



Department of Health

Preliminary Invitation to Negotiate (PITN) for:

NHS Electronic Staff Records System (ESR)

PITN Reference: 59244

Deadline: Outline Solutions by 12pm (Midday) Friday 16th May 2014

OJEU Ref: 2013/S 243-422933

CONTENTS

INTRODUCTION: Preliminary Invitation to Negotiate (PITN) 4

SECTION A: INTRODUCTION & OUTLINE 7

- 1. Background..... 7
- 2. Compliance..... 7
- 3. Amendments to the Documentation and Termination 8
- 4. Bidders..... 8
- 5. Provided Information..... 8
- 6. Freedom of Information Act 2000 8
- 7. Data Protection 9
- 8. Provision of Outline Solution Submissions 9
- 9. Costs..... 10
- 10. Evaluation of Outline Solution 10
- 11. Non Collusion and Canvassing 11
- 12. Non-Solicitation of Staff 11
- 13. Changes to PQQ Response or Outline Solutions 12
- 14. Modification and Withdrawal of Outline Solution Submission 12
- 15. Small Medium Enterprises..... 13
- 16. Consortium and Prime-Sub-contractor bids 13
- 17. Transparency..... 13
- 18. Warranties 14
- 19. Contractual Issues 14
- 20. Publicity..... 14
- 21. Copyright..... 14
- 22. Confidentiality 15
- 23. Communications 15
- 24. TUPE 15
- 25. Variant Bids (“Variant Bids”) 15
- 26. General 16

SECTION B: PROCUREMENT PROCESS & TIMETABLE 17

- 1. Procurement Process and Timetable 17
- 2. Information..... 18
- 3. Bidder Engagement..... 18
- 4. Outline Solution submission 19
- 5. Outline Solution Presentation and Post Presentation Clarification Document 20
- 6. Evaluation 22

SECTION C: EVALUATION 23

1. Summary..... 23
2. Award Criteria and Weightings 23
3. Evaluation Structure 24
4. Preliminary Compliance Review 24
5. Authority's requirements 24
6. Management and Technical Evaluation 25
7. Commercial Evaluation– Terms and Conditions 26
8. Commercial Evaluation– Risk Assessment 28
9. Price Evaluation 29
10. Ranking of PITN Submissions 33
11. ITN Evaluation 33

APPENDIX 1: Award Criteria and Weightings 34

SECTION D: REQUIRMENTS & INSTRUCTIONS 40

APPENDIX 2: Outline Solution Requirements 40

APPENDIX 3: Assessed Draft Agreement..... 42

APPENDIX 4: Authority Provided Assumptions..... 45

APPENDIX 5a: Financial Response Instructions..... 48

APPENDIX 5b: Financial Model Rule Book 60

APPENDIX 6: Baseline Cost Assumptions 64

APPENDIX 7: Glossary of Terms 65

SECTION E: INFORMATION TO BE RETURNED TO THE AUTHORITY 72

APPENDIX 8: Outline Solution Checklist..... 72

APPENDIX 9: Non Collusion and Canvassing..... 73

APPENDIX 10: Commercially Sensitive or Confidential Information 75

APPENDIX 11: Conflicts of Interest Declaration..... 76

APPENDIX 12: Lead Bidder and Supply Chain Members 77

APPENDIX 13: Contract and Commercial Compliance Matrix Declaration..... 79

APPENDIX 14: Financial Submission Template..... 81

APPENDIX 15: Outline Solution Presentation Template 82

APPENDIX 16: Declaration of Compliant Bid 83

INTRODUCTION: Preliminary Invitation to Negotiate (PITN)

The Department of Health ("the Authority") is issuing this Preliminary Invitation to Negotiate (the "PITN") in connection with a procurement conducted in accordance with the Negotiated Procedure under the Public Contracts Regulations 2006 (as amended). The NHS Electronic Staff Records System (ESR) reprocurement ("the Procurement") was advertised in the Official Journal of the European Union (OJEU), reference 2013/S 243-422933, and Bidders submitted their Pre-Qualification (PQQ) Responses.

Supporting information relating to this PITN will be held in the Authority's secure document storage facility, (Data Room). All documents are provided along with the relevant Data Room document reference in bold type eg. **(PITN – A1)**. For access to the Data Room, please contact the Project Team via esrprocurement@dh.gsi.gov.uk

The Authority pre-qualified a short list of eight (8) Bidders who submitted a PQQ Response ("Bidders"), and those Bidders are now invited to submit outline solutions as defined in the Glossary of Terms in Appendix 7 **(PITN – A7)** to this PITN ("Outline Solutions") for the Services and to negotiate with the Authority in accordance with this PITN.

Any persons responding to this PITN should make their own investigations and their own independent assessment of the Authority and its requirements and should seek their own professional, financial and legal advice.

None of the Authority, its advisors, or the directors, officers, members, partners, employees, other staff, agents or advisers of any such body or person:

- makes any representation or warranty (express or implied) as to the accuracy, reasonableness or completeness of the PITN;
- accepts any responsibility for the information contained in the PITN or for its fairness, accuracy or completeness; and
- shall be liable for any loss or damage (other than in respect of fraudulent misrepresentation) arising as a result of reliance on such information or any subsequent communication.

Only the express terms of any written contract relating to the subject matter of this Procurement as and when it is executed (the "Agreement") shall have any contractual effect in connection with the matters to which it relates. English law will govern such Agreement.

Nothing in the PITN is, or should be, relied upon as a promissory or a representation as to the Authority's ultimate decisions in relation to the Services, which will depend at least in part on the outcome of this Procurement.

The PITN consists of:

| Section | Title | Supporting Appendices | Data Room Reference |
|-----------|---|--|---------------------|
| SECTION A | Introduction and Outline | None | n/a |
| SECTION B | Procurement Process and Timetable | None | n/a |
| SECTION C | Evaluation | APPENDIX 1: Award Criteria and Weightings | PITN – A1 |
| SECTION D | Requirements and Instructions | APPENDIX 2: Outline Solution Requirements | PITN – A2 |
| | | APPENDIX 3: Assessed Draft Agreement | PITN – A3 |
| | | APPENDIX 4: Authority Provided Assumptions | PITN – A4 |
| | | APPENDIX 5a: Financial Submission Instructions | PITN – A5a |
| | | APPENDIX 5b: Financial Model Rule Book | PITN – A5b |
| | | APPENDIX 6: Baseline Cost Assumptions | PITN – A6 |
| | | APPENDIX 7: Glossary of Terms | PITN – A7 |
| SECTION E | Information to be Returned to the Authority | APPENDIX 8: Outline Solution Checklist | PITN – A8 |
| | | APPENDIX 9: Non Collusion and Canvassing | PITN – A9 |
| | | APPENDIX 10: Commercially Sensitive or Confidential Information | PITN – A10 |
| | | APPENDIX 11: Conflicts of Interest Declaration | PITN – A11 |
| | | APPENDIX 12: Lead Bidder and Supply Chain Members | PITN – A12 |
| | | APPENDIX 13: Contract and Commercial Compliance Matrix | PITN – A13 |
| | | APPENDIX 14: Financial Submission Template | PITN – A14 |
| | | APPENDIX 15: Outline Solution Presentation Template | PITN – A15 |
| | | APPENDIX 16: Declaration of Compliant Outline Solution | PITN – A16 |

The Authority is using its electronic tendering portal, the Business Management System ("BMS") to carry out the Procurement. If you need any assistance using the BMS system please contact the helpdesk on 0113 254 5777 between 10am and 4pm, Monday to Friday (excluding public and bank holidays).

BMS can be accessed from the following link:

<https://www.gov.uk/government/organisations/department-of-health/about/procurement>

If you intend to participate in this stage of the Procurement, then you should acknowledge your participation (as quickly as possible) by selecting this option from the 'actions' drop down menu in the ITT on BMS. This is the sole responsibility of the Bidder and ensures that future updates etc. can be provided in an effective and timely manner. Failure to acknowledge your intention in this manner may lead to delays in receiving additional information and clarification updates.

Any questions regarding this PITN must be sent to the Authority using BMS (online messages). All questions must be received by the deadline for questions 5 working days before the deadline for receipt of Outline Solutions. The Authority will copy all non-commercially sensitive answers to questions to all Bidders via BMS and will not respond to PITN questions received after the deadline.

As part of the Outline Solution, Bidders must provide all information set out in Section E to this PITN. All Outline Solutions must be returned no later than the deadline for receipt and must be submitted via BMS. Late Outline Solutions may not be accepted.

OUTLINE SOLUTION DEADLINE: 12pm (Midday), Friday 16th May 2014

POST PRESENTATION CLARIFICATION DOCUMENT: 24hrs after commencement of Presentation Session (as instructed to individual bidders)

IMPORTANT NOTE

The Outline Solutions may only be uploaded via the Sourcing Home Page, using the 'Actions' window and selecting the 'Create Quote' option.

Note that this option requires a total quote price to be entered. Occasionally, a total price will be unable to be calculated, for example, where the requirement is to provide day rates or in the award of Framework Agreements, or complex pricing requirements. In these circumstances, a numerical value of 1 should be entered, to enable the option to proceed.

If you upload your response by any other method for example by using the 'New Message/ Documents' tab, the Outline Solution will not be correctly linked to the PITN and will be rejected.

Detailed instructions relating to upload of Outline Solutions can be found in Section B

SECTION A: INTRODUCTION & OUTLINE

1. Background

- 1.1. The background and context of this Procurement is as supplied in the MOI and its supporting documentation which Bidders will have considered as part of the PQQ stage. No further background information is being supplied at this time.

2. Compliance

- 2.1. The PITN sets out the information required by the Authority in order to assess the Bidder Outline Solutions. The Authority has prepared this PITN on behalf of itself and the User Organisations identified in the OJEU notice. At the conclusion of the PITN stage, the intention is to short-list three (3) Bidders, who will be issued with a formal Invitation to Negotiate (ITN). The Authority reserves the right to short-list additional or fewer Bidders depending on the outcome of the evaluation of the PITN Outline Solutions, for example in the event where there is no clear gap in scores between the highest scoring bidders.
- 2.2. Outline Solutions shall be submitted/presented in accordance with the following instructions. It is important that all the information requested is provided/presented in the format and order specified. If the Bidder does not provide all of the information the Authority has requested, the Authority may reject the Outline Solution as non-compliant, in which case the Bidder will be excluded from this Procurement.
- 2.3. The Bidder is expected to examine, and where necessary respond to, all of the documents that comprise the PITN. Bidders should acquaint themselves fully with the extent and nature of the requirements and the obligations.
- 2.4. Any Outline Solution submitted is governed by this PITN which represents the entire agreement and understanding between the Bidder and the Authority in relation to the Bidder's Outline Solution and the Authority's evaluation.
- 2.5. All specifications, plans, drawings, samples and patterns and anything else that the Authority issues in connection with the Procurement, remains the property of the Crown and are to be used solely for the purpose of tendering.
- 2.6. By participating in the PITN stage, Bidders agree and accept that they are bound by all of the terms of this PITN. Any attempt to qualify any of the provisions of this PITN may result in a Bidder being disqualified.
- 2.7. Bidders acting in contravention of the provisions set out in this PITN may, at the Authority's sole discretion, be disqualified from further participation in the Procurement (without prejudice to any other civil or legal remedies available and without prejudice to any criminal liability which such conduct by a Bidder may attract).
- 2.8. If information given by a Bidder in its Outline Solution or Post Presentation Clarification Document is found to be false or misleading by the Authority, the Bidder may be disqualified.
- 2.9. For the avoidance of doubt, any Bidder disqualified pursuant to this PITN will be excluded from any further participation in the Procurement.
- 2.10. The information in this PITN, and any other information provided by or for the Authority, is provided in good faith. Such information is intended only as an explanation of the Authority's requirements and is not intended to form the basis of a Bidder's decision as to whether to enter into a relationship with the Authority.
- 2.11. Neither the issue of this PITN nor any of the information presented in it should be regarded as a commitment or representation on the part of the Authority (or any other person) to enter into a contractual arrangement.

3. Amendments to the Documentation and Termination

- 3.1. At any time prior to the deadline for receipt of questions from Bidders, (that is 5 working days before the deadline for receipt of Outline Solutions) the Authority may modify the PITN by amendments in writing.
- 3.2. Questions must be sent to the Authority through the BMS system online messaging facility.
- 3.3. The Authority (at its sole discretion) may extend the deadline for receipt of the Outline Solutions.
- 3.4. The Authority reserves the right to:
 - 3.4.1. cancel this Procurement at any stage; and/or
 - 3.4.2. require a Bidder and/or any of its Supply Chain Members to clarify its/their Outline Solution in writing and/or provide additional information (failure to respond adequately may result in a Bidder not being shortlisted to the ITN stage); and/ or
 - 3.4.3. amend the terms and conditions of the evaluation and award process.

4. Bidders

- 4.1. Bidders should note that the Authority reserves the right to disqualify Bidders and/or any Supply Chain Members where there is an actual or potential conflict of interest and Bidders are under a continuing obligation to notify the Authority of any actual or potential conflict of interest. Bidders are therefore advised to review carefully the prior or current involvement of the Bidder and its Supply Chain Members with the Authority, and to identify any such conflict, notifying the Authority through BMS prior to submission of the Outline Solution. For clarity, a potential conflict may arise where a key person (those individuals who have power to influence a competitive bid) have any relatives in senior positions within the Authority and should be disclosed as part of Appendix 11 - Conflict of Interests (**PITN – A11**), if not disclosed earlier at PQQ stage.

5. Provided Information

- 5.1. The Authority acts in good faith at all times. However, Bidders must satisfy themselves as to the accuracy of information the Authority provides. The Authority accepts no liability for any loss or damage of whatever kind or howsoever caused arising from Bidders use of such information, unless such information has been supplied fraudulently by the Authority (where the meaning of fraudulently is "the making of false representation knowingly, or without belief in its truth, or recklessly").
- 5.2. This PITN and its accompanying documents (including all documents in the Data Room) shall remain the property of the Authority and must be returned or destroyed on demand.

6. Freedom of Information Act 2000

- 6.1. As a Government Department, the Authority is subject to, and must comply, with the Freedom of Information Act 2000 ("FOIA").
- 6.2. In accordance with the obligations and duties placed upon public authorities by the FOIA and the Environmental Information Regulations 2004 ("EIR") the Authority may be required to disclose information submitted by the Bidder and in submitting an Outline Solution, the Bidder acknowledges and accepts the conditions of this paragraph 6.
- 6.3. In respect of any information submitted by a Bidder that it considers to be "commercially sensitive" or "confidential" the Bidder should:
 - 6.3.1. clearly identify such information as "commercially sensitive" or "confidential" in Appendix 10 (**PITN – A10**) of this PITN;

- 6.3.2. explain its reasons why disclosure of such information would be likely to prejudice or would cause actual prejudice; and
 - 6.3.3. provide a reasoned estimate of the period of time during which the Bidder believes that such information will remain commercially sensitive and/or confidential.
- 6.4. Where a Bidder identifies information as commercially sensitive or confidential, the Authority will take those views into account. Bidders should note, however, that, even where information is identified as "commercially sensitive" or "confidential", the Authority may require disclosure of such information in accordance with the FOIA or the EIR. It is the sole responsibility of the Authority to decide whether the information might be exempt from disclosure under the FOIA or the EIR and whether the public interest favours disclosure or not. Accordingly, the Authority cannot guarantee that any information marked 'confidential' or "commercially sensitive" will not be disclosed.
- 6.5. Where a Bidder receives a request for information under the FOIA or the EIR connected to this Procurement, the Authority requires the Bidder to consult with it to establish if the request is for the Authority.

7. Data Protection

- 7.1. The Authority will collect, hold and use personal data (as defined in the Data Protection Act 1998) obtained from and about the Bidder including Supply Chain Members and their staff during the course of the Procurement ("Personal Data"). The Bidder must agree to such Personal Data being collected, held and used in accordance with and for the purposes of administering the Procurement and for contract management of any Agreement subsequently awarded.
- 7.2. The Bidder warrants, on a continuing basis, that it has:
- 7.2.1. all requisite authority and has obtained and will maintain all necessary consents required under the Data Protection Act 1998, the Privacy and Electronic Communications (EC Directive) Regulations 2003 and all relevant regulations together with any codes of conduct and guidance issued by the Information Commissioner (the "Data Protection Regulations"); and
 - 7.2.2. otherwise fully complied with all of its obligations under the Data Protection Regulations, in order to disclose to the Authority the Personal Data, and allow the Authority to carry out the Procurement.
- 7.3. The Bidder shall immediately notify the Authority if any of the consents are revoked or changed in any way which impacts on the Authority's rights or obligations in relation to such Personal Data.

8. Provision of Outline Solution Submissions

- 8.1. Bidders should refer to Section B of this PITN for the detail as to what must be submitted in the Outline Solution.
- 8.2. In submitting its Outline Solution, the Bidder further acknowledges that the Procurement is entirely independent of any other tender processes that have been run by the Authority. Bidders should not assume that the Authority has any prior knowledge of the Bidder, its practice or reputation, or its involvement in existing services, projects or procurements. Accordingly, no previous conduct of the Authority, including for example (but not limited to) its treatment of Bidders, assessment of tenders or related processes can be relied upon by the Bidder as setting any precedent for the Authority's conduct in respect of this Procurement.
- 8.3. Notwithstanding paragraph 10.4 of this Section A and paragraph 4.7 of Section B, the Authority retains the right to clarify and/or verify the information submitted by the Bidders.
- 8.4. Neither the Authority nor any of its members, directors, officers, employees, agents or advisers make any representation or give any warranty as to the adequacy, accuracy, reasonableness or

completeness of the information provided. The PITN does not purport to be all-inclusive or to contain all of the information that a Bidder may require.

- 8.5. Neither the Authority (nor any professional advisers appointed by the Authority) shall be liable for any loss or damage arising as a result of reliance on the information published in connection with this Procurement or for any expenses incurred by Bidders.
- 8.6. After assessment of the Outline Solutions is complete, the Authority will retain copies of the Outline Solutions for such time as it considers reasonable to satisfy the Authority's audit obligations and for any associated contract management purposes.
- 8.7. 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 Cabinet Office and the 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 practice. For these purposes, the Authority may disclose within government any of the Bidder's 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 Authority during this Procurement. The information will not be disclosed outside Government. Subject to paragraphs 6 and 17 of this Section A, Bidders taking part in this Procurement consent to these terms as part of this Procurement process.

9. Costs

- 9.1. Bidders remain responsible for all costs and expenses incurred by them or by any third party acting under instructions from the Bidder in connection with taking part in this Procurement and the development of their Outline Solution, whether incurred directly by them or their advisers or sub-contractors and regardless of whether such costs arise as a consequence direct or indirect of any amendments made to this PITN by the Authority at any time.
- 9.2. Under no circumstances will the Authority or any of its respective advisers be liable for any costs or expenses incurred by a Bidder or its Supply Chain Members, funders and/or its respective advisers arising directly or indirectly from the Procurement or termination thereof, including, without limitation, any changes or adjustments made to the Procurement or documentation or disqualification of a Bidder.
- 9.3. For the avoidance of doubt, where a disqualified Bidder is excluded from any further participation in the Procurement under no circumstances will the Authority or its advisers be liable for any costs or expenses incurred by the disqualified Bidder and/or its Supply Chain Members as a result, directly or indirectly, of such disqualification.

10. Evaluation of Outline Solution

- 10.1. The Authority will seek to evaluate the Outline Solutions in accordance with the evaluation methodology set out in Section C of this PITN.
- 10.2. An Outline Solution shall only be compliant if it is submitted by the applicable deadline and complies with the requirements set out in this PITN.
- 10.3. Bidders who do not submit a compliant Outline Solution or fail to comply with any of the instructions set out in the PITN may be liable to disqualification at the sole discretion of the Authority.
- 10.4. In assessing Outline Solutions, the Authority will only consider information provided in response to this PITN and in accordance with its terms.
- 10.5. All relevant information required to support the Outline Solution should be included in the Bidder's Outline Solution or, where necessary, cross-referenced in it. General corporate material and non-specific supporting documentation not requested as part of the PITN will not be considered.

11. Non Collusion and Canvassing

- 11.1. Unless otherwise permitted pursuant to this PITN, including pursuant to Section A paragraph 16, Bidders must neither disclose to, nor discuss with any other Bidder (whether directly or indirectly) any aspect of any response to any documents relating to this Procurement, including this PITN.
- 11.2. Any such collusion with another Bidder may constitute an infringement of the Chapter 1 prohibition contained in Section 2(1) of the Competition Act 1998 and the Bidder shall also be liable to disqualification.
- 11.3. Bidders and any of their Supply Chain Members shall not:
 - 11.3.1. canvass, solicit or offer any gift or consideration whatsoever as an inducement, fee or reward to any officer, employee or contractor of the Authority or any the User Organisations, or any person acting as an adviser to any of them in connection with this Procurement; or
 - 11.3.2. do anything which would constitute a breach of the Bribery Act 2010.
- 11.4. Other than where specifically permitted by this PITN, no attempt should be made to contact the Project Team or NHS Central Team or any project advisers. Any enquiries made to persons connected with the Procurement other than in accordance with the instructions in this PITN may be regarded as prima facie evidence of canvassing.

12. Non-Solicitation of Staff

- 12.1. The Bidder agrees that it shall not, for so long as it is a party to the bidding process concerning the Procurement and for a period of six months thereafter, canvass or solicit any member of staff of the Authority (or its advisors or any person employed or engaged by it) for the purpose of offering that person employment, or any other form of remunerated engagement in connection with this Procurement or otherwise for the purposes of the business of the Bidder. This undertaking shall be deemed to be given on behalf of each sponsor and any Supply Chain Member to the Bidder who is material to the progression of that Bidder's Outline Solution.
- 12.2. Over the course of the Authority's contract with the current supplier for ESR, a skilled team has been established for the provision of those services. The Bidder also agrees that during the period it participates in the Procurement, neither it nor any of its affiliates will employ, contract with, or otherwise engage to support a Bidder any natural persons currently employed by or under contract to McKesson Information Solutions UK Ltd (McKesson) full time in relation to the Electronic Staff Record without the prior written consent of McKesson, which McKesson may grant or withhold at its discretion.
 - 12.2.1. The above restriction:
 - Shall not apply to offers of employment resulting from general recruitment advertising.
 - Shall not apply to offers of employment in areas of the Bidder's business wholly uninvolved with the Procurement, provided the person remains wholly uninvolved with the Procurement.
 - Shall not apply to persons who ceased their employment or contract with McKesson relating to the Electronic Staff Record on or before 1st January 2014.
 - Shall expire when the Bidder is no longer participating in the Procurement, for example by withdrawing from the Procurement, being excluded by the Authority from the process, or not being invited by the Authority to proceed to the next phase.
 - Shall not affect any transfer of employment arising under TUPE, or contract novation, on the Equivalent Services Period End Date.

13. Changes to PQQ Response or Outline Solutions

- 13.1. Bidders are subject to an on-going obligation to notify the Authority of any material changes in their financial or other circumstances, including but not limited to, changes to the Bidders' proposed Supply Chain Members or Key Supply Chain Members. The Authority should be notified of any material change in writing as soon as it becomes apparent. Notification should be submitted to the Authority via the BMS system. Failure to notify the Authority of any material changes or to comply with any of these provisions may lead to a Bidder being disqualified (in which case the provisions of paragraph 2.7 of this Section A shall apply).
- 13.2. If a Bidder changes its legal status or any material element of its PQQ Response, the Bidder must notify the Authority of the change in order that that Authority may re-assess the PQQ response. If the Bidder fails to do this, their Outline Solution may be disqualified.
- 13.3. Following submission, if a Bidder's Outline Solution is subject to change of any material element including, but not limited to, changes to the Bidder's proposed Supply Chain Members or Key Supply Chain Members, the Bidder must inform the Authority. In such circumstances, the Authority may contact the Bidder for additional information to confirm the assessment of their Outline Solution. This obligation applies to all Bidders until such time that they are no longer involved in the Procurement process.
- 13.4. The Authority reserves the right to refuse to allow such a change and to disqualify any Bidder from further participation in the Procurement in the event that such a change is made. In exercising its absolute discretion to either refuse or allow such a change, the Authority may take into account whether such change is material to the delivery of the Services and whether the change would have impacted upon the evaluation of the Bidder as part of the PQQ stage or PITN stage.
- 13.5. In the event that the Authority is prepared to consider such a change, further evaluation of the Bidder, including its Supply Chain Members and Key Supply Chain Members, is likely to be required and Bidders should note that such further evaluation may result in the Authority refusing to allow the change.
- 13.6. If upon its re-assessment, pursuant to paragraphs 13.2 or 13.3, the Bidder's PQQ Response and/or Outline Solution is deemed to be unsuccessful or any conditions of contract award are not met, the Authority will not permit the Bidder to proceed in the Procurement.

14. Modification and Withdrawal of Outline Solution Submission

- 14.1. The Bidder may only modify the Outline Solution prior to the deadline for receipt. Any Bidder wishing to submit a new or modified Outline Solution prior to the deadline for receipt, should contact the Authority using BMS 'Online Message' facility to advise that a replacement Outline Solution is being submitted. Bidders will then be advised of the process of re-submission. It is the Bidder's responsibility to contact the BMS helpdesk to resolve any problems with the electronic submission of the Outline Solution and should leave itself sufficient time to do so before the relevant submission deadline.
- 14.2. Outline Solutions may be withdrawn at any time before the deadline for receipt of Outline Solutions. New Outline Solutions may be submitted up until the deadline, providing such intention is notified to the Authority using BMS or in writing when BMS cannot be used.
- 14.3. The Bidder may withdraw an Outline Solution after the deadline for receipt, providing such intention is notified to the Authority using BMS or in writing when BMS cannot be used.

15. Small and Medium Enterprises

- 15.1. The Authority is fully committed to supporting the Government's Small and Medium Enterprises ("SME") initiative¹; for the Authority the target is that 18% of its spend will go to SMEs by 2015. All Bidders will be encouraged to support this initiative both directly and through their supply chains.
- 15.2. The Authority, when appropriate, may ask for proposals as part of this Procurement on how Bidders are intending to support the SME initiative.
- 15.3. Bidders must also be aware that as part of this initiative, the Authority will expect that any Supply Chain Members are paid promptly. For certain contracts, the Authority reserves the right to validate that prompt payment is taking place.
- 15.4. Bidders are encouraged to make their own commitment on prompt payment by registering with the Prompt Payment Code².

16. Consortium and Prime-Sub-contractor bids

- 16.1. Where organisations wish to collaborate to form a consortium, at the discretion of the Authority, the consortium may be required to form a legal entity which will enter into the proposed Agreement. However, this does not preclude a single organisation offering to contract for the supply of all the Services as a prime contractor or lead consortium member ("Lead Bidder") (whether supported by sub-contract arrangements or otherwise).
- 16.2. Where a consortium or sub-contracting approach is proposed, all information requested should be given in respect of the proposed Lead Bidder and the relevant Supply Chain Members and those roles within the Outline Solutions. Bidders are to complete Appendix 12 (PITN – A12) of this PITN.
- 16.3. The Authority recognises that arrangements in relation to consortia and sub-contracting may be subject to future change. Bidders should therefore respond in the light of such arrangements as are currently envisaged. Bidders are reminded that any change in relation to consortia and sub-contracting since PQQ stage and in the future must promptly be notified to the Authority, so that it can make a further assessment by applying the selection criteria or award criteria as the case may be to the new information provided.
- 16.4. Details should also be provided in relation to the proportion of any contract awarded that the Bidder proposes to sub-contract.
- 16.5. The Authority may, at its discretion, allow an organisation to participate in the Procurement as Supply Chain Member in respect of more than one Bidder, provided that at all times the Authority is satisfied that there is no negative effect on the competition caused by such arrangements and also that its requirements in relation to the management of any conflicts of interest have been met. The Authority reserves the right to require sub-contractors or consortium members to put into place appropriate arrangements to provide additional reassurance around non-collusion and avoiding conflicts of interest in such circumstances.

17. Transparency

- 17.1. In accordance with the Government's policy on transparency, Bidders should be aware that the Authority intends to make the PITN main body document and any subsequent Procurement Documentation including the resulting Agreement publicly available, by publishing it on the Government portal: [Contracts Finder](#)³.

¹ http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/sme-definition/index_en.htm

² <http://www.promptpaymentcode.org.uk>

³ <http://www.businesslink.gov.uk/contractsfinder>

- 17.2. By participating in this Procurement, the Bidder acknowledges and agrees that the Authority will publish the Procurement Documentation and the resulting Agreement (including the Preferred Bidder's final tender at ITN stage) in their entirety, including from time to time any agreed changes to the Agreement (i.e. Variation Orders), to the general public.
- 17.3. The Authority shall be responsible for determining in its absolute discretion, whether the content of the Agreement (including the Preferred Bidder's final tender at ITN stage), as per paragraph 6 of Section A or pursuant to the Agreement, is exempt from disclosure, also taking into account the Data Protection Act 1998. If the final tender at ITN stage is submitted as a PDF by the Preferred Bidder, then following ITN stage, the Preferred Bidder may be requested to provide the final tender in an editable format (such a Microsoft Word) in order to allow the Authority to redact any information deemed "commercially sensitive" or "confidential".

18. Warranties

- 18.1. A Bidder in taking part in this Procurement (and submitting its Outline Solution) warrants and undertakes to the Authority that:
 - 18.1.1. by submitting an Outline Solution unless otherwise disclosed in writing to the Authority with the Outline Solution, any information supplied by the Bidder shall be true and accurate at the time of bidding and remained so (or correctly updated) during the procurement process;
 - 18.1.2. it has complied with the conditions set out in this PITN in all respects;
 - 18.1.3. all information, representations and other matters of fact communicated (whether in writing or otherwise) to the Authority by the Bidder or its employees in connection with the dialogue and/or any Outline Solution are true, complete and accurate in all respects; and
 - 18.1.4. it has not submitted an Outline Solution (and will not enter into the contract) in reliance upon any representation or statement (whether made orally, in writing or otherwise) which may have been made by the Authority's officers, employees, or agents, or their appointed advisers.

19. Contractual Issues

- 19.1. Without prejudice to any warranties given, this PITN does not form a separate, collateral or implied contract between the Bidder and the Authority. The relevant parts of the Bidder's Outline Solution may form part of an Agreement subsequently awarded.
- 19.2. The subject matter of this Procurement shall only have contractual effect when, and to the extent that, it is contained in the express terms of an executed written contract.
- 19.3. No information contained in this PITN, or in any communication made between the Authority and any Bidder in connection with this PITN, shall be relied upon as constituting a contract, agreement or representation that any contract shall be offered in accordance with this PITN.

20. Publicity

- 20.1. Bidders must obtain approval from the Authority before any disclosures are made to the press or are in any other way made available to the public in respect of this Procurement. Bidders must not undertake any publicity activities in relation to this Procurement without the express written permission of the Authority.

21. Copyright

- 21.1. This PITN is the copyright of the Authority and its professional advisers. Bidders shall not reproduce, copy, distribute or otherwise make available to any third party the whole or any part of this PITN in any material form (including photocopying it or storing it in any medium including

electronic means) without the written permission of the Authority other than for use strictly for the purpose of preparing their Outline Solution in relation to this Procurement.

- 21.2. This PITN, including all supporting documents/materials, and all copies thereof are and shall remain the property of the Authority and must be returned or destroyed on demand.

22. Confidentiality

- 22.1. The information provided in (and in connection with) this PITN is made available on the condition that it is treated by Bidders as confidential (except any such information as may already be in the public domain or may come into the public domain otherwise than by reason of a breach of a confidentiality obligation).
- 22.2. The Bidder (and any of its directors, officers, employees, agents, contractors or advisers) must not disclose, copy, reproduce, distribute or pass to any other person at any time any Information (except for the purposes of enabling a response to this PITN). In any case any disclosure to any person shall only be made to a person who needs to receive the same and who has given an undertaking at the time of receipt of the relevant Information to keep such information confidential.
- 22.3. This PITN and all supporting document/materials, is subject to the Non-Disclosure Agreement signed by the Bidders to gain access to the Data Room.

23. Communications

- 23.1. All documents and all correspondence relating to the Procurement must be written in English.
- 23.2. It is the Bidder's responsibility to monitor email messages received by the Authority, and the Authority accepts no liability where this is not done. All electronic communication with Bidders will be deemed to have been received by the Bidder at the time of transmission.
- 23.3. Questions and answers notified to Bidders will form part of, and may update, the PITN and must be considered by Bidders.
- 23.4. It is each Bidder's sole responsibility to ensure that the named contact provided at PQQ stage of the Procurement responds to any such requests within the specified time period. Unless advised to the contrary, the Authority will use the e-mail address linked to the supplier record held in BMS.
- 23.5. Where the Authority contacts the Bidder to seek clarification or further information, the Bidder must provide the information requested by the date specified by the Authority. If the Bidder fails to provide the information requested by the date specified by the Authority, this may result in the Bidder being disqualified. Any information provided by the Bidder after the specified date will not be taken into account by the Authority.
- 23.6. All responses received and any communication from Bidders will be treated in confidence but will be subject to paragraph 6 and paragraph 17 of this Section A. Bidders are reminded that clarifications should only be requested in respect of information contained in this PITN.

24. TUPE

- 24.1. Bidders should assume that the Transfer of Undertakings (Protection of Employment) Regulations 2006 will apply to the award of this Agreement.
- 24.2. Further details relating to staff which may be within scope of TUPE are provided in Appendix 4: Authority Provided Assumptions (**PITN – A4**).

25. Variant Bids (“Variant Bids”)

- 25.1. The Authority is not inviting variant bids as part of this PITN.

26. General

- 26.1. In any documentation issued as part of this Procurement, except where the context otherwise requires:
- 26.1.1. defined terms shall have the meaning given to them in the Glossary of Terms - See Appendix 7 (**PITN – A7**);
 - 26.1.2. words importing one gender include all other genders and words importing the singular include the plural and vice versa;
 - 26.1.3. enactment means any statute or statutory provision (whether of the United Kingdom or elsewhere), subordinate legislation (as defined by Section 21(1) Interpretation Act 1978) and any other subordinate legislation made under any such statute or statutory provision;
 - 26.1.4. a reference to any enactment shall be construed as including a reference to:
 - any enactment which that enactment has directly or indirectly replaced (whether with or without modification); and
 - that enactment as re-enacted, replaced or modified from time to time, whether before, on or after the date of the document.
- 26.2. This PITN shall be governed by and construed in accordance with English law.

SECTION B: PROCUREMENT PROCESS & TIMETABLE

1. Procurement Process and Timetable

- 1.1. The Authority is using a two stage process to select its Preferred Bidder. The first stage of the process is set out in this PITN. During the PITN stage, the Authority will engage with all Bidders and enter into a first round of clarifications. This stage of the Procurement will culminate in Bidders finalising their Outline Solution, which will be evaluated using the approach defined in Section C, with the intention of identifying the three (3) Bidders who score the highest at PITN stage and who will be invited to receive the ITN. The Authority reserves the right to shortlist additional or fewer Bidders depending on the outcome of the evaluation of the PITN Outline Solutions, for example, in the event that there is no clear gap in scores between the highest scoring Bidders.
- 1.2. The PITN award criteria set out in Section C of this PITN will be used to identify and select those three (3) Bidders to receive the ITN, which will be the second stage of this two stage process.
- 1.3. The ITN stage will include negotiations to allow the shortlisted Bidders to finalise their Solutions. On satisfactory completion of ITN negotiations, Bidders will be invited to submit their ITN bids. These ITN bids may be subject to further negotiation and refinement for the purpose of generating a final tender from each Bidder.
- 1.4. An indicative timetable for the procurement is set out below. This is intended as a guide, and whilst the Authority does not intend to depart from the timetable, it reserves the right to do so at any time acting in accordance with the Regulations.

| Key Actions | Dates |
|--|-----------------------------|
| Issue of PITN | 17/03/2014 – 21/03/2014 |
| PITN Bidder Engagement Sessions (Face to Face) | 20/03/2014 – 17/04/2014 |
| Preliminary submission of Contract and Commercial Compliance Matrix [§] | 04/04/2014 – 12:00 (midday) |
| Reissue of Draft Agreement [§] | 17/04/2014 |
| End of clarification question period (PITN) | 09/05/2014 – 12:00 (midday) |
| Submission of Outline Solution | 16/05/2014 – 12:00 (midday) |
| Presentation Clarification Session* [†] | 27/05/2014 - 29/05/2014 |
| Submission of Post Presentation Clarification Document: (24hrs after commencement of Presentation session) ^{*†} | 28/05/2014 - 30/05/2014 |
| Notification to unsuccessful Bidders and successful Bidders* | 30/06/2014 - 04/07/2014 |
| Issue of ITN* | 30/06/2014 - 04/07/2014 |
| Deadline for return of ITN* | 01/08/2014 – 12:00 (midday) |
| Bidders notified of outcome and Standstill period* | 22/10/2014 |
| Contract Award date* | 19/12/2014 |

[§] The Authority may choose to issue a revised version of the Draft Agreement following preliminary feedback provided by Bidders in the Contract and Commercial Compliance Matrix

* Dates are indicative and may be subject to change

[†] The Authority will allocate specific dates and times to individual Bidders w/c 24/03/2014

2. Information

- 2.1. Notwithstanding any other provisions in this PITN, should Bidders require clarification or identify any conflicting statements within this PITN which may affect their solutions, they should query or clarify such statements by submitting a message on BMS.
- 2.2. Clarification questions raised will only be viewed by the Authority and will be responded to accordingly. The identity of the Bidder raising the questions will not form part of the response.
- 2.3. Where clarification questions are raised, the responses to which may be applicable or of interest to all Bidders, the Authority will circulate the clarification questions and the answers to all Bidders. Such circulation of questions and answers is subject to, in so far as possible, such information not being commercially sensitive in relation to a potential Bid. Where Bidders consider their questions to be commercially confidential, their question should be clearly marked as such in accordance with paragraph 6.3 of Section A, for the Authority to consider the same at its own discretion.
- 2.4. Questions/ issues may also be raised during the course of any meetings which might be of legitimate interest to all Bidders. In that situation the Authority reserves the right to circulate the questions and answers to all Bidders, subject to the Authority's confidentiality duties under the Regulations. The Authority will, where possible, anonymise and redact all information to the extent necessary prior to circulation, so as to ensure the identity of the Bidder raising the question/issue is not identifiable from the information to be circulated by the Authority.

3. Bidder Engagement

- 3.1. In order to support Bidders in the creation of their PITN submissions, the Authority will be hosting a number of engagement events, as outlined below:

| Date | Time | Event |
|--|----------------------------------|----------------------------------|
| 20 th March 2014 | All Bidders 12pm-3pm | PITN Group Briefing Session |
| 1 st & 2 nd April 2014* | 1hr/Bidder between 9:30am-5:30pm | Preliminary Bidder Meeting (1:1) |
| 3 rd April 2014 | All Bidders 2pm-4:30pm | Financial Submission Briefing |
| 15 th , 16 th & 17 th April 2014* | 2hrs/Bidder between 9am-5:30pm | Individual Bidder Meeting (1:1) |
| w/c 21 st April 2014* | 45mins/Bidder between 10am-5pm | SRO Meeting (1:1) |

* Timings of individual sessions will be confirmed to Bidders by 5pm, 21st March 2014

- 3.2. The Authority will hold a group briefing session, to which all shortlisted Bidders will be invited on 20th March 2014. This will be held at the office of our Financial Advisors, Deloitte (2 New Street Square, London, EC4A 3BZ), from 12pm to 3pm. A maximum of 6 attendees per Bidder may attend.
- 3.3. The proposed agenda for this group briefing is as follows
 - Overview of the PITN documentation, specification and contract
 - IPR and Asset Transfer
 - Governance
 - Q&A
- 3.4. In order to ensure that both the Authority and Bidders effectively use the individual Bidder meetings, the Authority will hold Preliminary Bidder Meetings with each Bidder on either the 1st or 2nd April 2014. Bidders should use this meeting to indicate the areas of interest that they wish to

discuss during the Individual Bidder Meetings. These will be held at Skipton House (80 London Road, London, SE1 6LH) and will last up to 1 hour. A maximum of 2 attendees per Bidder may attend.

- 3.5. The Authority invites all Bidders to attend a Financial Submission Briefing on 3rd April 2014, between 2pm-4:30pm. This session will provide the opportunity for Bidders to discuss and review the Financial Submission Template required as part of the Outline Solution (See Appendix 14, **PITN- A14**) and raise queries relating to this template with members of the Project Team. This briefing will focus exclusively on the template response and will not cover broader pricing, costing or commercial issues. This will be held at the office of our Financial Advisors, Deloitte (2 New Street Square, London, EC4A 3BZ), from 2pm to 4:30pm. A maximum of 2 attendees per Bidder may attend.
- 3.6. The Authority will provide the opportunity for each Bidder to meet with the ESR Reprocurement Project SRO on an individual basis (face-to-face) during w/c 21st April. The dates and arrangements of these sessions will be confirmed to Bidders by 18:00 on 21st March 2014.
- 3.7. The Authority will hold Individual Bidder Meetings in which Bidders can raise questions with Authority representatives on 15th, 16th & 17th April. These will be held at Skipton House (80 London Road, London, SE1 6LH) and will last up to 2 hours. A maximum of 6 attendees per Bidder may attend.
- 3.8. The Authority will send confirmation of Preliminary and Individual Bidder Meeting to Bidders by 18:00 on 21st March 2014.

4. Outline Solution Submission

- 4.1. Bidders are required to submit an Outline Solution in line with the requirements set out by the Authority by 12pm (midday) on 16th May 2014. See Appendix 2 - Outline Solution Requirements (**PITN – A2**) and Appendix 8 -Outline Solution Checklist (**PITN – A8**).
- 4.2. Bidders must submit a single copy of their Outline Solution using BMS. Bidders must ensure that they allow for sufficient time to upload the Outline Solution, particularly where there are large documents. If Bidders have any problems with BMS, they must contact the helpdesk on 0113 254 5777 prior to the return time.

IMPORTANT NOTE

Bidders must use the 'create quote' option to upload the Outline Solution submission.

Note that this option requires a total quote price to be entered. Occasionally, a total price will be unable to be calculated, for example, where the requirement is to provide day rates or in the award of Framework Agreements, or complex pricing requirements. In these circumstances, a numerical value of 1 should be entered, to enable the option to proceed.

If you upload your response by any other method, for example by using the 'New Message/ Documents' tab, the Outline Solution will not be correctly linked to the PITN and your Outline Solution will be rejected.

At the deadline for submission of Outline Solution, the 'create quote' option will be made unavailable for PITN Ref 59244.

Online discussions up-to this point will remain visible.

If this is not clear, please seek clarity via the questions (online discussions) process in good time.

- 4.3. The helpdesk is open Monday to Friday between 10am and 4pm excluding public and bank holidays. It is important to note that the Authority is not obliged to accept any Outline Solution that is submitted after the deadline for the receipt of Outline Solutions has passed.
- 4.4. The Outline Solution Checklist - Appendix 8 (**PITN – A8**) lists all items of information requested from Bidders as part of their Outline Solutions.

- 4.5. In addition to the Authority's requirements, Bidders have been provided with the following appendices in order to support and inform Bidders' Outline Solutions:
- Appendix 1 (**PITN – A1**): Award Criteria and Weightings – this details the award criteria and associated weightings to be applied by the Authority when evaluating the Outline Solutions at PITN stage
 - Appendix 3 (**PITN – A3**): Assessed Draft Agreement – this provides the details of which provisions of the Draft Agreement will be evaluated at the PITN (in the Contract and Commercial Compliance Matrix) and if evaluated, whether these provisions are Non-Negotiable Terms or constitute Key Terms.
 - Appendix 4 (**PITN – A4**): Authority Provided Assumptions – this details the assumptions to be taken into account by the Bidders when putting together their Outline Solutions
 - Appendix 5a (**PITN – A5a**): Financial Submission Instructions – this details instructions of how to complete the Financial Submission Template
 - Appendix 5b (**PITN – A5b**): Financial Model Rule Book – this details Best Practice Modelling principles that are to be adhered to
 - Appendix 6 (**PITN – A6**): Baseline Cost Assumptions – this details the main expected elements of future costs based on the Authority's projections and assumptions
- 4.6. The information to be returned by Bidders as part of the Outline Solution is set out in Section E of this PITN. In particular, the following are to be used by the Bidders to form the substantive part of their Outline Solution:
- Appendix 13 (**PITN – A13**): Contract and Commercial Compliance Matrix – this is the template to be completed by the Bidders in respect of the Draft Agreement
 - Appendix 14 (**PITN – A14**): Financial Submission Template – this is the template to be used by the Bidders for the pricing
 - Appendix 15 (**PITN – A15**): Outline Solution Presentation Template – this is the template to be used by the Bidders for their presentations
- 4.7. The appendices contain the format, structure, instructions, page limits and supporting documentation required for each element of the Outline Solutions. Use of diagrams is encouraged where relevant and diagrams are included within the page limit. Annexes, attachments and supporting materials (other than those specifically requested) will not be considered as part of the evaluation process, and if provided will be ignored.
- 4.8. The Authority reserves the right to reject any Outline Solution if the Bidder has failed to complete and return relevant parts of the PITN; or fails to provide the information requested; or the Bidder has submitted qualifications to its response.
- 4.9. All pages of the written submission part of the Outline Solution must be sequentially numbered (including any forms to be completed and returned).
- 4.10. All Bidders must submit the written part of their Outline Solutions in machine-readable format (preferably non-PDF).
- 4.11. Subject to the Authority's absolute discretion and to paragraph 6.6 of this Section B, the Authority will not ordinarily consider (i) any requests by the Bidder to amend or submit the Outline Solution after the deadline or (ii) any requests by the Bidder for an extension of the time or deadline stated for the submission of the Outline Solution.

5. Presentation Clarification Session

- 5.1. The Authority will invite any Bidder who submits a complete Outline Solution response to attend a Presentation Clarification Session with members of the evaluation panel. This Presentation Clarification Session will allow:
 - a) 1 hour (uninterrupted) presentation of the Outline Solution by the Bidder
 - b) 1 hour for the Authority to ask questions of the Bidder in order to clarify its understanding of the Outline Solution
- 5.2. Bidders are required to use the Outline Solution Presentation format previously submitted to the Authority as their presentation materials, and cover all of the topics identified in this presentation albeit at a high level.
- 5.3. The content of the Presentation Clarification Session and any discussions held during it is subject to the non-disclosure agreement entered into by all Bidders.
- 5.4. The Authority will not provide early indication or discuss the nature / focus areas of the question and answer session to any Bidder prior to the session.
- 5.5. Exact dates and times of the presentation session will be confirmed to Bidders in accordance with the timetable outlined in paragraph 1.4 of this Section B.

6. Post Presentation Clarification Document

- 6.1. After the presentation session, Bidders will be given exactly 24 hours from the commencement of their Presentation session timeslot to submit to the Authority a Post Presentation Clarification Document, incorporating any clarifications or adjustments they wish to make to their Outline Solution on the basis of discussion that took place during the Presentation Clarification Session.

Example

Bidder A: Presentation Clarification Session: 9am-11am, 27th May 2014

Bidder A: Post Presentation Clarification Document Deadline: 9am, 28th May 2014

- 6.2. The Post Presentation Clarification Document may comprise of up to a maximum of 5 pages of A4, comprising of text and/or diagrams (minimum font size 10). These pages are useable at Bidder's discretion but should only reflect areas of discussion arising from the Presentation Clarification Session.
- 6.3. The Authority may also choose to provide a written summary of any secondary clarifications not explicitly discussed at the conclusion of the presentation. It is the responsibility of Bidders to record the areas of discussion so that they are able to clarify their Outline Solutions appropriately afterwards by means of submitting the Post Presentation Clarification Document.
- 6.4. The Post Presentation Clarification Document must be provided to the Authority using the 'online message' facility on BMS by the deadline specified. i.e. 24 hours from the commencement of Presentation Clarification Session. The Authority may reject any Post Presentation Clarification Document which is not submitted by the specified deadline.
- 6.5. Exact dates and times by which the Post Presentation Clarification Document must be submitted will be confirmed to Bidders in accordance with the timetable outlined in paragraph 1.4 of this Section B.
- 6.6. The Authority will schedule all Presentation Clarification Sessions so as to allow all Bidders the same period of time (24hrs) to prepare the Post Presentation Clarification Document.
- 6.7. The Authority will then proceed to evaluate the Outline Solutions to include the supplementary information contained within the Post Presentation Clarification Document.

- 6.8. After evaluation of the Outline Solutions is complete, the Authority will retain copies of the Outline Solutions and Post Presentation Clarification Documents for such time as it considers reasonable to satisfy the Authority's audit obligations and for any associated contract management purposes.

7. Evaluation

- 7.1. Following submission of the Outline Solutions and Post Presentation Clarification Documents, the Authority will evaluate the Outline Solutions and Post Presentation Clarification Documents in accordance with the evaluation methodology set out in Section C of this PITN. Further clarification of Outline Solutions may be necessary and this will take the form of written queries and responses managed via BMS.
- 7.2. The Authority may, acting in its absolute discretion, reject an Outline Solution if, in the reasonable opinion of the Authority, any element of the Financial Submission is abnormally low or high. The Authority's concern is to ensure that evaluation of the Outline Solutions is not distorted by extreme outliers. When considering whether the an element of the Financial Submission is abnormally low or high, the Authority may take into account, amongst other things, how the Financial Submission for the relevant Outline Solution compares to the Financial Submission for other Outline Solutions that have been submitted and/or how the Financial Submission for the relevant Outline Solution compares to the current costs of the Services. Before the Authority rejects an Outline Solution on the basis that an element of the Financial Submission it is abnormally low or high, the Authority may:
 - 7.2.1. request in writing an explanation of the Financial Submission of the Outline Solution or of those elements which it considers contribute to the Financial Submission of the Outline Solution being abnormally low or high;
 - 7.2.2. have taken account of the evidence provided by the Bidder in response to a request in writing; and
 - 7.2.3. have subsequently verified the Financial Submission of the Outline Solution or its constituent parts being abnormally low or high with the Bidder.

SECTION C: EVALUATION

1. Summary

- 1.1. Evaluation of this Procurement Process will take place in two (2) stages: PITN and ITN. The Authority reserves the right to introduce additional stages to this Procurement Process.
- 1.2. This document addresses evaluation of the Outline Solutions through the submission of the Outline Solution Template and supplementary Post Presentation Clarification Document. The purpose of PITN evaluation is for the Authority to identify the three (3) Bidders that will be most likely to offer the Most Economically Advantageous Tender (MEAT) in respect of the Services. Those three (3) Bidders will be taken through to the ITN stage, which will be the subject of a supplemental process and documentation.
- 1.3. The Authority reserves the right in its absolute discretion to vary the number of Bidders that it will select to receive the ITN, acting reasonably at all times and taking into account, in particular, significant differences in scores.

2. Award Criteria and Weightings

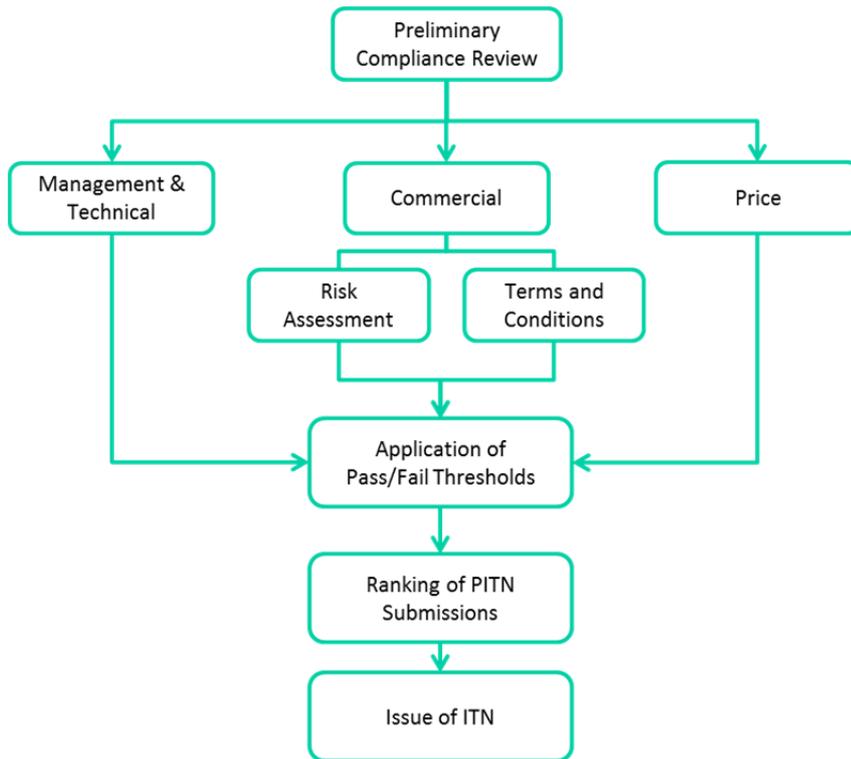
- 2.1. The award criteria and weightings that will be applied at PITN are set out below and further provided in Appendix 1- Award Criteria and Weightings (**PITN – A1**).

| Criteria | Weighting | Sub-criteria | Sub-weighting |
|------------|-----------|--------------------------|---------------|
| Management | 15% | Vision | 5% |
| | | Governance | 4% |
| | | Programme Delivery | 6% |
| Technical | 45% | Component 1 – Transition | Pass / Fail |
| | | Component 2 – Operate | 22% |
| | | Component 3 – Enhance | 23% |
| Commercial | 10% | Terms and Conditions | 5% |
| | | Risk assessment | 5% |
| Price | 30% | NPC (Transition) | 1% |
| | | NPC (excl. Transition) | 12% |
| | | Profit Margin | 12% |
| | | Change | 5% |

- 2.2. This Section sets out how the Authority will evaluate responses against these criteria to determine the shortlist of Bidders to be invited to negotiate (ITN).

3. Evaluation Structure

3.1. The overall evaluation approach is outlined in the diagram below and further described in



subsequent paragraphs.

4. Preliminary Compliance Review

4.1. Each of the Outline Solutions will initially be checked for completeness and compliance with the requirements of the PITN as listed in PITN Section E. The preliminary compliance review will check that each Outline Solution:

- 4.1.1. satisfies the requirements of the PITN;
- 4.1.2. answers all questions (or explain satisfactorily where questions are not answered or marked "not applicable"); and
- 4.1.3. is made in the format, medium and quantity requested.

4.2. If an Outline Solution satisfies the preliminary compliance review the Authority will proceed to evaluate it against the mandatory pass/fail area set out below. If the Outline Solution fails to satisfy the preliminary compliance review then the Authority reserves the right to exclude the Bidder from the process, or seek further clarification and amendment of the Outline Solution.

4.3. Outline Solutions that pass the preliminary compliance review will then be subject to full evaluation.

5. Authority's requirements

5.1. The Authority's requirements in relation to the Services and against which the Outline Solutions will be evaluated are detailed in:

- 5.1.1. Appendix 2 - the Outline Solution Requirements (including specifications) (**PITN – A2**);
- 5.1.2. Appendix 3 - the Assessed Draft Agreement (**PITN – A3**).

6. Management and Technical Evaluation

- 6.1. Each Outline Solution will be independently evaluated by members of the PITN evaluation panel against each of the criteria defined in Appendix 1 (**PITN – A1**). When scoring a specific response to a particular question/section of the Outline Solution, the PITN evaluation panel may cross refer to responses of other questions/sections and take those responses into account, but Bidders should not assume that the evaluation panel will cross refer when scoring.
- 6.2. Each independent set of scores will be consolidated. A reconciliation and moderation exercise will be undertaken to ensure any material differences between scores are understood and addressed.
- 6.3. Updated scores will then be averaged (mean) to determine each response score against each of the evaluation criteria. Averaged scores will be rounded to 2 decimal places.
- 6.4. The average score will then be multiplied by the relevant percentage weighting

Example: Question M-V (Vision)
 Bidder A average score = 3 out of 5
 Weighting is 5%
 Total points for M-V = (3 / 5) * 0.05 = 0.03

- 6.5. Unless otherwise specifically provided in paragraphs 7-9 below, responses will be scored using the following scoring methodology:

| Grade label | Grade | Definition of Grade |
|---------------------|----------|--|
| Unacceptable | 0 | Failure to understand and/or failure or substantial failure to provide information and / or provides no /little confidence that the requirements will be delivered |
| Weak | 1 | Some misunderstandings and a generally low level of information and detail provided. Fails to meet requirements in many ways and provides insufficient confidence of ability to deliver |
| Satisfactory | 2 | Generally understands the issues and addresses them appropriately with sufficient information, but some areas demonstrate a misunderstanding, a low level of detail, or provide more of a “model answer” than a true commitment, and so only provides some confidence that they will be able deliver in line with requirements |
| Good | 3 | Good understanding of the issues, good level of detail, and demonstration that proposals are feasible so that there is a good level of confidence that they will deliver the requirements |
| Very Good | 4 | High degree of confidence that the Bidder’s proposals will meet the requirements, demonstrated through a very good understanding of the issues and what is being asked for. Proposals set out how and what will be delivered. |
| Excellent | 5 | Excellent, the response is of a quality and level of detail and understanding that provides extreme confidence that the Bidder's proposals will meet all requirements, demonstrated by a thorough understanding of the issues and what is being asked for. Proposals clearly set out how and what will be delivered. |

- 6.6. The following specific instructions are applied to the Transition questions (T-T-1, T-T-2 and T-T-3):
 - 6.6.1. These questions will be marked using the scoring system outlined above.
 - 6.6.2. Suppliers must achieve a score of 2, or above, on each of these questions to have passed this section.
 - 6.6.3. The current supplier will not answer these questions, but will be considered to have passed this section.
- 6.7. The Authority may, and at its sole discretion and in compliance with the Regulations, exclude from the Procurement an Outline Solution that:
 - 6.7.1. Fails to meet three or more of the defined thresholds set out in Appendix 1 (PITN-A1); or
 - 6.7.2. Fails to achieve a 'pass' on the transition questions (see 6.6 above).

7. Commercial Evaluation– Terms and Conditions

- 7.1. Responses to the 'Commercial –Terms and Conditions' will follow the same process as above, but will use a different grading system.
- 7.2. Terms and Conditions – Non-Evaluated preliminary stage
 - 7.2.1. As per the timetable provided in paragraph 1.4 of Section B of this PITN, the Authority has built in a preliminary stage to invite comments/feedback from Bidders on the Assessed Draft Agreement, as defined in paragraph 1 of Appendix 3 (**PITN A3**).
 - 7.2.2. The feedback must be provided using the Contract and Commercial Compliance Matrix – See Appendix 13 (**PITN – A13**) and submitted to the Authority using BMS online messaging facility.
 - 7.2.3. This is a genuine opportunity for Bidders to highlight any issues or concerns with regard to Assessed Draft Agreement. Bidders' feedback should include, but not be limited to, those parts which that they will either not accept or would attach a significant risk premium.
 - 7.2.4. Any feedback or comments received from Bidders at this preliminary stage will not be evaluated as part of the Outline Solution.
 - 7.2.5. The Authority may, acting in its absolute discretion, issue a revised version of the Draft Agreement following the preliminary feedback stage, prior to the deadline for Outline Solutions.
- 7.3. Terms and Conditions - Main Evaluation Model
 - 7.3.1. The Assessed Draft Agreement as defined in Paragraph 1 of Appendix 3 (**PITN – A3**) sets out the requirements that Bidders need to comply with in their PITN Outline Solution in respect of the "Legal" and "Commercial" requirements. Please note that the Authority will not consider or score Bidders' comments outside the Assessed Draft Agreement. These are either currently being considered under other sections of this Procurement or for evaluation at ITN.
 - 7.3.2. Bidders are requested as part of their Outline Solution to indicate the extent to which they will be willing to agree to the Assessed Draft Agreement.
 - 7.3.3. In order to do this, Bidders are required to submit the Contract and Commercial Compliance Matrix in the form set out in Appendix 13 to the PITN (**PITN – A13**). The Contract and Commercial Compliance Matrix includes a requirement to provide a commentary to explain the reasons behind a proposed amendment or inclusion. Any

areas not commented upon in the Contract and Commercial Compliance Matrix submitted by a Bidder will be assumed to have been accepted by that Bidder. Comments not raised in this Contract and Commercial Compliance Matrix will not be accepted at ITN stage.

- 7.3.4. The extent to which the Contract and Commercial Compliance Matrix differs from the Assessed Draft Agreement will be reflected in the scoring on a category per category basis in accordance with the evaluation criteria set out in below.

| A score of: | Means |
|-------------|---|
| 3 | The Bidder has made no changes to the contract provisions in that category OR The Bidder has proposed changes which materially improve the commercial position and/ or the risk profile of the Authority and/or the Authority's interests. |
| 2 | The Bidder has made minor (e.g. clarifying) changes to the contract provisions in that category which do not have a substantial adverse impact on the commercial position and/ or the risk profile of the Authority and/or the Authority's interests. |
| 1 | The Bidder has proposed changes to the contract provisions in that category which have a significant material adverse effect on the commercial position and/ or the risk profile of the Authority and/or the Authority's interests. |
| 0 | The Bidder has proposed changes to the contract provisions in that category which would completely undermine either the Authority's contractual rights and/ or the level of risk being taken by the Bidder. |

- 7.3.5. In assessing the Contract and Commercial Compliance Matrix, the scored responses are assessed out of a maximum of three (3). The Authority will assess the impact of any amendments made by the Bidders to each of the 3 categories set out in Paragraph 7.3.6 below based on the above evaluation criteria. The assessors will be unable to give partial scores (for example 2.5) however, when aggregating scores the score for the Contract and Commercial Compliance Matrix will be rounded to two decimal places.

- 7.3.6. The weighting for the evaluation of PITN Contract and Commercial Compliance Matrix is 5% applying the following sub-criteria:

| Category of Terms | Weighting | Sub-weighting |
|---------------------------------|-----------|---------------|
| Non-Negotiable | 5% | 2% |
| Key | | 2% |
| All other Clauses and Schedules | | 1% |

7.4. Terms and Conditions - Specific Requirements ('Non-negotiable' and 'Key' clauses)

- 7.4.1. Paragraphs 1- 3 of Appendix 3 (**PITN – A3**) sets out the Authority's designation of provisions of the Assessed Draft Agreement which are "Non-Negotiable" or "Key" or "Other".
- 7.4.2. In relation to the Non-Negotiable Clauses, Bidders are required to confirm acceptance to these provisions, preferably without amendment. For this category, Bidders must achieve a minimum score of 2, following moderation and any necessary clarification, or the Bidder may be excluded from the Procurement.
- 7.4.3. In relation to the Key Clauses, Bidders will be expected to achieve a minimum score of 2. Failure to do so would lead to a score of zero in respect of the Contract and Commercial Compliance Matrix.

7.4.4. In relation to all other clauses within the Assessed Draft Agreement, the Authority will score the Bidders in accordance with the evaluation criteria set out in paragraph 7.3.1.

7.4.5. In the event that any amendments to the Assessed Draft Agreement have an impact on a Bidder's Management, Technical, Commercial and/or Financial element of its Outline Solution, the Authority reserves the right to reflect such impact in the scoring mechanism of the Management, Technical, Commercial and/or Financial element of the Outline Solution.

8. Commercial Evaluation– Risk Assessment

8.1. This assessment will consider Section 10 of the Outline Solution Presentation Template as provided in Appendix 15 (PITN – A15), as well as the relevant information contained within the rest of the Outline Solution Template.

8.2. Evaluation will proceed on the same basis as the Management and Technical evaluation except that the following table of grades will be used:

| Grade Label | Grade | Definition |
|--------------------------|----------|---|
| Unacceptable Risk | 0 | The overall assessment of solution risk is unacceptable . There is either evidence that the solution: <ul style="list-style-type: none"> is not reasonably internally consistent and aligned; or does not evidence appropriate flow down / cascade of risks through the supply chain; or has sought to unduly transfer risk to the Authority; or has poorly failed to identify or mitigate the risks. |
| High Risk | 1 | The overall assessment of solution risk is high . To achieve this score responses must be: <ul style="list-style-type: none"> reasonably internally consistent and aligned; and evidence appropriate flow down / cascade of risks through the supply chain. In addition the response demonstrates an, on balance, poor response in one or more areas of: <ul style="list-style-type: none"> risk transfer to the Authority; identification of risks (both at component and programme level); and planning for risk mitigation. |
| Moderate Risk | 2 | The overall assessment of solution risk is moderate . To achieve this score responses must be: <ul style="list-style-type: none"> reasonably internally consistent and aligned; and evidence appropriate flow down / cascade of risks through the supply chain. In addition the response demonstrates an, on balance neutral, response across the areas of: <ul style="list-style-type: none"> risk transfer to the Authority; identification of risks (both at component and programme level); and planning for risk mitigation. |
| Low Risk | 3 | The overall assessment of solution risk is low . To achieve this score responses must: <ul style="list-style-type: none"> be internally consistent and aligned; evidence appropriate flow down / cascade of risks through the supply chain; and not have unduly transferred risk to the Authority in their assumptions. In addition the response demonstrates a strong response across all of the following areas: <ul style="list-style-type: none"> risk transfer to the Authority; identification of risks (both at component and programme level); and planning for risk mitigation. |

- 8.3. Bidders are expected to meet the pass/fail thresholds set out in Appendix 1 (**PITN – A1**). Any Outline Solution that does not meet 1 or more of the thresholds may, at the Authority’s sole discretion and in compliance with the Regulations, be excluded from the Procurement.

9. Price Evaluation

- 9.1. 30 per cent of the total available evaluation marks will be attributed based on evaluation of Bidders’ Financial Submissions. The price evaluation is comprised of the following sub-criteria:

| Sub-criteria | Percentage Breakdown |
|---|----------------------|
| Component 1 NPC (Net Present Cost) | 1% |
| Components 2 & 3 NPC | 12% |
| Maximum Profit Margin | 12% |
| Price of Change | 5% |

- 9.2. The format and page guidance applicable, and the templates to be used in respect of Bidders’ Financial Submissions are set out in Appendix 5a, 5b and 14 of this PITN respectively (**PITN – A5a, PITN – A5b, PITN – A14**).
- 9.3. The approach to evaluating Bidders’ proposals against each of the Price sub-criteria is set out below.
- 9.4. Component 1 NPC
- 9.4.1. The Indexed Price for Component 1 will be taken from each Bidder’s completed Financial Submission Template.
- 9.4.2. This Indexed Price will be subject to adjustment for any or all of the following that are identified to relation to Component 1, to give a 'Risk Adjusted Price' for the whole life cost to the Authority of the Component 1 services:
- Adjustment of all prices under the GMPTC mechanism to reflect the Maximum Price;
 - Any identified Manifest Errors (e.g. due to incorrect formulae or calculations within the submission template);
 - Bid Specific Allowable Assumptions, as stated within Bidders’ Financial Submission Template and where it is determined by the Authority that those assumptions are allowable;
 - Comparability factors as determined by the Authority;
 - Differential internal costs to the Authority resulting from a Bidder’s solution.
- 9.4.3. The Risk Adjusted Price will be discounted to give a Net Present Cost (NPC1) for the Component 1 Services. Each Bidder’s NPC1 will be used to generate a score, with the two Bidders who have submitted the lowest NPC1 awarded the full score available (1%). Each Bidder will be awarded a Component 1 NPC Score out of 1% as follows:

Bidder NPC1 Score = Max Score Available x (1-Deduction); where

$$\text{Deduction} = \frac{\text{Bidder NPC 1} - \text{Second Lowest NPC 1}}{\text{Second Lowest NPC 1}}$$

9.4.4. The Deduction will be calculated to 2 decimal places, and the maximum value of the Deduction is 1 (i.e. Bidders cannot score less than 0 marks for this criterion).

Example:

- Bidder A price 80; Bidder B price 90; Bidder C price 100.
- The two lowest Bidders (A and B) are allocated maximum marks of 1% each.
- Bidder C Deduction = $(100/90) / 90 = 0.11$
- Bidder C Score = $1\% \times (1 - 0.11) = 0.89\%$

9.5. Components 2 & 3 NPC

9.5.1. The Indexed Price for Components 2 and 3 will be taken from each Bidder’s completed Financial Submission Template. The Indexed Price used for the purposes of evaluating the NPC of Components 2 and 3 shall exclude amounts relating to the optional two year contract extension period, commencing 1 September 2015 and concluding on 30 August 2020.

9.5.2. This Price will be subject to adjustment for any or all of the following that are identified to relate to Components 2 or 3, to give a 'Risk Adjusted Price' for the whole life cost to the Authority of the Component 2 and 3 services:

- Adjustment of all prices under the GMPTC mechanism to reflect the Maximum Price;
- Any identified Manifest Errors (e.g. due to incorrect formulae or calculations within the submission template);
- Bid Specific Allowable Assumptions, as stated within Bidders’ Financial Submission Template and where it is determined by the Authority that those assumptions are allowable;
- Comparability factors as determined by the Authority;
- Differential internal costs to the Authority resulting from a Bidder's solution.

9.5.3. The Risk Adjusted Price will be discounted to give a Net Present Cost (NPC2&3) for the Component 2 and 3 Services. Each Bidder's NPC will be used to generate a score with the Bidder who has submitted the lowest NPC2&3 “Lowest NPC2&3” awarded the full score available (12%). Each Bidder will be awarded a Component 2&3 NPC Score out of 12% as follows:

Bidder NPC2&3 Score = Max Score Available x (1-Deduction); where

$$\text{Deduction} = \frac{(\text{Bidder NPC 2\&3} - \text{Lowest NPC 2\&3})}{\text{Lowest NPC 2\&3}}$$

9.5.4. The Deduction will be calculated to 2 decimal places, and the maximum value of the Deduction is 1 (i.e. Bidders cannot score less than 0 marks for this criterion).

Example:

- Bidder A price 80; Bidder B price 90; Bidder C price 100.
- Bidder A Score (lowest Bidder) is allocated maximum marks of 12%.
- Bidder B Deduction = $(90 - 80) / 80 = 0.13$
- Bidder B Score = $12\% \times (1 - 0.13) = 10.44\%$

- Bidder C Deduction = $(100 - 80) / 80 = 0.25$
- Bidder C Score = $12\% \times (1 - 0.25) = 9.00\%$

9.6. Maximum Profit Margin

- 9.6.1. Bidders are required to provide Maximum Profit Margins separately for each of Components 1, 2 and 3 as part of their Financial Submissions. Bidders' Maximum Profit Margins are to be "blended" Profit Margins (i.e. for services provided both Supply Chain Members providing in excess of 5% of the total value of the Bidder's proposal as detailed in paragraph 3.7.1 of Appendix 5a, **PITN – A5a**) and include Profit, recovery of Overhead and allowance for risk as set out in the Financial Submission Instructions.
- 9.6.2. At later stages of this Procurement, Bidders are permitted to reduce, but not to increase, these Maximum Profit Margins.
- 9.6.3. The Authority will calculate a Weighted Profit Margin ("WPM") to be used for evaluation purposes by multiplying Bidders' Maximum Profit Margins for each Component by the following Authority estimates of the value of the service provided within that Component as a proportion of the total contract services:

| Component | Estimated value of services as a proportion of total services |
|---------------|---|
| 1. Transition | 5% |
| 2. Operate | 75% |
| 3. Enhance | 20% |

- 9.6.4. The Current Supplier's Component 1 Transition cost is expected to be zero, and therefore its WPM shall be calculated by multiplying its Maximum Profit Margin for each of Components 2 and 3 by 79% and 21% respectively
- 9.6.5. Each Bidder's WPM will be used to generate a score, based on the difference between that Bidder's WPM and the average (mean) of all Bidders' WPMs ("Average WPM").
- 9.6.6. Each Bidder will be awarded a score out of 12%, with the Average WPM allocated a score of 6% and all other Bidders' scores calculated as follows:

Bidder Profit Margin Score = $6\% \times (1 + \text{Adjustment})$; where

$$\text{Adjustment} = \frac{(\text{Average WPM} - \text{Bidder WPM})}{\text{Average WPM}}$$

The Adjustment will be calculated to 2 decimal places, the maximum value of the Adjustment is 1.00 and the minimum value of the Adjustment is -1.00.

Example:

- Bidder A WPM 10%; Bidder B WPM 12%; Bidder C WPM 20%; Average WPM 14%.
- Bidder A Adjustment = $(14\% - 10\%) / 14\% = 0.29$
- Bidder A Score = $6\% \times (1 + 0.29) = 7.74\%$
- Bidder B Adjustment = $(14\% - 12\%) / 14\% = 0.14$

- Bidder B Score = 6% x (1 + 0.14) = 6.84%
- Bidder C Adjustment = (14% – 20%) / 14% = -0.43
- Bidder C Score = 6% x (1 + -0.43) = 3.42%

9.6.7. If Bidders do not provide sufficient transparency of Supply Chain Member margin, in accordance with paragraphs 3.8.2 and 3.8.3 of Appendix 5a (Financial Response Instructions), the Authority reserves the right to allocate a Maximum Profit Margin evaluation score of Zero.

9.7. Price of Change

9.7.1. Price of Change evaluation will be evaluated based on the following:

- Net Present Cost of the optional two year contract extension period (2%); and
- Bidders' submitted Year Direct Cost and Day Direct Cost cards (3%).

9.8. NPC of Contract Extension Period

9.8.1. Prices submitted by Bidders for the final two years after the Initial Term will be discounted to generate an NPC (Change).

9.8.2. Each Bidder's NPC (Change) will be used to generate a score with the Bidder who has submitted the lowest NPC (Change) awarded the full score available (2%). Each Bidder will be awarded an NPC (Change) Score out of 2% as follows:

Bidder NPC (Change) Score = Max Score Available x (1-Deduction); where

$$\text{Deduction} = \frac{\text{Bidder NPC (Change)} - \text{Lowest NPC (Change)}}{\text{Lowest NPC (Change)}}$$

9.8.3. The Deduction will be calculated to 2 decimal places, and the maximum value of the Deduction is 1 (i.e. Bidders cannot score less than 0 marks for this criterion).

9.9. Evaluation of Cost Cards

9.9.1. The Year Direct Costs and Day Direct Costs proposed by Bidders will each be combined with the following weightings to calculate a blended Year Direct Cost ("BYDC") and a blended Day Direct Cost ("BDDC").

| Grade | Weighting |
|--------------|-----------|
| SFIA Grade 1 | 5 % |
| SFIA Grade 2 | 6 % |
| SFIA Grade 3 | 38 % |
| SFIA Grade 4 | 25 % |
| SFIA Grade 5 | 15 % |
| SFIA Grade 6 | 6 % |
| SFIA Grade 7 | 5 % |

9.9.2. Each Bidder's BYDC and BDDC will be used to generate a score, based on the difference between that Bidder's blended cost and the average (mean) of all Bidders' blended costs ("Average BYDC" or "Average BDDC").

9.9.3. Each Bidder will be awarded a score out of 2%, with the average BYDC allocated a score of 1% and all other Bidders' scores calculated as follows:

Bidder BYDC Score = 1% x (1 + Adjustment); where

$$\text{Adjustment} = \frac{(\text{Average BYDC} - \text{Bidder BYDC})}{\text{Average BYDC}}$$

- 9.9.4. Each Bidder will be awarded a score out of 1%, with the average BDDC allocated a score of 0.5% and all other Bidders' score calculated as follows:

Bidder BDC Score = 0.5% x (1 + Adjustment); where

$$\text{Adjustment} = \frac{(\text{Average BDDC} - \text{Bidder BDDC})}{\text{Average BDDC}}$$

- 9.9.5. In each of the cases above, the Adjustment will be calculated to 2 decimal places, the maximum value of the adjustment is 1.00 and the minimum value of the Adjustment is -1.00.

9.10. Discount Rate

- 9.10.1. A nominal discount rate of 5.57% will be used for the purposes of the NPC calculations, comprising a real discount rate of 3.5% and an assumed rate of CPI of 2% over the term of the contract.

10. Ranking of PITN Submissions

- 10.1. Following evaluation in accordance with paragraphs 3 – 9 of this Section C, Bidders will be ranked in numerical order against their overall score (Management and Technical score + Commercial score + Price score), and the top three (3) scoring Bidders will be short-listed to receive the ITN.
- 10.2. The Authority reserves the right in its absolute discretion to vary the number of Bidders to receive the ITN.

11. ITN Evaluation

- 11.1. The purpose of the ITN evaluation will be to identify the Preferred Bidder that offers the MEAT in respect of Services.
- 11.2. The Department is currently not expecting to change either the overall evaluation criteria or associated weightings from the PITN at the ITN stage. However it reserves the right to do so.
- 11.3. The Department is expecting to change the sub-criteria and their associated weightings at ITN, to reflect the increased level of detail expected from bidders in their final solutions following the negotiation stage.
- 11.4. The Department also expects to change the style and nature of questions asked at ITN. This is likely to include a requirement that bidders submit their answers in the form of schedules which can be incorporated within the subsequent contract that the Authority will enter into with the successful bidder.