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**ANNEX D – EVALUATION OF TENDER**

# INTRODUCTION

## This Annex D describes the evaluation process, methodology and criteria for a Tender submitted pursuant to the DMS-NG Contract 1 Support to In-Port Marine Services and Delivery of a Vessel Replacement Programme (Contract Ref 073247450) procurement. The Tender involves the submission of a number of Tender Deliverables that address how the Tenderer proposes to meet the Statement of Requirement and the proposed contractual basis for the delivery of those requirements.

## An overview of the evaluation process is given in paragraph 2 (Overview of the Evaluation Process) below. Paragraph 3 (Evaluation Tools and Authority Clarifications) gives a brief outline of the software used to evaluate the Tender, while paragraphs 4 (Content and Completeness of Tender) to Paragraph 6 (Exclusion of Tender for Non-Compliance) cover the various considerations that apply to whether the Tender is compliant and capable of being evaluated. Paragraphs 7 (Evaluation of Technical Requirements of Response) and 8 (Evaluation of the Financial Model) describe how the Technical and Financial Tender Deliverables are evaluated. The determination of the final score, together with notification of results are described in paragraphs 9 (Consensus and Moderation) to 12 (Notification of Tender Results) of this Annex D.

## Instructions for preparing and submitting the Tender Deliverables are set out in Annex C (Guidance to Tenderer). The Tenderer must comply with these instructions otherwise its Tender may be rejected for Non-Compliance.

# OVERVIEW OF THE EVALUATION PROCESS

## Evaluation of the Tender is undertaken in two phases: the Initial Tender evaluation phase and the Final Tender evaluation phase. A Negotiation Phase following the Initial Tender evaluation phase is an opportunity for the Tenderer and the Authority to discuss and clarify issues identified as part of Initial Tender evaluation, with a view to the Tenderer being in a position post Initial Tender Phase to submit a coherent, high-quality, commercial response to the Authority's Statement of Requirement (SoR) in its Final Tender.

## For both the Initial Tender and Final Tender evaluation phases, the completeness and compliance of the submitted Tender will be considered as further described in paragraph 5 (Compliance Checks) below. Note that considerations as to the content and completeness of the Tender submission will apply (see paragraph 4 (Content and Completeness of Tender) below) throughout the entire evaluation process.

## Once the check of the Tender for completeness and compliance has been carried out:

### the Tenderer's response for each of the Technical Requirements of Response will be evaluated as described in paragraph 7 (Evaluation of Technical Requirements of Response); and

### the submitted Financial Model will be evaluated as described in paragraph 8 (Evaluation of the Financial Model) to derive the cost for delivering the Services in accordance with the Statement of Requirement.

## Appendix 1 (Tender Deliverables' Weightings) to this Annex D sets out the weightings that apply to each of the Tender Deliverables.

## The responses to the Technical Requirements of Response and, to the extent applicable, the cost of the Tender as submitted by the Tenderer in the Financial Model will be subject to consensus and moderation as described in paragraph 9 (Consensus and Moderation), to ensure that the Tender is treated fairly and on a transparent basis.

## Regardless of the result of the evaluation of the Tender at Initial Tender Phase, the Tender will be taken through to the Negotiation Phase.

## At the conclusion of the Final Tender evaluation phase, the Tenderer's responses to the Technical Requirements of Response and the tests set out in Section C of the ITN will be used to assess whether the Contract will be awarded to the Tenderer. The Authority shall at all times adopt the NAPNOC approach to its decisions.

# EVALUATION TOOLS AND authority CLARIFICATION requestS

## The Authority will use the software tool in the Defence Sourcing Portal ("**DSP"**) for the evaluation of the Tender. Annex B (Defence Sourcing Portal Guidance) contains detailed guidance on the use of the DSP.

## The evaluation scores, weightings and reasons for each score will be recorded using the DSP to maintain a comprehensive audit trail of the evaluation.

## As part of the evaluation process, the evaluation team may, at its discretion, decide to issue a clarification request about a specific aspect of the Tender response, where a response is ambiguous for example. Please note however that the Tenderer should not rely on clarification requests from the Authority to ensure its response is interpreted correctly; in the event that a response is not clear and/or readily comprehensible, the evaluation team is not obliged to issue a clarification request and the score for the relevant response will reflect the Tenderer's submitted response.

## All clarification requests from the Authority will be issued through the DSP addressed to the Tenderer Representatives.

## The Tenderer must reply to any Authority clarification requests within five (5) Business Days of receipt (or such other period specified in the question). Failure to provide this additional information may result in the Authority being unable to evaluate or provide feedback in relation to the question to which the clarification request relates.

# CONTENT AND COMPLETENESS OF TENDER

## The submitted Tender will be evaluated on the basis of information and evidence provided within it. The Authority's evaluators, in their capacity as subject matter experts, may however consider external sources in order to verify the contents of the Tender. The Tenderer must not assume that the Authority has any prior knowledge of its organisation, services and/or activities even if it is working with, or has worked with the Authority in any capacity. The Authority's evaluators will not consider prior knowledge during the evaluation process.

## The Tenderer must ensure that its Tender is fully compliant with the requirements set out in this ITN and is clear, complete and internally consistent. Non-Compliance will be dealt with in accordance with paragraph 6 (Exclusion of Tender for Non-Compliance). Any comments, footnotes and/or material in square brackets included in the Tender will be disregarded. The Tenderer should only provide its complete and final drafting.

# COMPLIANCE CHECKS

## The Authority's evaluation team for this procurement will evaluate the following elements of the Tender for compliance on a pass/fail basis:

### the Tender Deliverable Checklist (see paragraph 8 (Tender Deliverable Checklist) of Annex C (Guidance to Tenderer));

### the commercial elements of the response which are:

#### that the Contract 1 Terms & Conditions have been accepted; or the Tenderer has submitted a Table of Derogations from the Contract 1 Terms & Conditions in accordance with paragraph 9 (Contractual Derogations) of Annex C and this paragraph 5;

#### the Insurance Requirement (set out in Table C.3 (Insurance Requirements) of Annex C), to be completed and submitted in accordance with paragraph 10 (Completing the Pass/Fail Insurance Requirements) of Annex C and this paragraph 5; and

#### the Compliance to Statement of Requirement Declaration Statement, to be completed and submitted in accordance with paragraph 11 (Completing the Pass/Fail Compliance to Statement of Requirement Declaration Statement) of Annex C and this paragraph 5; and

### the financial elements of the response to be completed and submitted in accordance with paragraph 12 (Completing the Pass/Fail Financial Requirements of Response) of Annex C (Question Reference Numbers FIN01, FIN02, FIN03, FIN04, FIN05 and FIN06) and this paragraph 5.

## Paragraphs 5.5 to 5.26 below set out in more detail the methodology for evaluating Tender compliance.

## Where the Tender is found to be Non-Compliant at the Initial Tender evaluation phase, the Tenderer will be notified accordingly, and, where applicable and subject to the Authority's absolute discretion, the relevant Non-Compliant responses may be discussed during the Negotiation Phase or the Tender may be excluded as envisaged in paragraph 6 (Exclusion of Tender for Non-Compliance).

## At the Final Tender evaluation phase, where the Tenderer is unable to demonstrate full compliance, the Authority reserves the right to deem the Final Tender Non-Compliant and disqualify the Tenderer from this procurement.

## **Tender Deliverable Checklist**

## Compliance in respect of completion and submission of the Tender Deliverable Checklist is evaluated on a pass/fail basis (see paragraph 8 (Tender Deliverable Checklist) of Annex C (Guidance to Tenderer)).

## **Commercial Compliance**

## Commercial compliance is evaluated on a pass/fail basis. It covers submission of the Table of Derogations, the Insurance Requirements and the Compliance to Statement of Requirement Declaration Statement.

***Contractual Compliance***

## At Initial Tender stage, the Tenderer is required to:

### either:

#### confirm its acceptance of the Contract 1 Terms & Conditions; or

#### submit its Derogations from the Contract 1 Terms & Conditions in respect of any Category 2 items identified in Appendix 2 (Contract Provision Categories) of Annex C (Guidance to Tenderer); and

### populate the Tenderer Inputs listed in Part C of Table C.2 (Table of Derogations) of Annex C (Guidance to Tenderer).

## Where the Tenderer wishes to offer Derogations at Initial Tender stage, the Authority will consider its proposals, subject to whether:

### a proposed Derogation constitutes a material change from the Tendered Contract,

### a proposed Derogation is not capable of being contracted; and

### a proposed Derogation delivers a demonstrable improvement in the value for money solution to the Contract and/or a reduction in the Authority's risk profile.

## The Tenderer will be required to demonstrate evidence to support the improvements to value for money and/or reduction in the Authority's risk profile during the Negotiation Phase.

## The Authority will consider the aggregate of the proposed Derogations submitted by the Tenderer for this procurement. As a result, the Authority may at its sole and absolute discretion amend the Contract 1 Terms & Conditions, including the Schedules, based on some or all of the proposed Derogations.

## Not used.

## If the Tender contains additions, deletions, deviations or amendments to the Final Contract submitted during the Final Tender Phase it may be deemed Non-Compliant so that the Tenderer is disqualified from this procurement.

***Insurance Compliance***

## The Tenderer's response to the Insurance Requirement at Table C.3 (Insurance Requirements) of Annex C (Guidance to Tenderer) will be evaluated on a pass/fail basis, as follows:

### the insurer proposed by the Tenderer in the Insurance Requirements for each category of insurance must be a Reputable Insurer; and

### the maximum deductible threshold proposed by the Tenderer for each and every occurrence for each class of insurance in the column headed "Maximum Deductible Threshold (£)" of Table C.3 (Insurance Requirements) must be a Reasonable Maximum Deductible Threshold; and

### any Derogations at Initial Tender stage which the Tenderer seeks to make from the drafting provided for Clause 53 (Insurance) and Schedule 7 (Insurance) to the Contract (other than the insertion of Reasonable Maximum Deductible Thresholds) shall be assessed in the same way as other Derogations to the Contract (see paragraphs 5.7 to 5.12).

**Marking scheme – amendments to insurance related drafting in the** **Contract**

|  |  |
| --- | --- |
| **PASS/FAIL** | **Evaluation Guidance** |
| Pass | No Derogations from the minimum Insurance Requirements stated in the Contract, other than the insertion of Reasonable Maximum Deductible Thresholds into Schedule 7 (Insurance) of the Contract. |
| Pass | One or more Derogations from the minimum Insurance Requirements stated in the Contract that are not considered to confer any adverse risk to the Authority or any material diminution in the required insurance cover of the Authority. |
| Fail | One or more Derogations from the minimum Insurance Requirements stated in the Contract that are considered to confer some appreciable risk to the Authority or diminution in the required insurance cover of the Authority. |
| Fail | Insufficient detail has been supplied, and/or the proposed insurance(s) is considered to leave gaps in the level or extent of insurance cover, which would expose the Authority to significant adverse risk and/or significant material diminution in the level of insurance cover required by the Authority. |
| Fail | Not marked. The Insurance Requirements have not been completed and/or have not been completed in a compliant manner. |

## Not used.

## ***Compliance to Statement of Requirement Declaration Statement***

## The Tenderer must complete the Compliance to the Statement of Requirement Declaration Statement confirming that its Tender meets the relevant requirements of the SoR. Further guidance on completing this requirement is set out in paragraph 13 of Annex C (Guidance to Tenderer). Completion and submission of the Compliance to Statement of Requirement Declaration Statement is evaluated on a pass/fail basis. Any failure to provide details of any non-compliance with the SoR, and/or any failure to provide reasons for non-compliance and mitigation together with cross references to relevant parts of the Tender, may result in the submitted Tender being deemed Non-Compliant.

## **Financial Compliance**

## Financial compliance is evaluated on pass/fail basis. It involves:

### a check that the Financial Model has been completed in a compliant manner as set out in paragraphs 5.17 to 5.19 below; and

### the evaluation of the pass/fail elements of the Financial Requirement of Response detailed in paragraphs 5.20 to 5.26 below.

***Compliant Financial Model Submission***

## The Tenderer must complete the Financial Model in accordance with the instructions in paragraph 12 (Completing the Pass/Fail Financial Requirements of Response) of Annex C (Guidance to Tenderer).

## The Financial Model contains formulas that will determine the Net Present Value (NPV) of the Tender as defined in and using the calculation method described in the Authority's publication *JSP 507 Investment Appraisal and Evaluation,* *Part 2: Guidance* at <https://www.gov.uk/government/publications/jsp-507-mod-guide-to-investment-appraisal-and-evaluation> and the discount cash flow rate stated in paragraph 8.3 (Evaluation of the Financial Model).

## It is important therefore that the completed Financial Model provides a complete view of the costs that will be incurred by the Tenderer as well as its Sub-Contractors and the Authority (e.g. in respect of fuel) in delivering the Services.

***Compliant Response to ROADB, Contract Pricing Statement, Contract Reporting Plan, Contract Notification Report and PPIM Financial Requirements of Response***

## The Tenderer must complete the ROADB, Contract Pricing Statement, Contract Reporting Plan, Contract Notification Report and PPIM Financial Requirements of Response in accordance with the instructions in paragraph 12 (Completing the Pass/Fail Financial Requirements of Response) of Annex C (Guidance to Tenderer).

## The submitted Financial Model must meet the requirements of Question Reference Number FIN01 (see paragraph 12 of Annex C (Guidance to Tenderer)). It is evaluated on a pass/fail basis as set out below.

|  |  |
| --- | --- |
| **Evaluation Outcomes Available** | Pass/Fail |
| **Evaluation Criteria** | The Financial Model is complete, reflects the technical solution and commercial structure proposed by the Tenderer, and complies fully with the instructions and guidance issued in Annex C and Annex D and, in respect of the Final Tender, reflects any amendments / items agreed to the proposed solution during the course of the Negotiation Phase.  Tenderer proposals/responses are coherent and consistent with its other Tender Deliverables. |

## The submitted ROADB must meet the requirements of Question Reference Number FIN02 (see paragraph 14 of Annex C (Guidance to Tenderer)). It is evaluated on a pass/fail basis as set out below.

|  |  |
| --- | --- |
| **Evaluation Outcomes Available** | Pass/Fail |
| **Evaluation Criteria** | The ROADB includes complete, consistent and coherent financial and operational assumptions used by the Tenderer in arriving at the inputs / outputs in its Financial Model, and clearly documents any associated risks. The ROADB contains any additional information requested by the Authority and is compliant with instructions and, in respect of the Final Tender, reflects any amendments / items agreed to the proposed solution during the course of the Negotiation Phase.  Tenderer proposals / responses are coherent and consistent with its other Tender Deliverables. |

## The submitted Contract Pricing Statement must meet the requirements of Question Reference Number FIN03 (see paragraph 12 of Annex C (Guidance to Tenderer)). It is evaluated on a pass/fail basis as set out below.

|  |  |
| --- | --- |
| **Evaluation Outcomes Available** | Pass/Fail |
| **Evaluation Criteria** | The Contract Pricing Statement reconciles to the Tender Financial Model and meets the requirements of DEFCON 813 Edition 12/14.  The Tenderer's proposals / response are coherent and consistent with the remainder of the Tender. |

## The submitted Contract Reporting Plan must meet the requirements of Question Reference Number FIN04 (see paragraph 12 of Annex C (Guidance to Tenderer)). It is evaluated on a pass/fail basis as set out below.

|  |  |
| --- | --- |
| **Evaluation Outcomes Available** | Pass/Fail |
| **Evaluation Criteria** | The Contract Reporting Plan meets the requirements of DEFCON 813 Edition 12/14.  The Tenderer's proposals / response are coherent and consistent with the remainder of the Tender. |

## The submitted Contract Notification Plan must meet the requirements of Question Reference Number FIN05 (see paragraph 12 of Annex C (Guidance to Tenderer)). It is evaluated on a pass/fail basis as set out below.

|  |  |
| --- | --- |
| **Evaluation Outcomes Available** | Pass/Fail |
| **Evaluation Criteria** | The Tender Contract Notification Report is complete, reflects the technical solution and commercial structure proposed by the Tenderer, and reconciles in full to the Tender Financial Model.  The Tenderer's proposals / response are coherent and consistent with the remainder of the Tender. |

## The submitted Payment, Performance and Incentivisation Mechanism ("**PPIM"**) must meet the requirements of Question Reference Number FIN06 (see paragraph 12 of Annex C (Guidance to Tenderer)). It is evaluated on a pass/fail basis as set out below.

|  |  |
| --- | --- |
| **Evaluation Outcomes Available** | Pass/Fail |
| **Evaluation Criteria** | The Tenderer has submitted completed PPIM tables that reflect its price, and is clearly reconcilable to the values in the submitted Financial Model.  Tenderer proposals/responses are coherent and consistent with its other Tender Deliverables. |

# EXCLUSION OF TENDER FOR NON-COMPLIANCE

## Where part of the Tenderer's response to the Tender is Non-Compliant at the Initial Tender Phase or the Final Tender Phase, the Authority may (in its sole discretion) discuss, clarify (and/or negotiate during the Negotiation Phase) these Non-Compliant elements with the Tenderer but the Authority reserves the right to exclude a Non-Compliant Tender from this procurement.

## The Authority may treat as Non-Compliant and disqualify a Tender where this ITN identifies that a matter will result in disqualification for a Non-Compliance, which includes (but is not limited to):

### where a Tender Deliverable submitted or required to be submitted does not meet the criteria required to award it a score other than zero (0) in accordance with the relevant confidence characteristics (see paragraphs 7.3 to 7.11 (Evaluation of Technical Requirements of Response) below) at the time the Final Tender is submitted;

### where the Tenderer has not declared in its Tender Deliverable Checklist (see Compliance to Statement of Requirement Declaration Statement in Table C.1 of Annex C (Guidance to Tenderer)) that its response to each Technical RoR will achieve the associated outputs in the SoR;

### where the Tenderer has not accepted the form of Final Contract upon which the request for a Final Tender submission is to be based;

### where the Tenderer provides information and confirmations in relation to its Tender, expression of interest, DPQQ or at any point during the Tender process, and any such information or confirmations later prove to be untrue, incorrect or misleading or where the Tenderer does not supply any information required by the Authority during the Tender process;

### where the Financial Model submitted with the Final Tender is not complete (other than as a result of a clerical error);

### where the Tenderer has submitted a Variant Tender (see paragraph 24 (Variant Tender) of the ITN for further details);

### where the Tenderer has not completed the Mandatory Declarations in Appendix 1 (Information on Mandatory Declarations) to Annex A (Tender Submission Document (Offer)) (other than as a result of a clerical error);

### where the Tenderer's response to the Insurance Requirements submitted as part of a Final Tender has been evaluated and receives a fail score on any basis of assessment; and/or

### where the Authority considers that a Tender is incomplete or incorrect.

## The Tenderer should note that the information submitted as part of its Tender throughout the procurement may be subject to verification. If any error, omission, false statement or misrepresentation is discovered, the Authority reserves the right to treat as Non-Compliant and disqualify the Tenderer without prejudice to any civil remedies available to the Authority and without prejudice to any criminal liability that such conduct by the Tenderer may attract.

## Following each phase of the Tender evaluation, the Authority will notify the Tenderer as to whether its Tender has been excluded as a result of a Non-Compliance. The Authority reserves the right not to take the Tenderer who's Tender is Non-Compliant through to the subsequent phases of this procurement. The Tenderer Representatives will be notified in writing via the DSP in the event that its Tender is excluded from the procurement.

## The Tenderer is reminded of its ongoing disclosure obligation as set out in the DPQQ to immediately notify the Authority of any changes to its Tenderer's circumstances. The Authority reserves the right to revisit the matters assessed through the DPQQ (having regard to the DPQQ evaluation criteria), and where any Non-Compliance exists, may exclude the Tenderer from this Contract procurement.

## The Authority reserves the right to reject a Tender received after the stated Tender Return Date and time. The Authority may however, in its absolute discretion, consider such Tender provided that it has been submitted in good faith.

# EVALUATION OF TECHNICAL REQUIREMENTS OF RESPONSE

## Responses to the Technical Requirements of Response are scored. There are three (3) topic areas of Technical Requirements of Response:

* + - topic area 1 - Service Delivery, Transition and Exit Management Requirements of Response;
    - topic area 2 - the Social Value and Model Award Criteria ("**MAC"**) Requirements of Response; and
    - topic area 3 - the Authority Charter Rate and Financial Management Information Requirements of Response.

Responses for each category of Technical Requirements of Response will be evaluated and scored in accordance with the applicable confidence characteristics as further described in paragraphs 7.3 to 7.11 below.

## **Note:** if any response to a Technical Requirement of Response is awarded a score of zero (0) at Final Tender Phase, the relevant response to RoR may be deemed Non-Compliant and the Tender may be disqualified from this procurement.

**Evaluation of the Service Delivery Plan and Transition Plan proposals**

## The Tenderer must respond to the Technical Requirements of Response for the Service Delivery Plan and Transition Plan (RoR IDs C1\_GMP, C1\_SIMP, C1\_ODP, C1\_VAMP, C1\_VRP, C1\_HRMP, C1\_QMCIP, C1\_HSEP, C1\_SCP, C1\_EMP and C1\_TP) in accordance with the instructions in Annex C (Guidance to Tenderer).

## The final form of each of the Service Delivery Plan and the Transition Plan will be incorporated in the Final Contract (in Schedule 3 (Service Delivery Plan) and Schedule 5 (Transition) respectively). Each will be evaluated at Initial Tender Phase and key areas of each plan may be identified for discussion during the Negotiation Phase. The Tenderer will submit its final form of the Service Delivery Plan and the Transition Plan as part of its Final Tender and it will be evaluated during the Final Tender Phase.

## The evaluation of each response to a Requirement of Response (i.e. an evaluation topic) is carried out by reference to the confidence characteristics detailed below.

**Table D.1 –** **Topic area 1** **confidence characteristics**

|  |  |  |
| --- | --- | --- |
| **Confidence characteristics - Service Delivery, Transition and Exit Management** | | |
| **Score (%)** | **Confidence Level** | **Description** |
| **100** | High Confidence | The responses fully address all requirements within the Requirement of Response to an excellent level of detail and meet/exceed all of the requirements. The responses are detailed, clear, consistent and well-evidenced, and the Tenderer displays expertise and know how;  AND the Tenderer has provided a solution which gives the Authority **high confidence** that it will satisfy each of the following requirements:   1. it provides a comprehensive plan that covers ALL Requirement of Response areas; 2. it provides a comprehensive plan that covers ALL relevant Service Delivery Areas; 3. it provides a plan that exceeds the required detail to confidently demonstrate delivery of the solution; 4. it cross-references all Authority Dependencies; 5. it identifies key risks together with the provision of mitigation plans; and 6. it identifies all key assumptions. |
| **70** | Good Confidence | The responses are acceptable and fully address all of the requirements within the Requirement of Response to a good level of detail. The responses are detailed, clear, consistent, evidenced, and the Tenderer displays expertise and know how.  AND the Tenderer has provided a solution which gives the Authority **good confidence** that it will satisfy each of the following requirements:   1. it provides a comprehensive plan that covers ALL Requirement of Response areas; 2. it provides a comprehensive plan that covers ALL relevant Service Delivery Areas; 3. it provides a plan that meets the required detail to demonstrate delivery of the solution; 4. it cross-references all Authority Dependencies; 5. it identifies key risks together with the provision of mitigation plans; and 6. it identifies key assumptions.   Where requirements within the Requirement of Response are not fully met, the deficiencies are immaterial, and will require minimal compromise on the part of the Authority in relation to the Tenderer's solution. |
| **30** | Limited Confidence | The responses are acceptable and address the majority of the requirements within the Requirement of Response to an acceptable level of detail. However, the responses could have displayed more expertise, know how, consistency and substantiation.  AND/OR the Authority has **limited confidence** in the Tenderer's solution as a result of one or more of the following:   1. it provides a plan that does not sufficiently cover ALL elements of the Requirement of Response areas; 2. it provides a plan that does not sufficiently cover ALL relevant Service Delivery Areas; 3. it provides a plan that is insufficiently detailed to fully demonstrate delivery of the solution; 4. it insufficiently cross-references all Authority Dependencies; 5. it insufficiently identifies risks together with the provision of mitigation plans; and/or 6. it insufficiently identifies the assumptions.   Accordingly there are non-compliant or partially compliant responses to the Requirement of Response that will require some compromise from the Authority in relation to the solution. |
| **0** | No Confidence | The responses are inadequate as they fail to address many areas within the Requirement of Response and/or responses are poorly structured, inconsistent or include little or no supporting evidence.  AND/OR the Authority has **no confidence** in the Tenderer's solutions as a result of one or more of the following:   1. it provides a plan that omits any elements of the Requirement of Response areas; 2. it provides a plan that fails to cover ALL relevant Service Delivery Areas; 3. it provides a plan that does not meet the required level of detail to demonstrate delivery of the solution; 4. it fails to cross-reference any Authority Dependencies; 5. it fails to identify risks together with the provision of mitigation plans; and/or 6. it fails to identify assumptions.   There are non-compliant or partially compliant responses to the Requirement of Response with significant deficiencies resulting in a solution that is likely to be unfit for purpose and which will require workarounds. |

**Evaluation of Social Value and MAC**

## The Tenderer must complete the Technical Requirements of Response for the Social Value Plan and MAC (RoR IDs C1\_SVP\_2.3 and C1\_SVP\_4.1) in accordance with the instructions in Annex C (Guidance to Tenderer). The Tenderer's Social Value Plan commitments submitted in response to the Technical Requirements of Response will be incorporated in the Service Delivery Plan (Schedule 3 (Service Delivery Plan) of the Contract).

## The responses for each MAC will form part of the reporting requirements in Schedule 3 (Service Delivery Plan) of the Final Contract and will be evaluated at Initial Tender Phase to identify key areas for the Negotiation Phase, and also evaluated again at Final Tender Phase.

## The evaluation of each response to a Requirement of Response (i.e. an evaluation topic) is carried out by reference to the confidence characteristics detailed below.

**Table D.2 –** **Topic area 2** **confidence characteristics**

|  |  |  |
| --- | --- | --- |
| **Confidence characteristics - Social Value Plan and MAC** | | |
| **Score (%)** | **Confidence Level** | **Description** |
| **100** | High Confidence | The responses fully address all requirements within the Requirement of Response to an excellent level of detail and meet/exceed all of the requirements. The responses are detailed, clear, consistent, well-evidenced and the Tenderer displays expertise and know how.  AND the responses leave no doubt as to the capability and commitment to deliver what is required. The Tenderer's responses therefore:   1. show very good understanding of the requirements; 2. show excellent proposals demonstrated through relevant evidence; 3. show considerable insight into the relevant issues; 4. are likely to propose additional value in several respects above that expected; and 5. address the Social Value Model Award Criteria and also show in-depth market experience.   Overall, the Tenderer's responses give the Authority **high confidence** in the Tenderer's ability to deliver the requirement. |
| **70** | Good Confidence | The responses are acceptable and fully address all of the requirements within the Requirement of Response to a good level of detail. The responses are detailed, clear, consistent, evidenced, although there may be limited minor issues that need further exploration or attention.  AND the Tenderer's responses therefore:   * 1. show good understanding of the requirements;   2. show sufficient competence demonstrated through relevant evidence;   3. show some insight demonstrated into the relevant issues; and   4. address most of the Social Value Model Award Criteria and also show general market experience.   Overall, the Tenderer's responses give the Authority **good confidence** in the Tenderer's ability to deliver the requirement. |
| **30** | Limited Confidence | The responses are acceptable and address the majority of the requirements within the Requirement of Response but give concern in a number of significant areas. The Authority has **limited confidence** in the Tenderer's responses and ability to deliver the requirement as a result of one or more of the following:   * 1. there is at least one significant issue needing considerable attention;   2. the proposals do not demonstrate competence or understanding;   3. the response is light on detail and unconvincing;   4. the response makes no reference to the applicable sector but shows some general market experience; and/or   5. the response makes limited reference (naming only) to the Social Value Model Award Criteria set out within the invitation. |
| **0** | No Confidence | The responses are inadequate as they fail to address many areas within the Requirement of Response and/or they are poorly structured, inconsistent or include little or no supporting evidence. Consequently, the Authority has **no confidence** in the Tenderer's responses and ability to deliver the requirement. |

**Evaluation of the Authority Charter Rate and Financial Management Information**

## The Tenderer must complete the Requirements of Response for the proposed Authority Charter Rate and Financial Management Information (RoR IDs C1\_ACR and C1\_FMI) in accordance with the instructions in Annex C (Guidance to Tenderer).

## The Authority Charter Rate and Financial Management Information are intended to form Schedule 4 (Payment, Performance and Incentivisation Mechanism) and Schedule 6 (Governance, Management Information, Reports, Records and Audit) of the Final Contract respectively and will be evaluated at Initial Tender Phase to identify key areas for the Negotiation Phase and also evaluated again at Final Tender Phase.

## The evaluation of each response to a Requirement of Response (i.e. an evaluation topic) is carried out by reference to the confidence characteristics detailed below.

**Table D.3 –** **Topic area 3** **confidence characteristics**

|  |  |  |
| --- | --- | --- |
| **Confidence characteristics - Authority Charter Rate and  Financial Management Information** | | |
| **Score (%)** | **Confidence Level** | **Description** |
| **100** | High Confidence | The proposals meet the requirements of the Requirement of Response fully and leave no doubt as to the Tenderer's capability and commitment to deliver what is required. Responses therefore show:   * 1. a very high level of transparency sufficient to provide the Authority with a high level of confidence as to the Tenderer's performance, costs and profit; and   2. that the response is also likely to offer additional value in several respects above that expected.   Overall, the Tenderer's responses give the Authority **high confidence** in the Tenderer's ability to deliver the requirement. |
| **70** | Good Confidence | The proposals broadly meet the requirements of the Requirement of Response. There are no significant areas of concern, although there may be limited minor issues that need further exploration or attention. Responses therefore show:   * 1. a good level of transparency sufficient to provide the Authority with confidence as to the Tenderer's performance, costs and profit; and   2. that the response is also likely to offer additional value in several respects above that expected.   Overall, the Tenderer's responses give the Authority **good confidence** in the Tenderer's ability to deliver the requirement. |
| **30** | Limited Confidence | The responses are acceptable and address the majority of the requirements within the Requirement of Response but give concern in a number of significant areas. The Authority has **limited confidence** in the Tenderer's ability to deliver the requirement as a result of one or more of the following:   * 1. there is at least one significant issue needing considerable attention;   2. the proposals do not demonstrate competence or understanding; and/or   3. the response is light on detail and unconvincing. |
| **0** | No Confidence | The responses are inadequate as they fail to address many areas within the Requirement of Response and/or they are poorly structured, inconsistent or include little or no supporting evidence. Consequently, the Authority has **no confidence** in the Tenderer's ability to deliver the requirement. |

# EVALUATION OF THE FINANCIAL MODEL

## To complete the evaluation, the Authority will consider the Total Value of the Tender as calculated in the Financial Model, based on:

### the total Annual Allowable Cost for the full Contract period for delivering the Services as described in the SoR plus the Contract Profit Rate;

### the total Annual Vessel Replacement Management Charge for the full Contract period for delivering the Vessel Replacement Programme plus the Contract Profit Rate;

### the total of the Vessel Replacement Milestones for the full Contract period in accordance with the Vessel Replacement Programme plus the Contract Profit Rate;

### the cost of fuel consumed over the life of the Contract in accordance with the assumptions in paragraph 14.10 (Pricing assumptions and mechanism) and paragraph 14.57 (Fuel) in Annex C (Guidance to Tenderer);

### any redundancy costs incurred as a result of future staffing plans; and

### indexation applied in accordance with the assumptions set out in paragraph 14.10 (Pricing assumptions and mechanism) and Schedule 4 (Payment, Performance and Incentivisation Mechanism).

## Each of the above charges and costs must reconcile to the Financial Model, the responses to the Technical Requirements of Response, and the proposed terms and conditions of the Contract. The Authority's evaluation team will check the values in the Financial Model for internal consistency and to ensure that there are no abnormally low or otherwise irregular costings.

## Once calculated, the Total Value for the Tender is converted into the Net Present Value using a discount cash flow rate of 3.5%.

# CONSENSUS AND MODERATION

## One or more consensus meetings will be held between evaluators to understand and discuss the rationale for the scores for the relevant Tender Deliverables (i.e. Technical and Financial Requirements of Response). The purpose of this process is to reach a consensus among the evaluators in relation to the score for each Requirement of Response and the rationale for that score. This consensus process will be facilitated by an independent chair with relevant experience and expertise, who has not been involved in the evaluation of the relevant Requirement(s) of Response.

## Subject to paragraph 9.1, the output of the consensus meeting will be an agreed score and the agreed rationale for each score, which shall be recorded.

## Moderation will be the responsibility of experienced senior personnel in the Authority team who have not been involved in the evaluation or consensus phases. Prior to finalising the consensus scores, the moderators will review the consensus score awarded to the Tender to provide assurance that due process has been followed.

# DETERMINATION OF SUCCESSFUL TENDERER

## The Tenderer will be successful at the end of the Final Tender evaluation phase where it has successfully demonstrated compliance with Sections C and D of the ITN and it has satisfied the requirements of the Technical Requirements of Response.

# VALIDITY OF THE FINAL TENDER

## The Final Tender is a legally-binding offer on the part of the Tenderer, capable of acceptance by the Authority.

## The Final Tender must be valid and open for acceptance for twelve (12) months from the Tender Return Date. If the Tenderer is successful, its Final Tender must be open for acceptance for a further ninety (90) calendar days once the Authority announces its decision to award the Contract.

## In the event that legal proceedings are instigated, challenging the award of the Contract or otherwise challenging the procurement prior to completion of the Contract, it is a condition of this ITN that the successful Tenderer holds its Tender open for acceptance until the date fourteen (14) calendar days after legal proceedings have concluded.

# NOTIFICATION OF TENDER RESULTS

## Should the Tender be successful, the Authority will notify the Tenderer using DEFFORM 158A and the Tenderer will confirm acceptance of its Final Tender, in writing, using DEFFORM 10. No contract will be in force until it has been issued by the Authority and executed by both parties.

## Should the Tender be unsuccessful, the Authority will notify the Tenderer using DEFFORM 158B.