



Single Source
Regulations Office

Invitation to Tender

Single source defence contracting statutory reporting: appraisal and evaluation methodology

9 November 2020

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1. Introduction

- 1.1 This Invitation to Tender (ITT) is issued by the Single Source Regulations Office (SSRO) for the appointment of a contractor to provide an appraisal and evaluation methodology in relation to statutory reporting on single source defence contracts.
- 1.2 The content of this ITT is for use by prospective bidders who wish to submit a Tender Response in relation to the delivery of the Service, which is set out in the specification (**Appendix 1**).
- 1.3 This ITT is provided on the basis that it is and shall remain the property of the SSRO and must only be used for the purposes of responding to this tender opportunity.
- 1.4 This document contains the information and instructions that bidders will need in order to submit a compliant Tender Response. The SSRO will evaluate compliant Tender Responses in accordance with the methodology set out in this ITT.

2. The SSRO

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

3. Service requirements

- 3.1 The SSRO is seeking to appoint a contractor to provide an appraisal and evaluation methodology in relation to statutory reporting on single source defence contracts. The specification is provided as a separate attachment to this ITT at **Appendix 1**, and it sets out the requirements of the SSRO. The specification will form part of the contract with the successful bidder.
- 3.2 The contract is expected to commence on or around 18 December 2020.
- 3.3 Bidders must address the requirements of the Specification (**Appendix 1**) in their Tenders. The successful bidder will be able to demonstrate a full understanding of the requirements and will have the ability and commitment to provide a comprehensive service to the SSRO.

4. Guidance for bidders

Instructions to suppliers submitting a Tender

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

Timetable

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

Milestone	Key Date
Tender documents issued	9 November 2020
Deadline for receipt of clarification questions	4pm on 12 November 2020
SSRO response to clarification questions	16 November 2020
Tender return deadline	4pm on 23 November 2020
Notification to bidders of outcome	4 December 2020
In contract	18 December 2020

Questions about this ITT

- 4.5 It is the responsibility of bidders to obtain at their own expense all additional information necessary for the preparation of their response to this ITT. No claims of insufficient knowledge will be entertained.
- 4.6 You may submit any clarification questions you have relating to this ITT by no later than the date and time specified in the timetable above. The SSRO will respond to reasonable requests received before the deadline. Questions received after the deadline may not be answered.
- 4.7 Please only submit such queries by email to the SSRO at: tenders@ssro.gov.uk

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- 4.8 The title of the email should be ***“Single source defence contracting statutory reporting: appraisal and evaluation methodology: Clarification Question”***. Any clarification questions should clearly reference the document and the relevant paragraph. To the extent possible, multiple questions should be aggregated rather than sent individually.
- 4.9 The SSRO will publish responses to clarification questions on Contracts Finder by the date specified in the table in paragraph 4.4. All questions and their answers will be published without revealing the identity of the individual bidder that put forward the question.
- 4.10 Clarifications issued, where deemed relevant by the SSRO, will form part of the contractual agreement between the SSRO and the contractor.

Return of Tenders

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

Tender requirements

- 4.15 All submitted Tenders **must** include the following:
- a completed Form of Tender;
 - response to Tender Questions;
 - a completed Pricing Schedule;
 - evidence of required insurance cover and levels as noted at paragraph 4.28;
 - consortium/sub-contracting proposals (where relevant); and
 - a completed Statement of Conduct.
- 4.16 Tenders which omit any of the documents listed in 4.15, or which include documents that are not properly completed, **may be rejected**.
- 4.17 No qualifications, caveats or unauthorised alterations are to be included or made to the documentation supplied (including the Specification and the SSRO's Terms and Conditions). Tenders containing such qualifications, caveats or unauthorised alterations may be rejected.
- 4.18 Any additional pre-existing material which may expand upon the Tender may be included as appendices with cross-references to this material in the main body of the Tender submission.
- 4.19 Bidders are advised to retain for themselves a copy of their submission. The SSRO reserves the right to make a charge to subsequently provide a copy of a submitted Tender.

Form of Tender

- 4.20 Bidders must provide a completed Form of Tender, which is provided at **Appendix 5**.
- 4.21 The Form of Tender requires that bids remain valid for acceptance for **90 days** from the deadline for receipt of Tenders. If this statement is excluded, amended or qualified, the bid may be rejected.

Response to Tender Questions

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

Pricing Schedule

- 4.24 Bidders must complete and submit the Pricing Schedule, which is provided at **Appendix 3**.
- 4.25 Bidders must quote on the basis that the fixed price set out in the Pricing Schedule remains fixed for the period of the contract. Bidders are strongly advised to check all figures and calculations before submitting their Tenders. The SSRO will not allow bidders to amend their pricing schedules after submission. If the Tender is accepted, the bidder will not be entitled to claim, and the SSRO will not allow, any increase in the price.
- 4.26 The fixed price provided in the Pricing Schedule must be inclusive of all disbursements, including travel and subsistence. The SSRO expects the contractor's appointed personnel will be able to deliver the services from their office or remotely. The specification (**Appendix 1**) sets out the requirement for the contractor to have the capability to participate in virtual meetings using Microsoft Teams.
- 4.27 The Tender must be based on prices which exclude Value Added Tax (VAT). This tax, if applicable, will be paid by the SSRO as an addition at the appropriate rate on the invoices when submitted.

Insurance

- 4.28 Bidders must include, as part of their Tender, evidence to show the following types and levels of insurance are held:
- Public Liability Insurance to a minimum value of five million pounds for each and every claim or series of claims arising out of one event;
 - Employer's Liability Insurance to a minimum value of five million pounds for each and every claim or series of claims arising out of one event; and
- 4.29 Failure to demonstrate the required insurance cover and levels may result in the bid being rejected.

Sub-contractors and consortiums

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

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- 4.31 Bidders must indicate whether they are reliant on any third parties for any aspects of fulfilling the service as specified, or if this is a consortium Tender. In such cases you should provide full details of sub-contractors, the nature of the relationship and the intended balance of work to be completed, and copies of quality assurance arrangements operating between the sub-contractors. Failure to provide this information may result in the Tender being disqualified.
- 4.32 Bidders and contractors must not, without the prior consent of the SSRO, appoint sub-contractors or add consortium partners who have not been declared as part of the initial submission. The SSRO may refuse consent for any reason, acting reasonably. This is to ensure that services are delivered in a timely, good quality and cost-effective fashion.
- 4.33 The SSRO may request a copy of the consortium's legal arrangements or the form of contract to be entered between the contractor and any proposed sub-contractor. Failure to provide this information may lead to the Tender being disqualified or the SSRO withholding its consent to the appointment of sub-contractors.

Statement of Conduct

- 4.34 Bidders must provide a completed Statement of Conduct which is provided at **Appendix 6**.

5. Evaluation

- 5.1 The Contract Award will be based on the most economically advantageous tender (MEAT) method, subject to minimum scores being achieved as set out at 5.11 and acceptability as explained at 5.16. Tenders will be scored based on quality and price, with the weighting between these two being: quality 60 per cent; and price 40 per cent. Individual sub-weightings (where used) are referred to in the Response to Tender (**Appendix 2**) and Pricing Schedule (**Appendix 3**) documents. In the event of two or more Tenders being awarded the same highest total score, the SSRO shall choose the Tender with the lowest price.
- 5.2 Prior to evaluating the Tenders, the SSRO will carry out an initial review of each Tender to confirm completeness and compliance with the requirements of this ITT. A bid which is incomplete and/or non-compliant may be rejected.
- 5.3 Appropriate individuals have been selected to undertake the evaluation and moderation of Tenders and will collectively be referred to as the "Evaluation Team".
- 5.4 The Evaluation Team will only consider the information provided by bidders in their Tender submission and the responses provided to the SSRO during any subsequent clarification process.
- 5.5 The Evaluation Team will evaluate the compliant written Tenders in accordance with the methodology set out below.

Quality

- 5.6 Bidders are required to complete the Response to Tender Questions document (**Appendix 2**) as the answers provided will be used to evaluate part of the Quality section. Tenders will be evaluated against the criteria set out in Table 1 having regard to the requirements of the Specification, in accordance with the methodology below. In determining the score, consideration will be given to;
- (a) the Response to Tender Questions; and
 - (b) other relevant information submitted with the tender as required at 4.15

5.7 The relevant weighting assigned to each Quality question is also set out in Table 1.

Table 1: Quality element

Quality question	Quality question weighting
Experience and expertise in the development of cost benefit analysis and evaluation	27%
Approach to delivery of the services	27%
Conflicts of interest	3%
Security	3%

5.8 Each quality question will be awarded a score between 0 and 5, with an indication of how the scores will be assigned as follows:

Assessment	Score
Unacceptable - completely fails to meet required standard or does not provide a response	0
Unsatisfactory - proposal significantly fails to meet the requirements	1
Weak - proposal falls below the requirements	2
Satisfactory - proposal meets the requirements with low levels of assurance	3
Good - proposal meets the requirements with moderate levels of assurance	4
Outstanding - proposal meets the requirement with high levels of assurance	5

5.9 The score assigned to each quality question will be multiplied by its respective weighing in table 1. The weighted score and expressed relative to the maximum score for each question (5) multiplied by 100. The total quality score will be the sum of the individual scores

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

5.10 The total quality score will be the sum of the individual scores.

Example 1: Bidder A is awarded the following example scores resulting in a total quality score of 52.8

Criteria	Weighting (a)	Example Score (b)	Weighted Score (a x b) = c	Final score = (c/5) x 100
Experience and expertise in the development of cost benefit analysis and evaluation	27%	4	1.08	21.6
Approach to delivery of the services	27%	5	1.35	27.0
Conflicts of interest	3%	4	0.12	2.4
Security	3%	3	0.09	1.8
Total quality score				52.8

5.11 The SSRO will not make an award to any supplier that fails to achieve at least “satisfactory” on **any** of the criteria set out in Table 1.

Price

5.12 Bidders are required to complete the table in the Pricing Schedule (**Appendix 3**).

5.13 The price criteria has an overall weighting of 40%.

5.14 The price scoring will use an approach which awards the bid with the lowest cost if it meets the condition set in 5.11. The lowest fixed price among all compliant tenders will receive the full marks available for that pricing element. The price quoted for each of the other bids will be scored proportionately to the lowest-priced, according to the following calculation

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

Example 2:

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

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

Applying the formula at 5.14 awards the maximum price score of 40 to bidder B who submitted the lowest price, and bidder A scoring 32.0.

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

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

Overall ranking for the award of the contract

- 5.15 The contract will be awarded to the bidder with the highest total score (Quality score + Price score).

Example 3: Using the information from example 1 and example 2 bidder A

Quality score	52.8
Price score	32.0
Total score (out of 100)	84.8

- 5.16 Any Tender which in the reasonable opinion of the Evaluation Team is fundamentally unacceptable on any key point (including, in relation to price, where the price quoted is unaffordable) regardless of its other merits, may be rejected by the Evaluation Team at its discretion.

6. Transparency

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

7. Canvassing and bidders conduct

- 7.1 Offering an inducement of any kind in relation to obtaining this or any other contract with the SSRO will disqualify a suppliers Tender from being considered and may constitute a criminal offence.
- 7.2 Bidders will be disqualified if they:
- tell anyone else what their Tender price is or will be, before the submission deadline;
 - try to obtain any information about anyone else's Tender or proposed Tender before the submission deadline; or

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- make any arrangements with another bidder about whether or not they should Tender, or about either Tender price.

- 7.3 Should it be determined that any bidder has been communicating with any other bidder in respect to this Tender, the SSRO may, acting reasonably, disqualify both bidders.
- 7.4 The SSRO will investigate Tenders where the price appears to be abnormally low. If the bidder cannot provide substantial reasons for the low prices (which may include justifying the sustainability of the bid over the life of the contract), then the SSRO may reject the Tender.
- 7.5 You should not withdraw a Tender after the submission deadline. If you do so, and the SSRO is not satisfied with the reasons for withdrawal, then the SSRO may refuse to accept future Tenders from you.
- 7.6 If the SSRO disqualifies a bidder from this procurement, it will also consider whether to exclude the bidder from subsequent procurement exercises.

8. Conflicts of interest

- 8.1 The SSRO is keen to avoid any actual and/or potential conflicts of interest. Therefore, the SSRO requires that bidders notify it immediately should there be any conflicts of interest, or risks thereof. Any bidder failing to notify a conflict that is later identified will be disqualified.
- 8.2 Bidders should also refer to section 5 of the Specification, which covers the conflict of interest arrangements in respect to the Services.

9. Acceptance of Tenders

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

10. Bid costs

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

11. Terms and Conditions

- 11.1 In the event of a conflict between the ITT (including any of the supporting documents) and the Terms and Conditions, the Terms and Conditions shall take precedence.

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11.2 The Contract will be awarded on the Terms and Conditions at **Appendix 4**. Suppliers are asked not to submit their own terms and conditions, as these will be disregarded.

11.3 The Contract will comprise:

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

12. Documents provided with this ITT

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

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