

Invitation to Quote

Invitation to Quote (ITQ) on behalf of **Higher Education Funding
Council for England (HEFCE)**

Subject reference **Review of benchmarking methodologies**

Sourcing reference number **CR18011**



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

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Registered Office Polaris House, North Star Avenue, Swindon, Wiltshire SN2 1FF
VAT registration GB618 3673 25
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Section 1 – About UK Shared Business Services

Putting the business into shared services

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

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

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

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

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

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

Our Customers

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

UK SBS currently manages £700m expenditure for its Contracting Authorities.

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

Section 2 – About the Contracting Authority

Higher Education Funding Council for England (HEFCE)

HEFCE funds and regulates universities and colleges in England. We invest on behalf of students and the public to promote excellence and innovation in research, teaching and knowledge exchange. In all our activities we aim to:

- ensure accountability for funding and be a proportionate regulator
- act in the public interest and be open, fair, impartial and objective
- be an effective broker between Government and the sector and in doing so, ensure that we are implementing government policy effectively.

Further information can be found at: <http://www.hefce.ac.uk/>

Section 3 - Working with the Contracting Authority .

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

Section 3 – Contact details		
3.1	Contracting Authority Name and address	Higher Education Funding Council for England (HEFCE) Nicholson House Lime Kiln Close Stoke Gifford Bristol BS34 8SR
3.2	Buyer name	Becky Eldridge
3.3	Buyer contact details	research@uksbs.co.uk
3.4	Maximum value of the Opportunity	£50,000.00 excluding VAT
3.5	Process for the submission of clarifications and Bids	All correspondence shall be submitted within the Emptoris e-sourcing tool. Guidance Notes to support the use of Emptoris is available here. Please note submission of a Bid to any email address including the Buyer <u>will</u> result in the Bid <u>not</u> being considered.

Section 3 - Timescales		
3.6	Date of Issue of Contract Advert and location of original Advert	6 th January 2018
3.7	Latest date/time ITQ clarification questions shall be received through Emptoris messaging system	28 th February 2018 11:00
3.8	Latest date/time ITQ clarification answers should be sent to all Bidders by the Buyer through Emptoris	1 st March 2018
3.9	Latest date/time ITQ Bid shall be submitted through Emptoris	7 th March 2018 14:00
3.10	Anticipated selection and the selections of Bids notification date	9 th March 2018
3.11	Anticipated Award date	26 th March 2018
3.12	Anticipated Contract Start date	28 th March 2018

3.13	Anticipated Contract End date	29 th June 2018
3.14	Bid Validity Period	60 Days

Section 4 – Specification

Higher Education Funding Council for England

HEFCE was established in June 1992 under the terms of the Further and Higher Education Act 1992 as a non-departmental public body operating within a policy and funding context set by the Government. HEFCE funds and regulates universities and colleges in England. We invest on behalf of students and the public to promote excellence and innovation in research, teaching and knowledge exchange. The range activities that this money supports and our current policies in each area can be found on our website: <http://www.hefce.ac.uk/>.

Aim

HEFCE wishes to carry out a generic review of benchmarking methodologies to enhance and improve its use of benchmarking in its key business processes, with the aim of ensuring continuing confidence in the robustness of any analysis and the assessments made using it.

Objectives

The generic review is broken down into two core parts: extensions to the existing benchmark methodology; and assessment of alternative methodologies. The focus on this tender is the second of these parts. For details of the first part, see Section 4 Background to requirement.

Tenderers are invited to propose a suitable methodological approach to map out and assess the full range of benchmarking approaches ensuring they are as complete as possible, and that advice on the approaches are independent and authoritative.

Background to the Requirement

The Higher Education Funding Council for England (HEFCE) makes use of data driven metrics and indicators in a number of key business processes. These processes include the Teaching Excellence and Student Outcomes Framework (TEF), the Annual Provider Review process within the operating model for quality assessment in England and Northern Ireland, the annual publication of National Student Survey (NSS) outcomes, the UK Performance Indicators (UKPIs), and monitoring differential outcomes for different groups of students.

In a number of policy areas, HEFCE currently uses a design-based methodology for assessing units (sometimes higher education providers, subjects/courses within HE providers, or individuals with similar characteristics). This approach is well established, having been used in the UKPIs since 1997.

Where assessment of higher education providers takes place using this methodology, benchmarks are used as a tool to allow meaningful comparisons between HE providers by taking into account the different mix of students at each provider. Because there are differences between HE providers, average values for the whole of the higher education sector are not necessarily helpful when comparing them. The existing design-based

approach uses benchmarks calculated from a weighted sector average where weightings are based on the characteristics of the students at the provider, and take into account some of the factors which contribute to the differences between HE providers.

An explanation of this approach for institutional assessment and methodology is provided on the HESA website. More technical details of the methodology can be found in 'Statistical analysis of performance indicators in UK higher education' by D. Draper et al, in JRSS Series A, volume 167, part 3, 2004.

Due to the specialist nature of the methodology, HEFCE has commissioned the Principal Investigation/Researcher of the existing design-based approach to examine options for extending the methodology including assessment of: multiple outcomes in a single design-based framework; use of non-binary/continuous outcomes; and smaller groups within a larger organisation. Further details on this part of the work are available on request from HEFCE.

Scope

Although the current design based approach and its application is well-established, HEFCE is interested in exploring alternative methodologies that maximise the benefits of using large scale individualised or administrative datasets. Therefore, via this tender, HEFCE is seeking to commission work to review alternative benchmarking methodologies and their application.

HEFCE therefore is seeking tenders to identify, assess and report on the different benchmarking methodologies that could be used in a higher education context. This includes existing benchmarking applications, newly emerging methodologies being developed in academic research or other contexts, and identifying gaps in the current state of knowledge that could prove to be fruitful areas for further research. Model-based equivalences of the existing design based methodology should also be examined.

HEFCE is particularly interested in exploring methodologies that can be used:

- To assess multiple outcomes in a single model framework such as Data Envelopment Analysis (DEA) or similar.
- With non-binary outcomes including:
 - Unordered categorical outcomes;
 - Ordered categorical outcomes with more than two categories including Likert Scales;
 - Continuous outcomes including outcomes restricted to particular ranges or integer values.
- With sample or incomplete data (both in terms of outcomes or potential benchmarking characteristics);
- To assess smaller groups within a larger organisation;
- With longitudinal data and assessment of units/groups across time.

The benefits and challenges of the identified methodologies must also be assessed. These should include (but not be limited to) an assessment of the robustness of the methodology with regard to:

- The extent to which groups/units determine their own benchmark (sometimes referred to as self-benchmarking);
- Misclassification of assessment through inclusion of excessive benchmarking factors (over-fitting);
- Transparency, and public understanding, of methodology;
- Groups/units with exceptionally high, low or atypical performance;

- Groups/units with small numbers.

The expectation is that the methodologies researched can be generically applied, but HEFCE will make available (where possible) appropriate higher education data/internal analytical support for development of methodologies. Depending on capacity and competing business needs, HEFCE has the capability to test and apply proposed methodologies/approaches/sensitivity analysis once they have been developed by the successful tenderers.

This review will not assess whether the way in which benchmarking is currently applied to existing processes is appropriate or fit for purpose. These types of review can only be carried out on a process by process basis. However, research work carried out should take into account the principles developed and set down by the UK Performance Indicators Steering Group. Researchers should advise HEFCE if, through their work, they identify modifications or additions to these or similar principles being applied in other domains.

Requirement

The programme of work will be overseen by an expert advisory group (to be formed by HEFCE) that includes expertise from the academic community, others with an expert understanding of benchmarking methodologies, HEFCE, statistical bodies, and other organisations that demonstrate an excellent awareness of the impact and applicability of benchmarking.

We are open to tenders that use a variety of approaches to explore the areas identified. For this tender, we expect a combination of short-term primary academic research, primary data collection, and secondary desk based research to be used.

Therefore the main output should be formal advice to HEFCE suitable for publication. An interim report will be required, followed by a final report by June 2018. It is expected that both reports will be considered by the expert advisory group, with the group signing off the final report. **[Mandatory]**

HEFCE encourages any primary research to be published via a peer-reviewed academic journal. **[Desirable]**

The Programme of work will be overseen by an expert advisory group (to be formed by HEFCE) that includes expertise from the academic community, others with an expert understanding of benchmarking methodologies, HEFCE, statistical bodies, and other organisations that demonstrate an excellent awareness of the impact and applicability of benchmarking.

Terms and Conditions

Bidders are to note that any requested modifications to the Contracting Authority Terms and Conditions on the grounds of statutory and legal matters only, shall be raised as a formal clarification during the permitted clarification period.

Section 5 – Evaluation model

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

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

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

Pass / fail criteria		
Questionnaire	Q No.	Question subject
Commercial	SEL1.2	Employment breaches/ Equality
Commercial	FOI1.1	Freedom of Information Exemptions
Commercial	AW1.1	Form of Bid
Commercial	AW1.3	Certificate of Bona Fide Bid
Commercial	AW3.1	Validation check
Commercial	AW4.1	Contract Terms
Commercial	AW4.2	Contract terms justification
Price	AW5.1	Maximum Budget
Quality	AW6.1	Compliance to the Specification
Commercial	SEL3.11	Compliance to Section 54 of the Modern Slavery Act
Commercial	SEL3.13	General Data Protection Regulations (GDPR)
-	-	Invitation to Quote – received on time within e-sourcing tool

Scoring criteria			
Evaluation Justification Statement			
In consideration of this particular requirement the Contracting Authority has decided to evaluate Potential Providers by adopting the weightings/scoring mechanism detailed within this ITQ. The Contracting Authority considers these weightings to be in line with existing best practice for a requirement of this type.			
Questionnaire	Q No.	Question subject	Maximum Marks
Price	AW5.2	Price	20%
Quality	PROJ1.1	Understanding	15%
Quality	PROJ1.2	Risk Management	10%
Quality	PROJ1.3	Methodology	40%
Quality	PROJ1.4	Project Team and Capability to Deliver	15%

Evaluation of criteria

Non-Price elements

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

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

Example if a Bidder scores 60 from the available 100 points this will equate to 12% by using the following calculation:

$$\text{Score} = \{\text{weighting percentage}\} \times \{\text{bidder's score}\} = 20\% \times 60 = 12$$

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

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

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

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

Example

Evaluator 1 scored your bid as 60

Evaluator 2 scored your bid as 60

Evaluator 3 scored your bid as 40

Evaluator 4 scored your bid as 40

Your final score will $(60+60+40+40) \div 4 = 50$

Price elements will be judged on the following criteria.

The lowest price for a response which meets the pass criteria shall score 100.

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

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

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

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

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

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

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

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

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

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

Section 6 – Evaluation questionnaire

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

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

PLEASE NOTE THE QUESTIONS ARE NOT NUMBERED SEQUENTIALLY

Section 7 – General Information

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

DO:

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

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

DO NOT

- 7.12 Do not cut and paste from a previous document and forget to change the previous details such as the previous buyer's name.
- 7.13 Do not attach 'glossy' brochures that have not been requested, they will not be read unless we have asked for them. Only send what has been requested and only send supplementary information if we have offered the opportunity so to do.
- 7.14 Do not share the Procurement documents, they are confidential and should not be shared with anyone without the Buyers written permission.
- 7.15 Do not seek to influence the procurement process by requesting meetings or contacting UK SBS or the Contracting Authority to discuss your Bid. If your Bid requires clarification the Buyer will contact you. All information secured outside of formal Buyer communications shall have no Legal standing or worth and should not be relied upon.
- 7.16 Do not contact any UK SBS staff or the Contracting Authority staff without the Buyers written permission or we may reject your Bid.
- 7.17 Do not collude to fix or adjust the price or withdraw your Bid with another Party as we will reject your Bid.
- 7.18 Do not offer UK SBS or the Contracting Authority staff any inducement or we will reject your Bid.
- 7.19 Do not seek changes to the Bid after responses have been submitted and the deadline for Bids to be submitted has passed.
- 7.20 Do not cross reference answers to external websites or other parts of your Bid, the cross references and website links will not be considered.
- 7.21 Do not exceed word counts, the additional words will not be considered.
- 7.22 Do not make your Bid conditional on acceptance of your own Terms of Contract, as your Bid will be rejected.

Some additional guidance notes

- 7.23 All enquiries with respect to access to the e-sourcing tool and problems with functionality within the tool must be submitted to Crown Commercial Service (previously Government Procurement Service), Telephone 0345 010 3503.
- 7.24 Bidders will be specifically advised where attachments are permissible to support a question response within the e-sourcing tool. Where they are not permissible any attachments submitted will not be considered as part of the evaluation process.
- 7.25 Question numbering is not sequential and all questions which require submission are included in the Section 6 Evaluation Questionnaire.
- 7.26 Any Contract offered may not guarantee any volume of work or any exclusivity of supply.
- 7.27 We do not guarantee to award any Contract as a result of this procurement
- 7.28 All documents issued or received in relation to this procurement shall be the property of the Contracting Authority. / UKSBS.
- 7.29 We can amend any part of the procurement documents at any time prior to the latest date / time Bids shall be submitted through Emptoris.
- 7.30 If you are a Consortium you must provide details of the Consortiums structure.
- 7.31 Bidders will be expected to comply with the Freedom of Information Act 2000 or your Bid will be rejected.
- 7.32 Bidders should note the Government's transparency agenda requires your Bid and any Contract entered into to be published on a designated, publicly searchable web site. By submitting a response to this ITQ Bidders are agreeing that their Bid and Contract may be made public
- 7.33 Your bid will be valid for 60 days or your Bid will be rejected.
- 7.34 Bidders may only amend the contract terms during the clarification period only, only if you can demonstrate there is a legal or statutory reason why you cannot accept them. If you request changes to the Contract terms without such grounds and the Contracting Authority fail to accept your legal or statutory reason is reasonably justified we may reject your Bid.
- 7.35 We will let you know the outcome of your Bid evaluation and where requested will provide a written debrief of the relative strengths and weaknesses of your Bid.
- 7.36 If you fail mandatory pass / fail criteria we will reject your Bid.
- 7.37 Bidders are required to use IE8, IE9, Chrome or Firefox in order to access the functionality of the Emptoris e-sourcing tool.
- 7.38 Bidders should note that if they are successful with their proposal the Contracting Authority reserves the right to ask additional compliancy checks prior to the award of

any Contract. In the event of a Bidder failing to meet one of the compliancy checks the Contracting Authority may decline to proceed with the award of the Contract to the successful Bidder.

- 7.39 All timescales are set using a 24 hour clock and are based on British Summer Time or Greenwich Mean Time, depending on which applies at the point when Date and Time Bids shall be submitted through Emptoris.
- 7.40 All Central Government Departments and their Executive Agencies and Non Departmental Public Bodies are subject to control and reporting within Government. In particular, they report to the Cabinet Office and HM Treasury for all expenditure. Further, the Cabinet Office has a cross-Government role delivering overall Government policy on public procurement - including ensuring value for money and related aspects of good procurement practice.

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

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

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

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

USEFUL INFORMATION LINKS

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