



FOI Act Exemption Section 40



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Defence Equipment & Support
Helicopters Operating Centre
100 Centenary House
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Lysander Road
YEOVIL
BA20 2YB



FAO: [Redacted] FOI Act Exemption Section 40

DATE: 04 February 2019 **Reference:**
HELSS/0102

Dear Jon,

INVITATION TO NEGOTIATE (ITN) REFERENCE NO: HELSS/0102

1. You are invited to tender for Merlin & Apache Engines Future Support (MAEFS) in competition in accordance with the attached documentation. A Summary of the Key Changes between ITN Release Phase 1 and ITN Release Phase 2 are captured in Appendix A to this letter.
2. The requirement is for the procurement of in-service support for the Authority's Merlin and Apache Mk1 Helicopter fleets' engines to meet its requirements as expressed in the Statement of Requirements (SOR) as at Schedule A of the ITN. FOI Act Exemption Section 21
3. Funding has been approved. [Redacted]
4. The anticipated date for the contract award decision is April 2020, please note that this is an indicative date and may change.
5. You must submit your Tender to arrive no later than 10:00 GMT 30th May 2019. You must attach the enclosed Tender Return Label (DEFFORM 28) to the outer packaging of your Tender when you submit it to the Authority.
6. Please confirm receipt of this invitation to the Commercial Officer stated in the above address.

Yours faithfully

Garry D Coe
Helicopters Commercial Team Leader

Appendix A to HELSS/0102 Letter dated 04 February 2019

Mapping ITN Release Phase 1 to ITN Release Phase 2

ITN Release Phase 1		ITN Release Phase 2	
Schedule	Title	Schedule	
Schedule A	Statement of Requirement	Schedule A	Statement of Requirement
Schedule B	GFA obligations of authority	Schedule B	Implementation Plan
Schedule C	Pricing and Payment	Schedule C	Quality, Safety, Regulatory Articles and DEFSTANS
Schedule D	Pricing Statements	Schedule D	GFA Obligations of the Authority
Schedule E	Governance	Schedule E	Baseline Assumption
Schedule F	Contract Performance	Schedule F	Pricing and Payment for Core Services
Schedule G	Integrated Logistics Strategy	Schedule G	Performance for Core Services
Schedule H	Baseline Assumption	Schedule H	Pricing and Payment for Additional Services
Schedule I	Quality Safety and Regulatory articles	Schedule I	Pricing Statements
Schedule J	Additional Services	Schedule J	Commercial Exploitation Agreement
Schedule K	Exit Strategy Management Plan	Schedule K	Disposal
Schedule L	Disposal	Schedule L	Governance
Schedule M	Implementation Plan	Schedule M	ILS
Schedule N	TUPE	Schedule N	Contractor Reporting and Data Deliverables
Schedule O	Specimen Commercial Exploitation Agreement	Schedule O	Earned Value Management System Reporting Requirements
Schedule P	EVMS	Schedule P	Exit Management Plan
Schedule Q	Contractor Deliverables	Schedule Q	Definitions
		Schedule R	TUPE

Key Changes for Release Phase 2

Ref	Release Phase 2 document reference	Document Name	Change
1	DEFFORM 47		Pricing period clarified
2	DEFFORM 47		COPIS Factors Added
3	DEFFORM 47		Further clarification of funding
4	DEFFORM 47		Clarification of requirement for an implementation plan
5	Terms and conditions		Clarification of link between requirement, performance measurement and payment
6	DEFFORM 111	Tender submission information	Added to release folder
7	DEFFORM 028ABW	Tender return label	Added to release folder
8	Security Aspects Letter		Added to release folder
9	Schedule L	Governance	Further detail on reporting and governance meetings
10	Schedule P	Exit Management Plan	Further detail of requirement for an exit plan that is updated and reviewed throughout the life of the contract
11	Schedule N	Contractor deliverables	Additional requirements under category A
12	Schedule Q	Definitions	Definitions updated and expanded within own schedule

LIST OF SUPPLIERS INVITED TO SUBMIT A TENDER FOR ITN No. HELSS/0102

Supplier Name	Supplier Address & Phone Number	Supplier Point of Contact
SAFRAN Helicopter Engines UK Ltd	Concorde Way Segensworth North Fareham Hants PO15 5RL Tel: [REDACTED]	[REDACTED] FOI Act Exemption Section 40
General Electric International Inc.	Century Way, Thorpe Park Business Park, Colton, Leeds, West Yorkshire, LS15 8ZA	[REDACTED]

Invitation To Negotiate for the Provision of Merlin and Apache Engines Future Support (MAEFS)

Reference Number: HELSS/0102

1. CONTENTS

1.1. This invitation consists of the following documentation:

1.2. **DEFFORM 47** – Invitation To Negotiate. The DEFFORM 47 sets out the key requirements that Tenderers need to meet in submitting a valid Tender. It also sets out the conditions relating to this competition. For ease it is broken into:

Section A – Introduction.

- a. DEFFORM 47 Definitions
- b. Purpose
- c. ITN Documentation and ITN Material
- d. Tender Expenses
- e. Material Change of Control from Supplier Selection
- f. Contract Conditions
- g. Consultation with Credit Reference Agencies
- h. Other Information

Section B – Key Tendering Activities

Section C – Instructions on Preparing Tenders

- a. Tenders for Selected Contractor Reporting and Data Deliverables
- b. Construction of Tenders
- c. Validity
- d. Multiple and Variant Bids

Section D – Tender Evaluation

- a. Appendix A – Technical Criteria
- b. Appendix B - Commercial Criteria
- c. Appendix C – Commercial Compliance Matrix
- d. Appendix D - Financial Workbook

Section E – Instructions on Submitting Tenders

Section F – Conditions of Tendering

- a. Conforming to the Law
- b. Bid Rigging and Other Illegal Practices
- c. Conflicts of Interest
- d. Government Furnished Assets
- e. Standstill Period
- f. Publicity Announcement
- g. Sensitive Information
- h. Reportable Requirements
- i. Specific Conditions of Tendering

1.3. DEFFORM 47 Annex A – Tender Submission Document (Offer)

1.4. Appendix 1 to DEFFORM 47 Annex A (Offer) – Information on Mandatory Declarations

SCHEDULE OF REQUIREMENTS

Statement of Requirement – Statement of Requirement (SOR) as at Schedule A

Contract Conditions - as per attached

DEFFORM 111 – Appendix to Contract - Addresses and Other Information

Tenderer's Commercially Sensitive Information Form (DEFFORM 539A)

DEFFORM 28 – Tender Return Label

SCHEDULE A - Statement of Requirement

SCHEDULE B - Implementation Plan

SCHEDULE C - Quality, Safety, Regulatory Articles and DEFSTANS

SCHEDULE D - GFA Obligations of the Authority

SCHEDULE E - Baseline Assumption

SCHEDULE F - Pricing and Payment for Core Services

SCHEDULE G - Performance for Core Services

SCHEDULE H - Pricing and Payment for Additional Services

SCHEDULE I - Pricing Statements

SCHEDULE J - Commercial Exploitation Agreement

SCHEDULE K - Disposal

SCHEDULE L - Governace General

SCHEDULE M - Integrated Logistic Support

SCHEDULE N - Contractor Reporting and Data Deliverables

SCHEDULE O - Earned Value Management System Reporting Requirements

SCHEDULE P - Exit Management Plan

SCHEDULE Q - Definitions

SCHEDULE R - TUPE

SECTION A – INTRODUCTION

DEFFORM 47 DEFINITIONS

A1. “The Authority” means the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland, (referred to in this document as "the Authority"), acting as part of the Crown.

A2. “Tenderer” means the economic operator or group of operators in the form of a consortium, including sub-contractors, who have been invited to submit a response to this Invitation to Tender. Where “you” is used, this means an action on you the Tenderer.

A3. “Invitation to Tender” (ITN) refers to the first document that the Authority sends out to potential Tenderers that initiates a tender response, competitive dialogue or negotiation.

A4. A “Tender” is the offer that you are making to the Authority.

A5. “Contractor Reporting and Data Deliverables” means the works, goods and / or the services, including packaging (and Certificates(s) of Conformity supplied in accordance with any Quality Assurance (QA) requirements, if specified) and any associated technical data which the contractor is required to provide under the contract in accordance with the Schedule of Requirements, but excluding incidentals outside the Schedule of Requirements such as progress reports.

A6. “Schedule of Requirements” means that part of the contract which identifies, either directly or by reference, the Contractor Reporting and Data Deliverables to be supplied or carried out, the quantities involved and the price or pricing terms in relation to each Contractor Reporting and Data Deliverable.

A7. The “Statement of Requirement” (Schedule A to ITN) details the technical requirements and acceptance criteria of the Contractor Reporting and Data Deliverables.

A8. “Conditions of Tendering” means the conditions set out in the DEFFORM 47 that govern the competition.

A9. “Contract Conditions” means the attached Terms & Conditions that will govern any resultant contract.

A10. A “Third Party” is any person who is not an employee of the Authority or Tenderer, as defined at A2.

PURPOSE

A11. The purpose of this ITN is to invite you to propose a solution / best price to meet the Authority’s requirement. This documentation explains and sets out the:

- a. tender process and timetable for the next stages of the procurement;
- b. instructions and conditions that govern this competition;
- c. information you must include in your Tender and the required format;
- d. administrative arrangements for the receipt and evaluation of Tenders; and
- e. Contract Conditions that shall apply in the event that the Authority awards a contract following this competition.

A12. The sections in this ITN and associated documents are structured in line with a generic tendering process and do not indicate importance / precedence.

A13. This ITN has been issued to all potential Tenderers chosen during the supplier selection stage, listed on page 2 of this DEFFORM 47.

A14. The requirement was advertised by the Authority in the Official Journal of the European Union (OJEU) dated 10 February 2018 with reference to the requirement for Aircraft Engines following the Negotiated Procedure under the Defence and Security Public Contracts Regulations 2011.

ITN DOCUMENTATION AND ITN MATERIAL

A15. ITN Documentation means any information in any medium or form (for example drawings, handbooks, manuals, instructions, specifications and notes of pre-tender clarification meetings), issued to you, or to which you have been granted access, by the Authority for the purposes of responding to this ITN. ITN Material means any other material (including patterns and samples), equipment or software issued to you, or to which you have been granted access, by the Authority for the purposes of responding to this ITN. ITN Documentation, ITN Material and any Intellectual Property Rights (IPR) in them shall remain the property of the Authority or other Third Party owners and is released solely for the purposes of enabling you to submit a Tender. You must:

- a. take responsibility for the safe custody of the ITN Documentation and ITN Material and for all loss and damage sustained to it while in your care;
- b. not copy or disclose the ITN Documentation or any part of it to anyone other than the bid team involved in preparing your Tender, and not use it except for the purpose of responding to this ITN;
- c. seek written approval from the Authority if you need to provide access to any ITN Documentation or ITN Material to any Third Party;
- d. abide by any reasonable conditions imposed by the Authority in giving its approval under sub-paragraph A15.c, which at a minimum will require you to ensure any disclosure to a Third Party is made by you in confidence. Alternatively, due to IPR issues for example, the disclosure may be made, in confidence, directly by the Authority;
- e. accept that any further disclosure of ITN Documentation or ITN Material (or use beyond the original purpose), or further use of ITN Documentation or ITN Material, without the Authority's written approval may make you liable for a claim for breach of confidence and / or infringement of IPR, a remedy which may involve a claim for compensation;
- f. inform the named Commercial Officer if you decide not to submit a Tender;
- g. immediately return all ITN Documentation, ITN Material and derived information of an unmarked nature, should you decide not to respond to this ITN, or you are notified by the Authority that your Tender has been unsuccessful; and
- h. consult the named Commercial Officer to agree the appropriate destruction process if you are in receipt of ITN Documentation and ITN Material marked 'OFFICIAL-SENSITIVE' or 'SECRET'.

A16. Some or all of the ITN Documentation and ITN Material may be subject to one or more confidentiality agreements made between you and either the Authority or a Third Party, for example a confidentiality agreement established in the form of DEFFORM 94. The obligations

contained in any such agreement will be in addition to, and not derogate from, your obligations under paragraph A15 above.

TENDER EXPENSES

A17. You will bear all costs associated with preparing and submitting your Tender. If the Tender process is terminated or amended by the Authority, the Authority will not reimburse you.

MATERIAL CHANGE OF CONTROL FROM SUPPLIER SELECTION

A18. You must inform the Authority in writing if there is any material change in control, composition or membership of your organisation and / or consortium members, including any sub-contractors at any time during the procurement process. This may affect your right to stay in the competition.

CONTRACT CONDITIONS

A19. The full text of Defence Conditions (DEFCONs) and Defence Forms (DEFFORMS) are available electronically via the Acquisition System Guidance (ASG). The full text of the Contract Terms & Conditions is attached.

CONSULTATION WITH CREDIT REFERENCE AGENCIES

A20. The Authority may consult with credit reference agencies to assess your creditworthiness. This information may be used to support and influence decisions to enter into a contract with you.

TENDERER'S USE OF AWARD®

A21. The following information instructs the tenderers on the use of AWARD® during the tender exercise.

INTRODUCTION

A22 The Authority is using the AWARD® hosted software service for the electronic element of the tendering process. AWARD® will be used to; provide access to documents published by the Authority, allow Tenderers to raise and respond to Requests and Clarifications and be the portal for formal submission of tenders alongside the submission of hard copies to the Tender Board.

GETTING STARTED

A23 Each Tenderer will receive an individual login to the AWARD® system. The login details will be forwarded from AWARD®. If the Tenderer already has a procurement specific AWARD® login, this should be used (as a new login will not be provided). AWARD® is designed to be an intuitive internet based system and contains on-line guidance available via the help button.

A24 AWARD® will be used to electronically publish all information pertaining to ITN. In order to access AWARD®, The Tenderer will need to confirm they have read the AWARD® Terms and Conditions and accept them.

TENDERER CLARIFICATIONS

A25 If a Tenderer wishes to raise a clarification on supplied information, then a Tenderer Clarification should be raised on AWARD®. From the Communication menu, click and follow the instructions. The Authority point of contact will be notified of your request. The Tenderer that raised the clarification request will be alerted by AWARD® when a response is available. Each Tender clarification request should consist of a single topic.

AUTHORITY NOTIFICATIONS

A26 Occasionally, the Authority may wish to provide all Tenderers with additional information. This may be due to a Tenderer request raised by one of the Tenderers. All Tenderers will be alerted by AWARD[®], concurrently, that a notification is available to view.

AUTHORITY QUERIES

A27 If the Authority wishes a Tenderer to clarify any of the information the Tenderer has provided, the Authority will raise a 'Query'. The Tenderer will be alerted by AWARD[®]. The Query will be available from the 'Queries' area.

A28 Once a Tenderer has read both the Query and the Instructions on how to respond, they shall submit their answer via AWARD[®].

A29 AWARD[®] alerts users when they are required to perform an action as a result of Tenderer requests, notifications or clarifications. These alerts can be seen when logged into AWARD[®] under the 'Recent Activities' area. The users will receive an automated email from AWARD[®] whenever an alert has been issued to them, instructing them to log into AWARD[®] and view the alert.

SUBMITTING RESPONSES

A30 To load a response into AWARD[®], select update response from the home screen and follow the instructions.

A31 The published evaluation criteria and their associated weight will be visible in AWARD[®] to Tenderers and will state the evidence sought by the Authority in each case. Unless instructed otherwise, a Tenderer may use as many files as necessary to substantiate their answer, although the Authority will seek conciseness over quantity in most cases.

A32 A Tenderer may use as many files as necessary. Each filename shall be unique and less than 100 characters in length. AWARD[®] will present the list of documents in alpha-numeric order. Files shall be named such that the files are presented in a logical order (the same order as a hardcopy when listed alpha-numerically).

A33 Tenderers should endeavour to ensure that individual files are no larger than 10 Megabytes (10MB) where possible. Larger files may take significant time to open over poorer connections and cause delays in evaluation. To facilitate a 10MB limit, images shall be compressed to a quality suitable for printing on A4 or A3 paper and viewing on a 1024x768 pixel screen. The Tenderer shall not use images that add no value to the tender.

A34 Tenderers will be presented with one or more 'Response Sheets' in AWARD[®]. Each response sheet contains a list of questions. Tenderers must provide one or more response documents for each question and explicitly identify the part(s) of each document that relate to the question.

INFORMATION SECURITY

A35 The AWARD[®] system will be operating on an Internet hosted service supporting information with protective marking up to Official Sensitive level. Evaluators will be able to access the service anywhere that they can access the Internet but security of information and project guidelines should be followed.

SECTION B – KEY TENDERING ACTIVITIES

STAGE	DATE & TIME	INITIATED BY:	SUBMIT TO:
Invitation To Negotiate Release (Phase 1)	30 November 2018	The Authority	All Tenderers
Tenderers Conference ¹	11 December 2018	The Authority	All Tenderers
Final date for Clarification Questions / Requests for additional information (Phase 1) ²	24 January 2019	Tenderers	Authority's Commercial Officer AWARD® tool
Invitation To Negotiate Release (Phase 2 ³)	4 February 2019	The Authority	All Tenderers
RNAS Culdrose Site visit	To be arranged with each Tenderer	The Authority	All Tenderers
Final date for Clarification Questions / Requests for additional information (Phase 2) ⁴	2 May 2019	Tenderers	Authority's Commercial Officer AWARD® tool
Final Date for Requests for Extension to return date ⁵	09 May 2019	Tenderers	Authority's Commercial Officer
The Authority issues final clarification answers	16 May 2019	The Authority	All Tenderers ⁶
Tender Return	30 May 2019 10.00 (GMT)	Tenderers	The Tender Board using the DEFFORM 28
Initial Tender Evaluation	01 June 2019 to 29 August 2019	The Authority	Authority's Commercial Officer
Negotiations	02 September 2019 to 02 December 2019	The Authority/ Tenderers	Authority's Commercial Officer/ Each Tenderer
Submission Best and Final Offer	12 December 2019	Tenderers	All Tenderers
Final Tender Evaluation	13 December 2019 to 16 January 2020	The Authority	Authority's Commercial Officer

Notes:

1. A Tenderers Conference is where the Authority presents the requirement to all Tenderers at the same time. A copy of the presentation will be issued to all Tenderers regardless of attendance. It gives you an opportunity to ask questions about the requirement.
2. During the ITN Phase 1 clarification period, the Authority may undertake bilateral discussions with Tenderers, where appropriate, to confirm understanding by Tenderers of the Authority's requirement including schedules and tender evaluation process.
3. In the event that there are no changes to the ITN as a result of the Phase 1 clarification process, the Authority will re-issue the Phase 1 ITN as the Phase 2 ITN.
4. During the ITN Phase 2 clarification period, the Authority may undertake bilateral discussions with Tenderers, where appropriate, to confirm understanding by Tenderers of the Authority's requirement including schedules and tender evaluation process.

5. The Tenderer must make requests for an extension in writing (email is sufficient) to the above named commercial officer, by the date and time shown. Any extension is at the sole discretion of the Authority and if granted will be granted to all Tenderers.

6. The Authority will automatically copy questions and answers to all Tenderers, removing the names of those who have raised the questions. If you do not want your question disclosed you must inform the Authority of this and the reason why when submitting the question. The Authority may choose to discuss with you whether it is appropriate to disclose the question or response, or both, to other Tenderers. If the Authority decides to disclose, you will be given the opportunity to withdraw your question. Where a question reveals a piece of information that could significantly impact the Tenderers responses this may result in an extension of the Tender return date. The Authority will endeavour to ensure that you have at least 10 working days to submit your Tender.

SECTION C - INSTRUCTIONS ON PREPARING TENDERS

C1. You must Tender for all the Contractor Reporting and Data Deliverables listed in the attached Schedule of Requirements. The Authority reserves the right to reject your Tender where you have not tendered for all of the Contractor Reporting and Data Deliverables.

CONSTRUCTION OF TENDERS

C2. Your Tender must be written in English, using Arial font size 11. Prices must be in £GBP ex VAT. Prices must be presented in accordance with the Pricing requirements as at Schedule F, which includes the proposed Maximum Price, Target Cost and Target Fees.

C3. To assist the Authority's evaluation please set out your Tender response in accordance with Section D (Tender Evaluation).

GUIDANCE ON THE CONTENT OF THE TENDER

C4. To assist the Authority's evaluation process it is essential that your proposal is prepared and submitted in accordance with the structure as follows:

VOLUME 1 – EXECUTIVE SUMMARY

C5. Volume 1 shall provide a standalone description of the salient points of Your entire proposal, including commercial, programme and project management proposals. This shall not include any pricing information. The Executive Summary shall set out the Contractors company structure, to include an organisational structure chart with clear lines of communication, and describe how You will enable the ability to work effectively within the proposed structure.

VOLUME 2 – TECHNICAL PROPOSAL

C6. You shall provide a comprehensive detailed description of your proposed service arrangements in accordance with the instructions and guidance contained in this ITN. Your proposals in Volume 2 must provide the Authority with an in-depth understanding of how You intend to meet the technical requirements of the Contract in order to give the Authority confidence in how You expect to deliver the service. No pricing information should be included in Volume 2.

C7. Implementation. Bidders shall, further to their ILS response to the ITN, provide an evidenced Implementation Plan detailing how they intend to achieve initiation of the service demanded under Item 1 of the Schedule of Requirements. Evaluation of the Implementation plan as a discrete technical criterion will not occur. However, the Plan will provide evidence to support evaluation across a range of technical criteria and also contribute to the rationale for the Authority to consider the risk adjusted, whole life cost of individual bids.

VOLUME 3 – FINANCIAL AND COMMERCIAL PROPOSAL

C8. Volume 3 shall contain your commercial and financial proposals, including price and payment arrangements, operating cost templates, the scope, content and format of which shall be in accordance with the instructions and guidance contained in this ITN.

VALIDITY

C9. Your Tender must be valid / open for acceptance for 9 calendar months from the Best and Final Offer Tender return date. If successful, your Tender must be open for acceptance for a further thirty (30) calendar days.

MULTIPLE BIDS

C10. The Authority invites multiple bids (referred to as additional bids). Submission of an additional bid must meet the Authority's requirements as set out in the ITN Documentation.

C11. The Authority will give full and careful consideration to any additional bids received. All bids should meet the attached Conditions of Tendering and Contract Conditions. Additional bids will be evaluated in accordance with the tender evaluation criteria as set out in Section D (Tender Evaluation) and must be submitted in accordance with the Conditions of Tendering.

VARIANT BIDS

C11. Any Tender made subject to additional or alternative Contract Conditions alone is not a variant bid. A variant bid is a Tender that offers an alternative approach to, or method of, meeting the Authority's requirements as set out in the ITN Documentation.

C12. The Authority will give full and careful consideration to any permitted variant bids received. All bids should, as far as possible, meet the attached Conditions of Tendering and Contract Conditions. Where you submit a variant bid, you are required to submit a minimum of two Tenders, one against the Statement of Requirement and one variant bid. The standard Tender must meet the 'minimum' tender evaluation criteria as set out in Section D (Tender Evaluation), and must be submitted in accordance with the Conditions of Tendering. Variant bids will be evaluated in accordance with the tender evaluation criteria as set out in Section D (Tender Evaluation) and must be submitted in accordance with the Conditions of Tendering.

SECTION D – TENDER EVALUATION

D1. This section details how your Tender will be evaluated, using the AWARD® tools against the Award Criteria.

D2. The overall objective of the Tender evaluation process is to;

- a. ensure the proposed solutions meet the Authority's minimum requirements and are fully compliant in line with the compliance matrices; and
- b. select the Tender, that is the Most Economically Advantageous Tender (MEAT) to the Authority. This means Tenders will be assessed using a variety of objective and non-discriminatory criteria linked to the subject matter of the Contract to identify the Tender which provides best overall value for money for the Authority.

EVALUATION PROCESS

D3. Once the Tender Board has checked the hardcopy Tenders the documents will be handed over to the evaluation team and the Tender returns on the AWARD® system will be unlocked for an initial review to take place to confirm the completeness of the Tender. Once the initial review has taken place, the AWARD® system will be unlocked for the remaining evaluators to access the Tenders.

D4. The Evaluators will conduct a full evaluation on the initial submitted Tender including identifying the main areas where scores can be improved; where compliance criteria are evaluated as a fail; and highlight areas that are to be discussed in negotiation.

D5. Upon completion of the negotiation phase you will be advised in writing by the Authority and you will be required to submit your Best and Final Offer. The revised tender submitted as the Best and Final Offer will be re-evaluated on submission to determine the winning solution.

D6. The Authority reserves the right to proceed to the negotiation phase with a Tenderer who fails mandatory pass/fail AWARD® criteria during the initial Tender evaluation if the Authority has confidence that the Tenderer will become fully compliant with the criteria during the period of negotiation. However, any such Tender must be fully compliant with all mandatory criteria at the final evaluation stage following negotiation. Failure to meet any of the pass/fail AWARD® criteria following final evaluation will result in your proposal being assessed as non-compliant and you will be eliminated from the competition.

EVALUATION SCHEME

D7. The evaluation will consist of 3 areas: technical, commercial and financial. Your proposal will be evaluated in these areas via compliance criteria and scored criteria. The evaluation shall consider not only the proposals submitted by each Tenderer, but also the extent to which those proposals are supported by evidence. Technical and operational performance evidence should wherever possible be in the form of Original Equipment Manufacturers (OEMs) data. Other forms of evidence will be considered but the Tenderer must demonstrate in all cases, the robustness of the quality and reliability of the evidence submitted. Where the evidence fails to provide the Authority with confidence that the Tenderer's proposals are deliverable, the scores will be reflected in accordance with the AWARD® criteria.

TECHNICAL CRITERIA

D8. The breakdown of the technical evaluation criteria and their associated weightings are shown in Table D1.

Category	ID	Description	Weight
Technical	1	Engine - Operating Environment	5.73
	2	Engine - Interface Within the Platforms	8.18
	3	Engine - Operation and Capability	8.18
	4	Engine - System Information	4.09
	5	Technical Support - Technical Support Service	6.55
	6	Engine Technical Support - Reliability and Maintainability	3.27
	7	Technical Information and Publications	6.55
	8	Modification, Configuration and Obsolescence Management	5.73
	9	Spares Support	4.91
	10	Inventory Management	4.09
	11	Engine Ground Support Equipment (EGSE) Management	4.09
	12	Safety	7.36
	13	Quality	6.55
	14	Training - On Aircraft Engineering Training	5.73
	15	Environment and Sustainability	4.09
	16	Demand Variance Response	1.64
	17	Human Factors (HF) Integration (HFI)	2.45
	18	Risk Identification and Management	0.82
			90.00

Table D1

Each of the technical criteria described in Table D1 are defined more fully in the document titled "Technical Evaluation Criteria" which can be found in the online dataroom on AWARD®. For each criterion the aim; background; reference material, including the links back to the individual requirement in the SOR; evidential requirements; confidence characteristic statement and scoring guidance is provided.

D9. Each technical criterion will be scored on a scale of 0-100 as shown in Table D2.

Measurement	Description	Score
High Confidence	The Tenderer's approach/justification/evidence to this subject matter and the delivery of the confidence characteristics sought results in the Authority judging that it is highly likely to achieve the aim sought in this area. High confidence that the evidence demonstrates compliance with all of the SoR Threshold requirements and where applicable, high confidence that evidence demonstrates compliance with all of the SoR Objective requirements.	100
Good Confidence	The Tenderer's approach/justification/evidence to this subject matter and the delivery of the confidence characteristics sought results in the Authority judging that it is likely to achieve the aim sought in this area. Evidence demonstrates compliance for all of the SoR Threshold requirements and, where applicable, evidence demonstrates compliance with some of the SoR Objective requirements.	70

Minor Concerns	The Tenderer's approach/justification/evidence to this subject matter is satisfactory in the main however there are some minor areas where either the level of risk to the Authority, the combination of issues or the lack of particular justification/evidence require managing to achieve the aim sought in this area.	30
Just Acceptable	The Tenderer's approach/justification/evidence to this subject matter has some significant areas of concern and demonstrates either a lack of understanding or a reluctance to fully meet/deliver the entire needs of the Authority. These are however deemed manageable and resolvable either prior to contract award or once on contract to achieve the aim sought in this area and so do not warrant exclusion.	10
Major Concerns (Fail)	The Authority does not have sufficient confidence in the Tenderers response in order to successfully deliver the aim of Merlin and Apache Mk1 Future Engine Support in this area and is therefore unable to proceed with this Tender (Tender Rejected).	0

Table D2

COMMERCIAL CRITERIA

D10. Commercial Evaluation will be conducted upon the Tenderer's response to the Terms & Conditions of Contract and comprises a maximum of 10% of the final evaluation scoring. The Tenderer is required to complete the Commercial Compliance Matrix attached at Appendix C. You are expected to accept the terms and conditions of the draft contract. If you believe there are exceptional circumstances that would justify any change you shall provide a full commentary in the Tenderers Comments column of the Commercial Compliance Matrix.

D11. Whilst failure to accept any of the terms and conditions of the draft contract following initial evaluation will not result in exclusion from the competition, a solution acceptable to the Authority must be achieved during the negotiation period and reflected within the Tenders submitted for final evaluation. Failure to accept the terms and conditions of the draft contract, as amended during negotiations if necessary, may result in exclusion from the competition at final evaluation.

D12. The Commercial Criteria and marking scheme is described more fully in the document titled "Commercial Evaluation Criteria" at Appendix B and found in the online dataroom on AWARD®.

QUALITY SCORE

D13. In combination the technical and commercial criteria are referred to as the Quality Score. The maximum Quality Score is 100.

D14. Tenderers are required to achieve a minimum score against each evaluation criteria and achieve a minimum Quality Score of 57. The Authority reserves the right to proceed to the negotiation phase with a Tenderer whose score (or scores) falls below these minimum scores during the initial Tender evaluation if the Authority has confidence that the Tenderer will achieve the minimum score during the period of negotiation. However, any such Tender must meet the minimum score against each technical and evaluation criteria and the minimum overall Quality Score at final tender. Failure to meet the minimum score following final evaluation will result in your proposal being assessed as non-compliant and you will be eliminated from the competition.

FINANCIAL EVALUATION

D15. You will be required to populate the Financial Workbook provided at Appendix D and is also available in the online dataroom in AWARD®. The Financial Workbook will consist of a set of Authority provided operating cost templates which the Tenderers are required to populate. These

operating cost templates will demonstrate how you have arrived at the pricing shown in the Financial Workbook. Copies of the operating cost templates and instructions on their use are included within the online dataroom. You will be expected to provide all the evidence that supports the information populated in the workbook.

D16. The Financial Workbook should clearly show the linkage between the Target Cost, Target Fee, Target Price and Maximum Price as populated in the Tenderers response to the Pricing and Payment Schedule (Schedule C).

RISK ADJUSTED WHOLE LIFE COST CALCULATION

D17. The Risk Adjusted Whole Life Cost (RAWLC) for your solution for the Contractor Deliverables listed in the attached Schedule of Requirements shall be calculated as follows:

- a. The Target Price (TP) for the duration of the contract including option years which includes the Transition Phase.
- b. Risk. The Authority may apply risk adjustments for bid evaluation purposes where:
 - (i) there is an uncertainty in your bid that has not been adequately addressed to the Authority's satisfaction during the negotiation phase and/or clarification period
 - (ii) there is a potential error in your bid that has not been adequately addressed to the Authority's satisfaction during the negotiation phase and/or clarification period
 - (iii) a risk, in the Authority's opinion, is transferred back to the Authority.



FOI Act Exemption Section 21

- c. In the event the Authority, at its sole discretion, deems it necessary to apply an adjustment for any of the above, it shall take the following steps:
 - (i) during the clarification period, seek to clarify with the Tenderer each uncertainty, potential error or risk based on the information submitted as part of the Tenderer's submission and any clarifications provided by the Tenderer. Where an uncertainty, potential error or risk is resolved in the Authority's satisfaction during the clarification period, no adjustment will be applied.
 - (ii) where, following the clarification period, an uncertainty, potential error or risk remains, the Authority will make an adjustment using the information provided as part of the Tenderer's submission (including that information provided in the Financial Workbooks). The Authority will apply specific adjustments for each uncertainty, potential error and risk. In the event an adjustment is made, the Authority will provide the Tenderer with details of that adjustment prior to the negotiation phase.
 - (iii) during the negotiation phase, the Authority shall seek to address each uncertainty, potential error and risk with the Tenderer. Where an uncertainty, potential error or risk is resolved in the Authority's satisfaction during the negotiation period, no adjustment will be applied.

(iv) at the conclusion of the negotiation phase and receipt of final Tender submissions, the Authority will apply specific adjustments for each remaining uncertainty, potential error or risk. The Authority expects that the final Tender reflects any clarified or negotiated positions.

d. Some examples of potential risk adjustments to Tenderers' solution price which could arise are given below. This is without limitation and for guidance purposes only:

- (i) non-acceptance of, or dilution of, contractual provision(s)
- (ii) caveats around costing / savings assumptions
- (iii) weaknesses in costing assumptions (e.g. in relation to inconsistencies between the elements of the relevant Bid submission); and
- (iv) additional costs associated with solution specific Authority dependencies such as, but not limited to: Authority qualification costs, user acceptance/integration trials, existing service run on costs during transition, storage and disposal costs; changes in Authority personnel requirements, liabilities, taxes and import duty waivers.

D19. Therefore, the Risk Adjusted Whole Life Cost will be calculated as:

RAWLC = TP + Risk (as calculated by the Authority in accordance with Paragraph D17 above)

Then a Tender Total Solution Price in NPV terms shall be calculated based on the RAWLC and a discount cashflow rate of 3.5%.

MOST ECONOMICALLY ADVANTAGEOUS TENDER

D20. To complete the evaluation, the Authority shall take the following steps:

- a. The preferred tender will be identified by applying the Real Value for Money (RVfM) Most Economically Advantageous Tender (MEAT) calculation below.
- b. The Quality Score will be multiplied by the Cost of One Point Increase in Score (COPIS) of £6.5M on the basis the Authority has determined that it is willing to pay £6.5M (NPV) for a one-point increase in Quality Score.
- c. The MEAT is calculated as that with the lowest RVfM Rating, defined by:
Tender RVfM Rating = RAWLC – (Tender Quality Score * COPIS)
- d. If there is more than one tender with the same lowest RVfM Rating, then the tender with the lowest cost is determined as the MEAT.

FINAL EVALUATION

D21. The Preferred Tenderer will be identified as the solution with the lowest RVfM Rating after the evaluation of your Best and Final Offer.

D22. In the event that there is more than one Tender with the same lowest RVfM Rating, then the tender with the lowest cost is determined as the MEAT.

TENDERER DEBRIEF

D23. Following the completion of the evaluation of the initial submission the results will be fed back to Tenderers such that they can understand where their Bids are considered to be unacceptable, where further clarity is required, or where potential risks have been identified.

D24. Following completion of the evaluation of the final submission the result will be fed back to Tenderers.

D26. Failure to meet the Mandatory Criteria will result in the Authority being unable to award a contract.

APPENDIX A – TECHNICAL CRITERA – SEE SEPARATE ATTACHMENT

APPENDIX B - COMMERCIAL CRITERIA

Commercial Evaluation – Terms and Conditions

Aim

To select a supplier who will ensure that the Contractor performs its contractual obligations in accordance with the specified terms & conditions of Contract to affect a positive outcome.

Background

The Terms & Conditions of the ITN sets out how the Contract shall be managed, assessed, measured and administered. It also sets out the obligations and liabilities on both parties to ensure a conclusive contractual outcome. The suite of Terms and Conditions to Contract comprise 3 elements;

- a. DEFCONS,
- b. Special (Narrative) Conditions
- c. DEFFORMs

The Commercial Evaluation will be conducted against the Bidder's response to DEFCONS and Special Conditions only.

References

- MOD Commercial Toolkit

Evidence Required

The Contractor is required to provide a statement of compliance against each term & condition of Contract as set out in the Commercial Compliance Matrix at Appendix C of the DEFFORM 47.

The Bidder is required to provide a statement of compliance in the form of a Yes/No response within the Compliance Matrix. Where the Bidder has stated a Yes response to compliance on a term or condition to the Contract this means the bidder accepts the term or condition without amendment or caveat.

Non-Compliance Evidence

Should the Bidder declare a non-compliant statement ("No" in the Compliance Matrix) against one of the Terms, the Bidder shall provide:

- a. Reason behind the non-compliance
- b. Alternative wording being sought or proposed for consideration.
- c. Explanation of why the alternative wording provides a better position for the Authority.

It should be noted that **any** response to the proposed terms & conditions other than "**Yes**" in the Compliance Matrix, will be deemed "Non-Compliant" by the Authority.

Scoring Guidance

Weighting. The Contract Terms & Conditions, specifically the DEFCONS and Special (Narrative) Conditions, have been grouped into 3 categories defined as High, Medium and Low (as shown in Table 1). The categorisation is constructed on the basis that changes sought by the Bidder will either; increase risk to MOD, reduce the operational effectiveness of the Contract performance or change the principles of the Contract.

CATEGORY	SCORING RANGE	
	Lower Risk	Higher Risk
High	13	18
Medium	7	12
Low	1	6

Table 1

Each category will be scored based on the scoring range below where a score in that range is determined by the Authority against the rationale provided by the Tenderer to support the non-compliance statement.

Each of these categories will carry a Weighting Factor of 3, 2 or 1 respectively that will be used to identify the final mark. See later.

Marking. Although the Terms & Conditions are categorised into 3 Groups, there is an applied marking for each term. These bands are shown in Table 1.

Scoring

The scoring is applied to any declaration in the Commercial Compliance Matrix where "No" is stated. Where this occurs, the Authority will mark the Tenderers statements provided in the Commercial Compliance Matrix to determine the impact to the Authority of the non-compliance. This assessment will review the changes proposed against the Authority's; requirements, obligations, risk balance, liabilities and contract performance, as stated in the ITN documentation.

For example, a declaration of "No" against a Term categorised as "High" will attract a marking of between 13 and 18, depending on the Authority's assessment of the Tenderers non-compliance.

Marks against each Non-Compliant term will then be totalled for each of the 3 categories.

Each Tenderer will then attract a final marking total for each Category, this being the sum of all marks appointed for that Category, to produce a Category Marking. This Category Marking will then be multiplied by the Weighting of that Category; i.e. High = 3, Medium = 2, Low = 1. This produces a final set of marks for each category which are then summed to produce a Final Overall Commercial Mark.

The Overall Evaluation formula allocates 10% to Commercial Evaluation. The Bid with the lowest Final Overall Commercial Mark will be allotted the full 10%, **provided that**, no more than 20% of the High Category terms have been declared as Non-Compliant. If more than 20% of the High Category terms are declared "non-compliant" by the Bidder with the lowest Final Overall Commercial Mark, only 5% of the Overall Evaluation figure will be allotted for final Tender Evaluation purposes.

Other bids will be ranked proportionally to the lowest scoring bid (i.e. a bid scoring twice the Final Overall Commercial Mark, compared to the bid with the lowest Final Overall Commercial Mark, will be awarded 5% Commercial Evaluation) except that, where a bid has more than 20% of the high Category terms declared as Non-Compliant the Final Overall Commercial Mark will be reduced by 50%.

Illustration

The Commercial Evaluation process is illustrated as at Figure 1.

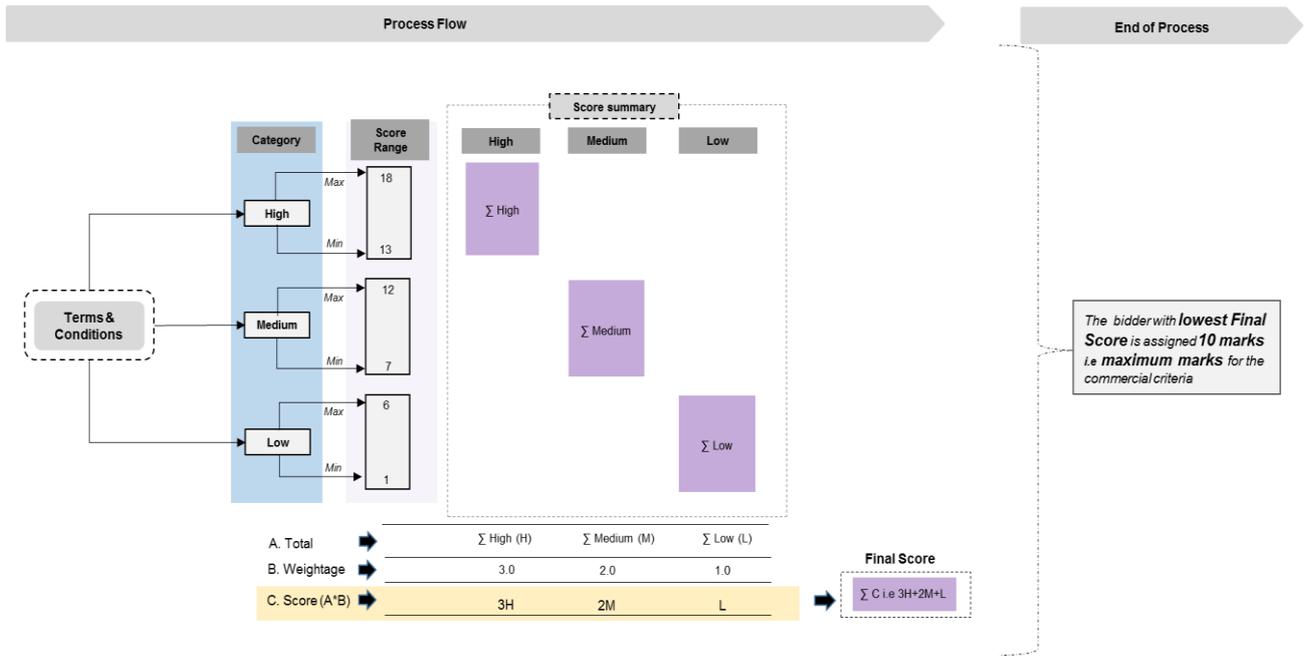


Figure 1: Commercial Criteria Evaluation Process

COMMERCIAL COMPLIANCE MATRIX**INTRODUCTION**

The Matrix below identifies the Headings of the Commercial Compliance Matrix that the Bidder is required to complete. The Compliance Matrix is offered as an Excel Spreadsheet within the ITN and shall be submitted as a Bidder Deliverable.

The Bidder is required to make statements within columns D and E of the matrix. Firstly, the Bidder shall state whether they are compliant with the term by stating "Yes/No".

Where "No" is selected, the Bidder shall complete an entry under column E that states why they are not compliant with the term. The Bidder can not provide a statement under column E where they have selected "Yes".

Note: ALL DEFCONS are deemed High Category as they are MOD policy. However, some are more critical than others and some may require an explanation of how the Tenderer may become compliant over a period of time. Hence the Marking range of 13-18 can be judiciously applied to reflect the criticality of th Tenderer's response.

TERM (A)	TITLE (B)	RISK CATEGORY (H, M or L) (C)	Compliant (Yes/No) (D)	Where No is recorded in column 4 (E)
The reference number and edition number of the DEFCON or Special Condition.	Title of the DEFCON or Special Condition.	As defined by the Authority	Bidder to complete.	Bidder to complete.

APPENDIX C – COMMERCIAL COMPLIANCE MATRIX – SEE SEPARATE ATTACHMENT (excel spreadsheet)

APPENDIX D - FINANCIAL WORKBOOK – SEE SEPARATE ATTACHMENT

SECTION E – INSTRUCTIONS ON SUBMITTING YOUR TENDER

SUBMISSION OF YOUR TENDER

E1. Tender submissions shall be made both via digital submission using the AWARD[®] tool and via a hard copy submission to the Tender Board. Tenders must be uploaded to AWARD[®] and received by the Tender Board by the date and time stated in the covering letter to this DEFFORM 47. The Authority reserves the right to reject any Tender received after the stated date and time.

E2. Hardcopy Tenders must be submitted to the Tender board by 10:00 GMT on 30 May 2019 as per instructions on DEFFORM 28 ABW. Digital Tender documents must be uploaded to the AWARD[®] system by 10:00 GMT on 30 May 2019, details on the AWARD[®] system can be found at para E5 of this ITN.

E3. You must ensure that all information uploaded to the AWARD[®] tool contains identical information to the Tender submitted to the Tender Board.

E4. You must ensure you include all relevant information in your Tender. The Authority can only evaluate information that you include in your Tender.

SUBMISSION VIA AWARD[®]

E5. In order to load a response into AWARD[®] select the process step and follow the instructions in AWARD[®].

E6. You may use as many files as necessary. Each filename shall be unique and less than 100 characters in length. AWARD[®] will present the list of documents in alphanumeric order. Files shall be named such that the files are presented in a logical order (the same order as a hardcopy when listed alpha-numerically). For example:

V2_p1-main text.pdf

V2_p2-annex 1.pdf

V2_p3-annex 1 appendix 1.pdf

E7. The convention used above would be a suitable naming convention for 3 files from volume 2, which contain some text, an annex to the schedule and an appendix to the annex, which would be printed in that order for the hardcopy.

E8. You should endeavour to ensure that individual files are no larger than 5 Megabytes (5MB) where possible. Larger files may take significant time to open over poor connections and cause delays in evaluation. To facilitate a 5MB limit, images shall be compressed to a quality suitable for printing on A4 or A3 paper and viewing on a 1024x768 pixel screen. You shall not use images that add no value to the Tender.

E9. The electronic copies of the Tenders must be compatible with Microsoft Office Word 2010 and other MS Office 2010 applications and/or in PDF format.

E10. The text box found when selecting “Tenderer Response” and then “Respond to ITN” questions should be used to enter a summary of your submission documents. You may also add any references by selecting the corresponding option. Any references added should also be included in the relevant response document.

E11. An Interactive Tender Upload Guide detailing the processes for Tender response and clarification question is available in the Data Room on AWARD®.

E12. You must send your Tender to the Commercial Officer stated in the covering letter to this DEFFORM 47.

E13. You must provide 5 (five) paper copies and 1 (one) CD copy of your Tender, which shall be unpriced. A priced copy of paper and CD Tender must also be provided. The electronic copies of the Tenders must be compatible with Microsoft Office Word 2010 and other MS Office 2010 applications. If you password protect or encrypt any information on the Priced Proposal CD, you must supply the password/use compatible encryption methods so that the Authority can undertake a pricing evaluation.

E14. You must complete and include DEFFORM 47 Annex A (Offer) with your Tender. Where you select 'Yes' to any questions you must attach the relevant information.

E15. You must include the original signed DEFFORM 47 Annex A (Offer) with one paper copy of your Tender.

E16. You must submit your paper and CD copies in a sealed envelope or box. For health and safety reasons, no individual envelope or box should weigh more than 11 kilos.

E17. If you intend to hand deliver your Tender you must inform the named Commercial Officer of your intention and seek further delivery instructions. Failure to do so may result in your Tender being refused and / or returned.

SECTION F – CONDITIONS OF TENDERING

F1. The issue of ITN Documentation or ITN Material is not a commitment by the Authority to place a contract as a result of this ITN or at a later stage. Any expenditure, work or effort undertaken by you prior to an offer and subsequent acceptance of contract, is a matter solely for your commercial judgement. The Authority reserves the right to:

- a. seek clarification or additional documents in respect of your submission;
- b. visit your site;
- c. not enter into a contract if you are found guilty of serious misrepresentation in relation to your Tender or the Tender process;
- d. re-assess your suitability. For example, where there is a material change of control from supplier selection;
- e. reject / negotiate your Tender or part of your Tender;
- f. withdraw this ITN at any time, or invite other Tenders on the same or any alternative basis;
- g. choose not to award any contract as a result of the current procurement process;
- h. award a contract for some of the Contractor Reporting and Data Deliverables, unless you specifically oppose this in your Tender or state any minimum order quantities.

F2. The contract will be entered into when the Authority sends written notification of its entry into the contract, either accepting your offer via DEFFORM 159 or by issuing an offer via DEFFORM 8 and you accept via a DEFFORM 10. Written notification will be issued, to the address you provide, on or before the end of the validity period specified in paragraph C4.

CONFORMING TO THE LAW

F3. You must comply with the UK Bribery Act 2010, applicable EU and UK legislation and any equivalent legislation in a third state.

F4. Your attention is drawn to legislation relating to canvassing of a public official, collusive behaviour and bribery. If you act in breach of this legislation your Tender may be disqualified from this procurement. Disqualification will be without prejudice to any civil remedy available to the Authority or any criminal liability that your conduct may attract.

FRAUD AND OTHER ILLEGAL PRACTICES

F5. You must report any, fraud, bribery, corruption, or any other dishonest irregularity in connection to this tendering exercise to:

Defence Regulatory Reporting Cell Hotline
0800 161 3665 (UK) or
+44 1371 85 4881 (Overseas)

CONFLICTS OF INTEREST

F6. You must notify the Authority immediately of any new Conflicts of Interest (COI) that have arisen or that arise at any point prior to the contract award decision.

F7. Where there is an existing or potential Conflict of Interest (COI) you must include a proposed Compliance Regime in your Tender. As a minimum this must include:

- a. manner of operation and management;
- b. roles and responsibilities;
- c. standards for integrity and fair dealing
- d. levels of access to and protection of competitors sensitive information and Government Furnished Information;
- e. confidentiality / non-disclosure agreements (e.g. DEFFORM 702 (Edn 08/07));
- f. the Authority's rights of audit; and
- g. physical and managerial separation.

Should your Tender be accepted your proposed Compliance Regime will become part of the Contract Conditions and shall be legally binding.

GOVERNMENT FURNISHED ASSETS

F8. Where the Authority provides Government Furnished Assets (GFA) in support of this procurement, you must include details of the GFA in your Public Store Account and treat it in accordance with Def Stan 05-099. If the Authority decides not to proceed with this procurement, you must seek instructions for the GFA from the named Authority Commercial Officer.

PUBLICITY ANNOUNCEMENT

F9. The Authority will publish notification of the contract and shall publish contract documents under the FOI Act except where publishing such information would hinder law enforcement; would otherwise be contrary to the public interest; would prejudice the legitimate commercial interest of any person, or might prejudice fair competition in the supply chain. You should complete and return DEFFORM 539A as explained in the DEFFORM 47ST Annex A and associated Appendix 1.

F10. If you wish to make a similar announcement you must seek approval from the named Commercial Officer.

F11. Under no circumstances should you confirm to any Third Party the Authority's acceptance of an offer of contract prior to either informing the Authority of your acceptance or the Authority's announcement of the award of contract, whichever occurs first.

SENSITIVE INFORMATION

F12. All Central Government Departments and their Executive Agencies and Non Departmental Public Bodies are subject to control and reporting within Government. In particular, they report to the Cabinet Office and HM Treasury for all expenditure. Further, the Cabinet Office has a cross-governmental role delivering overall Government policy on public procurement, including ensuring value for money and related aspects of good procurement practice and answering Freedom of Information requests.

SENSITIVE INFORMATION

F13. All Central Government Departments and their Executive Agencies and Non Departmental Public Bodies are subject to control and reporting within Government. In particular, they report to the Cabinet Office and HM Treasury for all expenditure. Further, the Cabinet Office has a cross-governmental role delivering overall Government policy on public procurement, including ensuring value for money and related aspects of good procurement practice and answering Freedom of Information requests.

F14. For these purposes, the Authority may share within Government any of your documentation / information (including any that you consider to be confidential and / or commercially sensitive such as specific bid information) submitted by you to the Authority during this procurement. The information will not be disclosed outside Government. You must identify any sensitive material in the DEFFORM 539A (Edn 08/13) and consent to these terms as part of the tendering process. This allows the MOD to share information with other Government Departments while complying with our obligations to maintain confidentiality.

F15. The Authority reserves the right to disclose on a confidential basis any information it receives from you during the procurement process (including information identified by you as Commercially Sensitive Information in accordance with the provisions of this ITN) to any third party engaged by the Authority for the specific purpose of evaluating or assisting the Authority in the evaluation of your Tender. In providing such information the you consent to such disclosure.

REPORTABLE REQUIREMENTS

F16. Listed in the DEFFORM 47ST Annex A (Offer) are the Mandatory Declarations. It is a Condition of Tendering that you complete and attach the returns listed in the Annex and where you select “Yes”, you attach the relevant information.

F17. Failure to complete this part of the Annex in full makes your Tender non-compliant. Additional information provided in response to Appendix 1 may be used to support the Authority’s evaluation of your tender, as detailed in Section D.

F18. If you are an overseas Contractor and your Tender is successful you will be required to provide the name and address of your bank and the relevant bank account number on contract award.

SPECIFIC CONDITIONS OF TENDERING

BID INFORMATION

F19. When placing any contract the Authority is required to satisfy itself that the agreed price represents Value for Money (VFM). In competitive procurement you must provide to the Authority sufficient information in support of your price proposal and during subsequent negotiation, to enable the Authority to fulfil its obligation to assure VFM. The Authority approaches all contract pricing on the basis of the NAPNOC principle (No Acceptable Price, No Contract). We will not enter into any contract that is unacceptably priced. Details can be found on MOD Commercial Toolkit.

F20. Price breakdown requirements. It is your responsibility to decide the level of information you need to provide to the Authority in support of your price proposal and subsequent price negotiation, to enable the Authority to fulfil its obligation to assure VFM and sign the contract. The following table shows the Authority’s suggestion of the minimum level of information you must provide.

As a minimum, the Tender proposal should detail the following:	
Hours / Days	The number of hours / days it takes to complete the requirement.

Hourly / Day Rates	The rate used. Where available these should be agreed CAAS (Cost Assurance and Analysis Services) rates and Grades.
Materials	The cost of any raw materials. Please provide a copy of any quotes or invoices with your Tender.
Significant Sub-contractor costs (>£50K)	The cost of bought in facilities, services and / or parts. Please provide a copy of the sub-contractor quotation / invoice with your Tender. You are encouraged to run a competition at sub-contractor level and advertise opportunities in the MOD Defence Contracts Bulletin, where appropriate.
Other costs	List any rates used to recover overhead costs not otherwise recovered through the activity-based hourly and daily rates stated above. These rates are usually recovered by the application of a percentage uplift to a base cost (e.g. Material Handling is often recovered as a percentage uplift applied to material costs). Where you have an agreed QMAC (Questionnaire on the Method and Allocation of Costs) you must quote the reference. Where you do not have an agreed QMAC please include a list of what is included in the overhead rate(s). Provide a sub-total that the overhead will apply to.
Profit Rate	State the profit rate that you are proposing to apply.
Risks / Opportunities	State whether you have included any contingency for risks and the details on how this has been calculated. State any opportunities that you foresee, for example, exchange rate movement.
T&S	When including Travel and Subsistence you must include details of the assumptions you have made about travel and the rates used. Claims for T&S should be in line with the Civil Service Code which states civil servants must ensure “public money and other resources are used efficiently” for example, travel should be the most economic option available.
Assumptions	State any assumptions made about your proposal, such as the process, when decisions will be made etc.
Exclusions	State any matters that are excluded which, if they subsequently occur, you would expect the MOD to share cost liability.

Note that it is the Authority’s policy that a DEFFORM 815 (Edn 08/15) - Contract Pricing Statement should be completed by you on or around contract signature. It is the Authority’s preference that you submit a draft DEFFORM 815 with your price proposal. Instructions on completion of the DEFFORM 815 are available on the commercial toolkit.

**Appendix 1 to DEFFORM 47 Annex A (Offer)
– Information on Mandatory Declarations**

Ministry of Defence

Tender Ref No. HELSS/0102
Tender Submission Document (Offer)

To the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland (hereafter called “the Authority”)

The undersigned Tenderer, having read the ITN Documentation, offers to supply the Contractor Reporting and Data Deliverables at the stated price(s), in accordance with any referenced drawings and / or specifications, subject to the Conditions of Tendering. It is agreed that only the Contract Conditions or any amendments issued by the Authority shall apply.

Applicable Law				
I agree that any contract resulting from this procurement shall be subject to English Law *Where ‘no’ is selected, Scots Law will apply.				Yes / No*
Value of Tender (excluding VAT)				
£..... WORDS.....				
UK Value Added Tax				
If registered for Value Added Tax purposes, please insert: a. Registration No b. Total amount of Value Added Tax payable on this Tender (at current rate(s)) £.....				
Location of work (town / city) where the contract will be performed by Prime:				
Where items which are subject of your Tender are not supplied or provided by you, state location in town / city to be performed column (continue on another page if required)				
Tier 1 Sub-contractor Company Name	Town / city to be performed	Contractor Reporting and Data Deliverables	Estimated Value	SME Yes / No
Mandatory Declarations (further details are contained in Appendix 1 to DEFFORM 47 Annex A (Offer)):			Tenderer’s Declaration	
Is the offer subject to the Authority contracting for all the Contractor Reporting and Data Deliverables?			Yes* / No	
Is the offer made subject to a Minimum Order Quantity?			Yes / No	
Are the Contractor Reporting and Data Deliverables subject to IPR that has been exclusively or part funded by Private Venture, Foreign Investment or otherwise than by Authority funding?			Yes* / No	

OFFICIAL-SENSITIVE COMMERCIAL

Are the Contractor Reporting and Data Deliverables subject to Foreign Export Control and Security Restrictions? If the answer is Yes, please complete and attach DEFFORM 528	Yes* / No
Have you obtained foreign export approval necessary to secure IP user rights for the Authority in Contractor Reporting and Data Deliverables, including technical data, as determined in the Contract Conditions?	Yes* / No
Have you provided details of how you will comply with all regulations relating to the operation of the collection of custom import duties, including the proposed Customs procedure to be used and an estimate of duties to be incurred or suspended?	Yes* / No
Have you completed Form 1686 for sub-contracts?	Yes* / No
Have you completed the compliance matrix/ matrices?	Yes / No / Not Required
Are you a Small Medium Sized Enterprise (SME)?	Yes / No
Have you and your sub-contractors registered with the Prompt Payment Code with regards to SMEs?	Yes / No
Have you completed and attached Tenderer's Commercially Sensitive Information Form (DEFFORM 539A)?	Yes / No
If you have not previously submitted a Statement Relating to Good Standing, or circumstances have changed, have you attached a revised version?	Yes* / No / N/A
Do the Contractor Reporting and Data Deliverables contain Asbestos, as defined by the control of Asbestos Regulations 2012?	Yes / No
Have you completed and attached a DEFFORM 68 - Hazardous Articles, Deliverables materials or substances statement?	Yes* / No
Do the Contractor Reporting and Data Deliverables (including Packaging) use Substances that deplete the Ozone Layer, as defined in Regulation (EC) 1005/2009 (as amended by EC 744/2010) of the European Parliament and of the Council.	Yes* / No
Have you attached The Bank / Parent Company Guarantee?	Yes* / No / Not Required
Have you complied with the requirements of the Military Aviation Authority Regulatory Articles?	Yes / No / Not Required
Have you completed the additional Mandatory Requirements?	Yes / No / Not Required
Have you completed in full the Financial Response Template (FRT)? (At Annex L)	Yes / No
*If selecting Yes to any of the above questions, please attach the information detailed in Appendix 1 to DEFFORM 47 Annex A (Offer).	
Tenderer's Declaration of Compliance with Competition Law	

We certify that the offer made is intended to be genuinely competitive. No aspect of the price has been fixed or adjusted by any arrangement with any Third Party. Arrangement in this context includes any transaction, or agreement, private or open, or collusion, formal or informal, and whether or not legally binding. In particular:

- a. the offered price has not been divulged to any Third Party,
- b. no arrangement has been made with any Third Party that they should refrain from tendering,
- c. no arrangement with any Third Party has been made to the effect that we will refrain from bidding on a future occasion,
- d. no discussion with any Third Party has taken place concerning the details of either's proposed price, and
- e. no arrangement has been made with any Third Party otherwise to limit genuine competition.

We understand that any instances of illegal cartels or market sharing arrangements, or other anti-competitive practices, suspected by the Authority will be referred to the Competition and Markets Authority for investigation and may be subject to action under the Competition Act 1998 and the Enterprise Act 2002.

We understand that any misrepresentations may also be the subject of criminal investigation or used as the basis for civil action.

We agree that the Authority may share the Contractor's information / documentation (submitted to the Authority during this Procurement) more widely within Government for the purpose of ensuring effective cross-Government procurement processes, including value for money and related purposes. We certify that we have identified any sensitive material in DEFFORM 539A.

**Dated this day of
Year**

Signature:	In the capacity of
(Must be original) (State official position e.g. Director, Manager, Secretary etc.)

Name: (in BLOCK CAPITALS)	Postal Address:
duly authorised to sign this Tender for and on behalf of:	Telephone No:
(Tenderer's Name)	Registered Company Number:
	Dunn and Bradstreet Number:

Information on Mandatory Declarations

IPR RESTRICTIONS

1. Where the Contractor Reporting and Data Deliverables are subject to IPR that has been exclusively or part funded by Private Venture, Foreign Investment or otherwise than by Authority funding you must select 'Yes' in Annex A (Are the Contractor Reporting and Data Deliverables subject to IPR that has been exclusively or part funded by Private Venture, Foreign Investment or otherwise than by Authority funding) .
2. If you have answered 'Yes' in Annex A (Offer) as directed by paragraph 1 above, you must provide details in your Tender of any Contractor Reporting and Data Deliverable which will be, or is likely to be, subject to any IPR restrictions or any other restriction on the Authority's ability to use or disclose the Contractor Deliverable, including export restrictions. In particular, you must identify:
 - a. any restriction on the provision of information to the Authority; any restriction on disclosure or the use of information by the Authority; any obligations to make payments in respect of IPR, and any Patent or Registered Design (or application for either) or other IPR (including unregistered Design Right) owned or controlled by you or a Third Party;
 - b. any allegation made against you, whether by claim or otherwise, of an infringement of Intellectual Property Rights (whether a Patent, Registered Design, unregistered Design Right, Copyright or otherwise) or of a breach of confidence, which relates to the performance of any resultant contract or subsequent use by or for the Authority of any Contractor Reporting and Data Deliverables;
 - c. the nature of any allegation referred to under sub-paragraph 2.b., including any obligation to make payments in respect of the Intellectual Property Right of any confidential information and / or;
 - d. any action you need to take or the Authority is required to take to deal with the consequences of any allegation referred to under sub-paragraph 2.b.
3. You must, when requested, give the Authority details of every restriction and obligation referred to in paragraph 2. The Authority will not acknowledge any such restriction unless so notified under paragraph 2 or as otherwise agreed under any resultant Contract. You must also provide, on request, any information required for authorisation to be given under Section 2 of the Defence Contracts Act 1958.
4. If you have previously provided information under paragraphs 1 and 2 you can provide details of the previous notification, updated as necessary to confirm their validity.

NOTIFICATION OF FOREIGN EXPORT CONTROL RESTRICTIONS

5. If, in the performance of the Contract, you need to import into the UK or export out of the UK anything not supplied by or on behalf of the Authority and for which a UK import or export licence is required, you will be responsible for applying for the licence. The Authority will provide you with all reasonable assistance in obtaining any necessary UK import or export licence.
6. In respect of any Contractor Reporting and Data Deliverables, likely to be required for the performance of any resultant contract, you must provide the following information in your Tender:
 - a. Whether all or part of any Contractor Reporting and Data Deliverables are or will be subject to:
 - (1) a non-UK export licence, authorisation or exemption; or

(2) any other related transfer control that restricts or will restrict end use, end user, re-transfer or disclosure.

b. You must complete DEFFORM 528 (Edn 12/17) (or other mutually agreed alternative format) in respect of any Contractor Reporting and Data Deliverables identified at paragraph 6 and return it as part of your Tender. If you have previously provided this information you can provide details of the previous notification and confirm the validity.

7. You must use reasonable endeavours to obtain sufficient information from your potential supply chain to enable a full response to paragraph 6. If you are unable to obtain adequate information, you must state this in your Tender. If you become aware at any time during the competition that all or part of any proposed Contractor Deliverable is likely to become subject to a non-UK Government Control through a Government-to-Government sale only, you must inform the Authority immediately by updating your previously submitted DEFFORM 528 or completing a new DEFFORM 528.

8. This does not include any Intellectual Property specific restrictions mentioned in paragraph 2.

9. You must notify the named Commercial Officer immediately if you are unable for whatever reason to abide by any restriction of the type referred to in paragraph 6.

10. Should you propose the supply of Contractor Reporting and Data Deliverables of US origin the export of which from the USA is subject to control under the US International Traffic in Arms Regulations (ITAR), you must include details on the DEFFORM 528. This will allow the Authority to make a decision whether the export can or cannot be made under the US-UK Defense Trade Co-operation Treaty. The Authority shall then convey its decision to the Tenderer. If the Authority decides that use of the Treaty for the export is permissible, it is your responsibility to make a final decision whether you want to use that route for the export concerned if you are awarded the contract.

IMPORT DUTY

11. European Union (EU) legislation currently permits the use of various procedures to suspend customs duties.

12. For the purpose of this competition, for any deliverables not yet imported into the EU, you are required to provide details of your plans to address customs compliance, including the Customs procedures to be applied (together with the procedure code) and the estimated Import Duty to be incurred and / or suspended.

13. You should note that it is your responsibility to ensure compliance with all regulations relating to the operation of the accounting for import duties. This includes but is not limited to obtaining the appropriate Her Majesty's Revenue & Customs (HMRC) authorisations.

SUB-CONTRACTS FORM 1686

14. Form 1686 (also known as Appendix 5) is to be used in all circumstances where contractors wish to place a sub-contract with a contractor where the release of OFFICIAL-SENSITIVE information is involved. The process will require submission of the single page document either directly to the MOD Project Team or, where specified, to the DE&S Security Advice Centre. You can find further information in the Security Policy Framework - Contractual Process.

SMALL AND MEDIUM ENTERPRISES

15. The Authority is committed to supporting the Government's small and medium-sized enterprise (SME) initiative; its ambitious target is that every £1 in every £3 that the Government

spends should be with small businesses by 2020. Our goal is that 25% of MOD spending should be spent with SMEs by 2020; this applies to the money which the MOD spends directly with SMEs and through the supply chain. The Authority uses the European Commission definition of an SME.

16. A key aspect of the Government's SME Policy is ensuring that its suppliers throughout the supply chain are paid promptly. All suppliers to the Authority and their sub-contractors are encouraged to make their own commitment and register with the Prompt Payment Code.

17. Suppliers are also encouraged to work with the Authority to support the Authority's SME initiative. Information on the Authority's purchasing arrangements, our commercial policies and our SME policy can be found at Gov.UK.

18. The opportunity also exists for Tenderers to advertise any sub-contract valued at over £10,000 in the MOD Contracts Bulletin and further details can be obtained directly from:

BiP Solutions Ltd
Web address: www.contracts.mod.uk
Tel No: 0845 270 7099

TRANSPARENCY, FREEDOM OF INFORMATION AND ENVIRONMENTAL INFORMATION REGULATIONS

19. You should be aware that the contents of any resultant contract may be published in line with government policy set out in the Prime Minister's letter of May 2010 (Government Transparency and Accountability) and the information contained within DEFCON 539 (Edn 08/13).

20. Before publishing the contract, the Authority will redact any information which is exempt from disclosure under the Freedom of Information Act 2000 ("the FOIA") or the Environmental Information Regulations 2002 ("the EIR").

21. You should complete the attached Tenderer's Commercially Sensitive Information Form (DEFFORM 539A) explaining which parts of your Tender you consider to be commercially sensitive. This includes providing a named individual who can be contacted with regard to FOIA and EIR.

22. You should note that while your views will be taken into consideration, the ultimate decision whether to publish or disclose information lies with the Authority. You are advised to provide as much detail as possible on the form. It is highly unlikely that a Tender will be exempt from disclosure in its entirety. Should the Authority decide to publish or disclose information against your wishes, you will be given prior notification.

ELECTRONIC PURCHASING

23. Tenderers must note that use of the Contracting, Purchasing and Finance (CP&F) electronic procurement tool is a mandatory requirement for any resultant contract awarded following this Tender. By submitting this Tender, you agree to electronic payment. Please feel free to consult the service provider on connectivity options. Failure to accept electronic payment will result in your Tender being non-compliant.

CHANGE OF CIRCUMSTANCES

24. If you have not previously submitted a Statement Relating to Good Standing or circumstances have changed, please select 'Yes' and submit a Statement Relating to Good Standing with your Tender.

ASBESTOS, HAZARDOUS ITEMS AND DEPLETION OF THE OZONE LAYER

25. The Authority is required to report any items that use asbestos, that are hazardous or where there is an impact on the Ozone. Where any Contractor Reporting and Data Deliverables fall into one of these categories select 'Yes' and provide further details in your Tender.

MILITARY AVIATION AUTHORITY (MAA) REQUIREMENTS

26. In July 2011 the Military Aviation Authority (MAA) launched a new set of Regulatory Publications. Key to these is the Regulatory Articles (RA), which prescribe Acceptable Means of Compliance (AMC) for each separate Regulation. Tenderers who wish to propose an alternative means of compliance must obtain agreement in principle from the MAA (through the Project team) in advance of submitting their Tender. AMC are strongly recommended practices and a justification will be required if they are not followed. Tenderers must consult the MAA where there is more than one AMC. You must confirm how you intend to comply with the RA, and the date you consulted with the MAA.

BANK OR PARENT COMPANY GUARANTEE

27. A Bank or Parent Company Guarantee is not required.

THE ARMED FORCES COVENANT

28. The Armed Forces Covenant is a promise from the nation to those who serve, or who have served and their families, to ensure that they are treated fairly and are not disadvantaged in their day to day lives, as a result of their service.

29. The Covenant is based on two principles:

- a. the Armed Forces community would not face disadvantages when compared to other citizens in the provision of public and commercial services; and
- b. special consideration is appropriate in some cases, especially for those who have given most, such as the injured and the bereaved.

The Authority encourages all Tenderers and their suppliers, to sign the Armed Forces Covenant, declaring their support for the Armed Forces community by displaying the values and behaviours set out therein.

30. The Armed Forces Covenant provides guidance on the various ways you can demonstrate your support through your Covenant pledges and how by engaging with the Covenant and Armed Forces, such as employing Reservists, a company or organisation can also see real benefits in their business.

31. If you wish to register your support you can provide a point of contact for your company on this issue to the Armed Forces Covenant Team at the address below, so that the MOD can alert you to any events or initiatives in which you may wish to participate. The Covenant Team can also provide any information you require in addition to that included on the website.

Email address: employerrelations@rfca.mod.uk
Address: Defence Relationship Management
Ministry of Defence
Holderness House
51-61 Clifton Street
London
EC2A 4EY

32. Paragraphs 28-30 above are not a condition of working with the Authority now or in the future, nor will this issue form any part of the tender evaluation, contract award procedure or any resulting contract. However, the Authority very much hopes you will want to provide your support.