Attachment 5 – Evaluation Guidance

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# tender EVALUATION procedure

## This document sets out how we will evaluate tender responses in order to ensure an open, fair and transparent assessment of tenders. It outlines the evaluation criteria and respective weightings, as well as the evaluation methodology to be applied. This document should be read alongside Attachment 1 (Invitation to Tender) and the glossary of defined terms contained therein, Attachment 2 (Terms of Participation) and Attachment 3 (Service Description / Product Requirements).

## The evaluation procedure is divided into the following key stages:

* Compliance / Validation Stage
* Selection Stage
* Award Stage

## An Evaluation Panel consisting of suitably experienced members from the Department of Health and Social Care will carry out the evaluation. A consensus manager will act as moderator during the Selection and Award stages of the evaluation.

## We reserve the right (as we are entitled to) to amend the evaluation criteria and the weightings. We will only do so upon prior written notification being given to participating Potential Providers.

# Compliance/validation stage

## We will check your Tender to ensure it is compliant with the requirements of this Procurement and to ensure that your responses are valid. This includes satisfying all the participation requirements listed in ‘*Attachment 2 – Terms of Participation’*.

## We may exclude Potential Providers that do not provide full and accurate information.

# Selection Stage and the Selection Questionnaire (“SQ”)

## The purpose of the selection stage is to assess your suitability and capability to perform the Contract. You must complete the Selection Questionnaire provided on line within the Bravo E-procurement Portal (titled – ITT\_108 - Qualification Envelope). It is based on the template that all Government departments must use following [Procurement policy note 8/16](https://www.gov.uk/government/publications/procurement-policy-note-816-standard-selection-questionnaire-sq-template). Some questions ask for essential details about your organisation. Other questions seek to find out about your financial health and your technical and professional ability.

## We will assess your responses in accordance with the selection criteria, guidance and scoring matrix set out in the Selection Questionnaire Assessment section below. We will exclude Potential Providers that do not meet the selection criteria.

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Selection Questionnaire Assessment

|  |  |  |
| --- | --- | --- |
| **SELECTION CRITERIA** | | |
| **PART 1: POTENTIAL PROVIDER INFORMATION** | | |
| **Section** | **Assessment Criteria** | **Weighting** |
| Section 1: Potential Provider information | You are required to provide full and accurate information about who you are and your approach to this Procurement.  You are required to answer Yes to confirm your acceptance of the participation requirements set out in (Bravo question 1.4 Part 1 – Declaration) SQ question 1.3. If you do not answer Yes to these questions you will not be permitted to participate in this Procurement. You are required to confirm and sign the declaration set out in the above section.  We may exclude Potential Providers that do not provide full and accurate information. | N/A |
| **PART 2: EXCLUSION GROUNDS** | | |
| Section 2: Grounds for mandatory exclusion | If you answer Yes to any of the questions in this section, you are required to provide evidence of ‘self-cleaning’ (see Regulation 57 (13) of the Regulations) against the relevant conviction.  If you cannot provide evidence of ‘self-cleaning’ which is acceptable to us, you will be excluded from further participation in this Procurement. | Pass or Fail |
| Section 3: Grounds for discretionary exclusion | If you answer Yes to any of the questions in this section you are required to upload evidence of ‘self-cleaning’ (see Regulation 57 (13) of the Regulations) against the relevant conviction.  If you cannot provide evidence of ‘self-cleaning’ which is acceptable to us, you may be excluded by us from further participation in this Procurement. | Pass or Fail |
| **PART 3: SELECTION QUESTIONS** | | |
| Section 4: Economic and Financial Standing | We will exclude Potential Providers where there is a high risk of:   * Insolvency over the lifetime of the Contract * Inability to cope with the Contract size * Insufficient financial capacity to deliver the goods and services effectively   You will be awarded a pass in this section if you meet these requirements:   * Your turnover for each of the last two years must be greater than or equal to £60million (twice the estimated contract value) * You must have a current ratio (current assets/current liabilities as referenced in the last audited accounts) greater than or equal to 1 * Your D&B Failure score is equal to or greater than either 51 or the Industry Average figure (whichever is the lower)   Where these requirements are not met (or where information is not available), we may seek further information including unaudited accounts, management accounts, cash-flow statements and any other appropriate documentation.  An assessment will be made using all available information, including financial accounts submitted, established indicators of risk and financial strength through D&B (or equivalent), financial value and nature of the project.  **We may (at our sole discretion) award a Pass mark where Potential Providers can provide a guarantee of performance and financial standing through a parent company guarantee from the ultimate asset-owning parent and/or a performance bond.**    Only in the event material concerns may not be rectified will Potential Providers receive a Fail. | Pass or Fail |
| Section 5: Wider Groups / Parent Company | If a Potential Provider has indicated within the on line Participation Requirements and Selection Questionnaire’ (question 1.2 - Bidding Model) that they are part of a wider group, then the Potential Provider must be able to provide:   * Name of organisation and relationship to the Potential Provider completing these questions; (Lead Contact for a Group of Economic Operators); * Confirmation that the parent company would be willing to provide a guarantee and a copy of that guarantee (if necessary); * Confirmation that if the parent company would not be able to provide a guarantee, the Potential Provider would be able to obtain a guarantee elsewhere (i.e. a bank?) | Pass or Fail |
| Section 6: Technical and Professional Ability | You must demonstrate you have the necessary technical and professional resources and experience to perform the Contract to the required standard.  Potential Providers (Lead Contact for a Group of Economic Operators) must provide three comparable contract examples which contain evidence to demonstrate that you have the necessary technical and professional ability (“Contract Examples”)  Contract Examples must have been performed within the last three years prior to publication of the OJEU Notice to be valid and can be from the public or private sector.  Potential Providers must confirm that where customer contracts are provided, those contacts have been made aware that they may be contacted by us to verify the accuracy of the information provided at any time.  We may exclude Potential Providers that do not provide full and accurate information. Customer contacts must not be employed by your organisation or be from within your associated group of companies.  Examples of call-off contracts awarded under framework agreements will be considered valid, but citing a framework agreement that you have been awarded will NOT be considered valid Contract Examples.  We will use the information you provide in this section to evaluate whether your organisation and/or members within the Group of Economic Operators and/or named Sub-Contractors have the relevant professional and technical ability to perform the requirement for this Procurement.  Tenders submitted by a Potential Provider proposing to use Sub-Contractors should provide a relevant example where one or more of the essential Sub-Contractors have delivered similar requirements as part of a single, composite response (separate examples are not required from each Sub-Contractor).  You must inform us of any changes to the bidding model or consortium arrangements and provide us with a self-declaration of the exclusion grounds (Part 1 and Part 2 of the standard Selection Questionnaire) for any new organisation. We will carry out a further assessment using the standard selection questions and any specific selection criteria. We may deselect a Potential Provider or a Group of Economic Operators prior to any award of Contract, based on an assessment of the updated information. | Pass or Fail |
| Section 7: Modern Slavery Act 2015 | Since 1 October 2015, commercial organisations that carry on a business or part of business in the UK, supply goods or services and have an annual turnover of £36 million or more ("relevant commercial organisations") have been required under Section 54 of the Act to prepare a slavery and human trafficking statement as defined by section 54 of the Act.  You will fail this question if you fall under the definition of “relevant commercial organisation” and are not compliant with the requirement to publish a slavery and human trafficking statement. | Pass or Fail |
| Section 8.1: Insurance | Potential Providers should be able to confirm that they already have, or can commit to obtain prior to the Contract commencing the levels of insurance cover indicated within ‘Attachment 4 - Contract for the Provision of Goods and Services’ (please refer to clause 6.7.3) | Pass or Fail |
| Section 8.2: Skills and Apprentices | This Section is Not Used |  |
| Section 8.3: Steel | This Section is Not Used |  |
| Section 8.4: Suppliers’ Past Performance | This Section is Not Used |  |

## If you score a "fail" for any of the above questions, your bid will be non-compliant and will not be considered further.

## The Tenders that pass the above evaluation procedure will be evaluated against the award criteria, guidance and scoring matrix set out in the next section.

# Award Stage and the offer schedule

This section sets out how the award criteria will be applied. There will be a 3 stage process.

The Authority will base its award on the most economically advantageous tenders, using a set of weighted criteria to include: the whole life cost of the product line (including purchase price and storage price), the Potential Providers ability to recycle the Product Line via its normal sales in order to maintain a favourable expiry date profile, technical compliance, delivery capabilities, ability to meet legal and regulatory requirements and acceptance of the terms and conditions of the Contract.

All sections will be scored out of ten (please see Technical section below for further details of the scoring of the Technical section) and the weightings applicable to each category of the award criteria are as follows:

|  |  |  |
| --- | --- | --- |
| Criteria | Weighting (Current) | Price / Technical split |
| Price | 40% | 40% |
| Recyclability of stock /rotation | 25% | 60% |
| Technical | 30% |
| Delivery | 5% |

The Authority is aiming to award the required volume detailed for each respective Product line. However its ability to do this may be constrained by the following factors which are not determinable at the current stage of the project:

• Total budget available

• Number of offers received for the respective products

• Competitiveness of the offers received

The Authority reserves the right to award a Product line to more than one Potential Provider where clinical considerations dictate that more than one Product (brand) should be stored in the stockpile.

**Stage One**

The first stage of the evaluation process will be to evaluate the Potential Providers’ responses to the following questions which are contained in the Offer Schedule. Where Tenders fail against any of the criteria detailed below, no further evaluation of the Tender for the respective Product line affected will take place and the subsequent Tender de-brief information will be limited to the reason for the failure.

Any Potential Provider answering NO to any of the following questions for a Product will fail this stage (please note these are also detailed within the Selection Questionnaire Document and the Offer Schedule).

* If the Product is a Controlled Drug, is there a valid Home Office Licence in place at the closing date of this Tender?
* Is there a valid Marketing Authorisation for the product offered at the closing date of this Tender?
* Is there a valid Manufacturing Licence for the product offered at the closing date of this Tender?
* Is there a valid Wholesale Distribution Authorisation for the product offered at the closing date of this Tender?
* Is the Product offered covered by Good Manufacturing Practice (Copies of these Certificates may be required if you are awarded a Contract.)
* Is the Product offered covered by Good Distribution Practice (Copies of these Certificates may be required if you are awarded a Contract)
* Is the Product offered covered by Good Industry Practice (Copies of these Certificates may be required if you are awarded a Contract)

Note: Tenders will also fail if no business continuity plan is submitted.

The Authority has set a “benchmark unit price” for each product to be purchased based on either the eMIT price plus 20% (September 2017 version) or the published list price in the BNF 74 version September 2017 - March 2018. Offers above this price are likely to be rejected.

**Stage Two**

The second stage will combine and weight price, recyclability of stock, technical issues and Delivery issues.

At the second stage data submitted by Potential Providers in their Offer Schedule will be imported into the evaluation tool.

**Cost**

The Offer Schedule has 10 boxes for the Potential Provider to enter a unit cost for each Product by percentage volume in 10% increments. This information along with a price for storage and Potential Provider sales volumes will be entered into an evaluation tool and combined to establish a whole life cost for each bid (shown below).

* (Total volume required x Unit price for supply) + (Total volume required x storage cost per single per week x 76). Where 76 is the number of weeks in the total contract period. The costs associated with the actual volume offered and subsequently awarded will be calculated later in the process.

The lowest cost offer will score full marks for this criterion; other offers will attain a score reduced by the same percentage as the difference between their cost and the lowest cost (i.e. an offer which is 10% higher than the lowest offer will score 90% of the maximum score).

Any Tenders identified as non-recyclable (in excess of 1.51 times the Potential Providers six month’s volumes) will be rejected. The evaluation tool will also reject any bid where the whole life cost is more than ten times the median of all Tenders received for that Product.

**Supplier volumes and weightings**

The Authority requires Potential Providers to recycle the Product via their normal sales in order to maintain a favourable expiry date profile and will therefore give Potential Providers a higher score where their offers are for volumes that can be evidently recycled. Potential Providers are required to submit their recent and forecast UK sales figures for each Product offered. These figures will be weighted as detailed in the following table and a “Supplier Volume” derived which is based on their weighted six monthly volumes over the 31 month period.

The weightings have been balanced to take into account, actual and forecast sales in an effort to allow both established and newer suppliers an equal opportunity to participate in the tender process.

|  |  |
| --- | --- |
| Volumes submitted | Weighting |
| Actual UK sales for January 2016 to December 2016 | 30% |
| Actual UK sales for January 2017 to December 2017 | 40% |
| Forecast UK sales for 2018 | 30% |

**Rotation Scores**

The Authority are looking to reward those Potential Providers who offer volumes in line with their six monthly volume figures or below as the risk associated with these bids are lower and provide a greater level of confidence that the product could be rotated through the full term of the Contract. Where a supplier has offered volumes greater than their six monthly volumes the scores allocated are reduced as the risk of not being able to recycle stock is greater. Where volumes are in excess of 1.51 times their six month’s volumes that respective offer would be rejected in its entirety.

|  |  |
| --- | --- |
| Volumes offered compared with Potential Providers weighted 6 months volumes | Score |
| Equal to or greater than 0.01 and less than 1.10 (1% to 109%) | 10 |
| Equal to or greater than 1.1 and less than 1.25 (110% to 124%) | 6 |
| Equal to or greater than 1.25 and less than 1.51 (125% to 151%) | 4 |
| Equal to or greater than 1.51 (151%) | 0 (Bid rejected) |

**Technical**

The scoring of the Technical section will be carried out manually by a committee of procurement and logistics experts and the results incorporated into the evaluation tool. The Technical scoring criteria are contained in the Technical section of the Offer Schedule (Document No. 08). The maximum score under the Technical section is 35.

**Delivery**

The total volume to be delivered within the Stock Building Phase (as defined in the Contract) will be broken down into three equal deliveries occurring in Months 1, 2 and 3 which shall comprise the “Optimum Delivery” (with Month 1 being the month after the Contract(s) is signed by both parties)

A “Running Total (Actual)” figure will be calculated by adding the proposed monthly delivery schedule figures together.

The scores shall be calculated as follows:

A maximum score of forty will be awarded for each month where the “Running Total Actual” volume equals the “Optimum Delivery” schedule. Where the “Running Total Actual” volume is less than the “Optimum Delivery schedule” the score awarded will be reduced to reflect the percentage of the “Optimum Delivery” schedule that the “Running Total” represents.

The total score for the full three month period will be divided by three (the maximum period of the Stock Building Phase) to calculate a final score out of forty. This figure will then be incorporated into the Technical Evaluation score.

An example scoring spreadsheet is detailed below:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Optimum delivery schedule is based on the suppliers maximum bid volumes delivered in 3 equal deliveries in Month 1, Month 2 and Month 3, suppliers earn full marks for early delivery. | | | | | | | | | | | | |  | |
|  |  |  |  |  |  |  |  | |  |  | |  |  |  | |
|  | **Supplier 1** | | | | **Supplier 2** | | | | | **Supplier 3** | | | | | |
|  | Delivery Schedule | Optimum Delivered | Running Total | Score | Delivery Schedule | Optimum Delivery | | Running Total | Score | Delivery Schedule | Optimum Delivery | | Running Total | | Score |
| Month 1 | 10,000 | 33.33% | 10,000 | 40 | 30,000 | 33.33% | | 30,000 | 40 |  | 33.33% | |  | |  |
|  |  |  |  |  |  |  | |  |  |  |  | |  | |  |
| Month 2 | 10,000 | 66.66% | 20,000 | 40 |  | 66.66% | | 30,000 | 40 |  | 66.66% | |  | |  |
|  |  |  |  |  |  |  | |  |  |  |  | |  | |  |
| Month 3 | 10,000 | 100% | 30,000 | 40 |  | 100% | | 30,000 | 40 | 30,000 | 100% | | 30,000 | | 40 |
|  |  |  |  |  |  |  | |  |  |  |  | |  | |  |
|  | 30,000 |  |  | 120 | 30,000 |  | |  | 120 |  |  | |  | | 40 |
| Awarded scores |  |  |  | 40 |  |  | |  | 40 |  |  | |  | | 13.33 |

**Allocation of awards**

The evaluation tool will automatically award the volumes associated with the highest score for each respective Product line. It will compare the volume awarded with the total volume required and if the total requirement has not been met award the next most competitive offer. It will repeat this process until all awardable bids have been awarded without exceeding the total volume required. If the award of the volume offered by a Potential Provider would result in the purchase of more Product than required, the evaluation tool would reject that Tender and default to the next acceptable offer for a volume less than or equal to the remaining requirement.

**Stage Three: Affordability**

The third stage will ensure that the entire Procurement is consistent with the total budget available. At this stage the Authority will compare the total cost of the combined winning Tenders with the allocated budget. If the total cost is less than the allocated budget then the combining winning Tenders will be awarded. On the other hand if the total cost exceeds the allocated budget, the Authority will re-run the evaluation model at an award percentage that it is estimated will reflect the available budget. Tenders that are consistent with this budget constraint will then become the winning Tender(s).

Potential Providers are therefore encouraged to submit Tenders for as many volume percentages that they are willing to supply against in order to allow the Authority the maximum flexibility in the calculation of the award volumes.

The Authority will only provide de-brief information at the volumes awarded, therefore if a Potential Provider has not offered to supply the awarded volume no de-brief information will be provided.

Consensus Marking

## Tenders that are scored and require evaluation will be evaluated in accordance with the procedure described in this paragraph (at both Selection and Award Stage)

## During the independent evaluation process each evaluator will independently apply the criteria applicable to the question as set out in the evaluation guidance to determine the overall quality of each answer. Each evaluator will then allocate a mark for the answer in accordance with the marking scheme applicable to that question. Each evaluator will also provide a justification for the mark he/she attributed to an answer.

## When the independent evaluation exercise has been completed by all of the evaluators, a consensus manager will arrange for the evaluators to meet and discuss the marks they have allocated to responses provided in the Tender. The consensus manager will facilitate discussion among the evaluators regarding the marks awarded and the related justifications until the evaluators reach a consensus regarding the mark that should attributed to each Potential Provider’s answer to the question. The process above will be repeated until all applicable answers in the Tender have been consensus marked by evaluators. The consensus manager will record the consensus mark.

# Clarification

## We may need to clarify aspects of the Tender, particularly where there are aspects that are unclear or appear to contain minor errors. In this case, we may request further information from you through the e-Sourcing Portal. The evaluators may adjust the scores given in any section following clarification.

## We are required to seek an explanation from Potential Providers where a price appears to be abnormally low in relation to the goods and services being offered. We may reject any tender where the explanations given and any evidence supplied do not satisfactorily account for the low level of price concerned.

# Tender Clarification Meeting

## Following the assessment of the Tenders, we may invite you to a clarification meeting. If required this will take place between receipt of Tenders and announcement of successful Tender. It is anticipated you will be provided with at least two days’ notice if a meeting is to be required.

## If we decide to hold a clarification meeting, the number of Potential Providers to be invited will be determined by us (at our sole discretion).

## At clarification meetings, Potential Providers will be invited to give a short presentation on the area or areas that we consider to be unclear followed by a question and answer session. Key personnel (who would be involved) in the delivery of the Tender should attend and be involved in all aspects of the meeting.

## Although not scored on a separate basis, the session will be used to confirm the quality score assessments of the tender evaluation.

# CONTRACT AWARD

## The Potential Provider that achieves the highest consolidated score will be awarded the Contract provided that they have achieved any minimum score required.

## If the Authority receives only one Tender in relation to this Procurement, the Potential Provider will be awarded the Contract provided that they meet the Minimum Quality Score and the Price is deemed affordable.