activity each entity will undertake. In the case of a Sub-Contracting Arrangement, the Authority requires the Tenderer to identify the entity which is the lead economic operator in the Sub-Contracting Arrangement which will be the party to the Contract with the Authority.
   2. If a Tenderer has stated its intention to Tender as a Consortium in this Contract procurement, the following information must be provided in its Tender:
      1. full details of the Consortium including identifying a lead party who will submit the Tender on behalf of all Consortium members;
      2. a structure diagram, identifying the composition, actual or proposed percentage shareholding and roles and responsibilities of all Consortium members, including:
         1. their respective parent or ultimate holding companies;
         2. the structure, which should ensure that all legal obligations and liabilities are borne by a party or parties who satisfy the economic and financial standing requirements detailed in the DPQQ; and
         3. the legal relationship between the Consortium members;
      3. full details of the form and structure of the Consortium's proposed contracting entity;
      4. a statement of confirmation from all Consortium members that the lead party has the authority to act on their behalf;
      5. evidence that all Consortium members have entered into a legally-binding arrangement which authorises submission of the Tender and which commits each Consortium member to participate with the proposed contracting entity, should the Tender be successful. Such evidence may comprise a copy of the joint venture agreement or binding heads of terms between the Consortium members; and
      6. financial information for each Consortium member to the extent not provided as part of, or materially different from, that provided as part of the DPQQ.
5. **SUBMITTING A TENDER** 
   1. Each document uploaded or submitted to the DSP as part of the Tender must use the following file naming convention:

"[Date][Contract number] DMS-NG [Contract name] [Company X] [volume reference] [Document name]"

For example:

*20220930\_Contract 1 DMS-NG\_* *In-Port\_Marine\_Services\_and\_Delivery\_of\_a\_Vessel\_Replacement\_Programme [Company X] V5\_[Technical\_Response RoR X] p1-main text.pdf*

* 1. For instructions on using the DSP to submit a Tender, see Annex B (Defence Sourcing Portal Guidance).
  2. The Tenderer must upload each Tender Deliverable document to either the Commercial Envelope or the Technical Envelope of the DSP as identified in Table C.1 (Tender Deliverable Checklist) in Part 2 (Completing the Tender) of this Annex C.
  3. Before submitting electronic files to the DSP, the Tenderer must check for viruses with up-to-date virus-checking software.
  4. The maximum individual file size is five hundred megabytes (500MB) and the maximum total Contract file size of ten gigabytes (10GB). The maximum total Contract file size may be extended on an exceptional basis and the Tenderer should raise a clarification question through the DSP seeking an extension if it is required. Larger files may take significant time to open over poorer connections and cause delays in evaluation. To facilitate the file size limit, images should be compressed to a quality suitable for printing on A4 or A3 paper and viewing on a screen.
  5. The Tenderer must ensure that Annex A (Tender Submission Document (Offer)) is signed, scanned and uploaded to the DSP together with its Tender as a PDF (it must be a scanned original). The remainder of the Tender must be compatible with Microsoft Word and other Microsoft Office applications.

1. **SUBMISSION REQUIREMENTS**
   1. The Tenderer must submit its Tender electronically via the DSP by midday on the Tender Return Date, as set out in paragraph 9 (Proposed Timetable) of the ITN. Hard copy, paper or a delivered digital Tender (e.g. email, DVD) is no longer required and will not be accepted by the Authority.
   2. The Tenderer must submit the completed Tender Deliverable Checklist (see paragraph 10 and following below) as part of its Tender response at both Initial Tender Phase and Final Tender Phase. The purpose of this document is to help ensure that the Tender response is complete and compliant.
   3. Following receipt of the Initial Tender the Authority may, in its absolute discretion, allow the Tenderer to rectify any irregularities identified or request clarification after the Tender Return Date. For example, this may include, but is not limited to, a Tender which is incomplete, ambiguous or contains errors or includes pricing information in the Technical Envelope, or includes a submitted document which is corrupt or blank.
   4. In the circumstances described in paragraph 7.3, the Tenderer will be provided with instructions via the DSP about how it can correct such irregularities. All corrections must be completed by the deadline set. The Authority will check the amended Tender against the Tender originally submitted to ensure that no amendments have been made except those relating to the specific irregularity/clarification communicated to the Tenderer by the Authority.
   5. There will be no opportunity to rectify the Final Tender once submitted save where in response to a clarification question, subject always to the Authority's absolute discretion.

**PART 2 - COMPLETING THE TENDER RESPONSE**

1. **TENDER DELIVERABLE CHECKLIST**
   1. The Tender Deliverable Checklist (see Table C.1 below) sets out each Tender Deliverable that the Tenderer must provide as part of its Tender response. The Tenderer must submit a completed Tender Deliverable Checklist to certify that all of the Tender Deliverables have been provided, and that each submitted Tender Deliverable is complete and compliant.
   2. To the extent that any Tender Deliverable is subsequently identified as Non-Compliant, the Tenderer may be required to submit/resubmit a revised Tender Deliverable Checklist and/or the relevant Tender Deliverable, subject always to the sole and absolute discretion of the Authority.
   3. Certain Tender Deliverables (as identified in the Tender Deliverable Checklist) will, following review, clarification and negotiation, form part of the Contract. For its Final Tender submission, the Tenderer must therefore ensure that Tender Deliverables identified for inclusion in the Contract are as "contract ready" as possible, which includes making sure that there are no inconsistencies between the Tender Deliverables and the Contract 1 Terms & Conditions.

**Table C.1 Tender Deliverable Checklist**

| **Tender Deliverable** | **Description** | **Part of the Contract?** | **Has the Tenderer provided this?**  **(Circle Yes or No)** | **DSP Upload Location**  **(Commercial or Technical Envelope)** |
| --- | --- | --- | --- | --- |
| **Pass/Fail Tender Compliance** | | | | |
| Tender Deliverable Checklist | General compliance checklist ensuring all mandatory deliverables are provided by the Tenderer | No | Yes / No | Commercial |
| **Pass/Fail Commercial (Contract and Insurance)** | | | | |
| Acceptance of the Contract (Final Tender only) | Contract 1 Terms & Conditions | No | Yes / No | Commercial |
| Table of Derogations (Initial Tender only) | Table C.2 –  (a) Acceptance of the Contract terms without amendment (Part A); or  (b) Acceptance with Derogations and a summary of amended provisions and explanation of amendments (Part B); and  (c) completion of Tenderer Inputs (Part C) | Yes, where proposed Derogations are agreed. | Yes / No | Commercial |
| Insurance Requirements | Completion of Table C.3 (Insurance Requirements) of this Annex C | Clause 48 (Insurance) and Schedule 7 (Insurance) | Yes / No | Commercial |
| **Pass/Fail Technical** | | | | |
| Compliance to Statement of Requirement Declaration Statement | General statement of compliance against the Statement of Requirement to be provided by the Tenderer |  | Yes / No |  |
| **Pass/Fail Financial Requirements of Response** | | | | |
| Financial Model | Template Excel spreadsheet for financial response | As a referenced Document | Yes / No | Commercial |
| Record Of Assumption & Data Book (ROADB) | Template document | Schedule 31 (Transparency and Financial Models) | Yes / No | Commercial |
| Contract Pricing Statement | Tenderers are required to produce a Contract Pricing Statement which meets the requirements of DEFCON 813 Edition 12/14 |  | Yes / No | Commercial |
| Contract Reporting Plan | Tenderers are required to produce a Contract Reporting Plan which meets the requirements of DEFCON 813 Edition 12/14 |  | Yes / No | Commercial |
| Contract Notification Report | Tenderers are required to produce a Contract Reporting Plan which meets the requirements of DEFCON 813 Edition 12/14 |  | Yes / No | Commercial |
| Payment, Performance and Incentivisation Mechanism (PPIM) | Template document | Schedule 4 (Payment, Performance and Incentivisation Mechanism) | Yes / No | Commercial |
| **Scored Technical Requirements of Response** | | | | |
| RoR ID C1\_GMP  Service Delivery Plan - Governance Management Plan | Submission form for the response to relevant RoR | Schedule 3 (Service Delivery Plan) | Yes / No | Technical |
| RoR ID C1\_SIMP  Service Delivery Plan - Security and Information Management Plan | Submission form for the response to relevant RoR | Schedule 3 (Service Delivery Plan) | Yes / No | Technical |
| RoR ID C1\_ODP  Service Delivery Plan - Operation Delivery Plan including Operational Model | Submission form for the response to relevant RoR | Schedule 3 (Service Delivery Plan) | Yes / No | Technical |
| RoR ID C1\_VAMP Service Delivery Plan - Vessel and Asset Management Plan | Submission form for the response to relevant RoR | Schedule 3 (Service Delivery Plan) | Yes / No | Technical |
| RoR ID C1\_ VRP  Service Delivery Plan - Vessel Replacement Programme / Vessel Acceptance and Integration Plan | Submission form for the response to relevant RoR | Schedule 3 (Service Delivery Plan) | Yes / No | Technical |
| RoR ID C1\_HRMP Service Delivery Plan - Human Resources Management Plan | Submission form for the response to relevant RoR | Schedule 3 (Service Delivery Plan) | Yes / No | Technical |
| RoR ID C1\_QMCIP  Service Delivery Plan - Quality Management and Continuous Improvement Plan | Submission form for the response to relevant RoR | Schedule 3 (Service Delivery Plan) | Yes / No | Technical |
| RoR ID C1\_HSEP  Service Delivery Plan - HSEP Management Plan | Submission form for the response to relevant RoR | Schedule 3 (Service Delivery Plan) | Yes / No | Technical |
| RoR ID C1\_SCP Service Delivery Plan - Service Continuity Plan | Submission form for the response to relevant RoR | Schedule 3 (Service Delivery Plan) | Yes / No | Technical |
| RoR ID C1\_EMP  Service Delivery Plan - Exit Management Plan | Submission form for the response to relevant RoR | Schedule 21 (Exit Management) | Yes / No | Technical |
| RoR ID C1\_TP Service Delivery Plan - Transition Plan | Submission form for the response to relevant RoR | Schedule 5 (Transition) | Yes / No | Technical |
| RoR ID C1\_SVP\_2.3  Social Value Plan - MAC Education and Training | Submission form for the response to relevant RoR | Schedule 3 (Service Delivery Plan) | Yes / No | Technical |
| RoR ID C1\_SVP\_4.1  Social Value Plan - MAC Additional Environmental Benefits | Submission form for the response to relevant RoR | Schedule 3 (Service Delivery Plan) | Yes / No | Technical |
| RoR ID C1\_ACR  Financial Requirement of Response – Authority Charter Rates | Submission of Requirement of Response | For insertion in Schedule 4 (Payment, Performance and Incentivisation Mechanism) | Yes / No | Technical |
| RoR ID C1\_FMI  Financial Requirement of Response -Financial Management Information | Submission of Requirement of Response | For insertion in Schedule 6 (Governance, Management Information, Reports, Records and Audit) | Yes / No | Technical |
| **Other** | | | | |
| DEFFORM 539A | Tenderer's Commercially Sensitive Information | Schedule 14 (Commercially Sensitive Information) | Yes / No | Commercial |
| DEFFORM 94 | Confidentiality Agreement required for some or all of the ITN Documentation and ITN Materials | No | Yes / No | Commercial |
| Tender Submission Document (Offer) (Annex A) | Tenderer's general compliance statement and confirmation of Tender offer | No | Yes / No | Commercial |
| Form 1686 | Link to Website  (for Sub-Contracts) | No | Yes / No | Commercial |
| DEFFORM 528 | Required where Tender Deliverables are subject to foreign export control and security restrictions | No | Yes / No | Commercial |
| DEFFORM 711 | Notification of Intellectual Property Rights (IPR) Restrictions | No | Yes / No | Commercial |
| DEFFORM 68 | Hazardous Materials statement | No | Yes / No | Commercial |
| Draft Security Aspects Letter  (Annex E) | Certificate of compliance with security classification of Tender | Annexed to the Contract | Yes / No | Commercial |

1. **CONTRACTUAL DEROGATIONS**
   1. The Contract 1 Terms & Conditions are contained in Volume 2 to this ITN and are accessible in the DSP in the Commercial Envelope.
   2. The Tenderer may only offer Derogations from the draft Contract at Initial Tender Phase. The Negotiation Phase is an opportunity to discuss and agree any proposed Derogations. At Final Tender Phase, the Tenderer must accept the Final Contract issued as part of the ISFT.
   3. At Initial Tender stage, the Table of Derogations (see Table C.2 below) must be completed to set out what Category 2 elements of the Contract 1 Terms & Conditions are accepted by the Tenderer; which Derogations are proposed by the Tenderer; and the file names of the Tenderer Inputs, which are those Clauses and Schedules of the Contract in Category 3 for which the Tenderer is providing drafting. Further guidance is set out in paragraphs 9.4 to 9.17 below.

**Table C.2 Table of Derogations**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **PART A** | | | | | |
| The draft Contract is accepted **WITHOUT** Derogations | | | | | |
| **PART B** | | | | | |
| The draft Contract is accepted **WITH** the following Derogations  The Contract mark-up is provided as PDF [file\_name] | | | | | |
| **Clause/Schedule Ref. (Category 2 only)** | **Summary of Derogation** | | **Reason for Derogation** | **Impact of Derogation** | |
| [*state Clause [n] or Schedule [n] paragraph [n], including references to all consequential changes to drafting*] | [*Summarise the Derogation, including descriptions of all consequential changes to drafting*] | | [*State the reason for the Derogation, and if deemed commercially sensitive to the Tender, state the reason for such commercially-sensitive status*] | [*State the impact of the Derogation on the Financial Model, presenting a value for money case and as applicable detailing the impacts on the Authority's risk profile*] | |
|  |  | |  |  | |
|  |  | |  |  | |
|  |  | |  |  | |
|  |  | |  |  | |
| **PART C** | | | | | |
| Tenderer Inputs are provided for each of the Contract terms below. | | | | | |
| **Contract Element** | | **PDF document name** | | |  |
| Clause 49 (Indemnities) | |  | | |  |
| Clause 506 (Limitations on Liability) | |  | | |  |
| Schedule 4 (Payment, Performance and Incentivisation Mechanism) | |  | | |  |
| Schedule 12 (Assets) | |  | | |  |
| Schedule 14 (Commercially Sensitive Information) (DEFFORM 539A) | |  | | |  |
| Schedule 15 (Warranted Data) | |  | | |  |
| Schedule 16 (Project and Ancillary Documents) | |  | | |  |
| Schedule 17 (Intellectual Property Rights) | |  | | |  |
| Schedule 23 – (Key Sub-Contractors) | |  | | |  |
| Schedule 25 – (Financial Distress) | |  | | |  |
| Schedule 27 – (Authority Dependencies) | |  | | |  |
| Schedule 28 – (Key Personnel) | |  | | |  |

**Initial Tender Phase**

* 1. As part of the Initial Tender, the Tenderer is required to either confirm its acceptance of the Contract 1 Terms & Conditions provided with this ITN or to provide a mark-up of the draft Contract together with a summary and an explanation of the proposed Derogations in the Table of Derogations. Additionally, the Tenderer must supply Tenderer Inputs for those elements of the Contract listed in Part C of Table C.2 above (Category 3 Clauses and Schedules as set out in Appendix 2 (Contract Provision Categories) to this Annex C) that reflect its specific circumstances e.g. Contractor's Commercially Sensitive Information for incorporation in Schedule 14 (Commercially Sensitive Information) of the Contract 1 Terms & Conditions.
  2. To accept the terms and conditions of the Contract without Derogations, the Tenderer must complete Parts A and C of the Table of Derogations.
  3. To accept the terms and conditions of the Contract subject to Derogations, the Tenderer must complete Parts B and C of the Table of Derogations.
  4. The Tenderer may only propose Derogations in respect of the Clauses and Schedules designated as Category 2 and listed in Appendix 2 (Contract Provision Categories) of this Annex C.
  5. Proposed Derogations should achieve demonstrable improvements in terms of value for money and/or a reduction in the Authority's risk profile in relation to the delivery of the SoR in accordance with the Contract 1 Terms & Conditions. The Tenderer is required to provide evidence to support such value for money and/or risk profile improvements during the Negotiation Phase. Unless a proposed Derogation is stated to be commercially sensitive, together with a reason for such commercially sensitive status, the Derogation drafting (to the extent that it provides a demonstrable improvement in terms of value for money and/or reduction in the Authority's risk profile) may be incorporated by the Authority into the Final Contract which will be issued in the same form to the Tenderer as part of the ISFT.
  6. If the Tenderer submits any changes to the Contract 1 Terms & Conditions which are not permitted contract mark-ups (i.e. NOT Derogation drafting and any consequential changes to the issued Contract drafting in respect of Category 2 Clauses and Schedules as listed in Appendix 2 (Contract Provision Categories) to this Annex C), the Tender response may be treated as Non-Compliant.
  7. The Contract mark-up should be done in redline, without comments, and saved in both Word and PDF format. The file name format must follow the format set out in paragraph 6.1 (Submitting a Tender) above and the file be submitted via the DSP in the Commercial Envelope.
  8. When completing Part B of the Table of Derogations, the Tenderer must:
     1. enter the name of the file containing the Contract mark-up; and
     2. for each Derogation:
     3. summarise the Derogation, including any consequential changes to drafting in non-Category 2 Clauses or Schedules;
     4. state the reason for the Derogation;
     5. state the impact of the Derogation on other aspects of the Tender, including details of any changes to its financial proposal (whether the Financial Model and/or a response to one or more Financial RoRs) submitted as part of its Tender which would apply should the Authority accept the proposed Derogations;
     6. state any reason why the proposed Derogation is confidential to the Tenderer.
  9. Note: the pricing in the Financial Model submitted as part of the Initial Tender must be based on the Contract 1 Terms & Conditions issued by the Authority with this ITN as part of the Initial Tender Phase without any Derogations.
  10. Notwithstanding the prohibition of non-permitted drafting, the Tenderer may draw the Authority's attention to any genuine errors and omissions in any part of the Contract 1 Terms & Conditions, and the Authority may at its sole and absolute discretion correct any such errors and omissions at any time prior to the date of award of the Contract.
  11. When completing Part C of the Table of Derogations, the Tenderer must complete the relevant template document for each element of the Tenderer Inputs as listed in Part C. The template documents are located in the Technical Envelope in the DSP.
  12. The Tenderer must follow the format in each template document and only offer drafting in accordance with the instructions in parentheses (e.g. [*please enter the name of each Key Sub-contractor, starting a new row for each Key Sub-contractor*]). Any drafting that does not follow the template format and instructions may be deemed Non-Compliant.
  13. Once completed, the template document must be saved in both Word and PDF format and named in accordance with the file naming convention detailed in paragraph 6.1 (Submitting a Tender) above.
  14. The completed documents must be uploaded as part of the Tender.

**Negotiation Phase**

* 1. Prior to commencement of the Negotiation Phase, the Authority will issue the Tenderer with a new version of the Contract 1 Terms & Conditions so that the same draft Contract and Schedules will form the basis of commercial negotiations for the Tenderer.
  2. The Authority will consider proposed Derogations, permitted Contract mark-ups and Tenderer Inputs, and may discuss them with the Tenderer during the Negotiation Phase, considering any evidence of value for money improvements and/or reductions in the Authority's risk profile. The Authority will, at its sole and absolute discretion, decide which, if any, proposed Derogations and mark-ups will be incorporated in the Contract 1 Terms & Conditions following the close of the Negotiation Phase.

**Final Tender Phase**

* 1. Following the Negotiation Phase, the Authority will develop and issue the final version of the Contract 1 Terms & Conditions (the "**Final Contract**") as part of the Invitation to Submit a Final Tender. The Tenderer must accept the Final Contract as issued with the ISFT when submitting its Final Tender.

1. **COMPLETING THE PASS/FAIL INSURANCE REQUIREMENT**
   1. The requirements for the insurances that must be in place for the purposes of the Contract are set out in Clause 53 (Insurance) and Schedule 7 (Insurance) of the Contract 1 Terms & Conditions.
   2. The Tenderer must complete and submit Table C.3 (Insurance Requirements) below to indicate what insurances it proposes to put in place.

**Table C.3 – Insurance Requirements**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **RESPONSE GUIDANCE: The** Tenderer must evidence how it will meet the minimum insurance requirements by fully completing this Table:   | **Class of insurance** | **Insurer(s) (including any excess layer insurers)** | **Maximum Deductible Threshold (£)** | **Complies with** **Clause 48 (Insurance) Y / N?** | **Complies with cover requirements in** **Schedule 7 (Insurance) Y / N?** | | --- | --- | --- | --- | --- | | Non-Marine Property Damage "All Risks" Insurance |  |  |  |  | | Non-Marine Third-Party Public and Products Liability Insurance |  |  |  |  | | Hull & Machinery Insurance |  |  |  |  | | Protection and Indemnity Insurance |  |  |  |  | | Marine Property Damage "All Risks" Insurance |  |  |  |  | | Marine Third Party Liability Insurance |  |  |  |  | | Insurances required by law in the UK (Employers' Liability Insurance and Third Party Motor Liability Insurance) |  | N/A |  |  | |

* 1. The Tenderer must provide for each required type of insurance cover:
     1. the identity of its proposed insurer(s), including any excess layer insurers, each of whom must be a Reputable Insurer; and
     2. the maximum deductible threshold.
  2. The proposed insurances must align with the requirements set out in Clause 53 and Schedule 7 of the Contract 1 Terms & Conditions. The Tenderer must explain any responses where these do not fully meet the requirements, specifying areas of variance, alternative proposals or points of clarification in Table C.3 and by way of a mark-up to Clause 48 and Schedule 7 of the Contract, as Derogations, where applicable.
  3. Any Derogations from the insurance requirements will be discussed with the Tenderer during the Negotiation Phase.

1. **COMPLETING THE PASS/FAIL COMPLIANCE TO STATEMENT OF REQUIREMENT DECLARATION STATEMENT** 
   1. The Tenderer must complete and submit a "Compliance to Statement of Requirement Declaration Statement" listed in Table C.1 (Tender Deliverable Checklist) above to confirm that its Tender meets the relevant requirements of the SoR.
   2. The Tenderer must indicate whether or not its Tender meets the stated SoRs fully, and if not, for each instance of Non-Compliance, must also set out in the Compliance to Statement of Requirement Declaration Statement:
      1. the reason for Non-Compliance and how its Tender addresses and mitigates the divergence from the required element of the SoR;
      2. a cross-reference to the Tender Deliverable (which may be a response to an RoR, or may be an element of the Financial Model) which sets out its justification and mitigation of the divergence from the required element of the SoR as stated.
   3. Failure to complete the Compliance to Statement of Requirement Declaration Statement fully may result in the submitted Tender being deemed Non-Compliant.
2. **COMPLETING THE PASS/FAIL FINANCIAL REQUIREMENTS OF RESPONSE**
   1. The Tenderer must complete and submit six (6) Pass/Fail Financial RoRs to confirm that each of the following elements of its financial submission are complete and compliant:
      1. the Financial Model;
      2. the Record Of Assumptions & Data Book ('ROADB');
      3. Contract Pricing Statement;
      4. Contract Reporting Plan;
      5. Contract Notification Plan; and
      6. the Payment, Performance and Incentivisation Mechanism ("**PPIM**").
   2. Failure to complete the Pass/Fail Financial RoRs in accordance with the instructions in the relevant RoR, the Financial Model and/or this Annex C may result in the submitted Tender being deemed Non-Compliant.
   3. The ROADB informs the Financial Model. Completion of the RoRs for these two elements together with instructions for completing the Financial Model are described in paragraphs 12.4 to 12.68 below. The instructions for completing the RoR for the PPIM is set out in paragraph 12.73 below.

**Financial Model RoR and ROADB RoR**

* 1. Completion of the Financial Model is required to articulate proposed costs and charges for delivery of the Services and the aggregate inputted cost and charges (and where necessary perform limited fixed calculations) to generate the total value of the Tender. The total value of the Tender, and an analysis of its components, will form part of the financial assessment of Tender submissions.
  2. The completed Financial Model should provide a complete view of costs incurred by the Tenderer as well as its Sub-Contractors and the Authority (e.g. fuel) in respect of delivering the Services. All pricing and financial information submitted in the Tender must meet the requirements of Sections C and D in the ITN.
  3. Through the structure of the Financial Model and/or the ROADB, the Tenderer must be able to demonstrate, with clear cross references, the relationships between its Financial Model costs and its proposed Service Delivery Plan and the responses to the Technical RoRs.
  4. The Tenderer is not permitted to change the format, calculations, structure, or any other existing part of the Financial Model. Supplementary models can be submitted as part of the ROADB.
  5. Detailed instructions and guidance to the Tenderer is provided in the Financial Model and paragraphs 12.9 to 12.68 below. Further clarification will be provided as necessary during the Negotiation Phase.

**Table C.4 RoR for the Financial Model**

| **Question Reference Number: FIN01** | | **FINANCIAL** |
| --- | --- | --- |
| **Requirement of Response Description and Structure** | **Financial Model**  The Tenderer is required to:   * + submit a fully compliant Financial Model which set out the total Allowable Cost and Contract Profit Rate determined in accordance with The Single Source Contract Regulations 2014 to the Authority for delivering the Services as set out in the Statement of Requirement; * in accordance with:   + the instructions set out in the Financial Model and the instructions in paragraphs 12.24 – 12.68 of this Annex C. | |

**Table C.5 RoR for the Record Of Assumptions & Data Book ('ROADB')**

|  |  |  |
| --- | --- | --- |
| **Question Reference Number: FIN02** | | **FINANCIAL** |
| **Requirement of Response Description and Structure** | **Record Of Assumptions & Data Book ('ROADB')**  The Tenderer is required to produce a compliant ROADB to accompany the Financial Model which explains in detail the approach to costing and provides a granular level of detail and transparency in respect of costings and the Contract Profit Rate to a level of cost disaggregation as per the Financial Model and the instructions in paragraphs 12.24 – 12.68 of this Annex C.  The level of detail and transparency, including in relation to the calculation of the Contract Profit Rate, must meet the requirements of the SSCR as described in Sections C (*Instructions on Preparing Tender*) and D (*Details of Cost Breakdown and Mandatory Criteria*) of the ITN.  A compliant ROADB must:   * contain all financial and operational assumptions made by the Tenderer in arriving at the inputs / outputs in its Financial Model; * reconcile to the Financial Model; and * where appropriate, set out any risk associated with these assumptions and cross reference to where it is captured in the Financial Model (noting the Financial Model requires the separate identification of risk against costs).   The ROADB must include, but is not limited, to the following elements:   * a tabulated response that lists all the inputs and assumptions:   + input / assumption;   + template section reference;   + source of assumption;   + basis of estimation (how derived etc.) and any risk or contingency amount included within it;   + basis of validation of the assumption that it is both cost efficient and operationally and financially sustainably deliverable at the proposed price; and   + cross reference (where applicable) to the technical solution; * an explanation of the basis of estimation.   Supplementary models may form part of the ROADB submission. A supplementary model should be used only where it would benefit articulation of the Tenderer's assumptions to the Authority. Any supplementary model used as part of the ROADB must be fit for purpose, fully documented, consistent with the overall principle of transparency, and remain subject to the terms of the Authority's requirements in respect of supplementary models to the Financial Model. | |

**Pricing assumptions and mechanism**

* 1. For the purposes of developing the pricing assumptions used in its Tender response, the Tenderer should:
     1. assume a price base reference date (Base Date) for inflation and indexation of 1 April 2025;
     2. clearly set out any foreign exchange rate assumptions used, by year, in order to derive the GBP Charges payable by the Authority in accordance with Schedule 4 (Payment, Performance and Incentivisation Mechanism);
     3. clearly set out fuel cost per litre (by year);
     4. clearly set out indexation assumptions used (by year), included assumptions with respect to the Other Transport Equipment for Domestic Market producer price inflation (PPI) time series as published by ONS, (G72N) used to index the Vessel Replacement Milestone Payments in accordance with Schedule 4 (Payment, Performance and Incentivisation Mechanism);
     5. clearly set out indexation assumptions used (by year), included assumptions with respect to the top level services producer price inflation (SPPI) time series as published by ONS, Sections H to U excl. Section K (HQTI) used to index the Charges in accordance with Schedule 4 (Payment, Performance and Incentivisation Mechanism); and
     6. clearly set out how it has calculated the Contract Profit Rate in accordance with The Single Source Contract Regulations 2014.

These assumptions should be clearly identified in the Financial Model and ROADB.

* 1. The Tenderer should price on the basis of the quantity of tasking set out in the SoR and the Tenderer's solution should be capable of delivering the maximum tasking quantities described in the SOR without any adjustment to price or the application of the Change Control Procedure.
  2. The Financial Model and ROADB should clearly set out the costs and assumptions with regards to TUPE and any planned redundancy costs.
  3. The Financial Model should provide the Authority with full transparency over all those costs incurred in the delivery of the Services. This transparency extends to and includes all Key Sub-Contractors.
  4. The Contract asks for a Firm Price for year one (1) and a Fixed Price from year two (2) onwards.

**Populating the Financial Model**

* 1. The Financial Model can be accessed in the Commercial Envelope in the DSP. The Tenderer must populate the Financial Model so that the level of detail entered is sufficient to show a clear link between its proposed Service Delivery Plan (i.e. all the sub-plans), proposed resources, and the costs and prices quoted in its submission.
  2. The Financial Model is the only place where the Tenderer may include pricing information that it intends to be included in the Contract if its Tender is successful.
  3. The Authority will disregard pricing information included elsewhere within a Tender. If the submitted Financial Model does not include all the pricing information requested within it, the relevant Tender may be treated as an abnormally low tender.
  4. The Tenderer must complete all lines in the Financial Model and do so in accordance with the instructions in the Financial Model.
  5. The inputs into the Financial Model will need to reconcile directly to the outputs of the Tenderer's individual Operational Model; this will enable the Authority to clearly identify all the underlying drivers and other details of the Tenderer's proposed Service Delivery Plans.
  6. Inputs and calculations in the Tender must be based on monthly periodicity.
  7. The Tenderer's prices comprise a mix of Fixed and Firm components. The derivation of these variously requires the application of inflation (Tenderer specified, as applied to Tenderer costs) and indexation (Tenderer specified, as applied in accordance with the PPIM, to Tenderer prices).
  8. Not used.
  9. Regardless of the Contract pricing mechanism, the Tenderer is required to explain the derivation of its cost base. This is needed both to:
     1. enable the Authority to satisfy itself that the Tenderer has fully accounted for the resources and associated costs needed to deliver the Contract; and
     2. to provide a cost and resource baseline to support change requests during the operation of the Contract.
  10. Not used.

**Cost inputs and calculations in detail**

* 1. To complete the Financial Model the Tenderer must populate:
     1. the cells coloured yellow in the SDA input sheet;
     2. the yellow input cells for inflation assumptions; and
     3. the Contract Profit Rate % rates in the Admin sheet of the Financial Model based on the most recent Contract Profit Rate calculated in accordance with The Single Source Contract Regulations 2014.
  2. The pre-populated input cells coloured grey in the SDA input sheets and in the Admin sheet should not be changed by the Tenderer.
  3. For each cost category, the Tenderer should specify the annual inflation rate that it will apply to the cost category to derive its forecast nominal costs over the life of the Contract – this may be submitted as a single annual rate applying to all forecast periods or specified annually.

***Cost structure***

* 1. The input sheets in the Financial Model include all cost categories relevant to the Contract.
  2. All cost inputs must be in real terms as at the Base Date. The calculated overall monthly real costs for each cost category will then be adjusted for inflation as specified by the Tenderer. This is to enable the Tenderer and Authority to have a clear view of the Service delivery costs in real and nominal terms for the duration of the Contract.
  3. The Tenderer will be able to choose different inflation rates for different cost categories. The template enables the Tenderer to use up to six different inflation rates, as well as a 'not inflated' option.
  4. The Tenderer must state the risks applied to each category of costs.

***Labour inputs***

* 1. The Tenderer must set out the resources it intends to allocate to the Contract, whether prime (Tenderer) resources or sourced through its material Sub-Contractors, or through agencies. For the purposes of the Tender response, all resources will be captured in one part of the template, covering all cost areas. Each cost type may then also have non-resource costs, which are captured separately.

***Labour effort***

* 1. Inputs for labour effort must show the split between the Tenderer's own labour resources, agency labour, or those of Sub-Contractors, paid for on a day rate basis by the Tenderer for a daily, weekly or monthly periods, as follows:
     1. The Tenderer's own labour resources or those of material Sub-Contractors, expressed as Full-Time Equivalents (FTE):
        + 1. afloat staffing;
          2. maintenance, defects & docking staff;
          3. vessel replacement management;
          4. ashore staffing direct;
          5. ashore staffing indirect; and
          6. head office staffing;
     2. Agency Labour, expressed as days (agency labour excludes people hired under a crewed charter):
        + 1. afloat staffing;
          2. maintenance, defects & docking staff;
          3. vessel replacement management;
          4. ashore staffing direct;
          5. ashore staffing indirect; and
          6. head office staffing.

***Labour rates***

* 1. Labour cost rates must be listed for each of the labour categories shown above and specified as at the Base Date, as follows:
     1. the monthly capitation rate for each grade for each category of labour specified by the Tenderer, tagged to as either a prime or material subcontractor resource;
     2. own labour: the monthly capitation rate for each FTE by grade (monthly cost in GBP); and
     3. agency: the daily agency rates per grade (daily rates in GBP).
  2. Labour rate inputs should include:
     1. own labour:
        + 1. salary and direct costs of employment (NI, pension, benefits etc.); and
          2. direct and indirect overheads, other than where such overheads have been separately captured under other staff listed by the Tenderer (i.e. to avoid double counting of cost).
     2. agency labour:
        + 1. Sub-Contractor / agency profit margin, where the labour is bought-in on an arms-length basis and the Tenderer has no control over the margin.
  3. Labour rates should exclude Tenderer profit margin, which includes profit margin applied by parties linked to the Tenderer (subsidiaries and associated companies), to avoid 'profit on profit'.

***Labour risk inputs***

* 1. Labour cost risk must be shown as an amount in money terms, as at the Base Date, for each monthly period.

***Vessels (assets) inputs and calculations***

* 1. The Tenderer must disclose its fleet operating solution, the summary of which will be inputted into the Financial Model to show the derivation of the fleet costs. The fleet operating solution and accordingly the Financial Model must cater for:
     1. the Tenderer buys new and/or replaces existing vessels; and/or
     2. the Tenderer deploying capacity from its existing fleet and recharging the Authority accordingly, e.g. based on proportional usage or by way of a pseudo lease; and/or
     3. the Tenderer chartering Vessels from Third Parties.

***Chartering inputs***

* 1. The operational costs of any other Vessels provided by the Tenderer (over and above the fleet that is owned by the Authority) will be recovered by the Tenderer through chartering charges.
  2. Chartering inputs will include chartering days and chartering rates, with the following input structure:
     1. chartering days:
        + 1. Tasking Days – bareboat - Vessels provided under Third Party charter external to the Contractor or where applicable the Consortium;
          2. Tasking Days – crewed – Vessels provided under Third Party charter external to the Contractor or where applicable the Consortium;
          3. Backfill Days – bareboat - Vessels provided under Third Party charter external to the Contractor or where applicable the Consortium;
          4. Backfill Days – crewed – Vessels provided under Third Party charter external to the Contractor or where applicable the Consortium.
     2. chartering rates:
        + 1. Tasking Days – bareboat – Third Party charter Vessels;
          2. Tasking Days – crewed – Third Party charter Vessels;
          3. Backfill Days - bareboat – Contractor-owned Vessels;
          4. Backfill Days – bareboat – Third Party charter Vessels;
          5. Backfill Days – crewed – Third Party charter Vessels.
  3. The Tenderer should specify chartering rates as at the Base Date.

***Non-labour maintenance costs inputs***

* 1. Some of the routine Vessel maintenance tasks may be carried out by the Vessel crew or dedicated maintenance staff employed by the Tenderer or its material Sub-Contractors. The Tenderer should set out, as a part of its Operational Model, its assumptions in this regard and record the associated labour in the labour section of the Financial Model.
  2. All other maintenance is assumed to be carried out by the Tenderer's Third Party contractors. The maintenance costs section of the Financial Model is used to capture Third Party maintenance costs.
  3. Maintenance costs are split into categories - Routine, Defects, Dockings & Overhaul (for Vessels only), and within each of these categories, costs are further split by materials including spares and other costs. The Tenderer must provide its estimate of the Vessel maintenance costs. The following maintenance cost split will apply:
     1. Routine maintenance costs:
        + 1. materials including spares; and
          2. other.
     2. Defects maintenance costs:
        + 1. materials including spares; and
          2. other.
     3. Dockings & Overhaul maintenance costs:
        + 1. materials including spares; and
          2. other.
  4. Inputs for materials including spares and ‘other’ should be detailed by vessel class.
  5. Each of the vessel maintenance cost input lines will be tagged either to ‘material subcontractor’ or ‘other third party’.

***Other Vessel costs inputs***

* 1. 'Other Vessel costs' will be a single line of inputs, to be stated in real terms as at the Base Date.

***Vessel acquisition inputs***

* 1. The Authority will pay the capital costs for Replacement Vessels against agreed Vessel Replacement Milestones and will own the Replacement Vessels once purchased. Tenderers may apply the Contract Profit rate calculated in accordance with The Single Source Contract Regulations 2014 to the Vessel Replacement Milestones.
  2. Costs associated with Replacement Vessel acquisition will be specified by the Tenderer for each Vessel Replacement Milestone for each individual Replacement Vessel, as set out in the Vessel Replacement and Acceptance Plan.

***Other Vessel costs inputs***

* 1. The Tenderer should set out costs of the Vessel Replacement Programme Management Function , for the avoidance of doubt excluding the capital cost of the Replacement Vessels, and/or Contractor Personnel dedicated to the Vessel Replacement Programme.

***Direct overheads (other than labour costs)***

* 1. Direct overheads in this section include the following cost categories:
     1. victualling;
     2. afloat direct overheads (to the extent there are any);
     3. afloat operational support; and
     4. ashore direct overheads.
  2. These costs do not include labour costs, as those are accounted for in the labour section of the inputs sheet.
  3. Direct overheads section also includes a single input line for direct overheads risk, aggregated for all direct overheads.

***Direct overhead (other than labour costs) inputs***

* 1. Direct overhead inputs will be as follows:
     1. victualling, aggregated for all Vessel classes;
     2. afloat direct overheads, split by up to ten Vessel classes;
     3. afloat operational support, split by up to ten Vessel classes;
     4. ashore direct overheads, split by up to ten Vessel classes; and
     5. direct overhead risk, aggregated for all direct overheads.
  2. Each line of direct overhead cost inputs will be tagged as prime, material Sub-Contractor or other Third Party.

***Victualling inputs***

* 1. Victualling costs are incurred when afloat. The remaining inputs are victualling days per month and the daily victualling rates for each category of people, as follows:
     1. victualling - crew:
        + 1. number of victualling days in a month for Vessel crew (number of days); and
          2. daily victualling rate (aggregated) applicable to Vessel crew (GBP/day).
  2. The Tenderer should specify victualling day rates as at the Base Date and the annual inflation rate that will apply.

***Direct overhead risk***

* 1. Direct overhead risk will be a one-line item expressed in money terms as at an agreed base date and added to victualling (where applicable) and other direct overheads to arrive at the total 'Direct overhead costs'.

***Indirect overheads (other than labour costs)***

* 1. Indirect overhead costs in this paragraph will not include any labour costs as those will be accounted for in the labour section. They are grouped into the following categories (with up to ten cost types under each category):
     1. indirect overheads; and
     2. insurance costs.
  2. Indirect overheads section in the Financial Model also includes a single input line for indirect overheads risk, aggregated for all indirect overheads.

***Indirect overhead risk***

* 1. Indirect overhead risk will be a one-line item expressed in money terms (£GBP) as at the Base Date and added to indirect overheads and insurance costs to arrive at the total indirect overhead costs.

***Fuel***

* 1. Fuel will be provided by the Authority to the Contractor free of charge.

***Planned redundancy costs***

* 1. Planned redundancy cost inputs will be shown as amounts as at the Base Date in the monthly periods in which they are forecast to occur.
  2. Redundancy costs will be recovered as pass-through costs in the month in which they are incurred.

***Planned redundancy cost calculations***

* 1. Planned redundancy is not adjusted for inflation and appears in the calculations sheets in the Financial Model as a pass-through cost for each monthly period where the inputs are entered.
  2. The Tenderer will provide a separate, detailed supporting calculation schedule (outside of the Financial Model) that reconciles to the monthly summary input in the Financial Model.

***Transition costs***

* 1. Transition costs are the initial costs incurred when a new contractor comes on board, at the end of the re-Tendering process. These costs are assumed to incur only for a period and will not sustain during the normal course of operations. Transition costs exclude redundancy payments (which should not in any event occur during this period).
  2. The Tenderer should assume that costs associated with transition are recovered through the Annual Charge.

***Transition risk***

* 1. Transition risk will be a one-line item expressed in real monetary terms (£GBP) as at the Base Date and added to transition costs to arrive at the total transition costs.

**Operational Model**

* 1. The Tenderer is required to prepare an Operational Model in accordance with RoR ID C1 ODP in Appendix 1 (Technical Requirements of Response Questions) of this Annex C to support its Financial Model and overall Services solution. If successful in this ITN, the Tenderer's Operational Model will be incorporated in the Contract in accordance with Schedule 31 (Transparency and Financial Models).

**Financial – RoR for the Tenderer Contract Pricing Statement**

* 1. The Tenderer must complete a response for the Tenderer Contract Pricing Statement in order for its Tender to be compliant.

**Table C.6 RoR for the Tenderer Contract Pricing Statement**

|  |  |  |
| --- | --- | --- |
| **Question Reference Number: FIN03** | | **FINANCIAL** |
| **Response Requirement Description and Structure** | **Tenderer Contract Pricing Statement**  Tenderers are required to produce a Contract Pricing Statement which meets the requirements of DEFCON 813 Edition 12/14.  The Contract Pricing Statement must:   * reconcile to the Tender Financial Model, * meet the requirements of DEFCON 813 Edition 12/14 | |

**Financial – RoR for the Tenderer Contract Reporting Plan**

* 1. The Tenderer must complete a response for the Tenderer Contract Reporting Plan in order for its Tender to be compliant.

**Table C.7 RoR for the Tenderer Contract Reporting Plan**

|  |  |  |
| --- | --- | --- |
| **Question Reference Number: FIN04** | | **FINANCIAL** |
| **Response Requirement Description and Structure** | **Tenderer Contract Reporting Plan**  Tenderers are required to produce a Contract Reporting Plan which meets the requirements of DEFCON 813 Edition 12/14.  The Contract Reporting Plan must:   * meet the requirements of DEFCON 813 Edition 12/14 * confirm which Defined Pricing Structure the Tenderer intends to use for reporting over the Contract period | |

**Financial – RoR for the Tenderer Contract Notification Plan**

* 1. The Tenderer must complete a response for the Tenderer Contract Notification Plan in order for its Tender to be compliant.

**Table C.8 RoR for the Tenderer Contract Notification Plan**

|  |  |  |
| --- | --- | --- |
| **Question Reference Number: FIN05** | | **FINANCIAL** |
| **Response Requirement Description and Structure** | **Tenderer Contract Notification Report**  Tenderers are required to produce a Contract Reporting Plan which meets the requirements of DEFCON 813 Edition 12/14.  The Contract Reporting Plan must:   * reconcile to the Financial Model, * meet the requirements of DEFCON 813 Edition 12/14 | |

**Financial - Payment, Performance and Incentivisation Mechanism (PPIM)**

* 1. The Tenderer must complete a response for the PPIM RoR in order for its Tender to be compliant.

**Table C.9 RoR for the Payment, Performance and Incentivisation Mechanism ('PPIM')**

| **Question Reference Number: FIN06** | | **FINANCIAL** |
| --- | --- | --- |
| **Requirement of Response Description and Structure** | **PPIM**  **PPIM (Payment, Performance and Incentivisation Mechanism)**   1. As part of its Tender, the Tenderer must submit:    1. Completed pricing tables, as set out below, for the purposes of Schedule 4 (Payment, Performance and Profit Share Mechanism): 2. Annual Allowable Cost Table for delivering the Services which should reconcile to the Financial Model and show the split between AACF, AACFx and AACFi 3. Annual Vessel Replacement Management Charge Pricing Table which should reconcile to the Financial Model and show the split between AVRPMCF, AVRPMCFx and AVRPMCFi 4. Vessel Cost Breakdown Table, including:    * + - A qualitative description of the Vessel Replacement Milestones, how they align to the Vessel Replacement Programme and the Vessel Replacement Milestone Acceptance Criteria in the Vessel Acceptance and Integration Plan.        - Vessel Replacement Milestone values in GBP by vessel        - Vessel Replacement Milestones broken down by currency component (Table in Annex 1 of Schedule 4) in their underlying currency        - The conversion of any elements of Vessel Replacement Milestones from their underlying currency to GBP using the assumed exchange changes set out in Annex C 5. Authority Charter Rate, by crewed vessel, which should reconcile to the Financial Model    1. The total annual estimated fuel consumption (reconcilable to the Financial Model) based on the Tenderer’s solution and taking into account its proposed Vessel Replacement Programme. The Tenderer’s calculations should set out, as a minimum: 6. The consumption rates for fuel per hour by vessel 7. The total estimated hours of operation per year    1. For the purposes of the costs of vessel replacement, the Tenderer should: 8. Set out the costs of the Vessel Replacement Programme, split between the costs of the Vessel Replacement Programme Management Function and the Vessel Replacement Milestones associated with the Vessel Replacement Programme 9. Provide details of any arrangements the Tenderer has in place which might impact the acquisition cost of those Replacement Vessels acquired as part of its proposed Vessel Replacement Programme. The Authority expects such benefits to be passed through as part of the costs associated with delivering the Vessel Replacement Programme and will require representations from management certifying the costs and that the benefits of such arrangements are passed through to the Authority 10. Any risks associated with the Vessel Replacement Programme and how these will be mitigated 11. Details of contracts / arrangements that the Tenderer has in place with shipyards / suppliers of those vessels acquired in accordance with the Vessel Replacement Programme. This should include any draft contracts / MOUs between the Tenderer and the relevant shipyard     1. Details of any Authority Dependencies the Tenderer proposes as part of their solution and why such a dependency is required and represents value for money to the Authority.   **Acceptance of Risk Transfer**   1. The Tenderer must confirm that it accepts that, once the Contract is awarded, the tendered Firm and Fixed Pricing may only be changed where the actual Effective Date occurs six (6) months after the anticipated Effective Date of 1 October 2024, and, in such circumstances, it will only be adjusted in accordance with the following approach:    1. the estimated capital costs included in the Financial Model will be adjusted by applying any movement in the published DTI public sector indices over the period between 1 April 2025 (six (6) months after the anticipated Effective Date) and the actual Effective Date, but only insofar as the delay to the Effective Date has a material impact on the anticipated timing of incurrence of the capital costs;    2. all other estimated costs included in the successful Tenderer's Financial Model (excluding finance costs) will be adjusted by applying any movement in the published HQTI over the period between 1 April 2025 (six (6) months after the anticipated Effective Date) and the actual Effective Date but only insofar as the delay to the Effective Date has a material impact on the anticipated timing of incurrence of the other costs (excluding finance costs). | |

1. **COMPLETING THE TECHNICAL REQUIREMENTS OF RESPONSE**
   1. The Technical Requirements of Response cover three topic areas:
      1. the Service Delivery Plan (consisting of ten (10) sub-plans) and the Transition Plan;
      2. the Social Value Plan, covering two (2) MACs; and
      3. the Authority Charter Rate and Financial Management Information.
   2. Each topic area is evaluated against a specific set of confidence characteristics as further detailed in paragraphs 7 (Evaluation of Technical Requirements of Response) of Annex D (Evaluation of Tender).
   3. The Tenderer must complete a response to each of the RoRs for the relevant topic area. The Tenderer's response should cover all the topics, points and issues stated in the RoR, taking account of the relevant confidence characteristics set out in Table D.1, Table D.2 or Table D.3 in Annex D as applicable, when determining how to respond. The Tenderer must adhere to the font sizes, line spacing and page limits stated in paragraph 2.5 (Content of Tender Deliverables) of this Annex C and in the relevant RoR. It must not amend the template structure or pre-populated content.
   4. The responses to RoRs that the Tenderer must complete for each topic area, together with any plans or other documents it needs to submit, are set out in Table C.10 below.

**Table C.10 Responses to Technical RoRs for Completion and Submission**

|  |  |  |
| --- | --- | --- |
| **Topic area 1:** Service Delivery Plan and Transition Plan  **Confidence characteristics:** Table D.1 | | |
| **RoR** | **Name** | **Additional Submission** |
| C1\_GMP | Governance Management Plan | PDF of plan, to form part of Schedule 3 (Service Delivery Plan) |
| C1\_SIMP | Security and Information Management Plan | PDF of plan, to form part of Schedule 3 (Service Delivery Plan) |
| C1\_ODP | Operational Delivery Plan | PDF of plan, to form part of Schedule 3 (Service Delivery Plan) |
| C1\_VAMP | Vessel and Asset Management Plan | PDF of plan, to form part of Schedule 3 (Service Delivery Plan) |
| C1\_VRP | Vessel Replacement Programme / Vessel Acceptance and Integration Plan | PDF of plan, to form part of Schedule 3 (Service Delivery Plan) |
| C1\_HRMP | Human Resources Management Plan | PDF of plan, to form part of Schedule 3 (Service Delivery Plan) |
| C1\_QMCIP | Quality Management and Continuous Improvement Plan | PDF of plan, to form part of Schedule 3 (Service Delivery Plan) |
| C1\_HSEP | Health, Safety and Environmental Protection Management Plan | PDF of plan, to form part of Schedule 3 (Service Delivery Plan) |
| C1\_SCP | Service Continuity Plan | PDF of plan, to form part of Schedule 3 (Service Delivery Plan) |
| C1\_EMP | Exit Management Plan | PDF of plan, to form part of Schedule 3 (Service Delivery Plan) |
| C1\_TP | Transition Plan | PDF of plan, to be incorporated in Schedule 5 (Transition) |
| **Topic area 2:** Social Value Plan and MACs  **Confidence characteristics:** Table D.2 | | |
| **RoR** | **Name** | **Additional Submission** |
| C1\_SVP\_2.3 | MAC 2.3 Education and Training |  |
| C1\_SVP\_4.1 | MAC 4.1 Additional Environment Benefits |  |
| **Topic area 3:** Financial Profit Share and Financial Management Information  **Confidence characteristics:** Table D.3 | | |
| **RoR** | **Name** | **Additional Submission** |
| C1\_ACR | Authority Charter Rate |  |
| C1\_FMI | Financial Management Information |  |

**Service Delivery Plan**

* 1. The Tenderer's responses to the Service Delivery Plan Technical Requirements of Response RoRs must be aligned with the SoR, and:
     1. each Authority Dependency must be listed (in short form) in the relevant response to RoR and included (in full) in the mark up of Schedule 27 (Authority Dependencies) of the Contract 1 Terms & Conditions submitted to the Commercial Envelope, together with a cross-reference to the relevant response to RoR using the RoR ID;
     2. all key risks and mitigations must be listed (in short form) in the relevant response to RoR, together with a cross-reference to the relevant response to RoR using the RoR ID; and
     3. all key assumptions underpinning a response to RoR must be stated in the relevant RoR. The assumptions identified will be negotiated and discussed as part of the Negotiation Phase. Thereafter at Final Tender Phase the Authority will produce a consolidated list of assumptions that the Tenderer must use as the basis of the pricing in its Final Tender.
  2. The Authority reserves the right to treat an Initial Tender as Non-Compliant if the Tenderer does not accurately cross reference and collate the Authority Dependencies.
  3. The Authority may discuss the proposed Authority Dependencies during the Negotiation Phase and then will provide a list of agreed Authority Dependencies in the Final Contract for acceptance as part of the Final Tender offer.
  4. If the Tenderer is successful in this ITN, its responses to the RoRs for the Service Delivery Plan including each sub-plan will be incorporated in Schedule 3 (Service Delivery Plan) of the Contract 1 Terms & Conditions.

**Transition Plan**

* 1. If the Tenderer is successful in this ITN, the Tenderer's Transition Plan submitted in response to the Transition Plan RoR will be incorporated in Schedule 5 (Transition) of the Contract 1 Terms & Conditions.

**Exit Management Plan**

* 1. If the Tenderer is successful in this ITN, its response to the RoR for the Exit Management Plan will be incorporated in the Service Delivery Plan (Schedule 3 of the Contract 1 Terms & Conditions).

**Social Value Plan and MACs**

* 1. If the Tenderer is successful in this ITN, the Tenderer's Social Value Plan and responses to the RoRs for the Social Value Plan and each of the MAC response will be incorporated in the Service Delivery Plan (Schedule 3 of the Contract 1 Terms & Conditions). Responses to the Social Value Plan and MAC RoRs must be aligned with the UK Government's Social Value Model available https://www.gov.uk/government/publications/procurement-policy-note-0620-taking-account-of-social-value-in-the-award-of-central-government-contracts.

**Authority Charter Rate and Financial Management Information**

* 1. The Tenderer's responses to the Technical RoRs for the Authority Charter Rate and Financial Management Information themselves will be used respectively to populate Schedule 4 (Payment, Performance and Incentivisation Mechanism) and Schedule 6 (Governance, Management Information, Reports, Records and Audit) of the Contract 1 Terms & Conditions.

1. **SECURITY ASPECTS LETTER**
   1. A draft SAL for the Contract is provided at Annex E (Security Aspects Letter). The draft SAL details the security classification of information that is currently anticipated to be provided for the duration of the Contract. On Contract award, the draft SAL will be updated (as necessary) and re-issued. If the Tenderer is successful in this ITN, the Tenderer will be required to acknowledge receipt of the SAL and confirm that it understands and accepts the obligations placed on it with regard to information security when it enters into the Contract.

**APPENDIX 1 – TECHNICAL REQUIREMENTS OF RESPONSE QUESTIONS**

These Technical RoRs consist of sixteen (16) questions across three (3) topic areas and responses to these RoRs will be scored against the confidence characteristics for each topic area as set out in Annex D (Evaluation of Tenders) and as detailed in the table below.

Weightings for each RoR are set out in Appendix 1 (Tender Deliverables' Weightings) of Annex D.

|  |  |  |
| --- | --- | --- |
| **Topic area** | **RoR question no.** | **Confidence characteristics reference in Annex D** |
| Topic area 1 (Service Delivery, Transition and Exit Management) | Questions 1-11 | Table D.1 (Topic area 1 confidence characteristics) |
| Topic area 2 (Social Value and MAC) | Questions 12-13 | Table D.2 (Topic area 2 confidence characteristics) |
| Topic area 3 (Authority Charter Rate and Financial Management Information) | Questions 14-15 | Table D.3 (Topic area 3 confidence characteristics) |

**TOPIC AREA 1: SERVICE DELIVERY, TRANSITION AND EXIT MANAGEMENT (QUESTIONS 1-11)**

# GOVERNANCE MANAGEMENT PLAN

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| **ID** | **Requirement** |
| **C1\_GMP** | **Governance Management Plan**  **This plan will form part of Schedule 3 (Service Delivery Plan) in the awarded Contract** |
| **Technical Requirement of Response** | |
| Tenderer must provide a Governance Management Plan which evidences appropriate and relevant governance management processes and structures are in place to ensure an effective and efficient delivery of the Services throughout the Contract Term.  The content of the Governance Management Plan must include the following elements: **Contract Management and Governance**Describe the corporate and Contract governance structure which will be used to manage the Contract, including:details of any corporate and contractual governance structures which will be utilised to govern the delivery of the Services with the Tenderers' Key Sub-Contractors and/or where appropriate any joint venture arrangements and how such structures will facilitate the effective delivery of the Services;details of key members of the Tenderer's management team, including details of qualifications and experience and how these will be deployed in the delivery of the Services in accordance with the Statement of Requirement;articulate the linkage between the Contract and corporate governance structures where applicable including terms of reference for the relevant boards that make up the governance structure (see Schedule 6 (Governance, Management Information, Reports, Records and Audit) of the Contract 1 Terms & Conditions) and how the Tenderer will ensure effective oversight and management of the Services through these corporate governance structures;describe the responsibilities and accountability of Key Personnel and how they will interface with the Authority in relation to the delivery of the Services;describe how Key Personnel will be empowered to manage Contract performance and incentivise Continuous Improvement and change in relation to the delivery of the Services; anddescribe how a consistent approach to governance in line with the Tenderer's proposed governance arrangements will be maintained across all geographical locations and Service Delivery Areas to ensure delivery of the Services effectively at a local level. The Tenderer is permitted to use organograms to help describe the corporate and Contract governance structures described above. **Safety Management System** Describe the process by which the Tenderer will produce and maintain a Safety Management System of sufficient quality which enables the issuing of a Document of Compliance in readiness for the Planned Service Commencement Date in accordance with applicable Law including:ISM Code;Domestic Safety Management (DSM); andFlag and class certification requirements.Identify the Key Personnel required and any key risks to delivery of the SMS and how any such key risks will be managed by the Tenderer.Describe the process and procedures that will be implemented to ensure the Safety Management System is maintained across the supply chain to ensure effective delivery of the Services in accordance with the Statement of Requirement.**End-User engagement**Describe how the Tenderer will collect feedback from End Users and satisfy the requirements for the provision of the End User Questionnaire as required under Schedule 4 (Payment, Performance and Incentivisation Mechanism) of the Contract 1 Terms and Conditions.**Supply chain management** Where appropriate, describe which Services the Tenderer intends to Sub-Contract in order to deliver the Statement of Requirement. This will include a table which identifies:  |  |  |  | | --- | --- | --- | | Sub-Contractor Name | Key Area of Responsibility | Reference to relevant Statement of Requirement | |  |  |  | |  |  |  | |  |  |  |  Describe the processes and procedures by which each Sub-Contractor will be appropriately managed to ensure delivery and respective outputs are delivered in accordance with the Contract.Describe how the Tenderer will approach the relationship management and collaborative working with Sub-Contractors to facilitate effective Services delivery.**Management Information** Describe the process by which the Tenderer will collect, collate and maintain the Management Information identified in Schedule 6 (Governance, Management Information, Reports, Records and Audit). The Plan should also include any suitable templates that will be required to be populated by either the Tenderer or the Authority, any dependencies that it has on the Authority to provide the Management Information and also any systems which the Tenderer intends to utilise in the collection, collation and maintenance of the Management Information. **Identification of Risks, Issues, Opportunities and Dependencies**Describe how the Tenderer will capture and manage risks, issues, opportunities and dependencies in relation to the delivery of the Services, including the provision of Management Information to the Authority in accordance with Schedule 6 (Governance, Management Information, Reports, Records and Audit).Describe how the Tenderer will escalate and raise awareness of risks to the Authority to ensure a pro-active approach to risk management and mitigation in relation to the delivery of the Services.**Authority Dependencies, Key Risks and Assumptions** The Tenderer's response must include: a short form description of any Authority Dependencies in relation to each element of this Technical Requirement of Response, together with a cross-reference to the relevant Authority Dependencies listed in Schedule 27 (Authority Dependencies) as populated and submitted as part of the Tender;all key risks and mitigations;all key assumptions; andan explanation of how risks, issues and opportunities affecting the Services will be identified throughout the Contract Term. | |
| **Response page limit:** Maximum 30 sides of A4 inclusive of diagrams and annexes | |

# SECURITY AND INFORMATION Management plan

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| **ID** | **Requirement** |
| **C1\_SIMP** | **Security and Information Management Plan**  **This plan will form part of Schedule 3 (Service Delivery Plan) in the awarded Contract** |
| **Technical Requirement of Response** | |
| The Tenderer must provide a Security and Information Management Plan which evidences necessary security and information management processes and structures are in place.  **The Tenderer must align its response to this requirement with Schedule 8 (Security) of the Contract 1 Terms & Conditions.**  The content of the Security and Information Management Plan will include the following elements: **Security Management** Describe how the Tenderer will ensure that all personnel involved in delivering the Services will have the appropriate security clearance(s) in accordance with the Security Aspects Letter for the Contract Term.Describe how the Tenderer will ensure compliance against the relevant security (including cyber security) requirements contained within the Contract, particularly Clause 37 (Cyber), the Security Aspects Letter and Schedule 8 (Security) for the Contract Term.Describe how the Tenderer will ensure that their personnel and/or Key Sub-Contractors comply with the security requirements contained within the Contract and Schedule 8 (Security) for the Contract Term.Describe how the Tenderer will establish a robust training system on security related matters to ensure all personnel will undertake relevant security training and how personnel will be continually educated and advised on security matters for the Contract Term.Describe how the Tenderer will implement, maintain and update the necessary policies, procedures, systems and processes in order to manage, mitigate and avoid information security risks (including cyber-attacks, hacks, data leaks, Personal Data Breaches and/or theft) occurring.Describe how the Tenderer will implement and maintain and update a register recording each of the Changes that the Contractor reasonably believes are required as a result of any of the circumstances described in sub-paragraphs (a) to (g) of paragraph 5.2 of Schedule 8 (Security) of the Contract 1 Terms & Conditions. Describe and explain how the Tenderer will implement and maintain their Incident Management Process in accordance with the definition contained within Schedule 1 (Definitions) of the Contract 1 Terms & Conditions.**Authority Dependencies, Key Risks and Assumptions** The Tenderer's response must include: a short form description of any Authority Dependencies in relation to each element of this Technical Requirement of Response, together with a cross-reference to the relevant Authority Dependencies listed in Schedule 27 (Authority Dependencies) as populated and submitted as part of the Tender;all key risks and mitigations; andall key assumptions. | |
| **Response page limit:** Maximum 20 sides of A4 inclusive of diagrams and annexes | |

# OPERATIONAL DELIVERY Plan

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| **ID** | **Requirement** |
| **C1\_ODP** | **Operational Delivery Plan**  **This plan will form part of Schedule 3 (Service Delivery Plan) in the awarded Contract** |
| **Technical Requirement of Response** | |
| Tenderer must provide an Operational Delivery Plan and an Operational Model (see paragraph 3.7 below) which evidences that the Tenderer can deliver the Services in accordance with the Statement of Requirement efficiently and effectively for the Contract Term. The Operational Delivery Plan is required to set out the Tenderer’s approach to delivering the Statement of Requirement. The Operational Delivery Plan and Operational Model must be fully aligned.  **Tenderer must align their response to this requirement with Schedule 2 (Statement of Requirement) of the Contract 1 Terms & Conditions and must provide a full response for each requirement set out in the Statement of Requirement Tables for SDA1, SDA 2 and SDA3.**  The Operational Delivery Plan must set out in detail how the Tenderer proposes to deliver each requirement set out in the Statement of Requirement and must include the following elements: **Tasking**How the Tenderer proposes to deliver against the Authority's requirements in the Statement of Requirement Tables set out in Schedule 2, describing their approach to SDA 1, SDA 2 and SDA 3. The Tenderer's response should align with the Statement of Requirement.The Tenderer's approach to managing the suite of Vessels and its processes for scheduling the required number and type of Vessels and the necessary personnel to deliver the Tasking identified in the Statement of Requirement. The Tenderer's response should include:a schedule including a timetable and resource plan for delivery of the Services throughout the twelve (12) month period commencing on the Service Commencement Date demonstrating that the Tenderer has the necessary resources available to it and can ensure availability of the number and type of Vessels required to effectively deliver the Tasking in accordance with the Statement of Requirement;details of how the Tenderer will:manage Short Notice Changes and amendments to the Daily Movements Signal;manage any the Concurrency Requirements in relation to Tasking;manage standard Business Day/ weekend/ bank holiday/ public holiday working;ensure Vessel availability taking into account rectification of unplanned defects and planned maintenance periods; andThe Tenderer's approach to managing communications with End Users and other stakeholders identified in the Statement of Requirements in relation to Tasking.**Afloat Personnel**  The Tenderer must provide details of the total number of afloat personnel required to operate the Authority Vessels that will be Bareboat chartered to the Contractor at Service Commencement Date in order to deliver the Tasking contained within the Statement of Requirement throughout the twelve (12) month period commencing on the Service Commencement Date. **Shore-based Personnel** The Tenderer must provide details of the total Shore-based personnel required to deliver the Services identified in the Tasks as described in the Statement of Requirement throughout the twelve (12) month period commencing on the Service Commencement Date. **Affected Services**  The Tenderer must describe their process for managing and delivering Affected Services, taking into account any compliance requirements and including details of key risks and how such risks will be managed. **Sites, Logistics, Supply and Storage** The Tenderer must provide details of: the Sites it proposes to use to deliver the Tasking in accordance with the Statement of Requirement, detailing the location and type of facility, mapped to the relevant parts of the Statement of Requirement and demonstrating how the use of such Sites will facilitate the delivery of the Tasks and ensuring Vessel availability and continuity of the Services across all Service Delivery Areas; andtheir proposed logistics, supply and storage arrangements, including but not limited such arrangements as they relate to the supply of spare parts for Vessels, which it will implement to ensure Vessel availability and continuity of the Services across all Service Delivery Areas.**Fuel (note F76 will be provided in the Dockyard Ports)**The Tenderer must provide details of the Tenderer’s approach to the procurement of fuel if unable to obtain it through the Dockyard, including how it will achieve the efficient use of fuel and VfM.**Operational Model** The Tenderer must provide its proposed Operational Model, prepared in accordance with Appendix 3 (Operational Model Instructions) of this Annex C. **Authority Dependencies, Key Risks and Assumptions** The Tenderer's response must include: a short form description of any Authority Dependencies in relation to each element of this Technical Requirement of Response, together with a cross-reference to the relevant Authority Dependencies listed in Schedule 27 (Authority Dependencies) as populated and submitted as part of the Tender;all key risks and mitigations; andall key assumptions. | |
| **Response page limit:** Maximum 60 sides of A4 inclusive of diagrams and annexes (noting that the Operational Model does not count towards this page limit). | |

# VESSEL AND ASSET MANAGEMENT Plan

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| **ID** | **Requirement** |
| **C1\_VAMP** | **Vessel and Asset Management Plan**  **This plan will form part of Schedule 3 (Service Delivery Plan) in the awarded Contract** |
| **Technical Requirement of Response** | |
| The Tenderer will be required to manage the various Vessels and Assets which are required to deliver the Statement of Requirement efficiently and effectively for the Contract Term. The Vessel and Asset Management Plan is required to set out the Tenderer’s approach to managing the Vessels and Assets including asset condition and maintenance.  **The Tenderer must align its response to this requirement with Clause 13 (Authority Vessels), Clause 17 (Assets), Clause 18 (Accounting for GFE) and Schedule 2 (Statement of Requirement) of the Contract 1 Terms & Conditions.**  The content of the Vessel and Asset Management Plan must include the following elements: **Vessel Condition Surveys**  Describe the Tenderer’s process and approach to Vessel Condition Surveys including how it will: procure and deliver Vessel Condition Surveys; and(b) address the findings of any such Vessel Condition Survey.**Safety and Environmental Case Management**  The Tenderer must describe its approach to verifying and re-issuing Safety and Environmental Cases for Vessels used in delivery of the Services. **Repair and Maintenance**  The Tenderer must describe their approach to repair and maintenance of the Vessels and Assets to ensure that Vessels and Assets are available as required in order to meet the requirements set out in the Statement of Requirement. This should include details of planned maintenance and/or condition-based maintenance regimes and processes including the Tenderer's proposed Planned Maintenance System. **Movement of Vessels and Assets across Service Delivery Areas** The Tenderer must describe their approach to the utilisation and allocation of available Vessels and Assets across ALL relevant Service Delivery Areas to maintain continuity of the Services. **Bareboat Charter** The Tenderer must describe how they will meet the obligations under with Schedule 10 (Bareboat Charter Agreement). The Tenderer must detail how they propose to store and maintain GFE during the life of the Contract in accordance with Clause 17 (Assets) and Clause 18 (Accounting for GFE) of the Contract 1 Terms and Conditions. **Authority Dependencies, Key Risks and Assumptions** The Tenderer's response must include: a short form description of any Authority Dependencies in relation to each element of this Technical Requirement of Response, together with a cross-reference to the relevant Authority Dependencies listed in Schedule 27 (Authority Dependencies) as populated and submitted as part of the Tender;all key risks and mitigations; andall key assumptions. | |
| **Response page limit:** Maximum 30 sides of A4 inclusive of diagrams and annexes | |

# VESSEL REPLACEMENT PROGRAMME / VESSEL ACCEPTANCE AND INTEGRATION PLAN

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| **ID** | **Requirement** |
| **C1\_VRP** | **Vessel Replacement Programme / Vessel Acceptance and Integration Plan**  **This plan will form part of Schedule 3 (Service Delivery Plan) in the awarded Contract** |
| **Technical Requirement of Response** | |
| The Tenderer must demonstrate that it is able to deliver the Vessel Replacement Programme in accordance with the Statement of Requirement.  **The Tenderer should align its response to Clause 14 (Vessel Replacement Programme) of the Contract 1 Terms & Conditions and to Schedule 2 (Statement of Requirement)**  **The Tenderer must populate the excel spreadsheet referred to as the Vessel Solution.** **Vessel Replacement Programme**  The content of the Vessel Replacement Programme will include the following sub-sections: a detailed proposal for delivering the Vessel Replacement Programme in accordance with the SOR;a draft annual schedule for the Vessel Replacement Programme including timetable and VRP Longstop Date, and a resource plan for the Contract Term commencing on the Service Commencement Date;details of how the Contractor will assure the Authority that the Vessel Replacement Programme work completed is to the appropriate standard in accordance with the Statement of Requirement and Schedule 9 (Standards);details of how the Tenderer will approach the acquisition of the Vessels that require replacing which are identified in the Statement of Requirement;how the Tenderer will provide the required assurance at each stage in accordance with the acceptance process as detailed in the Vessel Acceptance and Integration Plan;proposed Vessel Replacement Milestones for each Replacement Vessel in accordance with Schedule 4 (Payment, Performance and Incentivisation Mechanism);details of how the Tenderer will achieve each Vessel Replacement Milestones, including a detailed breakdown of each Vessel Replacement Milestone into a series of sub-tasks or activities with respective start and completion dates;details of any arrangements the Tenderer has in place which might impact the acquisition cost of those vessels acquired as part of its proposed Vessel Replacement Programme. The Authority expects such benefits to be passed through as part of the costs associated with delivering the Vessel Replacement Programme and will require representations from management certifying the costs and that the benefits of such arrangements are passed through to the Authority;details of any risks associated with the Vessel Replacement Programme and how these will be mitigated;explain how it will manage the interface with the appointed classification society in carrying out the obligations relating to flag and class certification;details of how the Tenderer will manage critical supply chain issues, including key risks and resilience mitigations for delivering the Vessel Replacement Programme, including plans for modernisation;details of how the Contractor will deliver the Vessel Replacement Programme Management Function, including:structure of management team; androles, responsibilities and relevant experience of each member of the acement Management Team where identified (if the person has not yet been identified please provide details of the relevant requirements of the role including level of experience and qualifications); andthe Contractor's approach to risk management in the carrying out of Vessel Replacement Programme.**Vessel Acceptance and Integration Plan**With reference to the Authority’s ITEAP and the Tenderer's Vessel Replacement Programme, the Tenderer’s Vessel Acceptance and Integration Plan must set out how the Tenderer proposes to deliver each requirement under the Vessel Replacement Programme as set out in the Statement of Requirement and must include:the Tenderer’s approach for the following stages of the:design;manufacture;harbour and sea acceptance trials; andintegration into service, including training of the Tenderer's personnel;the relevant shipbuilding contract(s) the Tenderer will put in place;the shipyard(s) that have been selected;the shipbuilding programme, including delivery forecasts and key milestones for each Vessel identified in the Vessel Replacement Programme; andthe build and certification process (through life) required for each vessel, including details of harbour and sea acceptance trials package which will include:training plans for Vessel crews in advance of delivery and following delivery;Service Delivery Area specific vessel integration plans for the Vessel Replacement Programme; andStakeholder management plan, including but not limited to the End Users.**Authority Dependencies, Key Risks and Assumptions** The Tenderer's response must include: a short form description of any Authority Dependencies in relation to each element of this Technical Requirement of Response, together with a cross-reference to the relevant Authority Dependencies listed in Schedule 27 (Authority Dependencies) as populated and submitted as part of the Tender;all key risks and mitigations; andall key assumptions. | |
| **Response page limit:** Maximum 60 sides of A4 inclusive of diagrams and annexes | |

# HUMAN RESOURCES MANAGEMENT Plan

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| **ID** | **Requirement** |
| **C1\_HRMP** | **Human Resources Management Plan**  **This plan will form part of Schedule 3 (Service Delivery Plan) in the awarded Contract** |
| **Technical Requirement of Response** | |
| The Tenderer must be able to deliver and manage human resources and the personnel requirements related to the Services in accordance with the Statement of Requirement.  **The Tenderer should align its response to Clause 34 (Contractor Personnel) of the Contract 1 Terms & Conditions**  The Tenderer's Human Resources Management Plan should capture all the personnel / workforce details with costs of the identified personnel reflected in the Tenderer's Financial Model and must include the following elements: **Resourcing**  The Tenderer must describe its approach to resource management to deliver the Services across each Service Delivery Area and the Vessel Replacement Programme within the scope of the Contract and meet the requirements set out in the Statement of Requirement. This will include details of: the process by which the Tenderer's personnel will be allocated to work, ensuring that each individual has the appropriate level of SQEP and experience to deliver the requirements of the Statement of Requirement including but not limited to:ashore and afloat staff resource allocation;wider functional support teams resource allocation;a resource plan detailing the level of resources required to support the Health, Safety and Environmental Protection Management Plan activity in alignment with the Statement of Requirement;details of each of the Key Roles for the delivery of the Services and the key responsibilities and competencies for each Key Role and names of the persons who the Contractor shall appoint to fill those Key Roles at the Effective Date;the process by which Key Sub-Contractors will be on-boarded to deliver the Statement of Requirement; andthe areas where the Tenderer will require significant recruitment to deliver the Services, including specific locations, functions and recruitment processes.**Organisation Structure**The Tenderer must provide a detailed organogram with the following supporting information for the proposed team to deliver the Statement of Requirement. This will include:Key-Sub-Contractors;Key Personnel;reporting lines linked to functional areas of support;proposed headcount;detailed roles and responsibilities;where relevant, details of applicable minimum skills and qualification requirements.**HR Sustainability** The Tenderer must describe its approach to retention and succession planning throughout the Contract Term. This will include but not be limited to the following areas:recruitment activities for roles specific to the Services;how the Tenderer will manage retention of resources during the delivery of the Services;the Tenderer's approach to training and skills development;the Tenderer's approach to succession planning for roles specific to the Services including sufficiently skilled staff; andthe Tenderer's approach to engaging with relevant trade unions in relation to the delivery of the Services.**Authority Dependencies, Key Risks and Assumptions** The Tenderer's response must include: a short form description of any Authority Dependencies in relation to each element of this Technical Requirement of Response, together with a cross-reference to the relevant Authority Dependencies listed in Schedule 27 (Authority Dependencies) as populated and submitted as part of the Tender;all key risks and mitigations; andall key assumptions. | |
| **Response page limit:** Maximum 30 sides of A4 inclusive of diagrams and annexes | |

# QUALITY MANAGEMENT plan

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| **ID** | **Requirement** |
| **C1\_QMCIP** | **Quality Management Plan (including Continuous Improvement)**  **This plan will form part of Schedule 3 (Service Delivery Plan) in the awarded Contract** |
| **Technical Requirement of Response** | |
| The Tenderer must have appropriate quality management and Continuous Improvement processes and procedures in place to ensure the quality of the Services delivered are maintained and where possible improved for the Contract Term.  The content of the Quality Management Plan must include the following elements: **Quality Management** A detailed plan which explains the relevant processes and procedures that the Tenderer will implement in order to manage and ensure high quality delivery of the Services. This will include:details of quality management training that the Tenderer will provide to their personnel that will ensure compliance with applicable Law;how the Tenderer intends to meet ISM / DSM / Flag and class certification requirements including activities required to gain and maintain required vessel certification;how the Tenderer will conduct audits and rectify deficiencies;how quality will be maintained consistently across all geographical locations and Service Delivery Areas;how End User Questionnaires will be used to improve the quality of the Services; andan explanation of how quality management will be incorporated into each of the other plans forming the Service Delivery Plan.**Continuous Improvement** A description of the Tenderer's approach to ensuring that Continuous Improvement is a permanent objective for the Contract Term. The focus for Continuous Improvement should be on cost efficiency and quality. In its response the Tenderer must provide details of:how they will create and facilitate a culture of Continuous Improvement;the process by which the Tenderer will present Continuous Improvement ideas presented to the Authority;the process by which Continuous Improvement ideas will be developed into solutions and how these will be implemented by the Tenderer.**Authority Dependencies, Key Risks and Assumptions** The Tenderer's response must include: a short form description of any Authority Dependencies in relation to each element of this Technical Requirement of Response, together with a cross-reference to the relevant Authority Dependencies listed in Schedule 27 (Authority Dependencies) as populated and submitted as part of the Tender;all key risks and mitigations; andall key assumptions. | |
| **Response page limit:** Maximum 30 sides of A4 inclusive of diagrams and annexes | |

# HEALTH, SAFETY AND ENVIRONMENTAL PROTECTION ("HSEP") MANAGEMENT PLAN

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| **ID** | **Requirement** |
| **C1\_HSEP** | **Health, Safety and Environmental Protection Management Plan**  **This plan will form part of Schedule 3 (Service Delivery Plan) in the awarded Contract** |
| **Technical Requirement of Response** | |
| The Tenderer must be fully compliant with the relevant HSEP policies set out in Schedule 9 (Standards) of the Contract 1 Terms & Conditions and provide details of how it will maintain compliance with the relevant legislation throughout the Contract Term.  **The Tenderer must align its response to this requirement with Section 5 (Health, Safety and Environment) of Schedule 9 (Standards) of the Contract 1 Terms & Conditions.**  The Health, Safety and Environmental Protection Management Plan must include the following elements: **Policy, Standards and Legislative adherence** Details of the Tenderer's processes, procedures and approaches in the following areas:how the Tenderer's corporate policy will interface between the Authority and other key stakeholders (as detailed in the Statement of Requirement) as part of the delivery of the Services. Key stakeholders for the purposes of this Requirement of Response must include:other suppliers to the Authority;End Users;the Tenderer's supply chain;other marine services contractors;the Tenderer's approach to the delivery of primarily maritime, but also land and air safety as applicable in accordance with the Standards set out in Schedule 9 (Standards); andhow the Tenderer will work towards Ministry of Defence Climate Change and Sustainability Strategic Approach set out at: <https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/973707/20210326_Climate_Change_Sust_Strategy_v1.pdf>.**HSEP Management** A description of the Tenderer's approach to managing the following components of the HSEP:cost control, management and reduction of reportable incidents;the collation and dissemination of HSEP related documentation and best practices;the Tenderer's approach to ensuring the HSEP Plan is an integrated element within wider business planning activity including:Continuous Improvement;End User focus;leadership;involvementdecision making processes; andsupplier relationships;the Tenderer's approach to managing HSEP activity including but not limited to the following activities:maintenance of the Safety Management System;management and control of documentation;maintenance of safety records;delivering safety audits (internal and external);management of non-conformity control and corrective action managing safety policy statement; anddeveloping deliverables, including accreditation; andthe Tenderer must provide the following details to enable HSEP management including:details of training of personnel;the Tenderer's approach to delivering internal management review;the Tenderer's approach to measuring safety performance and performance targets throughout the Contract Term;the Tenderer's Learning from Experience (LFE) processes and procedures;the Tenderer's approach to managing failure mode events.The Tenderer's proposed template for the Health, Safety and Environmental Protection Report which the Contractor is required to deliver to the Authority in accordance with Schedule 6 (Governance, Management Information, Reports, Records and Audit).**Authority Dependencies, Key Risks and Assumptions** The Tenderer's response must include: a short form description of any Authority Dependencies in relation to each element of this Technical Requirement of Response, together with a cross-reference to the relevant Authority Dependencies listed in Schedule 27 (Authority Dependencies) as populated and submitted as part of the Tender;all key risks and mitigations; andall key assumptions. | |
| **Response page limit:** Maximum 30 sides of A4 inclusive of diagrams and annexes | |

# SERVICE CONTINUITY PLAN

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| **ID** | **Requirement** |
| **C1\_SCP** | **Service Continuity Plan**  **This plan will form part of Schedule 3 (Service Delivery Plan) in the awarded Contract** |
| **Technical Requirement of Response** | |
| Tenderer must ensure that their Service Continuity Plan details the processes and arrangements for continuity of the business processes and operations supported by the Services following any failure or disruption of any element of the Services (including where caused by an Insolvency Event of the Tenderer, any Key Sub-Contractor and/or any Contractor Group member), including the recovery of the Services in the event of a Disaster in accordance with Schedule 29 (Service Continuity Plan and Corporate Resolution Planning) of the Contract 1 Terms & Conditions.  **The Tenderer must align its response to this requirement with Schedule 29 (Service Continuity Plan and Corporate Resolution Planning) of the Contract 1 Terms & Conditions.**  The Tenderer's Service Continuity Plan must be divided into four (4) parts and must include the following: **Part A: General principles applicable to the Service Continuity Plan**details of how the business continuity, disaster recovery and insolvency continuity elements of the plan link to each other;details of how the invocation of any element of the Service Continuity Plan may impact upon the operation of the Services and any services provided to the Authority by a Related Third Party;coverage of all Authority and Tenderer sites where business operations or processes related to delivery of the Services are facilitated or delivered;an obligation upon the Tenderer to liaise with the Authority and (at the Authority's request) any Contractor Related Party with respect to issues concerning business continuity, disaster recovery and insolvency continuity where applicable;a communication strategy including details of an incident and problem management service and advice and help desk facility which can be accessed via multi-channels (including but without limitation a website (with FAQs), e-mail, phone and fax) for both portable and desk top configurations, where required by the Authority;a risk analysis, including:failure or disruption scenarios and assessments and estimates of frequency of occurrence;identification of any single points of failure within the Services and processes for managing the risks arising therefrom;identification of risks arising from the interaction of the Services with the services provided by a Contractor Related Party;identification of risks arising from an Insolvency Event of the Tenderer, any Key Sub-Contractors and/or Contractor Group member; anda business impact analysis (detailing the impact on business processes and operations) of different anticipated failures or disruptions;provision for documentation of processes, including business processes, and procedures;key contact details (including roles and responsibilities) for the Tenderer (and any Sub-Contractors) and for the Authority, identifying the procedures for reverting to "normal service";method(s) of recovering or updating data collected (or which ought to have been collected) during a failure or disruption to ensure that there is no more than the accepted amount of data loss and to preserve data integrity; anddetails of the provision of technical advice and assistance to key contacts at the Authority as notified by the Authority from time to time to inform decisions in support of the Authority's business continuity plans.**Part B: Business Continuity Plan**The Tenderer's Business Continuity Plan must set out the arrangements that are to be invoked to ensure that the business processes and operations facilitated by the Services at all Authority and Tenderer sites where the Services are delivered remain supported and to ensure continuity of the business operations including, unless the Authority expressly states otherwise in writing:the alternative processes (including business processes), options and responsibilities that may be adopted in the event of a failure in or disruption to the Services; andthe steps to be taken by the Contractor upon resumption of the Services to address any prevailing effect of the failure or disruption including a root cause analysis of the failure or disruption.The Tenderer's Business Continuity Plan should:address the various possible levels of failures of, or disruptions to, the Services; andset out the Services to be provided and the steps to be taken to remedy the different levels of failures of and disruption to the Services (such services and steps, the **"Business Continuity Services"**).**Part C: Disaster Recovery Plan**The Tenderer must design its Disaster Recovery Plan so that upon the occurrence of a Disaster the Contractor will ensure continuity of the business processes and operations related to delivery of the Services at all Authority and Contractor sites during any period of service failure or disruption with, as far as reasonably possible, minimal adverse impact.The Tenderer will ensure that the Disaster Recovery Plan includes the following:the technical design and build specification of the disaster recovery system;details of the procedures and processes to be put in place by the Contractor in relation to the disaster recovery system and the provision of the disaster recovery services and any testing of the same including but not limited to the following:data centre and disaster recovery site audits;backup methodology and details of the Tenderer's approach to data back-up and data verification;identification of all potential disaster scenarios;risk analysis;documentation of processes and procedures;hardware configuration details;network planning including details of all relevant data networks and communication links;invocation rules;Services recovery procedures; andsteps to be taken upon resumption of the Services to address any prevailing effect of the failure or disruption of the Services;details of how the Tenderer must ensure compliance with the security standards set out in Schedule 8 (Security) and Schedule 9 (Standards) ensuring that compliance is maintained for any period during which the Disaster Recovery Plan is invoked; andtesting and management arrangements.**Part D: Insolvency Continuity Plan**The Tenderer must design its Insolvency Continuity Plan to facilitate continuity of the business operations of the Authority supported by the Services through continued provision of the Services following an Insolvency Event of the Contractor and/or any Key Sub-Contractor with, as far as reasonably possible, minimal adverse impact.The Tenderer's Insolvency Continuity Plan must include the following:communication strategies which are designed to minimise the potential disruption to the provision of the Services, including key contact details in respect of the supply chain and key contact details for operational and contract Contractor Personnel (for the avoidance of doubt including Key-Sub-Contractor personnel);identification, explanation, assessment and an impact analysis of risks in respect of dependencies between the Contractor and Key Sub-Contractors where failure of those dependencies could reasonably have an adverse impact on the Services;plans to manage and mitigate identified risks;details of the roles and responsibilities of the Contractor and Key Sub-Contractors to minimise and mitigate the effects of an Insolvency Event of such persons on the Services;details of the recovery team to be put in place by the Contractor (which may include representatives of the Contractor and/or Key Sub-Contractors); andsufficient detail to enable an appointed insolvency practitioner to invoke the plan in the event of an Insolvency Event of the Contractor.**Authority Dependencies, Key Risks and Assumptions** The Tenderer's response must include: a short form description of any Authority Dependencies in relation to each element of this Technical Requirement of Response, together with a cross-reference to the relevant Authority Dependencies listed in Schedule 27 (Authority Dependencies) as populated and submitted as part of the Tender;all key risks and mitigations; andall key assumptions. | |
| **Response page limit:** Maximum 30 sides of A4 inclusive of diagrams and annexes | |

# EXIT MANAGEMENT PLAN

|  |  |
| --- | --- |
| **ID** | **Requirement** |
| **C1\_EMP** | **Exit Management Plan**  **This plan will form part of Schedule 3 (Service Delivery Plan) in the awarded Contract** |
| **Technical Requirement of Response** | |
| The Tenderer must have an appropriate Exit Management Plan in place to facilitate the transition of the Services (or any part thereof) from the Contractor to a Replacement Contractor and/or the Authority in the future, to ensure there is no disruption to or degradation of the Services and that the Contractor continues to deliver the Services in accordance with the performance standards set out in this Contract during the Exit Assistance Period.  **The Tenderer must align its response to this requirement with Schedule 21 (Exit Management) of the Contract 1 Terms & Conditions.**  The Exit Management Plan must include the following elements: how the Tenderer proposes to obtain, collate and share the required Exit Information (as described in Schedule 21);what the Tenderer’s proposed methodology for achieving an orderly transition of the relevant Services from the Contractor to the Authority and/or Replacement Contractor on Partial Termination, termination or expiry of this Contract, including details of the processes and documentation (where applicable);how the Tenderer proposes to approach Partial Termination (if relevant) of the Contract on the assumption that the Contractor will continue to provide the remaining Services under this Contract;describe the proposed Exit Management organisation structure to be employed during both transfer and cessation of the Services, which will include:the proposed approach for setting up the Exit Steering Group;the format, structure and frequency of the Exit Steering Group, including the details of appointed representatives together with their roles and responsibilities;a programme for Exit Management addressing key milestones, resource and timescales, including a detailed breakdown of each activity into a series of sub-tasks with respective start and completion dates;details of how the Services will transfer to the Replacement Contractor and/or the Authority, including details of the processes, documentation, data transfer, IPR reporting, branding adjustments, software licences, systems migration, security (where applicable) and the segregation of the Assets and the Authority's components from any assets and components owned and/or operated by the Contractor or its Sub-Contractors (where applicable);the Tenderer’s proposed approach for the rectification of any outstanding security issues, handover of security data, equipment, passwords, return of security passes and closure of MODNET accounts (as applicable);the Tenderer’s proposed approach for the return of materials to the Authority in accordance with Schedule 21 (Exit Management);the proposed approach for the handback of Authority leased and licensed space, including the removal of the Contractor's signage and/or branding (where applicable) and identification and rectification of any defects evident;the Tenderer’s proposed approach for the transfer of full Asset inventory records, including any warranties, historical maintenance records and existing maintenance programme in an accessible format that will ensure ongoing functionality;the provision of a GFE inventory list and associated audits including 100% physical stocktake and rectification of any defects evident;the scope of the Exit Management Services that may be required by the Authority and detailing how such services would be provided (if required) during the Exit Assistance Period;the Tenderer's forecast of the work to be in progress at the Expiry Date or Termination Date;the Tenderer's proposals for the provision of status reports detailing work in progress against each key Statement of Requirement output to facilitate the handover to the potential Replacement Contractors, including existing and future work programmes;the provision of status reports detailing work in progress relating to Sub-Contracts, including all relevant novation and/or termination rights and details of the services provided (if applicable);a timetable and identification of critical issues for providing the Exit Management Services;a clear and detailed communications process that will apply during the Exit Assistance Period to deal with requests made by the Authority and/or a Replacement Contractor (pursuant to Schedule 21);a process to identify individuals eligible for TUPE subject to Schedule 22 (Staff Transfer) of the Contract 1 Terms & Conditions; andthe communication and interface, access rights and information sharing processes and protocols that the Contractor will be required to provide to potential Replacement Contractors.**Authority Dependencies, Key Risks and Assumptions** The Tenderer's response must include: a short form description of any Authority Dependencies in relation to each element of this Technical Requirement of Response, together with a cross-reference to the relevant Authority Dependencies listed in Schedule 27 (Authority Dependencies) as populated and submitted as part of the Tender;all key risks and mitigations; andall key assumptions. | |
| **Response page limit:** Maximum 15 sides of A4 inclusive of diagrams and annexes | |

# TRANSITION PLAN

|  |  |
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| **ID** | **Requirement** |
| **C1\_TP** | **Transition Plan**  **This plan will form Schedule 5 (Transition) in the awarded Contract** |
| **Technical Requirement of Response** | |
| The Tenderer's Transition Plan must describe all the activities that are required to be carried out during the Transition Period including any required under applicable Law and Standards (as set out in Schedule 9 (Standards) of the Contract 1 Terms & Conditions), so that the provision of the Services can commence on the Planned Service Commencement Date.  **The Tenderer must align its response to this requirement with its proposed Service Delivery Plan and the requirements set out in Clause 7 (Services) of the Contract 1 Terms & Conditions.**  The final form of the Transition Plan agreed with the Authority will be incorporated in Schedule 5 (Transition) of the Final Contract.  The Tenderer's Transition Plan must include the following elements: **Transition Services**:detail of the key activities and tasks which the Tenderer has identified as necessary for inclusion in the Transition Plan, together with a detailed description of how the Tenderer will complete those key activities and tasks, and clear target dates or timescales for completion of each key activity and task, to cover the duration of the Transition Period; anda resource breakdown for the Transition Services identified by the Tenderer, including details of roles and responsibilities required.**How the Tenderer will manage stakeholders including**:identifying internal (Tenderer) and external (Authority) stakeholders that need to be engaged during the Transition Period;development of a stakeholder management plan and communication to include staff communications and Contract familiarisation needed by the Service Commencement Date;ensuring that all required staff are appropriately SQEP to commence delivery of the Services by the Service Commencement Date, including details of any training / upskilling to be implemented.the Tenderer's proposal for attendance at the Strategic Board, in accordance with Schedule 6 (Governance, Management Information, Reports, Records and Audit); andthe Tenderer's proposals for the establishment of a transition working group, including terms of reference and membership.**Vessels**How the Tender will achieve the interim Document of Compliance by the Service Commencement Date in accordance with Clause 6.2 of the Contract 1 Terms & Conditions.**Security**Detailed security and information management transition activities in accordance with Schedule 8 (Security and Information Management) including the Tenderer's proposal to secure the required security clearance for personnel who will require access to Authority Premises from the Effective Date.**How the Tenderer will ensure it is in a position to Process Authority Data including**:the Tenderer's approach to ensuring an IT health check is conducted on their systems by either a CHECK Service Provider or a CREST Service Provider to allow the Processing of Authority Data in accordance with Schedule 8 (Security and Information Management) of the Contract;the Tenderer's approach to ensuring the Authority issues an Information Security Approval Statement in accordance with Schedule 8 (Security and Information Management).**Transition Risk Management** The Tenderer must describe the process by which it will proactively manage and where necessary escalate any risks identified that will impact the achievement of the Planned Service Commencement Date.**PERSONNEL / TUPE**The Tenderer should describe how they will meet any additional people resource requirements for the delivery of the services including any recruitment plans. The Tenderer should provide details of where they consider recruitment necessary, including functions, role and how recruitment will be undertaken.Where the Tenderer's Transition Plan involves proposed redundancies and reduction in staff numbers, the Tenderer must describe their processes and procedures in managing staff surplus and redundancy situations explaining how they will meet legal and policy obligations. This will include:any planned redundancy dismissals of employees on economical, technical or organisational grounds to be implemented immediately or within the first twelve (12) months post the Relevant Transfer Date including:the timing / phasing of any anticipated redundancies;how the dismissals will be decided upon, implemented and managed including detailing roles affected and the proposed selection criteria;how the Tenderer will meet legal and policy obligations when managing and administering the redundancies detailed above, ensuring it is a fair and reasonable processProvide baseline agreeing initial Vessel asset condition going into DMS-NG**Authority Dependencies, Key Risks and Assumptions** The Tenderer's response must include: a short form description of any Authority Dependencies in relation to each element of this Technical Requirement of Response, together with a cross-reference to the relevant Authority Dependencies listed in Schedule 27 (Authority Dependencies) as populated and submitted as part of the Tender;all key risks and mitigations; andall key assumptions. | |
| **Response page limit:** Maximum 30 sides of A4 inclusive of diagrams and annexes | |

**TOPIC AREA 2: SOCIAL VALUE AND MAC (QUESTIONS 11-12)**

For all Social Value and MAC RoRs (topic area 2), the Tenderer must describe its approach to delivering Social Value for the MAC identified including but not limited to the following:

* + the Tenderer's 'Method Statement', stating how it will achieve this and how its commitment meets the Model Award Criteria; a timed project plan and process, including how the Tenderer will implement its commitments and by when. Also, how the Tenderer will monitor, measure and report on its commitments / the impact of its proposals. This should include but not be limited to:
    - a timed action plan;
    - description of how the Tenderer will use metrics;
    - details of the tools / processes used to gather data;
    - how the Tenderer will report on Social Value Data;
    - how the Tenderer will gather feedback and improve;
    - how the Tenderer will ensure transparency in its approach to Social Value;
  + how the Tenderer will influence staff, suppliers, customers, and communities through the delivery of the Contract to support the Policy Outcome of the MAC including but not limited to employee engagement, co-design / creation, training, and education, partnering / collaborating and volunteering;
  + a short form description of each Authority Dependency in relation to each Social Value and MAC RoR, together with a cross-reference to the relevant Authority Dependency listed in Schedule 27 (Authority Dependencies) as populated and submitted as part of the Tender;
  + all key risks and mitigations; and
  + all key assumptions.

# SOCIAL VALUE PLAN AND MAC – EDUCATION & Training

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| --- | --- |
| **ID** | **Requirement** |
| **C1\_SVP\_2.3** | **Social Value Plan - MAC 2.3 Education & Training**  **This plan will form part of Schedule 3 (Service Delivery Plan) in the awarded Contract** |
| **Technical Requirement of Response** | |
| The Tenderer must have a coherent and achievable plan to deliver on its Social Value targets associated with the delivery of the Services and aligned to the Government Social Value Model Award Criteria ("**MAC**") identified below. The Tenderer should be aware that Social Value benefits are in addition to the core requirements of the Contract.  Please note that the Tenderer's Tender response will form the basis of a further Key Performance Indicator in addition to those already detailed in Schedule 4 (Payment, Pricing and Incentivisation Mechanism).  The content of the Social Value Plan – Education & Training must include the following elements:   |  |  |  | | --- | --- | --- | | **Theme** | **Policy Outcome** | **MAC Title** | | Tackling economic inequality | Create new businesses, new jobs, and new skills | Support educational attainment relevant to the contract, including training schemes that address skills gaps and result in recognised qualifications | | **Sub- Criteria for MAC** | | Employment, Education & Training | | Model Response Guidance | | Activities that demonstrate and describe the Tenderer's existing or planned:   * + Understanding of employment and skills issues, and of the education and training issues relating to the contract.   + Support for educational attainment relevant to the contract, including training schemes that address skills gaps and result in recognised qualifications.   + Activities to support relevant sector related skills growth and sustainability in the contract workforce.   + Delivery of apprenticeships, traineeships, and T Level industry placement opportunities (Level 2, 3 and 4+) in relation to the contract. | | **Illustrative Examples** | | * + Demographics, skills shortages, new opportunities in high growth sectors, groups under-represented in the workforce (e.g., prison leavers, disabled people), geographic/local community and skills/employment challenges.   + Careers talks, curriculum support, literacy support, safety talks and volunteering. | | **Suggested Reporting Metrics (not limited to)** | | * + Number of full-time equivalent (FTE) employment opportunities created under the contract, by UK region.   + Number of apprenticeship opportunities (Level 2, 3, and 4+) created or retained under the contract, by UK region.   + Number of training opportunities (Level 2, 3, and 4+) created or retained under the contract, other than apprentices, by UK region.   + Number of people-hours of learning interventions delivered under the contract, by UK region. | | |
| **Response page limit:** Maximum 8 sides of A4 inclusive of diagrams and annexes | |

# SOCIAL VALUE PLAN AND MAC – ADDITIONAL ENVIRONMENTAL PROTECTION

|  |  |
| --- | --- |
| **ID** | **Requirement** |
| **C1\_SVP\_4.2** | **Social Value Plan - MAC 4.2 Additional Environmental Protection**  **This plan will form part of Schedule 3 (Service Delivery Plan) in the awarded Contract** |
| **Technical Requirement of Response** | |
| The Tenderer must have a coherent and achievable plan to deliver on its Social Value targets associated with the delivery of the Services and aligned to the MAC identified below. The Tenderer should be aware that Social Value benefits must be additional to the core requirements of the Contract.  Please note that the Tenderer's Tender response will form the basis of a further Key Performance Indicator in addition to those already detailed in Schedule 4 (Payment, Pricing and Incentivisation Mechanism).  The content of the Social Value Plan – Additional Environmental Protection must include the following elements:   |  |  |  | | --- | --- | --- | | **Theme** | **Policy Outcome** | **MAC Title** | | Fighting climate change | Effective stewardship of the environment | Deliver additional environmental benefits in the performance of the contract including working towards net zero greenhouse gas emissions (Additional environmental benefits). | | **Sub-Criteria for MAC** | | Effective stewardship of the environment | | **Model Response Guidance** | | Activities that demonstrate and describe the Tenderer's existing or planned:   * + Understanding of additional environmental benefits in the performance of the contract, including working towards net zero greenhouse gas emissions.   + Collaborative way of working with the supply chain to deliver additional environmental benefits in the performance of the contract, including working towards net zero greenhouse gas emissions.   Delivery of additional environmental benefits through the performance of the contract, including working towards net zero greenhouse gas emissions. | | **Illustrative Examples** | | * + Conducting pre-contract engagement activities with a diverse range of organisations in the market to support the delivery of additional environmental benefits in the performance of the contract.   + Enhancing the natural environment such as habitat creation, increasing biodiversity such as increased numbers of pollinators.   + Green space creation in and around buildings in towns and cities, e.g., green walls, utilising roof tops for plants and pollinators.   + Improving air quality. | | **Suggested Reporting Metrics (not limited to)** | | * + Number of people-hours spent protecting and improving the environment under the contract, by UK region.   + Number of green spaces created under the contract, by UK region.   + Annual:     - Reduction in emissions of greenhouse gases arising from the performance of the contract, measured in metric tonnes carbon dioxide equivalents (MTCDE).     - Reduction in water use arising from the performance of the contract, measured in litres.     - Reduction in waste to landfill arising from the performance of the contract, measured in metric tonnes. | | |
| **Response page limit:** Maximum 8 sides of A4 inclusive of diagrams and annexes | |

**TOPIC AREA 3: AUTHORITY CHARTER RATE AND FINANCIAL MANAGEMENT INFORMATION (QUESTIONS 14-15)**

# Authority charter rate

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| --- | --- |
| **ID** | **Requirement** |
| **C1\_ACR** | **Authority Charter Rate** |
| **Technical Requirement of Response** | |
| The Tenderer must provide proposals for the Authority Charter Rate which clearly set out: The Authority Charter Rates by crewed vessel; andThe Authority Charter Rates should be clearly reconcilable to the Financial Model, and the link between the costs of vessel provision and the labour associated with vessels clearly identified. **The Tenderer must align its Technical Requirement of Response with paragraph 12 (Authority Charter Rate) of Schedule 4 (Payment Performance and Incentivisation Mechanism) of the Contract 1 Terms & Conditions** | |
| **Response page limit:** Maximum 4 sides of A4 inclusive of diagrams and annexes | |

# financial management information

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| **ID** | **Requirement** |
| **C1\_FMI** | **Financial Management Information** |
| **Technical Requirement of Response** | |
| As part of Tender submissions, the Tenderer must submit examples of the financial reports required pursuant to Part B of Schedule 6 (Governance, Management Information, Reports, Records and Audit), including: the Annual Financial Report (RR07);the Monthly Performance and Activity Report (RR01); andthe Fuel Usage Report (RR04). **The Tenderer must align its Technical Requirement of Response with Part B (Management Information) of Schedule 6 (Governance, Management Information, Reports, Records and Audit) of the Contract 1 Terms & Conditions** | |
| **Response page limit:** Maximum 6 sides of A4 inclusive of diagrams and annexes exclusive of templates | |

**APPENDIX 2 – CONTRACT PROVISION CATEGORIES**

**Key to Categories:**

|  |  |
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| **Category 1** | No Derogations are expected, except any drafting that is needed as a result of a Derogation in another part of the Contract, or corrections to typos, missing words, manifest mistakes. |
| **Category 2** | Derogations may be proposed, providing they improve value for money and/or reduce risk to the Authority. |
| **Category 3** | Tenderer Inputs – drafting must be provided in the relevant template document. |
| *Note 1: Where a clause or schedule is designated as Category 2/3, this denotes that the clause/schedule is classed as Category 2 overall, but there are elements within it that are classed as Category 3 due to requiring Tenderer Inputs. The elements requiring Tenderer Inputs will be specified in the relevant clauses/schedules via a 'Note to Tenderers'.* | |
| *Note 2: In some cases, a Clause may be designated as Category 1, whereas the corresponding Schedule is Category 2 or 3. This approach has been taken where the Clause does not contain any material provisions, but points out to the corresponding Schedule where the main obligations are set out.* | |
| *Note 3: Tenderer Inputs are subject to negotiation. Tenderers should note that, including Tenderer Inputs in Final Tenders which are not the result of negotiation with the Authority, may result in the Final Tender being deemed Non-Compliant.* | |
| *Note 4: The Authority reserves the right to re-categorise any of the Clauses/Schedules at its sole discretion.* | |

|  |  |
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| **Clause/Schedule** | **Category** |
| **Section A – Preliminaries:** | |
| Clause 1 (Interpretation) | **1** |
| Clause 2 (Due Diligence) | **1** |
| Clause 3 (Warranties) | **1** |
| Clause 4 (Qualifying Defence Contract) | **1** |
| **Section B – The Services:** | |
| Clause 5 (Term) | **1** |
| Clause 6 (Guarantee) | **1** |
| Clause 7 (Services) | **1** |
| Clause 8 (Additional Services) | **1** |
| Clause 9 (Performance) | **1** |
| Clause 10 (Continuous Improvement) | **1** |
| Clause 11 (Social Value) | **1** |
| Clause 12 (Third Party Revenue Projects) | **1** |
| Clause 13 (Authority Vessels) | **1** |
| Clause 14 (Vessel Replacement Programme) | **1** |
| Clause 15 (Shipbuilding Contracts) | **1** |
| Clause 16 (Vessel Replacement Milestones) | **1** |
| Clause 17 (Assets) | **1** |
| Clause 18 (Accounting for GFE) | **1** |
| **Section C – Payment, Taxation and Value for Money Provision:** | |
| Clause 19 (Land) | **1** |
| Clause 20 (Charges) | **1** |
| Clause 21 (Financial Model) | **1** |
| Clause 22 (Payment and Recovery of Sums Due) | **1** |
| Clause 23 (Value Added Tax and Other Taxes) | **1** |
| Clause 24 (Financial Distress) | **1** |
| Clause 25 (Not Used) | **-** |
| Clause 26 (Tax Compliance) | **1** |
| Clause 27 (Fuel and Utilities) | **1** |
| **Section D – Contract Governance:** | |
| Clause 28 (Governance and Management Information) | **1** |
| Clause 29 (Records, Audits and Open Book Data) | **1** |
| Clause 30 (Change) | **2** |
| Clause 31 (Amendments to Qualifying Defence Contracts – Consolidated Versions) | **1** |
| Clause 32 (Rights of Access) | **1** |
| Clause 33 (Change of Control of Contractor | **1** |
| **Section E – Contractor Personnel and Supply Chain:** | |
| Clause 34 (Contractor Personnel) | **2** |
| Clause 35 (Contractor Personnel at Government Establishments | **1** |
| Clause 36 (Sub-Contracting) | **2** |
| Clause 37 (Key Sub-Contracts) | **2** |
| **Section F – Intellectual Property, Data, Confidentiality and Security:** | |
| Clause 38 (Intellectual Property Rights) | **1** |
| Clause 39 (Third Party Intellectual Property – Rights and Restrictions) | **1** |
| Clause 40 (Cyber) | **1** |
| Clause 41 (Security Measures) | **1** |
| Clause 42 (Security Measures Provisions to be Included in Relevant Sub-Contracts) | **1** |
| Clause 43 (Official-Sensitive Security Requirements) | **1** |
| Clause 44 (Confidentiality) | **1** |
| Clause 45 (Confidentiality of SSCR Information) | **1** |
| Clause 46 (Transparency and Freedom of Information) | **1** |
| Clause 47 (Protection of Personal Data) | **1** |
| Clause 48 (Publicity) | **1** |
| **Section G – Liability, Indemnities and Insurance:** | |
| Clause 49 (Indemnities) | **2/3** |
| Clause 50 (Limitations on Liability) | **2/3** |
| Clause 51 (Nuclear Indemnity) | **2** |
| Clause 52 (Carriage of Explosives Indemnity) | **1** |
| Clause 53 (Insurance) | **1** |
| **Section H – Remedies and Relief:** | |
| Clause 54 (Contractor Default and Rectification Plan) | **2** |
| Clause 55 (Step-In Rights) | **1** |
| Clause 56 (Measures in a Crisis) | **1** |
| Clause 57 (Relief Events) | **1** |
| Clause 58 (Compensation Events) | **2** |
| Clause 59 (Force Majeure) | **2** |
| Clause 60 (Salvage) | **1** |
| **Section I – Termination and Exit Management:** | |
| Clause 61 (Termination for Contractor Default) | **2** |
| Clause 62 (Termination for Authority Default) | **1** |
| Clause 63 (Termination for Prohibited Acts ) | **1** |
| Clause 64 (Authority Voluntary Termination Right) | **1** |
| Clause 65 (Consequences of Expiry or Termination) | **1** |
| **Section J – Miscellaneous and Governing Law:** | |
| Clause 66 (Compliance) | **1** |
| Clause 67 (Assignment and Novation) | **1** |
| Clause 68 (Waiver and Cumulative Remedies) | **1** |
| Clause 69 (Relationship of the Parties) | **1** |
| Clause 70 (Severance) | **1** |
| Clause 71 (Further Assurance) | **1** |
| Clause 72 (Entire Agreement) | **1** |
| Clause 73 (Third Party Rights) | **1** |
| Clause 74 (Notices) | **1** |
| Clause 75 (Disputes) | **1** |
| Clause 76 (Inadequacy of Damages) | **1** |
| Clause 77 (Costs) | **1** |
| Clause 78 (Counterparts) | **1** |
| Clause 79 (Governing Law and Jurisdiction) | **1** |
| **Schedules:** | |
| Schedule 1 (Definitions) | **2** |
| Schedule 2 (Statement of Requirement) | **2** |
| Schedule 3 (Service Delivery Plan) | **N/A** |
| Schedule 4 (Payment, Performance and Incentivisation Mechanism) | **2/3** |
| Schedule 5 (Transition) | **N/A** |
| Schedule 6 (Governance, Management Information, Reports, Records and Audit) | **2** |
| Schedule 7 (Insurance) | **1** |
| Schedule 8 (Security) | **1** |
| Schedule 9 (Standards) | **1** |
| Schedule 10 (Bareboat Charter Agreement) | **1** |
| Schedule 11 (Vessels) | **1** |
| Schedule 12 (Assets) | **3** |
| Schedule 13 (Land) | **1** |
| Schedule 14 (Commercially Sensitive Information) | **2/3** |
| Schedule 15 (Warranted Data) | **3** |
| Schedule 16 (Project and Ancillary Documents) | **2/3** |
| Schedule 17 (Intellectual Property Rights) | **2/3** |
| Schedule 18 (Processing Personal Data) | **1** |
| Schedule 19 (Change Control Procedure) | **2** |
| Schedule 20 (Compensation on Termination) | **2** |
| Schedule 21 (Exit Management) | **2** |
| Schedule 22 (Staff Transfer) | **1** |
| Schedule 23 (Key Sub-Contractors) | **3** |
| Schedule 24 (Form of Direct Agreement) | **2** |
| Schedule 25 (Financial Distress) | **2/3** |
| Schedule 26 (Guarantees) | **2** |
| Schedule 27 (Authority Dependencies) | **2/3** |
| Schedule 28 (Key Personnel) | **3** |
| Schedule 29 (Service Continuity Plan and Corporate Resolution Planning) | **2** |
| Schedule 30 (Dispute Resolution Procedure) | **2** |
| Schedule 31 (Transparency and Financial Models) | **2** |
| Schedule 32 (Cyber Provisions to be Included in Relevant Sub-Contracts) | **1** |
| Schedule 33 (Provisions to be Included in Material Single Source Sub-contracts (Non-Qualifying)) | **1** |
| Schedule 34 (Nuclear Indemnity) | **2** |
| Schedule 35 (Provisions to be Included in Qualifying Subcontracts) | **1** |

**APPENDIX 3 – OPERATIONAL MODEL INSTRUCTIONS**

1. **General Instructions**
   1. The Authority requires the Tenderer to provide a quantified operational model of its proposed solution to meet the requirements of the Statement of Requirement. The Operational Model shall demonstrate the operational solution for the SDA.
   2. The purposes (**“Purposes”**) of the Operational Model are:
      1. to provide the operational inputs and assumptions that underpin the Tenderer’s costed and priced solution as set out in its Financial Model (the **"Inputs"** and **"Assumptions"** respectively);
      2. to demonstrate through working model logic that the Tenderer has planned for and has access to enough resources (its own and through its supply chain) including headroom to deliver the Task volumes issued by the Authority under the SDA at the required service levels for the duration of the Contract Term;
      3. to substantiate and evidence quantifiably the Tenderer’s written technical response;
      4. to demonstrate the impact of variances in the Inputs and Assumptions on the operational performance of the Tenderer and its supply chain, including the Key Performance Indicators to be used to manage and deliver the Tasks; and
      5. in relation to the Tenderer only (if the Tenderer is successful in this ITN), form the basis of the Baseline Operational Model in accordance with Schedule 31 (Financial Model) of the Contract.
2. **Operational Model Scope**
   1. Consistent with the Purposes, the Operational Model shall:
      1. be fully calculating and show all working logical links between the Tenderer’s inputs and assumptions and its quantified operational solution outputs, in order to show how it has derived the resource capacity (**“Resource Capacity”**) needed to deliver Tasks and the associated difference between the available Resource Capacity and the used Resource Capacity (**“Headroom”**), consistent with delivering the Tasks efficiently and effectively in accordance with required service levels;
      2. have outputs that reconcile to the operational Inputs used in the Tenderer’s Financial Model;
      3. not contain any costs or prices, which shall be captured only in the Tenderer’s Financial Model;
      4. align to the Tenderer’s proposed work breakdown structure for the delivery of the Services;
      5. be forecast monthly over a period of not less than twelve calendar months from the Planned Service Commencement Date:
         1. Task volumes, including the impact of potential fluctuations in demand within and between service periods;
         2. the labour and non-labour resources needed to deliver planned transition and transformation activities and the alignment of the resources to milestones;
         3. the Tenderer’s Resource Capacity and Headroom to deliver the Task volumes, including:
            1. the required size and make-up of the labour resources (including the Tenderer’s own employees, Key Sub-Contractor employees and contract / agency labour) – and the associated availability and productivity Assumptions that, together, yield the forecast available productive workforce to meet the Task demand;
            2. any Assumptions made about the assignment of labour resources to specific Tasks, Vessels and other Assets in order to show the extent to which labour resources are dedicated and/or can be pooled to meet Task demand;
            3. labour resources for all other parts of the Tenderer’s Operational Model providing indirect support and/or head office services; and
            4. the required size and make-up of non-labour resources (including the Tenderer’s own resources and those of its Sub-Contractors and key suppliers) – and the associated availability and productivity Assumptions that, together, yield the forecast available productive Resource Capacity to meet the Task demand;
         4. set out the required types, numbers and configuration of Vessels planned to be used to deliver the Tasks and the associated productivity of the Vessels after accounting for time when the Vessels are not available for Tasks because of, for example, maintenance for routine repairs, defects and dockings;
         5. set out the time, effort and spares required to deliver maintenance for Vessels and other Assets arising from the Tasks;
         6. include the acquisition and commissioning plans, including milestones, for new Vessels and other Assets being brought into service, the decommissioning plans for existing Vessels and Assets being taken out of service and the changes to productivity Assumptions arising from such commissioning and decommissioning;
         7. set out the quantity and timing of those parts of the Services bought in from Key Sub-Contractors and other key suppliers;
         8. contain the Assumptions, timing and impact of any dependencies on the use and/or availability of Authority Assets for the delivery of the Tasks;
         9. where permitted under the relevant SDA, the use of GFE and other Assets for the purposes of generating third party income for the Tenderer through activities not related to the delivery of the Tasks; and
         10. include any other factors that determine the availability, productivity and/or utilisation of the Resource Capacity and the Headroom during the Contract Term;
      6. include output reports by SDA showing:
         1. Task quantities;
         2. labour capacity, availability and utilisation, further broken down by activity type and operating location;
         3. Vessel fleet capacity, availability and utilisation, broken down by activity type and operating location;
         4. maintenance demand for routine repairs (planned activity), defects (unplanned activity) and dockings (planned and unplanned activity), maintenance activity carried out and maintenance activity planned but not yet carried out, by Vessel/Asset being maintained;
         5. the plans for Assets being managed by the Tenderer for the Authority, including maintenance and replacement programme activities; and
         6. variance analysis in relation to any reports produced by the Tenderer between the current report version or scenario and any reasonably comparable prior version of the same report or scenario;
      7. contain scenario capabilities that:
         1. enable Inputs to be changed to show the impact on the Tenderer’s service and proposed operational KPIs; and
         2. can store scenario modelling Inputs and outputs, so that scenarios can easily be run and compared to the baseline; and
      8. contain a user interface, for a user to run the baseline or new scenarios with reasonable technical knowledge and training.
3. **Technical Format Requirements**
   1. The Operational Model shall:
      1. be built in Microsoft Excel in accordance with the Model Build Standards set out at paragraph 8 and saved in .XLSX, .XLSM or .XLSB format; and
      2. be submitted to the Authority in a form that meets the Authority cyber security requirements set out in the Contract 1 Terms & Conditions, such that it can run on Authority systems without needing any additional software licences to be purchased by the Authority.
4. **User Guide**
   1. The Tenderer shall provide a user guide (**“User Guide”**) for the Operational Model, which shall:
      1. be written at a level suitable for a reasonably skilled and experienced user (but who may not be a professional operational modeller) of Microsoft Excel;
      2. identify the version of the Operational Model to which the User Guide refers;
      3. explain for the Operational Model:
         1. the scope;
         2. the logical schema, including:
            1. the worksheet structure;
            2. an explanation of the intended purpose of each part of the schema (worksheets and sections within worksheets);
            3. identification of any parts of the scheme that have been included for supplementary analysis and are not a part of the derivation of Authority mandated outputs; and
            4. any parts of the schema that require Visual Basic for Applications (VBA) (macros) and/or manual transfer of data between sections for the Operational Model to calculate;
         3. the approach to the visual separation and identification of Inputs, Assumptions, calculations and outputs;
         4. the estimating methodology that underpins the logic used in the Operational Model to translate Authority Task quantities into Tenderer Resource Capacity and Headroom, covering all the elements of but not limited to paragraph 2.1(e);
         5. the logic, process flows and calculations used in the Operational Model;
         6. the outputs of the Operational Model;
         7. the purpose and operation of any checks that have been built into the Operational Model, including guidance over required user action needed to remediate checks that have been triggered;
         8. with explicit cross referencing, the inputs and assumptions and outputs of the Operational Model that are intended to reconcile to inputs and assumptions in the Financial Model;
         9. how the Tenderer has tested the Operational Model to ensure that it is fit-for-purpose and the detailed test procedures that have been carried out;
         10. all processes for how the Operational Model is intended to be used, covering both base case and scenario settings and clearly explaining where the Operational Model requires the user to intervene to calculate fully, including the use of VBA (macros) and where Inputs and outputs need to be copied and pasted between common sections in different workbooks as applicable; and
         11. any other relevant operating instructions as needed for the Authority to run the Operational Model on its own systems.
5. **Data Book**
   1. The Tenderer shall provide a data book (**“Data Book”**) for the Operational Model that sets out in a tabular format for each of the inputs and assumptions the following information:
      1. Unique serial number;
      2. Input / Assumption Name;
      3. Workbook, Worksheet and Cell range reference;
      4. description;
      5. data source;
      6. an explanation and amount of any risk or contingency included in the Input or Assumption;
      7. the basis of validation that the Input or Assumption is fit for purpose and sustainably achievable;
      8. where applicable, a cross reference to where used / mirrored in the written technical solution; and
      9. the owner of the Input or Assumption.
      10. Tenderers may refer in the Data Book to a group of data Inputs where such Inputs are collectively commonly sourced and share the same underpinning logic.
      11. Tenderers are not required to repeat the values of the inputs and assumptions in the Data Book, providing the referencing in the Data Book uniquely identifies where the inputs and assumptions are located in the Operational Model.
6. **Independent Assurance – Initial Tender**
   1. The Authority requires the Initial Tender response to provide an independent assurance statement (**“Independent Assurance Statement”**) in relation to its Operational Model as follows:
      1. the Independent Assurance Statement may be provided by any suitably qualified member(s) of the Tenderer’s organisation, provided said person(s) have had no role in the preparation of the Operational Model, the User Guide of the Data Book; and
      2. the Independent Assurance Statement shall set out:
         1. details of who is completing the Independent Assurance Statement, including:
            1. Name and Division;
            2. Role/ qualification/ ability to provide the statement; and
            3. Confirmation that they have had no other involvement with regards completing the Operational Model;
         2. confirmation that the Operational Model has been developed and populated in accordance with these instructions and is consistent with the User Guide, Data Book and common operational inputs and assumptions to the Financial Model;
         3. confirmation that the resources included in the Operational Model are justified, are aligned to the technical response and fully represent all of the operational costs, including estimating contingency, for which the Tenderer is seeking payment from the Authority as set out in the Financial Model; and
         4. an explanation of how the Operational Model has been independently assured that it is fit-for-purpose, including the detailed test procedures that have been carried out.
7. **Independent Assurance – Final Tender**
   1. The Authority requires the Final Tender response to provide external independent assurance by a suitably qualified third party providing a duty of care to the Authority, confirming that:
      1. the Operational Model has been built in accordance with the scope, methodology and logic set out in the User Guide and is materially fit for its intended Purposes;
      2. the Operational Model has been populated in accordance Inputs and Assumptions set out in the Data Book;
      3. all inputs and assumptions that are common to the Operational Model and the Financial Model are the same; and
      4. the Operational Model is materially consistent with the Model Build Standards set out in paragraph 8.
8. **Model Build Standards**
   1. The standards set out in this paragraph 8 shall apply to all information submitted to the Authority using Microsoft Excel spreadsheets (**“Model(s)”**).
   2. Models shall be laid out in a clear and logical manner that is readily understandable by a reasonably skilled and experienced user of Microsoft Excel (but who may not be full time professional modeller).
   3. Model logic should flow from Inputs to calculations to outputs.
   4. Wherever possible, separate worksheets shall be used for Inputs, calculations and outputs.
   5. Inputs and/or Assumptions shall be clearly defined and formatted to highlight that they are Inputs and/or Assumptions, regardless of where they are located in the Model.
   6. Formulae shall be written in a transparent manner and shall be documented in the Model and/or the User Guide. Other than the exceptions below, formulae shall not contain any hard-coded Input data; instead, Inputs should be entered initially on an Input sheet and linked into the formulae either directly or through a call-up. Accepted exceptions to this comprise:
      1. arguments in formulae may require a -1, 0 or 1 in order to specify the argument type (e.g., as required in the MATCH function);
      2. timing flag calculations may include a 0 or 1;
      3. logical checks may include 0 or 1;
      4. sequential period or item counters used for dynamic labelling may be in the format of "previous" + 1;
      5. maximum and minimum calculations may require the use of 0 to limit a figure to positive or negative numbers only; and
      6. where using indices or percentages, formulae may require the use of "+1" in order to calculate the increase from a specific value or "1-" where an inverse of a percentage is required.
   7. Formulae should generally follow the rule that, where the same calculation is being repeated across a row, down a column, or across and down a table, that row, column, or table should contain a single formula copied across the cells in that row, column, or table. Where this rule cannot be followed, such that what may appear to the user to be the same formulae are variant formulae, such variance should be highlighted to the user. A permitted exception to this shall be where annual summaries are provided adjacent to the monthly calculations (although annual summaries may not be interspaced within a monthly timeline).
   8. Output sheets shall not contain any calculations apart from sums and check totals.
   9. Models shall have a consistent timeline across worksheets starting in the same column, with line items going down the worksheet.
   10. Wherever possible, the Model should include automatic checks that clearly identify to the user, for example:
       1. where Inputs have not been input as intended, including giving rise to outputs that are not as expected;
       2. Inputs required for the Model to calculate correctly and in accordance with the Model specification are incomplete or missing;
       3. calculations performed in more than one way that should yield the same output do not reconcile, for example, the sum of the data in each period of the Model does not equal the sum of the annual summaries of the same data.
   11. Models shall not contain any hidden cells or sheets.
   12. Models shall not have any password protect sections that cannot be readily accessed by the Authority.
   13. The calculations in any of the Models shall be designed to allow the use of the Microsoft Excel formula editing tools, and the use of functions that do not permit this (for example, Array, OFFSET, INDIRECT, HLOOKUP, VLOOKUP and LOOKUP functions) shall not be used.
   14. The number of worksheets contained in the Models shall generally be minimised, with worksheets logically arranged and labelled, including the use of blank spacing tabs where appropriate to designate key sections of the Model.
   15. Sections within worksheet tabs shall be labelled with clear headings.
   16. Use of range names shall be kept to a minimum, although any cells referred to in VBA must be defined by a range name.
   17. Models shall not contain any external links. If Input data is sourced from supporting Tenderer models or systems, a separate Input sheet shall be created and the output from the supporting Models shall be copied and pasted as hard-coded values into this separate Input sheet. Such Input ranges shall be clearly labelled with the filename of the underlying model, range references, version number and date of import, such that it is clear to the User that there are output / Input sections in the Models that are intended to match each other.
   18. Models shall not contain any circular logic and iteration shall be switched off in the calculation setting.
   19. In automatic calculation mode, Models shall calculate fully from Inputs, through calculations to outputs.
   20. Inputs and subsequent logic that do not directly feed through to Model outputs shall generally be minimised and, where present, shall be clearly labelled as supplementary calculations.
   21. Each row/column with Input data, calculations or outputs must be labelled with the appropriate units and, where applicable, currency.
   22. Models must contain a version number and date.
   23. The Model should be accompanied by a Data Book in a tabular format for each Input and Assumption in accordance with paragraph 5.
   24. The Model should be accompanied by a User Guide in accordance with paragraph 4.
   25. The use of Visual Basic for Applications (“VBA”) is permitted, providing macros are transparently written, supported within the VBA with explanatory comment and fully explained in the User Guide. The following standards also apply:
       1. VBA may be used where the Tenderer wishes to minimise replicating identical calculations and speed up the time taken for the Model to calculate. In this case, the Tenderer shall clearly show the Inputs to and the spreadsheet formulae used in the calculations. Cells that are populated by such VBA routines shall be transparently identifiable, e.g., via colour coding, as being distinct from the Input or calculation cells. Checks shall be in place to ensure reconciliation between Inputs and VBA-driven outputs;
       2. VBA may be used for the purposes of Model control, including navigation and print macros;
       3. 'Option Explicit' shall be switched on;
       4. VBA code shall contain adequate non-technical narrative and be fully documented in the Model User Guide;
       5. VBA shall not be used when the calculation itself is being performed within VBA in virtual memory such that only the Inputs and outputs are visible to the Model user;
       6. VBA shall not be used to create custom functions; and
       7. VBA shall not be used where the output of the VBA macro could as easily be obtained by using Excel formulae.
   26. Where it is intended that a part or all of the Model will be printed, print areas should be set up to print single-sided with header and / or footer labels that include:
       1. the title of the print-out;
       2. the date and time of the print-out;
       3. the page number of the print-out and the total number of pages in the print-out
       4. the protective marking applicable to the print-out; and
       5. the name of the worksheet and the name of the workbook from which the print-out has been prepared.