

Invitation to Quote

**Invitation to Quote (ITQ) on behalf of Department for Business,
Energy and Industrial Strategy (BEIS)**

Subject: UK SBS CR18134 Fossil Fuel Supply Curves

Sourcing Reference Number: CR18134



UK Shared Business Services Ltd (UK SBS)
www.uksbs.co.uk

Registered in England and Wales as a limited company. Company Number 6330639.
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Section 1 – About UK Shared Business Services

Putting the business into shared services

UK Shared Business Services Ltd (UK SBS) brings a commercial attitude to the public sector; helping our Contracting Authorities improve efficiency, generate savings and modernise.

It is our vision to become the leading service provider for the Contracting Authorities of shared business services in the UK public sector, continuously reducing cost and improving quality of business services for Government and the public sector.

Our broad range of expert services is shared by our Contracting Authorities. This allows Contracting Authorities the freedom to focus resources on core activities; innovating and transforming their own organisations.

Core services include Procurement, Finance, Grants Admissions, Human Resources, Payroll, ISS, and Property Asset Management all underpinned by our Service Delivery and Contact Centre teams.

UK SBS is a people rather than task focused business. It's what makes us different to the traditional transactional shared services centre. What is more, being a not-for-profit organisation owned by the Department for Business, Energy & Industrial Strategy (BEIS), UK SBS' goals are aligned with the public sector and delivering best value for the UK taxpayer.

UK Shared Business Services Ltd changed its name from RCUK Shared Services Centre Ltd in March 2013.

Our Customers

Growing from a foundation of supporting the Research Councils, 2012/13 saw Business, Energy and Industrial Strategy (BEIS) transition their procurement to UK SBS and Crown Commercial Services (CCS – previously Government Procurement Service) agree a Memorandum of Understanding with UK SBS to deliver two major procurement categories (construction and research) across Government.

UK SBS currently manages £700m expenditure for its Contracting Authorities.

Our Contracting Authorities who have access to our services and Contracts are detailed [here](#).

Section 2 – About the Contracting Authority

Department for Business, Energy and Industrial Strategy (BEIS)

The Department for Business, Energy and Industrial Strategy brings together responsibilities for business, industrial strategy, science, innovation, energy, and climate change, merging the functions of the former BIS and DECC.

BEIS is responsible for:

- developing and delivering a comprehensive industrial strategy and leading the government's relationship with business
- ensuring that the country has secure energy supplies that are reliable, affordable and clean
- ensuring the UK remains at the leading edge of science, research and innovation
- tackling climate change

BEIS is a ministerial department, supported by 47 agencies and public bodies.

Section 3 - Working with the Contracting Authority.

In this section you will find details of your Procurement contact point and the timescales relating to this opportunity.

Section 3 – Contact details		
3.1	Customer Name and address	Department for Business, Energy and Industrial Strategy, 1 Victoria Street , London, SW1H 0ET
3.2	Buyer name	Karl Oakley
3.3	Buyer contact details	Research@uksbs.co.uk
3.4	Maximum value of the Opportunity	£100,000.00 (excluding VAT)
3.5	Process for the submission of clarifications and Bids	All correspondence shall be submitted within the Emptoris e-sourcing tool. Guidance Notes to support the use of Emptoris is available here. Please note submission of a Bid to any email address including the Buyer <u>will</u> result in the Bid <u>not</u> being considered.

Section 3 - Timescales		
3.6	Date of Issue of Contract Advert and location of original Advert	Thursday 06 th September 2018 Contracts Finder
3.7	Latest date/time ITQ clarification questions shall be received through Emptoris messaging system	Monday 17 th September 2018 14:00 BST
3.8	Latest date/time ITQ clarification answers should be sent to all Bidders by the Buyer through Emptoris	Tuesday 18 th September 2018
3.9	Latest date/time ITQ Bid shall be submitted through Emptoris	Thursday 20 th September 2018 14:00 BST
3.10	Anticipated notification date of successful and unsuccessful Bids	Wednesday 3 rd October 2018
3.11	Anticipated Award date	Thursday 4 th October 2018
3.12	Anticipated Contract Start date	Friday 5 th October 2018
3.13	Anticipated Contract End date	Friday 29 th March 2019
3.14	Bid Validity Period	60 Days

Section 4 – Specification

Background

BEIS publishes long term assumptions for fossil fuel prices - see <https://www.gov.uk/government/collections/fossil-fuel-price-assumptions>. To update the evidence base used by BEIS and to inform the 2019 fossil fuel price assumptions, BEIS wishes to appoint a contractor to produce a number of scenarios for the evolution of long run supply curves for oil, gas and coal. BEIS's fossil fuel price assumptions currently extend to 2040.

The framework BEIS uses for its long run fossil fuel price assumptions assumes that fossil fuel prices in the long term can be expected to reflect the full costs of the supply sources “at the margin” that are needed to meet demand. The long term price assumptions therefore reflect estimates of the long run marginal costs of those supply sources, combined with projections for fossil fuel demand. BEIS has used the International Energy Agency's scenarios for fossil fuel demand. From a long term perspective, with all factors of production flexible, BEIS would expect higher prices to incentivise exploration and development activity, solutions to supply chain constraints, and bring forward supply. BEIS is therefore looking for an “unconstrained” assessment of supply. BEIS currently bases its assumptions for long term supply on a Wood MacKenzie report from 2016- see https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/565992/BEIS_WM_Fossil_Fuel_Supply_Curves_Final_Report.pdf.

BEIS envisages that the shorter term (pre 2025) element of its assumptions will continue to be anchored by spot prices and futures curves, with the longer term (post 2030) element anchored by estimates of long run marginal cost. BEIS will be guided by the quality of the evidence base and the advice of its contractors as to the detailed implementation of this approach, which may vary by fuel. For example, whether to base prices for 2040 on estimates of supply and demand for 2040 or, if 2040 supply curves are materially more uncertain than for earlier dates, conclude it would be more appropriate to use estimates of supply and demand for an earlier date combined with an extrapolation or flatlining to 2040.

BEIS fossil fuel price assumptions are subjected to peer review by a panel of external experts – see the Panel's latest report https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/663102/2017_Expert_Panel_Final_Report.pdf.

The Panel will also scrutinise the Contractor's work and outputs to ensure it is fit for purpose.

BEIS expects the 2019 fossil fuel price assumptions to be finalised in Spring 2019.

Aims and Objectives of the Project

The overall purpose of the analysis is to depict long run supply curves for fossil fuels, which will be combined with projections for long run demand to generate assumptions for long term fossil fuel prices consistent with the long-run costs of the marginal sources of supply, and to detail the underlying assumptions. This should include reflecting the range of uncertainty over the evolution of supply curves (and demand for fossil fuels) sufficient to construct low and high as well as central

assumptions for long term fossil fuel prices which reflect the inherent uncertainty and result in a plausible and evidence based range.

Suggested Methodology

Overall, it is envisaged that this project will primarily comprise analysis of existing data and modelling that the contractor has collected and developed.

The supply curves should be built up from breakeven costs for investment/long run marginal costs for the key categories of supply. The supply curves should reflect variation in the technical/ geological/country characteristics within the key categories below and preferably be built up from a field by field/mine by mine analysis. Breakeven costs should be categorised by country and type of resource and should exclude sunk and committed investment costs. See more detail in the outputs section.

The contractor will need to explain in some detail how they have developed that evidence base and the underlying data sources.

Overall, it is envisaged that this project will primarily comprise analysis of existing data and modelling that the contractor has collected and developed.

The supply curves should be built up from breakeven costs for investment/long run marginal costs for the key categories of supply. The supply curves should reflect variation in the technical/ geological/country characteristics within the key categories below and preferably be built up from a field by field/mine by mine analysis. Breakeven costs should be categorised by country and type of resource and should exclude sunk and committed investment costs. See more detail in the outputs section. The contractor will need to explain and document in detail the underlying data sources, models and evidence they have used; assumptions and manipulations they have made to that data; and their internal QA processes.

It will be essential to be transparent about the structure and operation of models the contractors would use to develop the supply curves and assumptions embedded in these models including: cost of capital; any adjustments to “de-risk” cashflows; exchange rates; development of future unit costs including technology and efficiency gains; the value of associated production; hydrocarbon specific taxes and royalties (or subsidies); pipeline and liquefaction costs; transport costs; costs and decline rates of existing production; and rates of discovery. These will need to be justified for example referencing to primary data sources or comparison with other external estimates. The contractor will need to demonstrate that the assumptions used can be justified as sustainable from a long term perspective.

It will also be important to be transparent and justify other constraints beyond cost and resource fundamentals that have been assumed. For countries where production is primarily state financed or controlled these might include the impact of:

- o Strategic Government decisions on how rapidly they wish to exploit their resource base or limit production. This would include any impact of climate policy and carbon pricing on investment decisions.

- Budgetary constraints on funding investment to exploit the resource base (including investment in supporting infrastructure), or limits on capability to deliver it.
- Constraints on their ability to attract foreign investment, where foreign technology or finance is required (e.g. absence of sustainable governance frameworks, unable to agree sufficient returns to foreign investors, sanctions).

Contractors should also be explicit about any other constraints being assumed, including regulatory and environmental constraints which limit the exploitation of the resource base.

Particular issues we will require detailed justification from the contractor include

- Long term assumptions on industry unit costs, including the contractor's analysis of whether and how far current levels vary from long term sustainable levels.
- Long term efficiency assumption and resource assumptions, including for tight oil and shale gas.
- The basis for reserve growth and decline rate assumptions.
- The basis for long term supply curves for key OPEC countries.
- Long term assumptions on hydrocarbon specific taxes and royalties, particularly for projects at the margin.

Choice of time horizon

Supply and demand curves could be provided for 2025, 2030, 2035 and 2040 but suppliers are invited to propose (and justify) alternative dates if this will better meet BEIS's objectives. For example BEIS is aware that estimates of supply curves in 2040 are more dependent on assumptions on yet to be discovered reserves, whereas a supply curve for an earlier date might link more strongly to known projects on which FIDs might be taken over the medium term about which there is more evidence on costs and resources.

Geography

BEIS produces price assumptions for 1 month Brent, NBP and the ARA CIF price. Oil is modelled as a global market.

Gas and coal prices have both been modelled at the level of a "European" market with assumptions made about links to other regional markets (North America and Asia).

For the gas supply curves supply curves and the 2019 price assumptions, BEIS is minded to assume that arbitrage through LNG trade will result in integration between European and Asian (and other non-North American) gas markets with long term price differences only reflecting incremental transport costs. Given the likely growth of Asian LNG demand, this implies the Asian LNG market will become a key driver of European gas prices. This implies gas supply curves that cover both European and Asian markets will be required.

For coal we are now minded to model long term thermal coal price formation at a global traded level for the 2019 coal price assumptions, implying global supply curves for internationally traded coal will be required with a common reference location. The ARA CIF price will be

derived from the global price level accounting for transport cost differences. Contractors will need to explain and justify the geographical scope of the analysis they propose.

Scenarios

As well as justifying the assumptions and parameters underlying their “central” supply curves, contractors will also need to propose an approach for developing alternative scenarios containing a combination of sensitivities which can form the basis for “low” and “high” supply curves.

General

Contractors may suggest a variation to suggested approach, alongside a rationale for how this will better answer the research questions or analytical objectives.

In explaining their approaches to analysis, the contractor should illustrate how these will ensure a credible and impartial outcome and set out any limitations or bias.

Contractors will need to demonstrate that they will meet BEIS standards for quality assurance.

Contractors are also invited to propose an approach where key variables/assumptions in the analysis/ modelling tool provided to BEIS can be updated perhaps annually, based on updated from the contractor to ensure the cost curves provided remain fit for purpose in future years.

Deliverables

The following outputs will be required from the project at agreed milestones, in a format suitable for publication and future use. Section 6 provides further details of stipulations regarding format, ownership and handling of data outputs.

- Agreed plan for the project
- Draft report and Final report in the BEIS template for publication
- Excel files including the underlying data points and possible modelling tool
- Presentation of draft results to BEIS: presentation delivery and slides
- Documentation that BEIS' Quality Assurance standards have been met.

Outputs would ideally include:

Oil Supply curves

- Global supply curves for oil for 2025, 2030, 2035 and 2040 but suppliers are invited to propose (and justify) alternative dates if this will better meet BEIS's objectives given the evidence available (see the discussion in the Background and Methodology sections).
- The supply curves should be built up from breakeven costs for investment/long run marginal costs for the key categories of oil supply. The supply curves should reflect variation in the technical/geological/country characteristics within the key categories below and preferably be built up from a field by field analysis.
- Breakeven costs should be categorised by country and type of resource (e.g. conventional onshore crude, NGLs, offshore shelf midwater, deepwater and ultra deepwater, tight oil, oil sands, extra heavy, biofuels, GTL, CTL).

- Breakeven costs should exclude any sunk investment or committed investment costs over the time horizon for the projection.
- For countries where oil production is primarily state financed or controlled contractors will be explicit about the assumed constraints on investment and long run supply curves they have made resulting from
 - o Strategic Government decisions on how rapidly they wish to exploit their resource base, or limit production.
 - o Budgetary constraints on funding investment to exploit the resource base (including investment in supporting infrastructure), or limits on capability to deliver it.
 - o Constraints on their ability to attract foreign investment, where foreign technology or finance is required (e.g. absence of sustainable governance frameworks, unable to agree sufficient returns to foreign investors, sanctions).
- Contractors should also be explicit about any other constraints being assumed, including regulatory and environmental constraints which limit the exploitation of the resource base e.g. environmental permitting for oil sands/Arctic resources, regulatory approval of pipelines.
- Assumptions on hydrocarbon specific taxes and royalties should be included and separately identified and justified. Contractors should also be explicit on and justify the assumptions used for cost of capital, de-risking cashflows, exchange rates, local content share of costs, changes in industry unit costs, the value of associated production, technology and efficiency gains, decline rates, pipeline costs where necessary to take oil to market, and rates of discovery.
- Sensitivities should be presented that allows BEIS to understand the relative impact of the underlying drivers. For instance these might include but not be limited to: costs of capital, tax and royalties, unit input costs, technology and efficiency gains, decline rates, strategic Government decisions, rates of discovery.
- Contractors should provide their central view and also a number of alternative scenarios for each date (including at least a “low” and a “high”) containing a combination of sensitivities agreed with BEIS.
- Data should be provided in Excel with clear headings. A modelling tool, which illustrates the alternative supply curves and how they relate to their drivers, may be a useful approach to develop and provide to BEIS.

Gas supply curves

- Supply curves for natural gas supply for 2025, 2030, 2035 and 2040, but suppliers are invited to propose (and justify) alternative dates if this will better meet BEIS’s objectives given the evidence available (see the discussion in the Background and Methodology sections).
- The supply curves should be built up from breakeven costs for investment/long run marginal costs for the key categories of supply. This range should reflect variation in the technical/geological/country characteristics within the key categories below, and preferably be built up from a field by field analysis.
- Breakeven costs should be categorised by country and type of resource (e.g. conventional, shale gas, coalbed methane, tight gas, CTG).
- Breakeven costs should include cost of transport by pipeline or LNG (including liquefaction, transport, regasification), with these different costs separately identified.
- Breakeven costs should exclude sunk and committed investment costs.
- Contractors should explain and justify the geographical scope of the analysis.
- For countries where gas production is primarily state financed and controlled contractors should be explicit about assumed constraints on investment and long run supply curves resulting from
 - o Strategic Government decisions on how rapidly they wish to exploit their resource base, or exploitation of market power.

- Budgetary constraints on funding investment to exploit the resource base (including investment in supporting infrastructure), or limits on capability to deliver it.
- Constraints on their ability to attract foreign investment, where foreign technology or finance is required (e.g. absence of sustainable governance frameworks, unable to agree sufficient returns to foreign investors, sanctions).
- Contractors should also be explicit about any other constraints being assumed, including regulatory and environmental constraints which limit the exploitation of the resource base e.g. environmental permitting for oil sands/arctic, regulatory approval of pipelines.
- Assumptions on hydrocarbon specific taxes and royalties should be included and separately identified and justified. Contractors should also be explicit on and justify the assumptions used for cost of capital, de-risking cashflows, exchange rates, local content share of costs, changes in industry unit costs, the value of associated production, technology and efficiency gains, decline rates, pipeline costs, and rates of discovery.
- Sensitivities should be presented that allows BEIS to understand the relative impact of the underlying drivers. For instance, these might include but not be limited to: costs of capital, tax and royalties, unit input costs, technology and efficiency gains, strategic Government decisions, geopolitical developments, rates of discovery.
- Contractors should provide their central view and also a number of alternative scenarios (including at least a “low” and a “high”) containing a combination of sensitivities agreed with BEIS.
- Data should be provided in Excel with clear headings. A modelling tool, which illustrates the alternative supply curves and how they relate to their drivers, may be a useful approach to develop and provide to BEIS.

Coal supply curves

- Supply curves for 2025, 2030, 2035 and 2040 but suppliers are invited to propose (and justify) alternative dates if this will better meet BEIS’s objectives given the evidence available (see the discussion in the Background and Methodology sections).
- This range should reflect variation in the technical/ geological/country characteristics within the key categories below and preferably be built up from a mine by mine analysis.
- Breakeven economic costs should include all business costs incurred by the producer to realise the fair market value of the traded thermal coal. Cost items should at least consider mining costs and physical delivery costs. Costs should be categorised by country and corrected to account for different qualities of thermal coal (preferably using 6,000 kcal/kg as benchmark).
- Breakeven costs should reflect cost of overland and/or seaborne transport (including port handling fees and shipping freights).
- Given the long-term focus of the price scenarios, the supply cost curves should reflect long run marginal costs and should therefore include a capital cost element for new mining projects and for existing projects where appropriate (i.e. to the extent that extra capital investment will be needed). However, breakeven costs should exclude sunk and committed investment costs.
- Contractors should explain and justify the geographical scope of the analysis.
- Contractors should be explicit about other regulatory and environmental or other constraints which limit the exploitation of the resource base which have been assumed e.g. environmental permitting.
- Assumptions on taxes and royalties should be included and separately identified and justified. Contractors should also be explicit on and justify the assumptions used for cost of capital, de-risking cashflows, exchange rates, local content share of costs, trends in industry unit costs, fuel costs, labour costs, technology and efficiency gains, transport costs, (and depletion rates and rates of discovery if appropriate).
- Sensitivities should be presented that allows BEIS to understand the relative impact of the underlying drivers. For instance these might include but not be limited to: costs of capital, tax and

royalties, unit input costs, technology and efficiency gains, strategic Government decisions, geopolitical developments, rates of discovery and depletion rates.

- Contractors should provide their central view and also a number of alternative scenarios (including at least a “low” and a “high”) containing a combination of sensitivities agreed with BEIS.
- Data should be provided in Excel with clear headings. A modelling tool, which illustrates the alternative supply curves and how they relate to their drivers, may be a useful approach to develop and provide to BEIS.

A final report is a required output of the project. It should be evidence-based and written in the BEIS template. It must be written to a sufficiently high standard for publication. Our experience shows that this may require several drafts and this should be taken into account when considering timelines and costs. In your bid, please specify who in the project team will be responsible for drafting the report. The Panel will also scrutinise the Contractor’s work and outputs to ensure it is fit for purpose.

Proposals should be specific on which elements of the analysis and outputs can be made public when the final reports are published and which elements will need be confidential to BEIS and the Expert Panel.

In relation to the contractor’s modelling tools:

An **Input log** completed within BEIS’s standard template (annexed) or an agreed equivalent, containing details of all data that is used within the modelling tool. Frequently, data required will be a mixture of primary and constructed variables, with links in between them. Please ensure these are clearly highlighted.

An **Assumptions log** completed within BEIS’s standard template (annexed) or an agreed equivalent, which describes what assumptions have been used within the modelling tool. This should include all assumptions, including those which are implicit.

Full details of methodology, where any model parameters are derived from a collection of raw input data.

Evidence that the model is fit-for-purpose and any limitations or contexts in which it does not apply

A **‘map’ of the workings of the model**, in particular identifying discrete sections of the model. This should include

- Description of how the model works
- identifying sections of the code as they relate to sections of the map;
- identifying which variables are used across multiple sections of the model;
- Indicating what variables and procedures would be affected if any section of the model were replaced or updated, and how they would be affected
- **Any other information** which would be required to update the model at a later date

Referencing of the data sources and assumptions must abide by the following points:

- The chosen method of referencing should be consistent, and agreed in writing with BEIS beforehand.

- The referencing must allow all data to be traced back to the original source. Examples may be found in BS ISO 690:2010
- Follow logical best-practice in variable naming, with documented & consistent convention

Terms and Conditions

Bidders are to note that any requested modifications to the Contracting Authority Terms and Conditions on the grounds of statutory and legal matters only, shall be raised as a formal clarification during the permitted clarification period.

Section 5 – Evaluation model

The evaluation model below shall be used for this ITQ, which will be determined to two decimal places.

Where a question is 'for information only' it will not be scored.

The evaluation team may comprise staff from UK SBS and the Contracting Authority and any specific external stakeholders the Contracting Authority deems required. After evaluation the scores will be finalised by performing a calculation to identify (at question level) the mean average of all evaluators (Example – a question is scored by three evaluators and judged as scoring 5, 5 and 6. These scores will be added together and divided by the number of evaluators to produce the final score of 5.33 ($5+5+6 = 16 \div 3 = 5.33$))

Pass / fail criteria		
Questionnaire	Q No.	Question subject
Commercial	SEL1.2	Employment breaches/ Equality
Commercial	FOI1.1	Freedom of Information Exemptions
Commercial	AW1.1	Form of Bid
Commercial	AW1.3	Certificate of Bona Fide Bid
Commercial	AW3.1	Validation check
Commercial	SEL3.11	Compliance to Section 54 of the Modern Slavery Act
Commercial	SEL3.12	Cyber Essentials
Commercial	SEL3.13	General Data Protection Regulations (GDPR)
Commercial	AW4.1	Contract Terms Part 1
Commercial	AW4.2	Contract Terms Part 2
Price	AW5.1	Maximum Budget
Price	AW5.5	E Invoicing
Price	AW5.6	Implementation of E-Invoicing
Quality	AW6.1	Compliance to the Specification
Quality	PROJ1.5	Quality Assurance
-	-	Invitation to Quote – received on time within e-sourcing tool

Scoring criteria			
Evaluation Justification Statement			
In consideration of this particular requirement the Contracting Authority has decided to evaluate Potential Providers by adopting the weightings/scoring mechanism detailed within this ITQ. The Contracting Authority considers these weightings to be in line with existing best practice for a requirement of this type.			
Questionnaire	Q No.	Question subject	Maximum Marks
Price	AW5.2	Price	25%

Quality	PROJ1.1	Methodology	20%
Quality	PROJ1.2	Skills and expertise	20%
Quality	PROJ1.3	Understanding requirement	15%
Quality	PROJ1.4	Management and delivery	20%

Evaluation of criteria

Non-Price elements

Each question will be judged on a score from 0 to 100, which shall be subjected to a multiplier to reflect the percentage of the evaluation criteria allocated to that question.

Where an evaluation criterion is worth 20% then the 0-100 score achieved will be multiplied by 20%.

Example if a Bidder scores 60 from the available 100 points this will equate to 12% by using the following calculation:

$$\text{Score} = \{\text{weighting percentage}\} \times \{\text{bidder's score}\} = 20\% \times 60 = 12$$

The same logic will be applied to groups of questions which equate to a single evaluation criterion.

The 0-100 score shall be based on (unless otherwise stated within the question):

0	The Question is not answered or the response is completely unacceptable.
10	Extremely poor response – they have completely missed the point of the question.
20	Very poor response and not wholly acceptable. Requires major revision to the response to make it acceptable. Only partially answers the requirement, with major deficiencies and little relevant detail proposed.
40	Poor response only partially satisfying the selection question requirements with deficiencies apparent. Some useful evidence provided but response falls well short of expectations. Low probability of being a capable supplier.
60	Response is acceptable but remains basic and could have been expanded upon. Response is sufficient but does not inspire.
80	Good response which describes their capabilities in detail which provides high levels of assurance consistent with a quality provider. The response includes a full description of techniques and measurements currently employed.
100	Response is exceptional and clearly demonstrates they are capable of meeting the requirement. No significant weaknesses noted. The response is compelling in its description of techniques and measurements currently employed, providing full assurance consistent with a quality provider.

All questions will be scored based on the above mechanism. Please be aware that the final score returned may be different as there may be multiple evaluators and their individual scores will be averaged (mean) to determine your final score.

Example

Evaluator 1 scored your bid as 60

Evaluator 2 scored your bid as 60

Evaluator 3 scored your bid as 40

Evaluator 4 scored your bid as 40

Your final score will $(60+60+40+40) \div 4 = 50$

Price elements will be judged on the following criteria.

The lowest price for a response which meets the pass criteria shall score 100.

All other bids shall be scored on a pro rata basis in relation to the lowest price. The score is then subject to a multiplier to reflect the percentage value of the price criterion.

For example - Bid 1 £100,000 scores 100.

Bid 2 £120,000 differential of £20,000 or 20% remove 20% from price scores 80

Bid 3 £150,000 differential £50,000 remove 50% from price scores 50.

Bid 4 £175,000 differential £75,000 remove 75% from price scores 25.

Bid 5 £200,000 differential £100,000 remove 100% from price scores 0.

Bid 6 £300,000 differential £200,000 remove 100% from price scores 0.

Where the scoring criterion is worth 50% then the 0-100 score achieved will be multiplied by 50.

In the example if a supplier scores 80 from the available 100 points this will equate to 40% by using the following calculation: $\text{Score/Total Points} \times 50$ ($80/100 \times 50 = 40$)

The lowest score possible is 0 even if the price submitted is more than 100% greater than the lowest price.

Section 6 – Evaluation questionnaire

Bidders should note that the evaluation questionnaire is located within the **e-sourcing questionnaire**.

Guidance on completion of the questionnaire is available at <http://www.ukpbs.co.uk/services/procure/Pages/supplier.aspx>

PLEASE NOTE THE QUESTIONS ARE NOT NUMBERED SEQUENTIALLY

Section 7 – General Information

What makes a good bid – some simple do's 😊

DO:

- 7.1 Do comply with Procurement document instructions. Failure to do so may lead to disqualification.
- 7.2 Do provide the Bid on time, and in the required format. Remember that the date/time given for a response is the last date that it can be accepted; we are legally bound to disqualify late submissions. Responses received after the date indicated in the ITQ shall not be considered by the Contracting Authority, unless the Bidder can justify that the reason for the delay, is solely attributable to the Contracting Authority
- 7.3 Do ensure you have read all the training materials to utilise e-sourcing tool prior to responding to this Bid. If you send your Bid by email or post it will be rejected.
- 7.4 Do use Microsoft Word, PowerPoint Excel 97-03 or compatible formats, or PDF unless agreed in writing by the Buyer. If you use another file format without our written permission we may reject your Bid.
- 7.5 Do ensure you utilise the Emptoris messaging system to raise any clarifications to our ITQ. You should note that we will release the answer to the question to all Bidders and where we suspect the question contains confidential information we may modify the content of the question to protect the anonymity of the Bidder or their proposed solution
- 7.6 Do answer the question, it is not enough simply to cross-reference to a 'policy', web page or another part of your Bid, the evaluation team have limited time to assess bids and if they can't find the answer, they can't score it.
- 7.7 Do consider who the Contracting Authority is and what they want – a generic answer does not necessarily meet every Contracting Authority's needs.
- 7.8 Do reference your documents correctly, specifically where supporting documentation is requested e.g. referencing the question/s they apply to.
- 7.9 Do provide clear, concise and ideally generic contact details; telephone numbers, e-mails and fax details.
- 7.10 Do complete all questions in the questionnaire or we may reject your Bid.
- 7.11 Do ensure that the Response and any documents accompanying it are in the English Language, the Contracting Authority reserve the right to disqualify any full or part responses that are not in English.
- 7.12 Do check and recheck your Bid before dispatch.

What makes a good bid – some simple do not's

DO NOT

- 7.13 Do not cut and paste from a previous document and forget to change the previous details such as the previous buyer's name.
- 7.14 Do not attach 'glossy' brochures that have not been requested, they will not be read unless we have asked for them. Only send what has been requested and only send supplementary information if we have offered the opportunity so to do.
- 7.15 Do not share the Procurement documents, they are confidential and should not be shared with anyone without the Buyers written permission.
- 7.16 Do not seek to influence the procurement process by requesting meetings or contacting UK SBS or the Contracting Authority to discuss your Bid. If your Bid requires clarification the Buyer will contact you. All information secured outside of formal Buyer communications shall have no Legal standing or worth and should not be relied upon.
- 7.17 Do not contact any UK SBS staff or the Contracting Authority staff without the Buyers written permission or we may reject your Bid.
- 7.18 Do not collude to fix or adjust the price or withdraw your Bid with another Party as we will reject your Bid.
- 7.19 Do not offer UK SBS or the Contracting Authority staff any inducement or we will reject your Bid.
- 7.20 Do not seek changes to the Bid after responses have been submitted and the deadline for Bids to be submitted has passed.
- 7.21 Do not cross reference answers to external websites or other parts of your Bid, the cross references and website links will not be considered.
- 7.22 Do not exceed word counts, the additional words will not be considered.
- 7.23 Do not make your Bid conditional on acceptance of your own Terms of Contract, as your Bid will be rejected.
- 7.24 Do not unless explicitly requested by the Contracting Authority either in the procurement documents or via a formal clarification from the Contracting Authority send your response by any way other than via e-sourcing tool. Responses received by any other method than requested will not be considered for the opportunity.

Some additional guidance notes

- 7.25 All enquiries with respect to access to the e-sourcing tool and problems with functionality within the tool must be submitted to Crown Commercial Service (previously Government Procurement Service), Telephone 0345 010 3503.
- 7.26 Bidders will be specifically advised where attachments are permissible to support a question response within the e-sourcing tool. Where they are not permissible any attachments submitted will not be considered as part of the evaluation process.
- 7.27 Question numbering is not sequential and all questions which require submission are included in the Section 6 Evaluation Questionnaire.
- 7.28 Any Contract offered may not guarantee any volume of work or any exclusivity of supply.
- 7.29 We do not guarantee to award any Contract as a result of this procurement
- 7.30 All documents issued or received in relation to this procurement shall be the property of the Contracting Authority. / UKSBS.
- 7.31 We can amend any part of the procurement documents at any time prior to the latest date / time Bids shall be submitted through Emptoris.
- 7.32 If you are a Consortium you must provide details of the Consortiums structure.
- 7.33 Bidders will be expected to comply with the Freedom of Information Act 2000 or your Bid will be rejected.
- 7.34 Bidders should note the Government's transparency agenda requires your Bid and any Contract entered into to be published on a designated, publicly searchable web site. By submitting a response to this ITQ Bidders are agreeing that their Bid and Contract may be made public
- 7.35 Your bid will be valid for 60 days or your Bid will be rejected.
- 7.36 Bidders may only amend the contract terms during the clarification period only, only if you can demonstrate there is a legal or statutory reason why you cannot accept them. If you request changes to the Contract terms without such grounds and the Contracting Authority fail to accept your legal or statutory reason is reasonably justified we may reject your Bid.
- 7.37 We will let you know the outcome of your Bid evaluation and where requested will provide a written debrief of the relative strengths and weaknesses of your Bid.
- 7.38 If you fail mandatory pass / fail criteria we will reject your Bid.
- 7.39 Bidders are required to use IE8, IE9, Chrome or Firefox in order to access the functionality of the Emptoris e-sourcing tool.
- 7.40 Bidders should note that if they are successful with their proposal the Contracting Authority reserves the right to ask additional compliancy checks prior to the award of any Contract. In the event of a Bidder failing to meet one of the compliancy checks

the Contracting Authority may decline to proceed with the award of the Contract to the successful Bidder.

- 7.41 All timescales are set using a 24 hour clock and are based on British Summer Time or Greenwich Mean Time, depending on which applies at the point when Date and Time Bids shall be submitted through Emptoris.
- 7.42 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 the Cabinet Office and 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 procurement practice.

For these purposes, the Contracting Authority may disclose within Government any of the Bidders 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 Contracting Authority during this Procurement. The information will not be disclosed outside Government. Bidders taking part in this ITQ consent to these terms as part of the competition process.

- 7.43 The Government introduced its new Government Security Classifications (GSC) classification scheme on the 2nd April 2014 to replace the current Government Protective Marking System (GPMS). A key aspect of this is the reduction in the number of security classifications used. All Bidders are encouraged to make themselves aware of the changes and identify any potential impacts in their Bid, as the protective marking and applicable protection of any material passed to, or generated by, you during the procurement process or pursuant to any Contract awarded to you as a result of this tender process will be subject to the new GSC. The link below to the Gov.uk website provides information on the new GSC:

<https://www.gov.uk/government/publications/government-security-classifications>

The Contracting Authority reserves the right to amend any security related term or condition of the draft contract accompanying this ITQ to reflect any changes introduced by the GSC. In particular where this ITQ is accompanied by any instructions on safeguarding classified information (e.g. a Security Aspects Letter) as a result of any changes stemming from the new GSC, whether in respect of the applicable protective marking scheme, specific protective markings given, the aspects to which any protective marking applies or otherwise. This may relate to the instructions on safeguarding classified information (e.g. a Security Aspects Letter) as they apply to the procurement as they apply to the procurement process and/or any contracts awarded to you as a result of the procurement process.

USEFUL INFORMATION LINKS

- [Emptoris Training Guide](#)
- [Emptoris e-sourcing tool](#)
- [Contracts Finder](#)
- [Equalities Act introduction](#)
- [Bribery Act introduction](#)
- [Freedom of information Act](#)