



Single Source
Regulations Office

The baseline profit rate and capital servicing rates quality assurance services Invitation to Tender

27 May 2022

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1. Introduction

- 1.1 This Invitation to Tender (ITT) is issued by the Single Source Regulations Office (SSRO) for the appointment of a supplier to provide independent assurance services, in relation to the baseline profit rate and capital servicing rates that it recommends to the Secretary of State each year.
- 1.2 The content of this ITT is for use by prospective bidders who wish to submit a Tender for the delivery of the services, which are more particularly described in the Specification (**Appendix 1**).
- 1.3 This ITT is provided on the basis that it is and shall remain the property of the SSRO and must only be used for the purposes of responding to this tender opportunity.
- 1.4 This document contains the information and instructions that bidders will need in order to submit a compliant Tender. The SSRO will evaluate compliant Tenders in accordance with the methodology set out in this ITT.

2. The SSRO

- 2.1 The Defence Reform Act 2014 ('the Act') created a regulatory framework for single source defence contracts. The framework places controls on the prices of qualifying contracts and requires greater transparency on the part of defence contractors.
- 2.2 The Single Source Regulations Office (SSRO) is an executive non-departmental public body, sponsored by the Ministry of Defence. We are at the heart of the regulatory framework, supporting its operation. When undertaking our statutory functions, we aim to ensure that:
 - good value for money is obtained in government expenditure on qualifying defence contracts; and
 - that persons who are parties to qualifying defence contracts are paid a fair and reasonable price under those contracts.
- 2.3 Additional general information about the SSRO can be found on the website:
<http://www.gov.uk/government/organisations/single-source-regulations-office>

3. Service requirements

- 3.1 The SSRO is seeking to appoint a supplier to provide independent assurance services, in relation to the baseline profit rate and capital servicing rates ahead of recommendation to the Secretary of State. The Specification is provided as a separate attachment to this ITT at Appendix 1, and it describes the SSRO's requirements. These include delivery of the independent assurance services (being the "Core Services"), and Optional Services which the SSRO may choose to commission from the contractor from time to time over the contract period. The Specification will form part of the contract with the successful bidder.
- 3.2 The advertised contract value is based on previous experience and assumes the full potential contract period (which is $3+1+1 = 5$ years). Our valuation assumes delivery of the following:
 - Core Services (estimated at 75% of the advertised contract value); and
 - 45 days of Optional Services, which the SSRO may from time to time require (estimated at 25% of the advertised contract value).

- 3.3 The contract is expected to commence on or around 3 October 2022. The duration of the contract will be for a fixed period of three years, with the option to extend for two further periods of one year each.
- 3.4 Bidders must address the requirements of the Specification (**Appendix 1**) in their Tenders. The successful bidder will be able to demonstrate a full understanding of these requirements and will have the ability and commitment to provide a comprehensive service to the SSRO.

4. Guidance for bidders

Instructions to suppliers submitting a Tender

- 4.1 Please read this guidance on the tendering procedures carefully. Bidders must ensure that they are familiar with the nature and extent of their obligations in participating in this procurement process. The SSRO reserves the right to revise the procurement documentation during the tender period. Where the revisions are material, it will re-issue the documentation via Contracts Finder.
- 4.2 Tenders must be submitted in accordance with the instructions contained within this ITT. Failure to comply with the instructions or to return a compliant Tender may invalidate a Tender. It is important, therefore, that bidders provide all the information required, and in the format, specified in this ITT.
- 4.3 The information contained in this ITT, the supporting documents and in any related written or oral communication is believed to be correct at the time of issue. However, the SSRO will not accept any liability for its accuracy, adequacy or completeness and no warranty is given in that regard. This exclusion does not extend to any fraudulent misrepresentation made by the SSRO.

Timetable

- 4.4 The SSRO anticipates that the tender process will be run in accordance with the timetable set out below. However, the SSRO reserves the right to vary, amend or cancel the timetable or process at any stage prior to contract award, without liability. Where amendments are material, the SSRO may at its discretion extend the deadline for receipt of Tenders.

Table 1: Tender timetable

Milestone	Deadline
Tender documents issued	Friday 27 May 2022
Deadline for receipt of clarification questions	Monday 6 June 2022 (4pm)
SSRO response to supplier questions	Friday 10 June 2022
Tender return deadline	Friday 24 June 2022 (4pm)
Notification of decision	Friday 22 July 2022
Contract commencement	Monday 3 October 2022

Questions about this ITT

- 4.5 It is the responsibility of bidders to obtain at their own expense all additional information necessary for the preparation of their Tenders. No claims of insufficient knowledge will be entertained.
- 4.6 You may submit any clarification questions you have relating to this ITT by no later than the date and time specified in the timetable above. The SSRO will aim to respond to reasonable requests received before the deadline. Questions received after the deadline may not be answered.
- 4.7 Please only submit clarification questions by email to the SSRO at: tenders@ssro.gov.uk. The title of the email should be “**SSRO-C-118: The baseline profit rate and capital servicing rates quality assurance services: Clarification Question**”. Any clarification questions should clearly reference the document and the relevant paragraph, where relevant. To the extent possible, multiple questions should be aggregated rather than sent individually.
- 4.8 The SSRO will aim to publish responses to clarification questions on Contracts Finder by the date specified in the timetable above. All questions and their answers will be published without revealing the identity of the individual bidder that put forward the question.
- 4.9 Clarifications issued, where deemed relevant by the SSRO, will form part of the contract between the SSRO and the successful bidder.

Return of Tenders

- 4.10 Bidders should address the requirements of the Specification in their Tenders, by providing responses to the Tender Questions in **Appendix 2**.
- 4.11 Tenders must be returned by the date and time specified in the timetable above. Any Tender received after this date and time will not be considered. Tenders received will be retained unopened until after the deadline for submission has lapsed. It is the bidders' responsibility to ensure that their Tender is received no later than the stated date and time. The SSRO accepts no liability whatsoever for Tenders that are not received before the deadline, including for reasons of internet connectivity, transmission delays or errors.
- 4.12 Please only return Tenders by email to the SSRO at: tenders@ssro.gov.uk. The title of the email should be “**SSRO-C-118: The baseline profit rate and capital servicing rates quality assurance services: Tender Submission**”. The documents required to be submitted with the proposal should be provided as attachments to the email.

Tender requirements

- 4.13 All submitted Tenders **must** include the following:
- a completed Form of Tender;
 - response to Tender Questions;
 - a completed Pricing Schedule;
 - evidence of required insurance cover and levels as noted at paragraph 4.26;
 - evidence of Cyber Essentials Plus accreditation noted at paragraph 4.33;
 - consortium/sub-contracting proposals (where relevant);
 - a completed Statement of Conduct; and

- a conflict of interest's policy.

- 4.14 Tenders which omit any of the documents listed in 4.13, or which include documents that are not properly completed, **may (and in some cases, where indicated, must) be rejected**.
- 4.15 No qualifications, caveats or unauthorised alterations are to be included or made to the documentation supplied (including the Specification and the SSRO's Terms and Conditions). Tenders containing such qualifications, caveats or unauthorised alterations may be rejected.
- 4.16 Additional pre-existing material which expands upon the Tender may be included as appendices with cross-references to this material in the main body of the Response to Tender Questions.
- 4.17 Bidders are advised to retain for themselves a copy of their submission. The SSRO reserves the right to make a charge to subsequently provide a copy of a submitted Tender.

Form of Tender

- 4.18 Bidders must provide a completed Form of Tender, which is provided at **Appendix 4**.
- 4.19 The Form of Tender requires that bids remain valid for acceptance for **90 days** from the deadline for receipt of Tenders. If this statement is excluded, amended or qualified, the bid may be rejected.

Response to Tender Questions

- 4.20 Bidders must complete and submit the Response to Tender Questions, which is provided at **Appendix 2**. Bidders should respond in full to each of the questions.
- 4.21 If a question is similar to a question included elsewhere in the Response to Tender Questions document, bidders should repeat the response where relevant and expand upon it as necessary. Bidders should not, however, exceed the word limits (if such word limits are indicated within the question). The SSRO will disregard any excess text which exceeds any stated word limit.

Pricing Schedule

- 4.22 Bidders must complete and submit the Pricing Schedule, which is provided at **Appendix 3**.
- 4.23 Bidders must quote on the basis that the pricing set out in the Pricing Schedule remains fixed for the period of the contract. Bidders are strongly advised to check all figures and calculations before submitting their Tenders. The SSRO will not allow bidders to amend their pricing after submission. If the Tender is accepted, the bidder will not be entitled to claim, and the SSRO will not allow any increase in the pricing.
- 4.24 The fixed prices provided in the Pricing Schedule must be inclusive of all disbursements, including travel and subsistence. The SSRO expects the contractor's appointed personnel will be able to deliver the services from their office or remotely.
- 4.25 The Tender must be based on prices which exclude Value Added Tax (VAT). This tax, if applicable, will be paid by the SSRO as an addition at the appropriate rate on the invoices when submitted.

Insurance

- 4.26 Bidders must include, as part of their Tender, evidence to show the following types and levels of insurance are held:

- Public Liability Insurance to a minimum value of five million pounds for each and every claim or series of claims arising out of one event;
- Employer's Liability Insurance to a minimum value of ten million pounds for each and every claim or series of claims arising out of one event; and
- Professional Indemnity Insurance to a minimum value of five million pounds for each and every claim or series of claims arising out of one event.

4.27 Failure to demonstrate the required insurance cover and levels may result in the bid being rejected.

Sub-contractors and consortiums

4.28 If you are bidding for this contract in association with another bidder, you must explain the structure of the Tender. If you do not do so, then it may be disqualified. Bidders may not participate in more than one Consortium Tender.

4.29 Bidders **must** indicate whether they are reliant on any third parties for any aspects of fulfilling the service as specified, or if this is a consortium Tender. In such cases you should provide full details of sub-contractors, the nature of the relationship and the intended balance of work to be completed, and copies of quality assurance arrangements operating between the sub-contractors. Failure to provide this information may result in the Tender being disqualified.

4.30 Bidders and contractors must not, without the prior consent of the SSRO, appoint sub-contractors or add consortium partners who have not been declared as part of the initial submission. The SSRO may refuse consent for any reason, acting reasonably. This is to ensure that services are delivered in a timely, good quality and cost-effective fashion.

4.31 The SSRO may request a copy of the consortium's legal arrangements or the form of contract to be entered between the contractor and any proposed sub-contractor. Failure to provide this information may lead to the Tender being disqualified or the SSRO withholding its consent to the appointment of sub-contractors.

Statement of Conduct

4.32 Bidders must submit a completed Statement of Conduct which is provided at **Appendix 5**.

Information and data security

4.33 Any bidder that does not meet, and provide evidence of holding Cyber Essentials Plus accreditation will be rejected automatically and will be disqualified from further participation in the procurement process.

4.34 The contractor will be contractually required to ensure that their personnel with access to OS-information have undergone baseline personnel security standard (BPSS) screening, in accordance with Schedule 1 of the contract.

5. Evaluation

5.1 The contract will be awarded based on the most economically advantageous tender (MEAT) method, subject to minimum scores being achieved as set out at 5.11 and acceptability as explained at 5.17. Tenders will be scored based on quality and price, with the weighting applied to each being: quality 60 per cent; and price 40 per cent. Individual sub-weightings (where used) are referred to in the Response to Tender (**Appendix 2**) and Pricing Schedule

(**Appendix 3**) documents. In the event of two or more Tenders being awarded the same highest total score, the SSRO shall choose the Tender with the lowest price.

- 5.2 Prior to evaluating the Tenders, the SSRO will carry out an initial review of each Tender to confirm completeness and compliance with the requirements of this ITT. A bid which is non-compliant may be rejected.
- 5.3 Appropriate individuals have been selected to undertake the evaluation and moderation of Tenders (the Evaluation Team).
- 5.4 The Evaluation Team will only consider the information provided by bidders in their Tender submission and the responses provided to the SSRO during any subsequent clarification process.
- 5.5 The Evaluation Team will evaluate the compliant written Tenders in accordance with the methodology set out below.

Quality

- 5.6 The quality criteria carries a weight of 60% and is assessed by the Evaluation Team based on the Response to Tender Questions in each Tender. The criteria and weightings are set out in the Table below. Sub-criteria and sub-weightings, where applicable, are given in **Appendix 2**.

Table 2: Quality criteria and weightings

Quality criteria	Weighting
1. Objectives and approach	25%
2. Experience and expertise	25%
3. Conflicts of interest	5%
4. Information Security	5%

- 5.7 Each criterion in the Quality section will be assessed based on written responses provided to each of the Tender Questions (**Appendix 2**), and, where appropriate, other relevant information submitted with the Tender as required at 4.13. Each criterion has been assigned a weighting (and, if identified, a sub-weighting) from the overall section weighting.
- 5.8 Each criterion (or where identified, sub-criterion) will be awarded a score of between 0 and 5 based on the assessment table below. Scores will then be weighted to calculate the total Quality score.

Table 3: Quality assessment framework

Assessment	Score
Unacceptable: the response does not meet any of the requirements or no response has been provided. An unacceptable and/or non-compliant response with serious reservations, demonstrating no understanding of the requirement.	0
Unsatisfactory: the proposal significantly fails to meet the requirements as it does not demonstrate a full understanding of them, posing major concerns.	1
Weak – the proposal falls below the requirements. The response has met some, but not all elements of the requirement, which poses risk that the proposal will not meet the deliverables required.	2
Satisfactory – the proposal meets the required elements with low levels of assurance. The response is acceptable and meets all the basic requirements. However, the response is not sufficiently detailed to minimise risk and/or the proposed approach may require additional support (in addition to that outlined in the Services Specification) from the SSRO to meet its deliverables.	3
Good – the proposal meets the requirements with moderate levels of assurance. The response fully meets all requirements with detail provided, minimising risks to delivery. The response is comprehensive and unambiguous, demonstrating a thorough understanding of the requirements and provides details of how the requirement will be met in full without additional support from the SSRO, other than that outlined within the Services Specification.	4
Outstanding - the proposal exceeds the requirement with high levels of assurance. The response is comprehensive and unambiguous, demonstrating a thorough understanding of the requirements, providing detail of how the requirement will be met in full without additional support from the SSRO. The Potential Provider has also provided additional beneficial services, solutions and skills other than those outlined within the Services Specification.	5

- 5.9 The score assigned to each criterion (or, where identified, sub-criterion) will then be multiplied by its respective weighting (or sub-weighting) in Table 2 and **Appendix 2**. The weighted score will be expressed relative to the maximum score for each criterion (5) and then multiplied by 100.

$$\text{Total quality score} = \sum \frac{\text{quality score} \times \text{weighting}}{5 \text{ (the maximum score)}} \times 100$$

Quality scoring example: Criterion 1 Objectives and approach

Quality Criteria	Weighting (a)	Example Score (b)	Weighted Score (a x b) = c	Final score = (c/5) x 100
Objectives and approach	25%	4	1.00	20.00

In this example the supplier would receive a total weighted score of 20.00 for the given criterion.

- 5.10 The total quality score will be the sum of the individual weighted scores for each criterion as set out in the above formula.
- 5.11 A bidder must score at least 3 (“Satisfactory”) against every question, in all quality criteria. Failure to achieve this minimum score will result in the automatic rejection of the Tender, regardless of its other merits.

Price

- 5.12 The price criteria has an overall weighting of 40%. Bidders are required to complete all the tables in section 2 in the Pricing Schedule (**Appendix 3**).
- 5.13 The price evaluation will be based on the total core services price, which is generated in Table 1 of the Pricing Schedule. Should the SSRO choose to commission optional services, the maximum rates which apply shall be those provided in section 2 of the Pricing Schedule (and which have been used to generate the fixed price for the core services). The rates for the optional services will not be evaluated separately.
- 5.14 The lowest total fixed price for the core services (in Table 1 of section 1 of the Pricing Schedule) among all compliant tenders will receive the full marks available. The price quoted for each of the other bids will be scored proportionately to the lowest-priced, according to the following calculation

$$\text{Price score} = \frac{\text{Lowest bid price}}{\text{Bid price}} \times 40$$

Price scoring example:

Bidder A submits a bid with fixed price of £10,000

Bidder B submits a bid with a fixed price of £8,000

Applying the formula at 5.14 awards the maximum price score of 40 to bidder B who submitted the lowest price, and bidder A scoring 32.

$$\text{A's price score} = (£8,000 / £10,000) \times 40 = 32.0$$

$$\text{B's price score} = (£8,000 / £8,000) \times 40 = 40.0$$

Overall ranking for the award of the contract

- 5.15 The weighted Quality and Price scores will be added together to give a total score for each bidder and each bidder will be ranked accordingly.

- 5.16 The highest-ranking bidder will be recommended for contract award. Should there be a tie in scores between first-ranked bidders, the bidder with the lowest-priced Tender will be recommended for contract award.
- 5.17 Any Tender which in the reasonable opinion of the Evaluation Team is fundamentally unacceptable on any key point regardless of its other merits, may be rejected by the Evaluation Team, acting reasonably.

6. Transparency

- 6.1 The Freedom of Information Act 2000 ("FOIA") and the Environmental Information Regulations 2004 ("EIR") apply to the SSRO. You should be aware of the SSRO's obligations and responsibilities under FOIA and EIR to disclose, on written request, recorded information held by the SSRO. Information provided by you in connection with this procurement exercise, or with any contract that may be awarded as a result of this exercise, may be required by law to be disclosed, unless the SSRO considers that an exemption can be applied.
- 6.2 If you wish to designate information supplied as part of this response as confidential, or if you believe that its disclosure would be prejudicial to any person's commercial interests, you must provide clear and specific detail as to the information concerned and the justification for it to not be disclosed. Such designation alone may not prevent disclosure if, in the SSRO's reasonable opinion, it is required to be disclosed by applicable legislation or policy, or where disclosure is required by the Information Commissioner, the First-tier Tribunal (Information Rights) or a court.
- 6.3 Additionally, for reasons of transparency, the SSRO may publish its Tender documents on a publicly searchable website. The same applies to any contract entered into by the SSRO as a result of this procurement exercise. By submitting a Tender, the supplier agrees that their participation in this procurement and any resultant contract may be made public. Where Tender documents or contracts are published or disclosed, the SSRO will redact them as it considers appropriate and, in doing so, will have regard to the exemptions in the FOIA or EIR.

7. Canvassing and bidders conduct

- 7.1 Offering an inducement of any kind in relation to obtaining this or any other contract with the SSRO will disqualify a suppliers Tender from being considered and may constitute a criminal offence.
- 7.2 Bidders will be disqualified if they:
- tell anyone else what their Tender price is or will be, before the submission deadline;
 - try to obtain any information about anyone else's Tender or proposed Tender before the submission deadline; or
 - make any arrangements with another bidder about whether or not they should Tender, or about either Tender price.
- 7.3 Should it be determined that any bidder has been communicating with any other bidder in respect to this Tender, the SSRO may, acting reasonably, disqualify both bidders.
- 7.4 The SSRO will investigate Tenders where the price appears to be abnormally low. If the bidder cannot provide substantial reasons for the low prices (which may include justifying the sustainability of the bid over the life of the contract), then the SSRO may reject the Tender.

- 7.5 You should not withdraw a Tender after the submission deadline. If you do so, and the SSRO is not satisfied with the reasons for withdrawal, then the SSRO may refuse to accept future Tenders from you.
- 7.6 If the SSRO disqualifies a bidder from this procurement, it will also consider whether to exclude the bidder from subsequent procurement exercises.

8. Conflicts of interest

Conflicts of interest in the procurement exercise

- 8.1 The SSRO takes appropriate measures in accordance with regulation 24 of the Public Contracts Regulations 2015 to effectively prevent, identify and remedy conflicts of interests arising in the conduct of its procurement exercises so as to avoid distortion of competition and to ensure equal treatment of all bidders. The SSRO requires that bidders notify it immediately should there be any conflicts of interest, or risks thereof, in relation to the procurement exercise. Any bidder failing to notify a conflict that is later identified will be disqualified.

Conflicts of interest in delivering the Services

- 8.2 Bidders should refer to clause 30 of the SSRO's Terms and Conditions which describes the conflict of interest arrangements with which the contractor must comply in delivering the Services.

9. Acceptance of Tenders

- 9.1 The SSRO reserves the right to discontinue this procurement at any time or not to award any contract, without liability, and does not bind itself to accept any Tender.
- 9.2 Bidders are advised that in the event of their Tender being successful, the contract between the SSRO and the Contractor will only come into existence once it has been duly executed in writing by both parties.
- 9.3 No other purported method of acceptance (e.g. telephone call) or any action by the bidder (e.g. commencement of any work) shall be binding upon the SSRO or have any contractual effect.
- 9.4 Nothing contained in this ITT shall constitute an agreement. Receipt by the bidder of this ITT does not imply the existence of a contract or commitment by or with the SSRO for any purpose and bidders should note that the ITT may not result in the award of any business.

10. Bid costs

- 10.1 Tenders are to be prepared and submitted at the cost of the bidder. The SSRO will not be liable for any costs incurred by the bidder in the preparation and submission of a Tender. For the avoidance of doubt, bid costs include fees incurred by the bidder directly or indirectly as a result of preparation and submission of this Tender.

11. Terms and Conditions

- 11.1 The Contract will be awarded on the Terms and Conditions provided at **Appendix 6**. Any contract terms which are supplied by a bidder will be discounted and the tender may be rejected.
- 11.2 The Contract will comprise:

- the SSRO's Terms and Conditions;
- the Specification (including, where relevant, any clarifications);
- the Contractor's Tender (including pricing schedule and, where relevant, the response to any clarification questions); and
- any other agreed Schedules.

12. Documents provided with this ITT

12.1 The ITT documentation pack is comprised of the following appendices:

- Appendix 1: Specification
- Appendix 2: Response to Tender Questions
- Appendix 3: Pricing Schedule
- Appendix 4: Form of Tender
- Appendix 5: Statement of Conduct
- Appendix 6: SSRO Terms and Conditions