



# Invitation to Quote

Invitation to Quote (ITQ) on behalf of **Business Innovation and Skills (BIS)**

Subject UK SBS **UK Steel: Competitiveness and Supply Chain Linkages**

Sourcing reference number **BLOJEU - CR150098BIS**

**UK Shared Business Services Ltd (UK SBS)**  
[www.uksbs.co.uk](http://www.uksbs.co.uk)

Registered in England and Wales as a limited company. Company Number 6330639.  
Registered Office North Star House, North Star Avenue, Swindon, Wiltshire SN2 1FF  
VAT registration GB618 3673 25  
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**UKSBS**  
  
*Shared Business Services*

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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 customers improve efficiency, generate savings and modernise.

It is our vision to become the leading provider for our customers 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 customers. This allows our customers 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 its customers, 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 Innovation and Skills (BIS) 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 Customers.

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

## Our Procurement ambition

Our vision is to be recognised as a centre of excellence and deliver a broad range of procurement services across the public sector; to maintain and grow a procurement service unrivalled in public sector.

Procurement is a market-shaping function. Industry derived benchmarks indicate that UK SBS is already performing at or above “best in class” in at least three key measures (percentage savings, compliant spend, spend under management) and compare well against most other measures.

Over the next five years, it is the function’s ambition to lead a cultural change in procurement in the public sector. The natural extension of category management is to bring about a fundamental change in the attitude to supplier relationship management.

Our philosophy sees the supplier as an asset to the business and the route to maximising value from supply. This is not a new concept in procurement generally, but it is not a philosophy which is widely employed in the public sector.

We are ideally positioned to “lead the charge” in the government’s initiative to reform procurement in the public sector.

UK SBS Procurement’s unique selling points are:

- Focus on the full procurement cycle
- Leaders in category management in common and specialised areas
- Expertise in the delivery of major commercial projects
- That we are leaders in procurement to support research
- Use of cutting edge technologies which are superior to those used generally used across the public sector.
- Use of market leading analytical tools to provide comprehensive Business Intelligence
- Active customer and supplier management

***‘UK SBS’ contribution to the Government Procurement Agenda has been impressive. Through innovation and leadership UK SBS has built an attractive portfolio of procurement services from P2P to Strategy Category Management.’***

**John Collington**

**Former Government Chief Procurement Officer**

## Section 2 – About Our Customer

### Department for Business, Innovation and Skills (BIS)

The Department for Business, Innovation & Skills (BIS) is the department for economic growth. The department invests in skills and education to promote trade, boost innovation and help people to start and grow a business. BIS also protects consumers and reduces the impact of regulation.

BIS is a ministerial department, supported by 48 agencies and public bodies.

### Department for Business, Innovation and Skills achievements include:

- Funding 457,000 apprenticeship starts in 2010-11 Academic Year
- Committing £75 million to support innovation in technology-based SMEs
- Helping 25,000 UK businesses (mainly SMEs), employing over 13 million people, to make the most of opportunities for growth in overseas markets; Growth Accelerator is a new Department for Business funded-service to help up to 26,000 small and medium enterprises (SMEs) grow as much as they can over three years. Working with an experienced coach, businesses will receive a personalised growth plan, training and workshops, networking and peer to peer support. SMEs can also learn how to develop their leadership and management capability.
- With the Cabinet Office, leading the review of 1,200 regulations across Government as part of the Red Tape Challenge, more than half of which will be scrapped or improved.

<http://www.bis.gov.uk>

## Section 3 - Working with UK Shared Business Services Ltd.

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, Innovation and Skills<br>1 Victoria Street<br>London<br>SW1H 0ET  |
| 3.2                         | Buyer name  | UK SBS Research team   |
| 3.3                         | Buyer contact details                                 | research@uksbs.co.uk   |
| 3.4                         | Estimated value of the Opportunity                    | £70,000 - £100,000 Exclusive of VAT  |
| 3.5                         | Process for the submission of clarifications and Bids | <b>All correspondence shall be submitted within the Emptoris e-sourcing tool. Guidance Notes to support the use of Emptoris is available <a href="#">here</a>. 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.</b> |

| Section 3 - Timescales |  |   |
|------------------------|--|---|
| 3.6                    | Date of Issue of Contract Advert and location of original Advert   | 20/11/2015<br><br>Location Contracts Finder |
| 3.7                    | Latest date/time ITQ clarification questions should be received through Emptoris messaging system                | 25/11/2015<br><br>14.00                     |
| 3.8                    | Latest date/time ITQ clarification answers should be sent to all potential Bidders by the Buyer through Emptoris | 26/11/2015<br><br>14.00                     |
| 3.9                    | Latest date/time ITQ Bid shall be submitted through Emptoris   | 30/11/2015<br><br>14.00                     |
| 3.10                   | Date/time Bidders should be available if face to face clarifications are required                                | Not Applicable                              |
| 3.11                   | Anticipated rejection of unsuccessful Bids date  | 03/12/2015                                  |

|      |                                 |            |
|------|---------------------------------|------------|
|      |                                 |            |
| 3.12 | Anticipated Award date          | 04/12/2015 |
| 3.13 | Anticipated Contract Start date | 04/12/2015 |
| 3.14 | Anticipated Contract End date   | 29/02/2016 |
| 3.15 | Bid Validity Period             | 60 Days    |

## Section 4 – Specification

### 1. Background

The dynamics of the global steel industry have changed significantly in recent years. Since its peak in 2008, the price of steel has reduced by nearly half, with contributing factors including overcapacity at a global level, falling demand in Europe and expanded supply from China.

The steel industry in the UK is already under significant pressure from these forces – as demonstrated by the recent closure of SSI UK's Redcar steelworks.

The UK Steel Summit on the 16 October identified 5 industry asks of Government by industry

- Full implementation of the Energy Intensive Industry Compensation Package
- continued backing for EU-level action on anti-dumping measures
- Business Rates
- Avoid gold plating regulations (e.g. Industrial Emissions Directive)
- Support local content in major construction projects

Progress on these asks has been made through 3 Ministerial chaired, Working Groups, made up of UK Government, devolved administrations, industry and interested parties.

### 2. Aims and objectives

This research is a forward looking SWOT analysis of the UK steel sector but at a detailed level to address the broad research questions:

1. *What are the relative strengths and weaknesses of the UK Steel industry<sup>1</sup> and how does this impact on UK supply chains?*
2. *Which aspects of the UK steel industry are well-placed competitively over the short, medium and long-term to meet current and emerging demands domestically and globally?*

In order to answer these questions, three discrete strands of work are required:

- **Work strand 1 – Analysis of competitiveness at a detailed product level:**  
Analysis of price data and revealed comparative advantage (RCAs) suggest that high level messages around the UK's position in global steel markets obscure a great deal of variation. More granular analysis is required to get a clearer picture of the markets in which the UK is competitive.
- **Work strand 2 – Primary research with the UK steel end users:** The steel industry has a relative large supply chain. Large steel consuming sectors source significant

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<sup>1</sup> This research should cover both primary production of steel and secondary manufacturing of steel products, though with an emphasis on the former.

proportions of their steel domestically. Impacts of further consolidation of domestic production might therefore have considerable wider impacts unless upstream and downstream suppliers can substitute. Further intelligence is required to understand this in more detail. We need to carry out consultation with procurers of steel to unpick the benefits of UK steel over ostensibly cheaper imports.

- **Work strand 3 - Outlook for global steel markets and UK competitiveness:** To understand the context that will face the UK steel industry over the short, medium and long-run, the final strand of analysis is forecasting how global demand and supply of different steel products will evolve. This can then be joined up with the other two strands to see how the UK fits into this global context. The department has access to various forecasting sources and their high level messages. In order to add to the understanding and information we already hold, this commission is for detailed scenario analysis with a wider range of forecast sources, a more detailed product level, and links to specific UK companies.

In order to bring together the varied expertise required to carry out all three strands we recognise that partnering may be required. **Consortium bids are therefore welcomed.**

BIS analysts have already internally conducted high level analysis based on national statistics<sup>2</sup>. This analysis revealed that aggregated national statistics mask a variety of experience for different subsets of the steel industry and its supply chain. We are looking for consultants to go beyond these sources, and to bring both granularity and industry expertise to their work. The aim would be for the analysis to be as detailed as possible, honing in on particular product lines and segments of the market that the UK steel sector competes in effectively.

The research should culminate in a final report answering the two broad research questions informed by analysis from all three work strands, the methodologies for which differ and are discussed in the 'methodology' section of this specification.

To note that we see this project as not breaching the OJEC limit for procurement.

### **3. Research Questions**

**Part 1:** *What are the relative strengths of the UK Steel industry and how does this impact on UK supply chains?*

The first part of this commission is to provide a comprehensive and detailed assessment of the strengths of the UK steel industry – where it competes on price or other non-price characteristics of its products – what underpins these strengths, and how it supports downstream manufacturing supply chains.

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<sup>2</sup> Data sources consulted include: ONS Annual Business Survey, Supply/use tables, Labour Force Survey, UK trade data, Business Enterprise Research and Development (BERD) Survey, Eurostat structural business statistics, FAME business database, ISSB.

We anticipate that 1.1. will largely be addressed through desk-based data analysis (see work strand 1 in *methodology* section), whilst 1.2-1.4 will require greater consultation with industry either through directly approaching steel companies for data about the products they produce and their costs, or through structured interviews with individuals in different points of the UK steel supply chain (see work strand 2).

#### 1.1 How competitive is UK steel in different product markets?

- International competitiveness: It is clear from recent events that parts of UK steel production faces significant challenges and competition from cheap imports. However, there are parts of the steel market in which the UK is competitive.

Initial analysis of revealed comparative advantage<sup>3</sup> (RCAs) at a 5 digit (very detailed) level shows that the UK is specialised in 32 out of the 134 steel product categories<sup>4</sup> in which it exports. These specialised steel products account for 43% of total UK steel exports in value terms

We expect this research to use new data sources to see if such specialisation equates to competitive advantage in these products, and produce an assessment of the product markets in which the UK is competitive. The analysis should cover both primary production of steel and secondary manufacturing of steel products, though with an emphasis on the former.

- Production and delivery costs: Estimates of global cost curve<sup>5</sup> for the production of hot rolled coil suggests that European countries have been shifted to being some of the most expensive plants to operate as global steel capacity has expanded since 2002. Where does the UK sit in production cost curves, and how does this vary by country and product? In addition, it has been suggested that delivery costs are an important component of price competitiveness. To test this assumption, how do transport and delivery costs change the picture?

#### 1.2 What are the drivers of UK competitiveness?

- Breakdown of industry input costs: IBIS World include in their industry reports a proportional breakdown of the input costs of steel manufacturing at a 3 digit SIC code level. We would like to see an independent assessment, possibly supplementing company accounts with information directly from industry.
- International comparisons of input costs: Preliminary evidence from Eurostat comparing European countries suggests that the UK is relatively competitive on wages, but seems to have lower levels of investment and higher payments for long term rentals. Steel companies have also expressed concern over energy prices. Taking into account the breakdown of input costs to steel production, what drives

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<sup>3</sup> RCA gives an indication of the relative specialisation of the UK in particular sectors in global markets. It is calculated by comparing a given sector's share of UK exports with that sector's share in global exports. An RCA greater than 1 indicates a sector has a disproportionately large share, by international standards, in a country's exports.

<sup>4</sup> UN Comtrade data at the 5 digit level.

<sup>5</sup> e.g. [McKinsey&Company presentation to OECD Steel committee, July 2013](#)

cost-competitiveness and how does the UK rank internationally on these different input costs?

- Industry integration: Steel firms often produce a mixture of final steel products, which may vary in their competitiveness. Are there important inter-linkages between producing competitive and uncompetitive products? (perhaps in terms of skills or discounts from bulk-purchasing inputs)
- Skills and innovation: Does the UK have a highly skilled workforce relative to emerging markets, with the expertise to engineer higher quality products? Does the UK steel industry have high levels of innovation, or produce particular specialised products with high market share?

1.3 What determines whether sectors source their steel inputs via imports or from domestic producers?

- Which UK sectors use UK steel: ONS input-output data suggests that large steel consuming sectors source significant proportions of their steel domestically. Is this really the case, or is it a function of how the statistics are created?
- Benefits of UK steel over imports: If it is true, what are the benefits to these sectors of UK steel over imports? More widely, what are the attributes of steel products that are valued by downstream users of steel? (e.g. price, shipping costs, product quality, delivery times, ability to provide on-site expertise, flexibility, precise specification etc.) How does this vary by consuming sector and product type?
- Barriers to using imports: How easily could UK companies consuming high proportions of domestically produced steel substitute to imported steel, and what barriers exist? In particular we are interested in any implications of increased import dependency on cost of delivering infrastructure projects in the pipeline.

1.4 How do UK assets map against competitive advantage/capability to supply?

- Consultation will be required with the industry at a detailed product level to obtain which companies and sites are producing which products. This can be combined with the previous results to draw conclusions on the competitive position of different steel producers. Advice will need to be sought from industry specialists as UK steel firms may be differentiating products along dimensions not necessarily reflected in the standard product codes.

**Part 2:** *Which aspects of the UK steel industry are economically sustainable over the short, medium and long-term?*

To contextualise the assessment of the strengths of UK steel and how it supports a downstream supply chain, the second (and smaller) part of this commission is to consider how the results generated for part 1 (through data analysis and interviews with supply chains) may change given various forecasts of how the global context could evolve over

different time horizons.

## 2.1 Where will future demand come from?

- Outlook for steel demand: World Steel have suggested that we are entering a 'new normal' of low growth in demand for steel, citing structural change in emerging economies and technological change. What is your forecast for the global economy and demand for different types of steel, what evidence and assumptions underlie this forecast, and how does the forecast vary with these assumptions?
- Domestic demand: There is work underway across Government to assess the potential UK content of future infrastructure projects. While we are not asking for you to undertake this work, your final analysis should reflect on this.

## 2.2 What is the outlook for global steel supply?

- Outlook for steel production overcapacity: It is widely noted that there is a long-term problem of overcapacity in the global steel market, and oversupply (relative to weak demand) appears to be a clear driver of the recent decline in steel prices. How long is this likely to persist in light of capacity closures across Europe and promised rationalisation in China?
- Variation in overcapacity outlook by product: Different steel works are likely equipped (both in terms of physical and human capital) to produce different products, meaning that the degree of over-supply globally will vary by product. How this changes in will affect the competition the UK faces in its chosen product markets.

If possible to ascertain, how is global capacity divided by product? How is this likely to change (based on countries and company's investment strategies and constraints)?

## 2.3 Given global context (demand and competition), in what parts of the market can the UK maintain a competition position in the longer term? What are the risks and barriers?

- Outlook for UK competitiveness: Based on the above forecasts, the assessment of UK strengths in part one, and interviews with industry, in which markets the UK is likely to be able to remain competitive in the longer term?

What are the risks and barriers to maintaining a successful UK steel industry? For example, is it likely that competitor countries will begin to erode high value UK products or are better placed to move into high value products of the future than the UK is?

## 4. Methodology

To answer the research questions outlined above, a mixed methodology is required. We expect this will combine 1) quantitative analysis of industry, business and national data; 2) qualitative primary research with industry and 3) forecasting global outlook for steel demand

and supply.

### Work strand 1 – Analysis of competitiveness at a detailed product level

There is no one source or statistic that can definitively demonstrate where the UK is competitive. It is expected that you will collate a range of quantitative evidence to inform your analysis.

BIS analysts have already conducted some analysis of publically available data sources relating to the UK steel industry, including national accounts, supply-use/input-output tables, trade data and business surveys (see annex for details). The objective of *this* research is to build on what has already been done - uncovering new and more granular information on the competitiveness of UK products and the drivers of competitiveness.

Sources may include:

- Industry benchmark data on production costs for different steel products at different sites around the world. This is considered a priority. Partnering may be required with private sector providers of such benchmarking data, consortium bids are therefore welcomed.
- Business survey and company accounts data to identify a breakdown of UK steel industry production costs, paired with Eurostat data on input costs at an industry level.
- Market studies/reports with detailed price data and forecasts for steel products.
- Information from UK steel companies about the products they produce and their input costs. We hope to secure the participation of major UK steel companies and hope that they will submit useable data.

Our preference would be for all-ready available industry data where possible, as this would seem most appropriate given the fairly short timescales. Obtaining commercially sensitive data from UK steel companies requires a high level of buy in from the industry and the returns would be uncertain. Market studies can be limited in their application to UK production.

Sense checking of the results will be required with industry trade bodies and companies themselves. It is anticipated that this will take place through your participation in a BIS-facilitated workshop with an advisory group from the steel industry.

### Work strand 2 – Primary research with the UK steel end users/supply chain:

The UK steel industry is part of an extensive supply chain, and supplies a diverse range of industries. In order to understand its current strengths (including the benefits of domestic steel production and synergies that exist in supply chains), and the implications of possible future changes in the industry, it is necessary to understand its role in the supply chain.

This will require new primary research. We would like this research to cover the views of

steel producers, those who directly purchase steel from steel works (e.g. stockholders and producers of manufactured steel products) and end users (including representatives of key buying sectors e.g. automotive, construction, and those awarding infrastructure (sub)contracts e.g. crossrail).

Interviewees should be selected who are well informed and (in the case of customers) have genuine power over purchasing or strategy decisions. It is of particular importance that sufficient numbers of interviewees are recruited in order that results can identify how the views of the supply chain vary across products and key buying sectors. However we recognise the challenge associated with doing so, and the sample size should be proportionate.

Although interviews should have some flexibility to allow interviewees to identify key issues relevant to them, it is important that they are structured and that consistent questions are used across respondents in the same stage in the supply chain (e.g. all producers) in order that responses can be compared and quantitative results produced. A good example of this can be found in a recent BIS publication exploring construction supply chains<sup>6</sup>, however we are open to suggestions for precisely how the interviews will be structured.

It is up to you to define the exact scope and questions to be asked in these interviews, although we expect to review and comment on the proposed interview questions before they go into the field. Topics covered are very likely to include:

| Who  | Example questions  |
|--|--|
| <b>Steel producers</b>   | <ul style="list-style-type: none"> <li>• What do they perceive as their competitive strengths?</li> <li>• What, if any, are the co-dependencies between their manufacture of different products?</li> <li>• Where are they focusing efforts in their product/investment strategy?</li> </ul> |
| <b>Direct purchasers of steel (e.g. company making castings or components)</b> | <ul style="list-style-type: none"> <li>• What factors affect steel purchasing decisions?</li> <li>• If buying British, what are the benefits of UK produced over imported steel?</li> <li>• What barriers would they face to switching to imported steel?</li> </ul>                         |
| <b>Ultimate client/main contractor</b>   | <ul style="list-style-type: none"> <li>• What factors do they consider when awarding a contract?</li> <li>• Are they aware of the level of 'UK content' in their supply chains?</li> <li>• Does their contract require bespoke steel components?</li> </ul>                                  |

The winning bidder will be well placed to gain co-operation of buyers throughout the steel

<sup>6</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/252026/bis-13-1168-supply-chain-analysis-into-the-construction-industry-report-for-the-construction-industrial-strategy.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/252026/bis-13-1168-supply-chain-analysis-into-the-construction-industry-report-for-the-construction-industrial-strategy.pdf)

supply chain and in a range of key sectors. BIS will provide assistance where possible to supplement your own efforts. Consideration needs to be taken of the short timescales involved, however it should also be noted that results from this strand of analysis are only expected towards the end of the project timeline.

### Work strand 3 - Outlook for global steel markets and UK competitiveness

The final strand of analysis is developing (or drawing on existing) models that forecast global (and UK) steel demand and supply as a basis for scenario planning. It is up to bidders to determine the content and structure of these models, but we expect them to:

- be clear about key assumptions and how these feed into results, as well as being able to provide a range of forecasts as key assumptions are varied
- include some element of 'bottom-up' forecasting whereby demand predictions are rooted in key steel-consuming sectors

We would expect that this final strand would be linked up with evidence from work strands 1 and 2 in order to answer the second broad research question and draw up a range of scenarios for the future of the UK steel industry based on potential 'states of the world'. This should result in a detailed scenario analysis with a wider range of forecast sources, a more detailed product level, and links to specific UK companies. We expect to test out these scenarios with key stakeholders as the basis for understanding any potential barriers and any actions needed to either achieve or avoid particular scenarios.

## 5. Timescales

We will require **an update on initial headline findings before Christmas 2015**. It is not expected that this update will cover the supply chain aspects (work strand 2) which are envisaged to take longer.

**A final publishable report, including the results of all analysis** is to be completed by mid-February 2016.

## 6. Deliverables

- At the start of the project, we expect to be provided with a **detailed timetable outlining how the project will be delivered**. This should also include key risks for slippage and proposed mitigation actions.
- It's important that emerging conclusions are shared as the different strands of the analysis progress. We will require **an update on initial headline findings before Christmas 2015**. It is not expected that this update will cover the supply chain aspects (work strand 2) which are envisaged to take longer.
- After this, we are open to suggestions about how ongoing updates will be facilitated but it, for example, could take the form of a **fortnightly progress update**

**highlighting the main emerging headlines.** It is intended that these updates are light touch, such that they do not distract from the main research.

- **Attendance at a BIS-facilitated meeting(s) with advisory group** of industry representatives as results emerge from work strand 1 (competitiveness analysis)
- **Final publishable report with results of all analysis**, with a final draft to be received by mid-February which addresses the research questions above in full. The report should include a stand-alone executive summary. The final report will be written for the general reader and should be grammatically correct. The final content will be agreed with the contractors at analysis stage.
- **A full technical annex** detailing the methodology of the survey and of analysis, covering all three work strands.

The project team will comment on the draft report. It is likely that the final report will be published on the GOV.UK, and we therefore stress the importance of a well-structured report, that is written for the general reader and grammatically correct. More specific reporting requirements can be offered on commissioning.

The final report for this research / evaluation project must be formatted according to BIS publication guidelines, therefore within the Research Paper series template and adhering to BIS accessibility requirements for all publications on GOV.UK. The publication template will be provided by the project manager. Please ensure you note the following in terms of accessibility:

#### **Checklist for PDF accessibility**

PDF documents supplied to BIS will be assessed for accessibility upon receipt. Documents which do not meet one or more of the following checkpoints will be returned to you for re-working at your own cost.

- document reads logically when reflowed or rendered by text-to-speech software
- language is set to English (in File > Properties > Advanced)
- structural elements of document are properly tagged (headings, titles, lists etc)
- all images/figures have either alternative text or an appropriate caption
- tables are correctly tagged to represent the table structure
- text is left aligned, not justified
- document avoids excessive use of capitalised, underlined or italicised text
- hyperlinks are spelt out (e.g. in a footnote or endnote)

Any datasets to support those to be published in the final report must be provided in an accessible format (CVS, Excel) on submission of the report.

## 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, the Customer and any specific external stakeholders UK SBS deem 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           | 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           | AW4.1  | Contract Terms  |
| Quality              | AW6.1  | Compliance to the Specification                               |
| -                    | -      | Invitation to Quote – received on time within e-sourcing tool |

## Scoring criteria

### Evaluation Justification Statement

In consideration of this particular requirement UK SBS has decided to evaluate Potential Providers by adopting the weightings/scoring mechanism detailed within this ITQ. UK SBS 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                                     | 20%           |
| Quality       | AW6.2 | Understanding the sector                  | 24%           |
| Quality       | AW6.3 | Staff and Capability to deliver           | 16%           |
| Quality       | AW6.4 | Methodology and data access               | 24%           |
| Quality       | AW6.5 | Meeting the project plan and deliverables | 16%           |

## 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: Score/Total Points available multiplied by 20 ( $60/100 \times 20 = 12$ )

Where an evaluation criterion is worth 10% then the 0-100 score achieved will be multiplied by 10.

**Example** if a Bidder scores 60 from the available 100 points this will equate to 6% by using the following calculation: Score/Total Points available multiplied by 10 ( $60/100 \times 10 = 6$ )

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 50

Evaluator 4 scored your bid as 50

Your final score will  $(60+60+50+50) \div 4 = 55$

**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:  $\text{Score/Total Points multiplied by 50}$  ( $80/100 \times 50 = 40$ )

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.uksbs.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.
- 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 typically 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 your customer is and what they want – a generic answer does not necessarily meet every customer'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 and concise 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 check and recheck your Bid before dispatch.

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

### DO NOT

- 7.12 Do not cut and paste from a previous document and forget to change the previous details such as the previous buyer's name.
- 7.13 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.
- 7.14 Do not share the Procurement documents, they are confidential and should not be shared with anyone without the Buyers written permission.
- 7.15 Do not seek to influence the procurement process by requesting meetings or contacting UK SBS or the Customer to discuss your Bid. If your Bid requires clarification the Buyer will contact you.
- 7.16 Do not contact any UK SBS staff or Customer staff without the Buyers written permission or we may reject your Bid.
- 7.17 Do not collude to fix or adjust the price or withdraw your Bid with another Party as we will reject your Bid.
- 7.18 Do not offer UK SBS or Customer staff any inducement or we will reject your Bid.
- 7.19 Do not seek changes to the Bid after responses have been submitted and the deadline for Bids to be submitted has passed.
- 7.20 Do not cross reference answers to external websites or other parts of your Bid, the cross references and website links will not be considered.
- 7.21 Do not exceed word counts, the additional words will not be considered.
- 7.22 Do not make your Bid conditional on acceptance of your own Terms of Contract, as your Bid will be rejected.

## Some additional guidance notes

- 7.23 All enquiries with respect to access to the e-sourcing tool and problems with functionality within the tool may be submitted to Crown Commercial Service (previously Government Procurement Service), Telephone 0345 010 3503.
- 7.24 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.
- 7.25 Question numbering is not sequential and all questions which require submission are included in the Section 6 Evaluation Questionnaire.
- 7.26 Any Contract offered may not guarantee any volume of work or any exclusivity of supply.
- 7.27 We do not guarantee to award any Contract as a result of this procurement
- 7.28 All documents issued or received in relation to this procurement shall be the property of UK SBS.
- 7.29 We can amend any part of the procurement documents at any time prior to the latest date / time Bids shall be submitted through Emptoris.
- 7.30 If you are a Consortium you must provide details of the Consortiums structure.
- 7.31 Bidders will be expected to comply with the Freedom of Information Act 2000 or your Bid will be rejected.
- 7.32 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
- 7.33 Your bid will be valid for 60 days or your Bid will be rejected.
- 7.34 Bidders may only amend the Contract terms if you can demonstrate there is a legal or statutory reason why you cannot accept them. If you request changes to the Contract and UK SBS fail to accept your legal or statutory reason is reasonably justified we may reject your Bid.
- 7.35 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.
- 7.36 If you fail mandatory pass / fail criteria we will reject your Bid.
- 7.37 Bidders are required to use IE8, IE9, Chrome or Firefox in order to access the functionality of the Emptoris e-sourcing tool.

- 7.38 Bidders should note that if they are successful with their proposal UK SBS 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 UK SBS may decline to proceed with the award of the Contract to the successful Bidder.
- 7.39 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.
- 7.40 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, UK SBS 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 UK SBS 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.

- 7.41 From 2nd April 2014 the Government is introducing its new Government Security Classifications (GSC) classification scheme 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 from 2nd April 2014. The link below to the Gov.uk website provides information on the new GSC:

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

UK SBS 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](#)
- [Tenders Electronic Daily](#)
- [Equalities Act introduction](#)
- [Bribery Act introduction](#)
- [Freedom of information Act](#)