

**Invitation to Tender and Tender Specification  
For Consultants to Undertake Evaluation of ERDF Funded Venture Capital Fund  
Tender Reference: TNEFL/2021/01**

**Cumulative List of Questions and Answers, v3, 10 September 2021**

**Question 1:** is there a budget set for this piece of work?

**Answer 1:** there is a budget but it will not be disclosed because doing so tends to result in all bidders proposing a price which is at the upper limit of the budget. As this Invitation to Tender is not being conducted as an OJEU process, the price for all work under this contract cannot in any circumstances exceed £189,330. The budget available is significantly below that level.

**Question 2a:** as North East Fund is part ERDF funded, do you require the evaluation to be compliant with the ERDF project evaluation guidance?

**Question 2b:** the specification indicates that a survey of the investee businesses is not required. It is worth bearing in mind that a survey is a useful way of collecting data on the motivation for seeking finance, manner in which the finance has been used, changes in business performance due to receipt of finance and satisfaction with service received from the fund. In the absence of a survey undertaken by the evaluators, does the North East Fund and its fund managers have information like this which could be utilised in the evaluation? More specifically, do the North East Fund or its fund managers monitor changes in turnover, jobs and GVA of the businesses receiving finance over a pre-investment baseline?

**Answer 2a & 2b:** as stated in the Invitation to Tender, the evaluation for which services are being sought is the mid-fund evaluation required by The North East Fund's ERDF funding agreement. It was originally scheduled for 2020 but it was considered appropriate to postpone it until the impacts of Covid on SMEs, and on the supply of and demand for SME investment funding, had settled. As it is the initial, rather than final, evaluation exercise of a financial instruments project, the remit has been tailored as considered appropriate to the project at this stage, as envisaged by the ERDF evaluation guidance. The evaluation should be conducted consistently with ERDF guidance and we believe that the remit set out in the Invitation to Tender will result in an evaluation which will satisfy the requirements of MHCLG and ERDF. As stated in the Invitation to Tender, if additional services over and above those set out in Section 4 of the ITT are required, the appointed consultant will be requested to prepare an estimate for providing them, priced in accordance with the day-rate pricing proposals to be set out by each bidder in their proposals under section 4.2 of the tender response. The Invitation to Tender does not state that a survey of the investee businesses "is not required" but rather that it was "not envisaged" but such a survey may form part of tender proposals and/or may be requested by the North East Fund following engagement of the successful consultant. Significant amounts of data is held by The North East Fund and its fund managers regarding investee companies, which includes data on changes in investee company turnover and jobs over pre-investment baselines.

**Question 3:** if we include a survey as an option, do you have contact details for beneficiary firms and consent for them to be contacted for the evaluation? Also, do you have contact details and consent for unsuccessful applicants?

**Answer 3:** our fund managers have contact details for beneficiary firms and their consent to contact them. Our fund managers also have contact details for unsuccessful applicants for investment but will have consent only from some of them to be contacted subsequently.