

## NMRN Timber Procurement FAQs

The NMRN would like to provide this set of FAQs which has come about in addition to the Clarification Questions being asked during the ITT phase. A separate document has been produced in relation to those specific CQs from all suppliers.

The NMRN would like to make it very clear to all bidders that **this is a Framework Agreement**. Those who bid and pass the evaluation will secure a place on that framework. Whilst it is not a guarantee of work to come, all bidders on the Framework will be presented with a chance to win work over the period of the contract. **Those suppliers who do not bid will not be able to secure any orders for the procurement of Timber for HMS Victory.**

The NMRN reflected on comments made at the Early Market Engagement Day regarding the fact that there was not one supplier who could deliver everything the NMRN required. Therefore, Framework Agreements are the best, most flexible approach for long-term requirements from pools of suppliers who have the ability to deliver different things for the same project.

### **1. Why is the NMRN procuring the Timber through a complex competitive process, rather than simply placing individual orders with existing Timber suppliers?**

The NMRN is a charitable organisation and as such its income comes partly from public donations, entrance fees and sales, as well as funding from the Royal Navy, through UK Ministry of Defence budgets. This means that the NMRN is governed by public sector procurement regulations and has to abide by these as they are UK law. Should the NMRN not follow these regulations then they can be prosecuted in a court of law.

The regulations dictate that over set values, all procurement must be opened to competition to ensure a fair, transparent, non-discriminative approach to ensure as many suppliers as possible have an opportunity to bid for the work. Therefore, because the Timber procurement will, at the end of the conservation programme, have resulted in millions of pounds of public money being spent, this requirement has to be put out to competition.

The NMRN recognise that the process can seem unwieldy, however the paperwork issued is as required by the law. The paperwork issued to suppliers is as follows:

- Selection Questionnaire – this is a standard EU document which cannot be amended by the NMRN and is required to undertake due diligence of the supplier;
- The ITT – this is also a standard EU document, but the project specific questions are set by the NMRN to ascertain how the suppliers plan to deliver the requirement. It also includes the specification; and
- The Framework Agreement – this is taken from the Government Commercial Function/Cabinet Office standard Framework Agreement, which is used for everything from pens and pencils, to construction and building services. It has been highly modified to remove overly onerous terms and sections of the contract which are not suitable or necessary for the timber procurement.

The NMRN is happy to provide an overview of the requirements of the legislation and Government Policy that the NMRN is governed by, in order to ensure a clear understanding to all suppliers, of the processes being followed, and the reasons why.

## **2. Why is the NMRN procuring the Timber through a Framework Agreement?**

In order to evaluate all suppliers on a 'level-basis', the NMRN have asked suppliers to bid for a place on the Framework Agreement for a number of different 'requirements' of timber. This will form the fair and transparent basis for evaluation to enable the NMRN to award the supplier a place on the Framework Agreement. This means that any supplier who wins a place on the Framework Agreement will have an opportunity to get future business; any supplier who fails to bid for the Framework Agreement and therefore does not get a place on the contract will not be able to participate in any future timber procurements.

Following the failed previous procurement and the engagement with suppliers at the recent Early Market Engagement days, the NMRN felt that a Framework approach would provide the most flexible and immediate ability to easily place future timber procurement orders, by splitting the requirements into separate Lots. A supplier can bid for 1 Lot only, or all 3, therefore allowing smaller suppliers to be able to get their place on the Framework, with the potential for them to supply odd sizes, or bespoke requirements in years to come.

If a Framework approach is not followed then every single individual timber requirement will be subject to a separate competitive process (because of the value of the orders), which will be lengthier and more complex, and will mean that suppliers will have to complete the same paperwork time and time again to win the business. The NMRN cannot dis-aggregate requirements to make them come under the legal thresholds of public procurement laws by placing smaller value orders direct with suppliers either, as that too would be a breach of UK procurement law.

## **3. Why is the NMRN asking suppliers to provide prices in the bid when the market is extremely volatile right now?**

As above, in order to evaluate all suppliers on a 'level-basis', the NMRN have asked suppliers to provide 'example pricing' of timber. This will form the fair and transparent basis for evaluation to enable the NMRN to award the supplier a place on the Framework Agreement.

Nevertheless, NMRN do require a firm price for the following requirements, all of which will have orders placed within the first 30-45 days following contract award:

- M1 April 2023 requirements. M2 and M3 are to be on an indicative basis which will be firmed up again when the orders are placed;
- Initial requirements in Lots 2 and 3.

The remaining future requirements in ALL Lots will be on quote, on an as-required basis, i.e. the NMRN will discover what they need and will ask the suppliers to 'bid' for the requirement. This means that the pricing is up-to-date at the time of order and suppliers are not placed at any significant financial risk.

Upon contract award, those suppliers who have bid for and are successful on Lot 1 will be asked to update their prices on a 3-6 month rolling basis to ensure that all parties are paying fair and reasonable prices throughout. This should recognise the volatility of the markets based on advice from the suppliers.

- 4. If we were successful in being awarded the contract to supply some of the oak and you award the contract to multiple suppliers, will we be able to adjust our prices to reflect volume and the difficulty of the specific elements awarded?**

Yes, suppliers will be able to quote the most up-to-date prices based on the answer provided above.

- 5. The Framework Agreement is quite cumbersome and there are some terms and conditions which appear to be one-sided or onerous considering what is being procured.**

The terms and conditions of the framework contained in the ITT are a significantly revised set based on the standard Cabinet Office Framework Agreement used by the public sector, which are agreed to by companies across many different sectors, for purchase of anything from pens and pencils, to construction.

The revised set for this ITT removed a significant amount of onerous and unnecessary terms and schedules for the Timber requirement. However, should suppliers believe that certain terms are over-bearing the NMRN is prepared to consider amending them to be more appropriate.

However, the NMRN will not be placing different contracts with those suppliers who gain a place on the Framework. ALL suppliers will be awarded the SAME CONTRACT TERMS.

6. **The spreadsheet provided is large and cumbersome. What bits of this do you want us to complete and what do you want from us?**

The short answer, **depending on what “Lots” you are bidding for**, we require as part of your tender the following:

a. **Firm Prices for:**

- i. **Midships Batch M1 only (Delivery April 2023);** This is a mixture of Lot 1 and Lot 2 timbers so if you are only bidding for say Lot 2 then only complete the table for those timbers that are identified as Lot 2 timber.
- ii. **Internal Elements Batch IE 1 (Delivery Dec 2022);** Again, a mixture of Lot 1 and Lot 2 timbers.
- iii. **Compass Timbers (Delivery Dec 2022).** These are all Lot 3 timbers and can either be supplied as whole solid timber elements (in which case delivery dates can be negotiated) or the elements are made up from laminates. If the element is made up of laminates, then the supplier will supply the element to NMRN fully assembled in laminates. Suppliers can provide the required number of laminate planks stipulated in the spreadsheet for NMRN shipwrights to glue and shape’

b. **Provisional Prices for:**

- i. **Midships Batches M2 and M3.** These are indicative prices based on current market prices and may be adjusted as market rates change. These batches will be tendered in due course as part of the framework by Lots. This is a change from the original invitation to tender where we were asking for firm prices for these batches as well.

The spreadsheet does contain hidden columns but there is no need to release them to complete your tender.

The supplier input columns and cells are clearly defined on the spreadsheet in cream and green arrows.

The pricing document allows suppliers to price the planks/elements as solid members and or laminated members. Should a supplier be able to provide a member as a solid component then he can apply a price for that as well as a price for providing the member made up of a number of laminates as set out in the specification. This will allow NMRN to select the either solid or laminated members.

c. **Firm Prices for Overheads and Profits and Subsistence.** Please price Tab 5 – OHP & Subsistence which is self-explanatory.

d. **By Lots Tab 6.** This is a pivot table that only needs to be refreshed as per the instructions on the worksheet.

e. **Summary Tab 7.** The majority of this worksheet will be automatically populated. The supplier simply needs to apply a proposed OHP % on the supply price of the materials.

That’s it! The Tabs 8 – Bow, and 9 – Stern, are for information only.