

SOUTH WEST INVESTMENT GROUP (CAPITAL) LTD

Invitation to Tender for the Provision of Loan Fund Management Services for the South West Loans Fund II

PART A – INSTRUCTIONS AND GUIDANCE

16 March 2020

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PART A – INSTRUCTIONS AND GUIDANCE

1 INTRODUCTION: REQUIREMENT FOR SERVICES

1.1 Introduction

South West Investment Group (Capital) Ltd (**SWIGC**) is conducting this procurement using the Open Procedure, in accordance with the Public Contracts Regulations 2015, as amended (**PCR15**).

1.2 Purpose and scope of this ITT

This ITT:

- 1.2.1 sets out the service requirements and specification of the services SWIGC wishes to procure under this process;
- 1.2.2 sets out the overall timetable for the procurement process;
- 1.2.3 provides Tenderers with sufficient information to enable them to submit a compliant Tender (including providing templates where relevant);
- 1.2.4 requires Tenderers to submit their Tenders in accordance with the instructions set out in this ITT;
- 1.2.5 explains the administrative arrangements for the receipt of Tenders; and
- 1.2.6 sets out the Supplier Selection Criteria and Tender Award Criteria and their weightings; and the Tender Evaluation Methodology that will be used to evaluate the Tenders received.

1.3 Composition of the ITT

This ITT is comprised of four parts:

- | | |
|---------------------|--------------------------------------------------------------------------|
| Part A (this part): | Instructions and Guidance |
| Part B: | Supplier Selection Questionnaire |
| Part C: | Form of Tender |
| Part D: | The form of contract for Fund Management Services (the Contract) |

The Glossary at the end of Part A explains some of the expressions used in this ITT.

1.4 Scope of the Services / background

- 1.4.1 SWIGC is the fund-holding subsidiary of South West Investment Group Limited, a company limited by guarantee with members drawn from banks, chambers of commerce and local authorities in the south west of England.
- 1.4.2 SWIGC, which is a Contracting Authority for the purposes of the PCR15, is seeking to procure a suitably-qualified fund manager with experience relevant to the managing of a new fund (the South West Loans Fund II – **SWLF II**). The SWLF II will be capitalised initially with £5.73m, to be invested in loans to small- and medium-sized incorporated businesses (**SMEs**), which cannot obtain their full lending requirements from other financial sources in the following Local Economic Partnership (**LEP**) areas:

- Heart of the South West LEP
 - West of England LEP
 - Gloucestershire LEP
 - Dorset LEP
 - Swindon and Wiltshire LEP
- 1.4.3 The area is also referred to as the 'South West region excluding Cornwall and the Isles of Scilly'. The excluded region has its own fund.
- 1.4.4 The Fund Manager will be expected to attend liaison meetings on an occasional basis with the LEPs and / or relevant Growth Hubs so as to promote SWLF II, and report performance as required.
- 1.4.5 The resources for the fund have been sourced from SWIGC and the legacy from the Competitiveness ERDF South West Loans Fund, the Microcredit Loans Fund and the Cleantech Low Carbon Mezzanine Co-Investment Fund. The Ministry of Housing, Communities and Local Government and the British Business Bank have consented to SWIGC's proposal to use the legacy from these previous funds in this new fund.
- 1.4.6 Loans from the SWLF II will be provided on the following basis:
- 1.4.6.1 maximum five-year term;
 - 1.4.6.2 only to incorporated businesses;
 - 1.4.6.3 businesses will be eligible for the fund only if they meet the applicable rules and other requirements, as set out in or referred to in the Contract (including the IOGs, forming part of the Contract); and provide:
 - 1.4.6.3.1 self-certification; and
 - 1.4.6.3.2 any other evidence SWIGC reasonably decides is appropriate,

to evidence that they are unable to access funding from other financial sources;
 - 1.4.6.4 interest rates set by reference to the EU Reference rate reflecting variety of risk to ensure no state aid conferred on the borrower;
 - 1.4.6.5 investment wherever possible alongside banks or other investors;
 - 1.4.6.6 security taken where appropriate;
 - 1.4.6.7 loans between £25,000 and £250,000;
 - 1.4.6.8 loans to be made in the name of SWIGC.
- 1.4.7 For fund modelling purposes it has been estimated that the initial £5.73m fund plus reinvestment of returns will invest in 180 businesses at an average of £60,000 over a five-year period.
- 1.4.8 The SWLF II has been based on the ERDF-backed SW Competitiveness Fund.

This fund has worked well, having delivered the investments and outputs in accordance with the original business plan and currently has a good portfolio performance. It is not proposed to make investments below £25,000 to ensure that the SWLF II does not compete with the national Start-Up Loans Scheme.

- 1.4.9 SWIGC has included the following assumptions in its own modelling:
- 1.4.9.1 no debts going bad in the first 12 months and write offs based on 20% of total fund value (includes recoveries and legal fees) which is based on the estimated outturn for the existing SW Competitiveness Fund;
 - 1.4.9.2 any cash is invested in secure treasury investments currently at 0.2% per annum based on current Barclays Bank rate;
 - 1.4.9.3 fund management fees will be determined via an open tendering process and will depend on fund activity but, based on previous fee structures and reduced reporting requirements, these are currently estimated at approximately £1,000,000 excluding VAT split between a monthly fee and performance-related fees;
 - 1.4.9.4 fund-holding fees for SWIGC will be limited to a maximum annual fee of 2% of the fund and based on actual costs incurred evidenced by salary records, timesheets and invoices;
 - 1.4.9.5 average lending period of five years;
 - 1.4.9.6 arrangement fees for SWIGC to be 5% of the loan provided;
 - 1.4.9.7 interest to be charged having regard to the EU reference rate but SWIGC's modelling is based on an average of 12% per annum.
- 1.4.10 The SWLF II is designed to be as flexible as possible using averages to allow the Fund Manager some flexibility in negotiating terms and conditions with each borrower.
- 1.4.11 Tenderers should undertake their own modelling. The assumptions set above are provided in good faith, but are not to be regarded as a representation or to be relied upon by Tenderers in any other way.

1.5 Form and value of the Contract

The Contract (i.e. the expected form of contract for the provision of the services) is set out in Part D. The value of the Contract can only be roughly estimated at this stage. However, it will be better determined as a result of the tendering process and will comprise a monthly fee and performance-related fees.

1.6 Contract Term and Phases

- 1.6.1 SWIGC proposes to enter into the Contract with the successful Tenderer (the **Fund Manager**) from the Commencement Date (as specified in the Contract) until 31 July 2030 at the latest (subject to earlier termination in accordance with the Contract).
- 1.6.2 The anticipated Commencement Date is 14 May 2020 (see Indicative Tender Timetable below).
- 1.6.3 The Contract and SWIGC's financial modelling allows for a mobilisation period of approximately 10 weeks following the Commencement Date.

- 1.6.4 As set out in more detail in the Contract, the 'Initial Phase' of fund management will run for 35 months, with a performance review in or around August 2022, following which SWIGC may terminate the Contract at the end of the Initial Phase.
- 1.6.5 Provided that fund management performance is satisfactory, the Contract will continue through the 'Second Phase', with investment / re-investment expected until July 2025, after which the activity is expected to be limited to realisations only.

2 INDICATIVE TENDER TIMETABLE

- 2.1.1 SWIGC aims to follow a clear, structured, transparent process at all times, under which all Tenderers will be treated fairly and equally.

- 2.1.2 The indicative, key dates for this procurement are as follows:

Timetable	
Event	Date
Submit Contract Notice for publication in the OJEU	13 March 2020
Contract documents / ITT available on Contracts Finder	15 March 2020
Deadline for receipt of requests for clarification	27 March 2020
Target date for responses to clarifications	6 April 2020
Deadline for return of Tenders (Return Date)	4.00pm on 15 April 2020
Evaluation of Tenders	16 April to 27 April 2020
Notification of contract award decision	28 April 2020
Standstill Period	29 April to 11 May 2020
Confirm contract award	12 May 2020
Issue Contract Award Notice	13 May 2020
Target Contract Commencement Date	14 May 2020

- 2.1.3 This is an indicative timetable only and may be subject to change. Any changes will be communicated to all Tenderers simultaneously.

3 CONDITIONS OF TENDER

3.1 Introduction

This section provides guidance to Tenderers on how to complete the Tender. SWIGC's nominated procurement officer (Jenny Nott) will be sole the point of contact for Tenderers until the Contract is awarded and the dedicated email address for this ITT is: finance@swigcapital.co.uk (the **Dedicated Tender Email**). Tenderers should not contact any other staff or directors of SWIGC during the procurement process to discuss the process as this may result in their disqualification from the process.

3.2 Clarifications

- 3.2.1 Any requests for clarification of any matter relating to the project, the Contract and this ITT must be made in writing by using the Dedicated Tender Email.
- 3.2.2 SWIGC will endeavour, so far as is practicable, to respond to all requests for clarification in accordance with the Indicative Tender Timetable. A document listing Tenderers' questions and the response to them will be issued using the Clarifications Log. This will be published as an update to the Contract advert on Contracts Finder. It will be each Tenderer's responsibility to ensure it refers back to the Contracts Finder site to obtain any updated information, as may be published from time to time.
- 3.2.3 However, SWIGC shall not be obliged to respond to any such request and does not accept liability or responsibility for failure to provide any clarification requested.
- 3.2.4 If a Tenderer considers that a request for clarification and/or its response relates to a confidential aspect of its ITT submission, it must mark the request for clarification as "confidential". If SWIGC is of the opinion that it would be inappropriate to answer the request for clarification on a confidential basis it will notify the Tenderer and require the Tenderer either to withdraw the request for clarification or to raise any objection within two (2) working days of such notification and state the grounds for its objection. If the Tenderer does not withdraw the request for clarification or raise any objection within the specified period, or if SWIGC is of the opinion that the request for clarification and/or the clarification itself is not confidential, it may issue details of the request for clarification and the clarification response to all of the Tenderers.
- 3.2.5 The deadline for receipt of requests for clarifications relating to the ITT is **27 March 2020**.
- 3.2.6 SWIGC has adopted the 'Open' procedure under PCR15 to conduct this competitive process. In light of this, Tenderers are reminded that that there is no possibility to negotiate changes to terms and conditions of the draft form of Contract provided with this ITT (other than to reflect the Tender-specific and financial elements of the Tender). Nevertheless, Tenderers may submit requests for clarification in relation to the Contract in case any aspect of it is not clear to them prior to the submission of a Tender. SWIGC will consider, in its absolute discretion, whether to respond to the clarification request and may share such response with the other Tenderers.

3.3 Deadline for Return of Tenders

- 3.3.1 Tenders must be submitted by **4.00pm on 15 April 2020** (see Indicative Tender Timetable above).
- 3.3.2 SWIGC will not open or consider any Tender received after the Return Date.
- 3.3.3 SWIGC may, in its absolute discretion, extend the Return Date, acting in

accordance with Regulation 18 of PCR15 in duly justified circumstances and will notify all Tenderers accordingly.

- 3.3.4 It is the Tenderer's responsibility to ensure that their Tender is submitted by the deadline for receipt of Tenders.

3.4 Tender evaluation and notification of contract award decision

- 3.4.1 SWIGC will assess all Tenders received for compliance and completeness and under the Supplier Selection Criteria specified in this ITT and those complete, compliant Tenders, which pass the Supplier Selection Criteria will be evaluated in accordance with the specified Tender Award Criteria in this ITT.
- 3.4.2 Evaluation and scoring against the Tender Award Criteria will be undertaken by the Scoring Panel.
- 3.4.3 SWIGC will notify all Tenderers of their Tender results by email and observe a Standstill Period of at least 10 calendar days before SWIGC executes the Contract with the successful Tenderer.
- 3.4.4 Simultaneously, SWIGC will also notify all of those Tenderers who failed to submit a complete and/or compliant Tender or failed to pass the Supplier Selection Criteria and provide the reasons for SWIGC's decision.
- 3.4.5 SWIGC will not enter into any form of binding commitment until the mandatory Standstill Period under Regulation 87 of PCR15 has expired and provided that its original decision on which Tender to accept remains unchanged following any representations made during the Standstill Period.

3.5 Debrief

SWIGC will provide information in accordance with PCR15. Those Tenderers who were unsuccessful after evaluation of their Tender, may request that SWIGC provides a short written de-brief but SWIGC will not be obliged to provide this prior to entering into the Contract.

3.6 Contract Terms

- 3.6.1 By submitting a Tender, Tenderers are agreeing to be bound by the terms of this ITT and the terms and conditions of the draft form of Contract provided in the ITT without further negotiation or amendment (save as mentioned above).
- 3.6.2 SWIGC will produce a version of the Contract suitable for execution, and reflecting the terms of the successful Tender, for review by the successful Tenderer during or prior to the Standstill Period.

3.7 SWIGC Rights

SWIGC reserves the right to:

- 3.7.1 seek clarifications or additional documents and information in respect of any Tender submission;
- 3.7.2 disqualify any Tenderer that does not submit a compliant Tender in accordance with the instructions in this ITT, or submits a Tender that is vague or incomplete; evasive, unclear or conditional Tenders may be disqualified and not evaluated at SWIGC's discretion, acting in accordance with PCR15;
- 3.7.3 disqualify any Tenderer which meets any of grounds for mandatory or

discretionary exclusion under Regulation 57 of PCR15;

- 3.7.4 withdraw this ITT at any time, or re-invite Tenders on the same or any alternative basis;
- 3.7.5 choose, at its sole discretion, not to award any Contract; and/or
- 3.7.6 make whatever changes it sees fit to the Indicative Tender Timetable, structure or content of the procurement process, depending on approvals processes or for any other reason; Tenderers will be advised of any changes.

3.8 Tenderer Conduct

- 3.8.1 Tenderers are reminded of their obligations as set out in PCR15, relating to their conduct; for example, unclear Tenders, price fixing, attempting to influence the SWIGC decision, contacting other Tenderers or linked suppliers, and other undesirable practices.
- 3.8.2 Non-acceptance or rejection of any Tender shall be without prejudice to any other civil remedies available to SWIGC or any criminal liability which any conduct by a Tenderer may attract.

3.9 Warranties and Disclaimers

- 3.9.1 While the information contained in this ITT is believed to be correct at the time of issue, Tenderers should not rely on this information and should carry out their own due diligence checks and verify the accuracy of the information. Neither SWIGC nor its advisers will accept any liability for its accuracy, adequacy or completeness, nor will any express or implied warranty be given. This exclusion extends to liability in relation to all information including any statement, opinion or conclusion contained in, or any omission from, this ITT (including its appendices), and in respect of any other written or oral communication transmitted (or otherwise made available) to any Tenderer. This exclusion does not extend to any fraudulent misrepresentation made by or on behalf of SWIGC.
- 3.9.2 SWIGC does not accept any responsibility for any pre-contractual representations made by it or on its behalf.
- 3.9.3 If a Tenderer proposes to enter into the Contract with SWIGC, it must rely on its own enquiries. Neither the issue of this ITT, nor any of the information presented in it, should be regarded as a commitment or representation on the part of SWIGC (or any other person) to enter into a contractual arrangement. SWIGC has not made and is not making any contract, agreement or warranty that a Contract will be offered through the issue of this ITT.

3.10 Tenderer's Warranties

- 3.10.1 In submitting the Tender, the Tenderer warrants and represents and undertakes to SWIGC as follows.
 - 3.10.1.1 It is not subject to any of the circumstances, has not performed any of the acts or matters referred to in Regulation 57 of the Regulations, and has complied in all respects with this ITT.
 - 3.10.1.2 All information and representations communicated (whether in writing or otherwise) to SWIGC by the Tenderer or its employees, officers, agents or advisers, in connection with or arising out of the Tender, are true, complete and accurate in all respects.
 - 3.10.1.3 It has made its own investigations and research, and has satisfied

itself in respect of all matters relating to the ITT.

3.10.1.4 It has full power to enter into the Contract and provide the Services, and will, if requested, produce evidence of such to SWIGC.

3.10.1.5 It is of sound financial standing and the Tenderer and its directors, officers and employees are not aware of any circumstances (other than such circumstances as may be disclosed in the audited accounts or other financial statements of the Tenderer submitted to SWIGC) which may adversely affect such financial standing in the future.

3.10.2 The Tenderer shall indemnify, and keep indemnified, SWIGC against all actions, omissions, claims, demands, proceedings, damages, costs, losses, charges and expenses whatsoever in respect of any breach by the Tenderer of any of its obligations as set out in this ITT.

3.11 Costs

SWIGC will not be liable for any bid costs, expenditure, work or effort incurred by a Tenderer or by a third party acting under instructions from them in proceeding with or participating in this procurement, including if the procurement process is terminated or amended by SWIGC.

3.12 TUPE

It is the responsibility of the Tenderer to consider whether or not TUPE is likely to apply in the particular circumstances of this tender exercise and to act accordingly. Tenderers are entitled to raise with SWIGC clarification requests; however, they should take their own advice and make their own enquiries regarding the likelihood of TUPE applying.

3.13 Confidentiality and Freedom of Information

3.13.1 This ITT is made available on condition that its content is kept confidential by the Tenderer and is not copied, reproduced, distributed or passed to any other person at any time, except for the purpose of enabling the Tenderer to submit a Tender.

3.13.2 By returning this Tender, each Tenderer acknowledges that SWIGC may be obliged to publish the provisions of any resulting Contract. This does not apply to any information which is exempt from disclosure in accordance with FOIA provisions and principles. In determining whether any information is exempt, SWIGC shall consult with the Tenderer and shall take its reasonable concerns into consideration, provided that SWIGC shall have the final decision in its absolute discretion. The Tenderer shall co-operate and assist SWIGC to publish in accordance with SWIGC's obligations.

3.14 Publicity

Tenderers shall not undertake (or permit to be undertaken) at any time (whether prior to or after any contract award) any publicity or activity with any section of the media in relation to this tender process or the supply of the Services other than with the prior written consent of SWIGC. In this paragraph the word "media" includes (but is not limited to) radio, television, newspapers, trade and specialist press, social media, the internet and E-mail accessible by the public at large and the representatives of such media.

3.15 Consortia, Unincorporated Joint Ventures and Sub-Contracting arrangements

3.15.1 SWIGC recognises that a Tenderer may be a collaboration of organisations either through a consortium arrangement, unincorporated joint venture or by way of a lead contractor and sub-contractors. This does not preclude such a Tenderer participating in this process and submitting a Tender response.

- 3.15.2 Any Tenderer which is a consortium and is awarded the Contract will be required to form a legal entity before any such Contract is signed and ensure that suitable security (guarantee, performance bond, etc. by a parent company of one or more of the consortium members) is provided to SWIGC to guarantee the obligations of the new legal entity and the delivery of the services under the Contract, as may required by SWIGC in the relevant circumstances.
- 3.15.3 For Tenders submitted by a Tenderer and a team of sub-contractors, the Tenderer will be required to enter into the Contract with SWIGC and take all legal responsibility for the obligations under that Contract including those allocated to its sub-contractors.
- 3.15.4 SWIGC reserves the right to require suitable security for services under the Contract from any Tenderer (irrespective of its legal form) in the form of a parent company guarantee or a performance bond.
- 3.15.5 All Tenders will be evaluated as a whole in accordance with this document.
- 3.15.6 All correspondence in relation to this procurement will be sent to the Lead Organisation only in accordance with Section 4 of this document.

3.16 Law

The laws of England and Wales will apply to this ITT, the Contract and the procurement process generally.

4 INSTRUCTION / GUIDANCE FOR TENDER RETURN

4.1 Instructions for Tender Return

- 4.1.1 Part B (Supplier Selection Questionnaire) and Part C (Form of Tender) of this ITT should be completed and returned to SWIGC before the Return Date, as specified in the Indicative Tender Timetable.
- 4.1.2 All Tenders must be returned by email only to the Dedicated Tender Email. Tenders submitted by any other method may be disqualified and rejected.
- 4.1.3 Each Tenderer must number every page sequentially in the main body of its response as "Page [x] of [xx]". Any additional information which is necessary to support a Tender should be included as appendices and cross-referenced in the main body of the Tender.

4.2 Changes

- 4.2.1 After return of the Tender the Tenderer must inform SWIGC of any changes in respect of the Tender submitted.
- 4.2.2 SWIGC reserves the right to accept changes proposed by any Tenderer to the composition of their Tenderer entity subject to the necessary legal/eligibility, technical ability and financial standing criteria being met and such change resulting in satisfactory arrangements for the Tenderer's ability to deliver the Contract requirements, providing always that such change is notified and takes effect prior to the Contract being executed.

4.3 Submission of Tenders

- 4.3.1 Each Tenderer must submit only one Tender in respect of this ITT.
- 4.3.2 Each Tender must be a stand-alone bid and not be dependent on any other bid or any other factors external to the Tender itself. Each Tender must be capable of being accepted by SWIGC in its own right.
- 4.3.3 Tenders should include only such information as is necessary to respond effectively to this ITT.
- 4.3.4 Unless specifically requested by the ITT, extraneous presentation materials, particularly company corporate sales material, are neither necessary nor desired. Such materials will only be taken into account if they are clearly requested by the ITT and are cross-referenced in a Tenderer's specific response to a question in this ITT and only then to the extent that information is considered relevant by SWIGC.
- 4.3.5 The Tender must be in English and drafted in accordance with the guidance set out in this ITT.
- 4.3.6 The Tender must be clear, concise and complete. SWIGC reserves the right to mark a Tenderer down or exclude them from the procurement if its Tender contains any ambiguities or lacks clarity.
- 4.3.7 Tenderers are asked to nominate a **Single Contact Point** with a single telephone number and a single email address in their organisation for their response to this ITT. SWIGC shall not be responsible for contacting the Tenderer through any route other than the Single Contact Point.

5 APPROACH TO TENDER ASSESSMENT/EVALUATION

5.1 The Tender submission will be evaluated as follows:

5.1.1 Compliance with ITT requirements / completeness: Pass/Fail

5.1.2 Supplier Selection Criteria: Pass/Fail

5.1.3 Evaluation of Tender under the Tender Award Criteria

Tenderers which submit incomplete or non-compliant Tenders may be disqualified.

5.2 Supplier Selection Criteria

5.2.1 Tenderers must provide complete and accurate responses to the relevant questions associated with each one of the Supplier Selection Criteria in the ITT. Tenderers who fail to complete the documentation (even when stated 'for information only') may be excluded from the remainder of the evaluation process.

5.2.2 Each element/question stated within the Supplier Selection Criteria referenced above will be assessed on the basis of pass/fail or for information only, as set out below:

Assessment of responses to the Supplier Selection Criteria	
Section	Assessment
Section 1 - Potential Supplier Information	Info only: must be complete
Section 2 - Grounds for Mandatory Exclusion	Pass / Fail
Section 3 - Grounds for Discretionary Exclusion	Pass / Fail
Section 4 - Economic and Financial Standing	Info only: must be complete
Section 5 - Parent company standing	Info only: must be complete
Section 6 - Technical and Professional Ability	Info only: must be complete
Section 7 - Modern Slavery Act	Pass / Fail
Section 8 - Insurance Cover & Policies	Pass / Fail

5.2.3 Technical and Professional Ability

5.2.3.1 This section must be completed but is for information only and will not be scored at the Selection Stage. Grant-funded work can also be used where felt relevant. Failure to complete this section (or sections 4 and 5) may result in an incomplete bid leaving the Tender subject to rejection at SWIGC's discretion.

5.2.3.2 In order to avoid the potential for a conflict of interest, references should not be supplied for services previously provided for SWIGC; however, if such references are the only ones that the Tenderer can provide then SWIGC may accept them subject to SWIGC's absolute discretion to reject any reference(s) that create or may be considered to create a conflict of interest.

5.2.3.3 SWIGC may elect to contact any of the given organisations for a reference at any stage of the procurement. The Tenderer's permission to do so will be assumed unless the Tenderer explicitly states any objections.

5.2.4 Pass / Fail Questions

5.2.4.1 These criteria will be assessed on a pass / fail basis

5.2.4.2 Tenderers that receive a 'fail' in any of these questions/sections will be excluded from the evaluation process and their Tender will not be considered further, unless SWIGC, at its absolute discretion, and acting in accordance with its obligations under the PCR15, decides otherwise. SWIGC will retain written evidence of the reasons for exercise of such discretion.

5.2.5 Consortia/Unincorporated Joint Ventures and Lead/Sub-contractors Tenderers

Where the Tenderer has completed the response and that Tenderer is made up of a Lead Organisation and Relevant Organisation(s) all Relevant Organisations will be required to pass all Pass/Fail modules unless adequate justification is provided by the Relevant Organisation or the Lead Organisation which is satisfactory to SWIGC.

5.3 **Tender Award Criteria**

All Tenders which have met the Supplier Selection Criteria will be evaluated by the Scoring Panel under the Tender Award Criteria (and sub-criteria) and scored against their respective weightings.

SWIGC will use the Tender Award Criteria to select the most economically-advantageous Tender in accordance with Regulation 67 of PCR15.

The Tender Award Criteria will be scored as to:

70% Quality (**Quality Criteria**)

30% Commercial (**Commercial Criteria**)

The Tender Evaluation Methodology is set out below, showing the Award Sub-Criteria and the maximum scores attributable to them, and the method of evaluation.

5.4 **Quality Criteria – 70%**

The Tender Award Criterion is split into the Award Sub-Criteria listed in section 3 of Part C of the ITT, together with the respective percentages for each sub-criterion.

5.5 **Quality Evaluation**

5.5.1 The Quality Criteria will be scored as below.

5.5.2 Each scored question/section will be allocated a score between 0 and 5 in accordance with the table set out below.

5.5.3 SWIGC reserves the right to award intermediate marks (e.g. 3.5 out of 5) in one or more of the questions/sections if and when it considers this appropriate.

Scoring Matrix for Quality Criteria		
Score	Judgement	Interpretation
5	Excellent	Exceptional demonstration of the relevant ability, understanding, skills, resources and/or quality measures required to provide the Services. Full evidence provided where required to support the response.
4	Good	Above average demonstration of the relevant ability, understanding, skills, resources and/or quality measures required to provide the Services. Majority evidence provided to support the response.
3	Acceptable	Demonstration of the relevant ability, understanding, skills, resources and/or quality measures required to provide the Services, with some evidence to support the response.
2	Minor Reservations	Some minor reservations of the relevant ability, understanding, skills, resources and/or quality measures required to provide the Services, with little or no evidence to support the response.
1	Serious Reservations	Considerable reservations of the relevant ability, understanding, skills, resources and/or quality measures required to provide the Services, with little or no evidence to support the response.
0	Unacceptable	Does not comply and/or insufficient information provided to demonstrate that there is the ability, understanding, skills, resources and/or quality measures required to provide the Services, with little or no evidence to support the response.

Quality Criteria Score: Worked Example

Tender Sub-Criteria	Tender Score A	Maximum Score B	Weighting (100% total) C	Contribution to tenderers score, $(A \div B) \times C$
1. Individuals CVs	3	5	20%	12%
2A. Investment and appraisal experience 2B. Realisation and portfolio management experience	4	5	35%	28%
3A. Method for management and realisations 3B. Approach to delivery of objectives 3C. Method for monitoring and remedial actions	3	5	25%	15%
4. FCA Permissions or equivalent	4	5	10%	8%
5. Knowledge of and compliance with applicable requirements and processes	3	5	10%	6%
Tenderers Quality Criteria score out of a possible 100%				69%
Tenders Quality Criteria score as a contribution to the final score : 69% x 70%				48.30%

5.6 Commercial Criteria – 30% of total score

Tenderers must propose a total fee for various elements of the Services as follows:

- 5.6.1 Tenderers are required to provide details of the price that would be charged for managing the SWLF II and providing the services as outlined in this ITT.
- 5.6.2 Tenderers are required to provide a full breakdown and costing of proposed activity (exclusive of VAT). This should include a breakdown of the number of days and day rates of specified individuals who will be working on the various activities.
- 5.6.3 Tenderers should state the extent to which their fees will be subject to VAT, but VAT will not be taken into account when comparing Tenders.
- 5.6.4 The fee will be part fixed and part performance-related. The fee to be quoted by the Tenderer is to be 100% of the price that would be charged if the performance criteria set out below (i.e. those underlying the Investment Performance Fee and the Realisation Performance Fee, as described in the Contract) are met over the full term of the Contract (i.e. through to July 2030). The basis on which the fixed and performance-related elements of the fee will be calculated is summarised below.

5.7 Breakdown of fees

Tenders will be assessed by reference to the total fee, but that fee must be broken down as follows.

- 5.7.1 60% of the total fee
 - 5.7.1.1 a fixed, management fee per month for the investment period of the Contract, paid in monthly instalments to 31 July 2025;
 - 5.7.1.2 a fixed, management fee per month for the realisation period of the Contract, paid in monthly instalments from 1 August 2025 to 31 July 2030;

Tenderers may allocate the fixed fee in their Tender between these elements, but the monthly fee proposed for the second period should be no less than one-quarter of the monthly fee for the first period.
- 5.7.2 20% of the total fee - a performance-related element based on the value of each loan advanced for the period to 31 July 2025, paid in quarterly instalments;
- 5.7.3 20% of the total fee - a performance-related element based on the amounts of realisations (capital and interest) realised over the whole Contract period, paid annually throughout the term of the Contract, from and including 31 July 2022 (so that the first payment will relate to realisations from the Commencement Date to 31 July 2022).

Further details of the fees are set out in Schedule 3 of the Contract.

5.8 Fee score evaluation

Total fees will be scored using the following formula

Lowest price / Price of Tenderer x 30%

So, the Tenderer with the lowest total price will score 30% and Tenderers proposing higher prices will score a proportionately lower mark.

5.9 **Contract Deliverables**

The deliverables relevant to SWIGC's evaluation of the Tenderer's performance during the Contract are as follows. As explained above, Tenderers should price their proposals so that they have the capability of meeting all of the following (and their costs and resource allocation should be calculated accordingly).

- 5.9.1 Invest £10.8 million in a target of 180 eligible SMEs by 31 July 2025.
- 5.9.2 Achieve target of £10.8 million of private-sector leverage.
- 5.9.3 Achieve target of 300 new jobs being created over the term of the Contract
- 5.9.4 Achieve target of increasing GVA by £10 million over the term of the Contract.

6 GLOSSARY

For the purpose of this ITT the following words and expressions shall have the meanings set out below.

"Award Sub-Criteria" means all the sub-criteria that make up the Tender Award Criteria.

"Clarifications Log" means the log of all clarification questions as raised by Tenderers and the responses from SWIGC.

"Commencement Date" means the intended date for the commencement of the Contract set out in the Indicative Tender Timetable of this ITT.

"Commercial Criteria" has the meaning given to it in clause 5.3.

"Contract" means the Contract for the provision of the Services, which SWIGC intends to enter into with the Tenderer providing the most economically-advantageous Tender and the terms and conditions of which are contained in Part D of this ITT.

"Dedicated Tender Email" means the dedicated email address for this ITT as set out in section 3.1.

"FCA Permissions" means those permissions given by the Financial Conduct Authority under section 4A (as defined in section 55A) of the Financial Services and Markets Act 2000 listed at Schedule 2.

"Form of Tender" means the form submitted by the Tenderer to SWIGC as part of the Tender titled Form of Tender and Declarations, the form of which is contained at Section C to this ITT.

"Fund Manager" has the meaning given to it in clause 1.6.1.

"Indicative Tender Timetable" means the timetable as set out in section 2.

"Initial Phase" has the meaning given to it in the Contract.

"ITT" means this invitation to tender document including all schedules and appendices.

"Investment Performance Fee" has the meaning given to it in the Contract.

"IOGs" means the Investment and Operating Guidelines set out at Schedule 2 of the Contract.

"OJEU" means the Official Journal of the European Union.

"OJEU Notice/Contract Advertisement" means the OJEU notice(s) as defined in the Public Contract Regulations 2015 (as amended).

"Open Procedure" means the 'Open' procedure as defined in the Public Contracts Regulations 2015 (as amended) Regulation 27.

"Quality Criteria" has the meaning given to it in clause 5.3.

"Return Date" means the time and date for the receipt of Tenders set out in the Indicative Tender Timetable.

"Scoring Panel" means the three member panel comprising of two directors of SWIGC and one independent person, and who will consider and score the Tenderers based on the Tender Award Criteria in accordance with section 5.3.

"Second Phase" has the meaning given to it in the Contract.

"Selection Stage" means the first stage of this tender evaluation, based on responses to the Selection Questionnaire.

"Services" means the provision of Services as set out in the Contract.

"Single Contact Point" means the single point of contact within the Tenderers organisation which is the sole contact for all communications between SWIGC and the Tenderer in relation to this ITT/Tender.

"Small or Medium Enterprise (SME)" has the meaning given in the EU definition of SME: <http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/sme-definition/>

"Standstill Period" means period of no less than 10 days between notice of intention to award and award, referred to in regulation 87 of the Public Contracts Regulations 2015 (as amended).

"Supplier Selection Questionnaire" means the questionnaire to be completed by the Tenderer which is contained at Part B of this ITT.

"Supplier Selection Criteria" means the criteria as set out at section 5.2 and used to select those Tenderers who will be considered for evaluation against the Tender Award Criteria.

"Tender" means a Tenderer's submission made in response to this ITT including the completed and signed Form of Tender, together with all completed schedules and information requested by SWIGC.

"Tender Award Criteria" means the evaluation criteria that will be applied to all Tenders progressing past the Selection Stage and as identified in section 5.3.

"Tender Documents" means all documents contained in this ITT including its appendices and schedules.

"Tender Evaluation Methodology" means the evaluation methodology and approach to be used by SWIGC to evaluate the Tenders in accordance with the Tender Award Criteria set out in section 5.3.

"Tenderer(s)" means Tenderer(s) who have been invited by SWIGC to submit a Tender.