Global Facilities Management and Related Services Dynamic Purchasing System – including Procurement of Generation 2 FM Services in Asia Pacific

Procurement Document

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1. **Structure of the Document and Important Information**

This document provides information on, and requirements for, responses to the primary shortlisting stage of the Foreign and Commonwealth Office’s (FCO) procurement process to establish a global Dynamic Purchasing System (DPS) for Facilities Management and Related Services (the Procurement). The sections that follow provide information on:

* The FCO’s objectives for the Procurement;
* The procurement route and timeframes;
* The first work package (Asia Pacific) to be procured through the DPS, which will run concurrently with the establishment of the DPS (including the countries, properties and services that the first work package will cover);
* The key commercial principles;
* Accessing the Selection Questionnaire (SQ) via the FCO’s Jaggaer e-sourcing portal;
* The selection criteria that will be used at the primary shortlisting stage for the Procurement; and
* Working with the FCO.

Important information:

Key actions for organisations wishing to tender for this opportunity are:

* Read and understand the FCO’s requirements, as set out in sections 2-6;
* Follow the instructions for accessing the SQ, provided in section 9;
* Complete the online SQ and all accompanying documents on the Jaggaer portal, including providing necessary supporting information (as attachments) where applicable; and
* Note the general requirements for working with the FCO in Appendix C.

**All responses must be returned no later than 17:00hrs (BST) on Monday 21st October 2019.**

Further details on the format of the SQ response required are provided in section 8 of this document.

All enquiries relating to this Procurement (including completion of SQ responses and requests for clarification) must be submitted through the Jaggaer portal.

Responses to enquiries and requests for clarification will be copied to all participating Tenderers, where appropriate. Tenderers must clearly identify any enquiries/requests for clarification which they consider are confidential. If the FCO disagrees with an assertion of confidentiality, the FCO will contact the relevant Tenderer and ask it whether it wishes to withdraw the enquiry/request. If it is not withdrawn the FCO will copy its response to all participating Tenderers in a suitably anonymous form.

Whilst every effort has been made to ensure this Procurement Document is accurate, it is provided for information only. The FCO, its employees, agents and advisors do not accept liability or responsibility for the accuracy or completeness of this Procurement Document and information contained therein.

1. **Introduction – The FCO**

The FCO promotes the United Kingdom’s interests overseas, supporting our citizens and businesses around the globe.

As set out in the most recently published Single Department Plan[[1]](#footnote-2), the FCO’s purpose and vision is to build a truly Global Britain, which is outward looking and confident on the world stage. The FCO is central to delivering a successful Global Britain.

Supporting this purpose and vision are a number of key departmental objectives:

1. Protect our people
2. Project our global influence
3. Promote our prosperity
4. Manage our business

The FCO’s global estate totals approximately 5,400 properties and comprises a diverse range of assets that include:

* Office properties (Embassies, High Commissions, Consulates);
* Representational properties (Official Residences and staff residential property occupied by those with representational functions within their roles);
* Staff residential accommodation (owned and leased accommodation for FCO staff and the staff of One HMG Partners Across Government (PAGs) posted overseas); and
* Other supporting properties (stores, parking, etc.)

The annual category spend on FM and related services is in excess of £152m. This includes in-house locally engaged (LE) staff delivering these services.

FM services are currently delivered across FCO locations (Posts) through a range of delivery models. There are currently two regional integrated FM contracts, with single suppliers, in Asia Pacific and Europe, together accounting for 27.8% of global spend (c. £42m per annum). Intelligent Client contract management is provided by a specialist, professional FM Client Unit (FMCU).

In the rest of Posts, mixed economy models are used, including:

* The out-tasking of specific services (cleaning, specialist maintenance) through single-service line contracts in single countries;
* Direct delivery of FM services through LE staff and ‘handypersons’; and
* Assurance of Health and Safety procedures delivered to the FMCU by FCO Services (a FCO owned commercial trading fund) and delivered through a network of Technical Works Officers (TWOs) and Supervisors (TWSs); and
* Management of the above services is undertaken locally through Corporate Services Teams responsible for the corporate operations of each Post.

The FCO’s first regional contract in the UK and Europe is now in its second generation, and was re-procured utilising the Crown Commercial Service FM Framework. The new contract, with Interserve, was signed in July 2018 and went live in December 2018.

The FCO’s second regional contract in Asia Pacific with ISS commenced on 1 April 2011. This contract, for the provision of FM services across 24 Posts in 13 countries, will expire on 31st March 2021. It is therefore a primary objective of this Procurement to provide for the continuity of supply of FM services to these 24 Posts from 1st April 2021 onwards.

Another key FCO objective is to pursue further consolidation of FM service delivery, where appropriate. The FCO is therefore seeking to establish a global DPS, concurrently with the procurement of the first work package to be awarded through the DPS – Asia Pacific.

Further information on the FCO can be found on its website at:

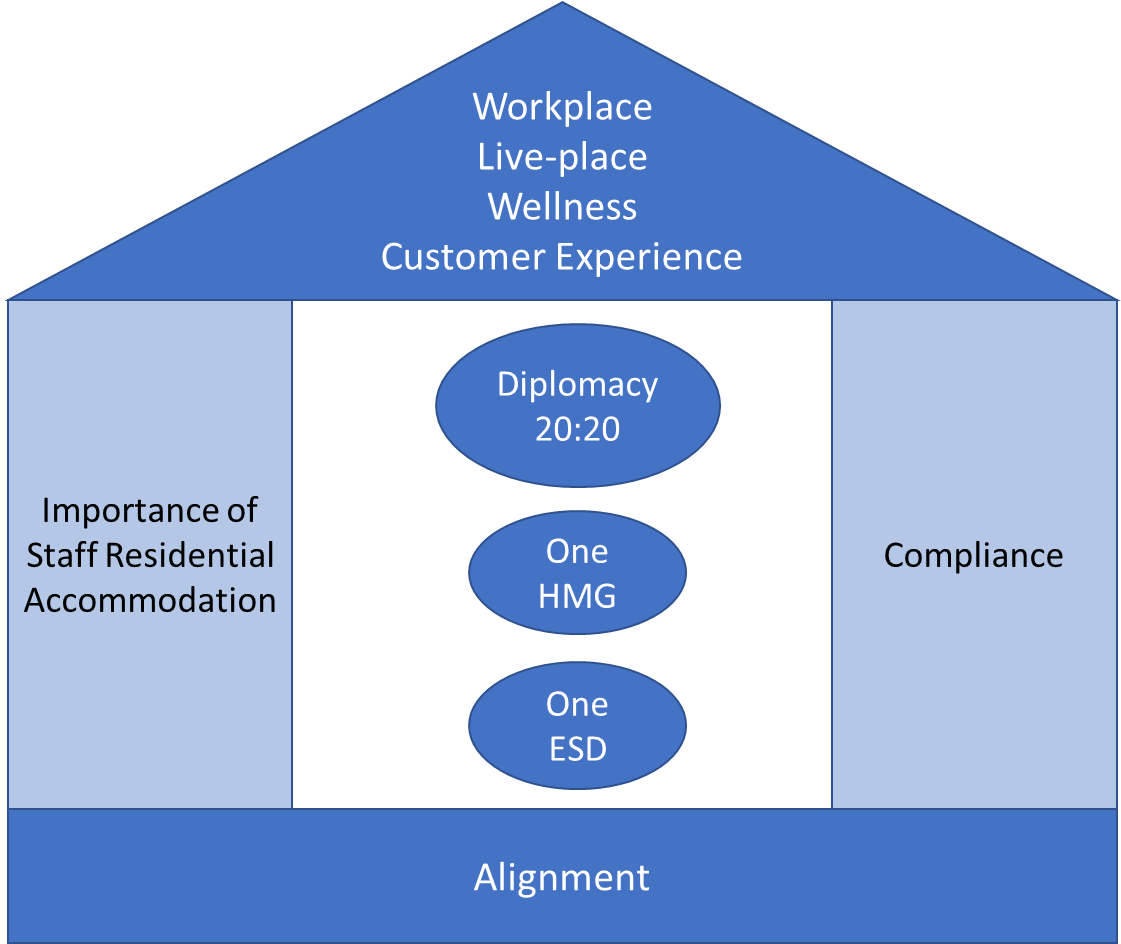
[www.fco.gov.uk](http://www.fco.gov.uk)

1. **FM Service Provision – Vision and Objectives**

The global DPS will enable the FCO to ‘fast-track’ future procurements and re-procurements for consolidated supply of FM services, if/as required. We intend to re-procure services for our Asia Pacific requirement as the first work package to be awarded from the global DPS.

The FCO is seeking, through the Procurement, to move to a performance and information led approach to FM and Related Services. Specifically, the Tenderers admitted to the DPS will be expected, if appointed to carry out a specific work package, to deliver services that are:

* **Compliant** – the service model and suppliers will ensure the estate remains compliant with relevant security, health and safety, legal and FCO policy at all times;
* **Value for Money and Affordable** – the service and new contracts represent best value on an ongoing basis and is affordable in public sector spending terms meeting centrally set spending review targets;
* **Flexible to change** – the service and new contracts need to be able to adapt to reflect potential changes in FCO and One HMG requirements (such as changes in the size of the estate and number of buildings, transition towards fewer buildings and responsive to major incidents and events);
* **Consistent** – services are delivered across the FCO estate and One HMG platform to meet agreed standards and timescales, that are consistent and communicated to client sites;
* **Asset Management Led** – maintenance is determined from a holistic asset management approach across the estate where decisions on expenditure are made through a thorough asset investment methodology;
* **Performance Led** – use effective management information to drive continuous performance improvement, enhance user experience and enable robust decision-making;
* **Resilient** – the provision of services and contract packaging must include the need to guarantee the provision of critical services in all operational circumstances;
* **Proactive** – rather than the service being heavily reactive; and
* **Innovative and Continuously Improving** – the service providers and client team are forward thinking and continuously improving service over the contract life.

In addition to the above, the following diagram sets out the key themes and areas of focus that have been identified through consultation with the end users and client unit management team for the Asia Pacific work package:

Information regarding Service Provider requirements for working with the FCO is provided in Appendix C.

1. **The Global DPS – Scope of Services**

The range of services that the FCO may procure through the global DPS is provided in the following table together with a high-level description of the service elements. It is possible that not all services will be required for each work package being procured through the DPS.

For each work package, the specific services for each country, Post and property will be specified and set out in a service matrix issued with the tender documents relating to that work package. Service providers admitted to the global DPS will be required, when bidding for work packages, to demonstrate that they have capability and capacity to deliver the required services in each of the countries/Posts included within the particular work package.

|  |  |
| --- | --- |
| **Services within Scope of Global FM and Related Services DPS** | **High Level Description** |
| **Management Services** | |
| Helpdesk | Central recording hub for all service related enquiries and reporting 24 hours per day 365 days per year. The Helpdesk operates as both a strategic management and quality-monitoring tool and the focus for all day-to-day operational activities across each and every aspect of the FM services. |
| Performance management and reporting – MIS (Management Information System) | Central operating tool for the control and operation of all services in scope including planned and reactive tasks, financial monitoring, estates administration functions etc. Providing the FCO’s FMCU with visibility of service provision and effective reporting, including against Key Performance Indicators and other relevant targets/data. |
| Electronic document management for the FM service | Document and records management of all property and FM related documents including reports, evidence to support compliance reporting including test certificates, volume and transaction data, financial records. |
| Financial management and administration | Administration activities associated with the provision of services and the processing and financial administration and payment of FM and Property Related invoices and payments. |
| Procurement and supply chain management | Managing and procuring services/provisions/projects through the application of procedures to manage/monitor supply chain – including sustainable procurement responsibilities and Government guidance. |
| Quality, health and safety, environmental and sustainability compliance | Responsibilities in respect of quality, H&S, environment and sustainability matters. Covers such aspects as risk assessments, audits, operating platforms and registration and advice. |
| Disaster recovery and contingency planning | Business and service continuity to support the FCO in response to disasters/risks and issues. |
| Landlord liaison | Managing/coordinating/chasing and closing out services delivered by landlords. Includes engagement and defining responsibilities. |
| Space management | Provision of space planning service and advisory space utilisation information – upkeep of plans and use of estate. |
| **Estates Management** | |
| Portfolio administration | Responsibility for the operation of a banking system for the purpose of banking receipts and payment for property and FM related expenditure. Administration of settlement terms that minimise reimbursement claims, including in relation to foreign exchange payments. Provision of cash flow projections. |
| Day-to-day property management | Day-to-day management of the properties, critical dates and tenant responsibilities. |
| **Residential Property** | |
| Staff residential property management | Sourcing of staff residential [property (in accordance with FCO space, cost, fire and health and safety standards), management of the user experience in sourcing and viewing properties and the Move In and Move Out process. Management of furniture and equipment provided as part of staff residential property including sourcing, disposal, allocation and inventory and records management. |
| Residential property maintenance | Provision of maintenance services (Hard FM services as above) within staff residential and Official Residences including health and safety compliance checks relating to gas, electricity, water, statutory maintenance, planned maintenance and reactive maintenance and repairs. |
| **Hard FM Services** | |
| Building engineering services | Provision of building engineering services (statutory, planned & reactive maintenance) across portfolio, provision of information on asset performance, provision of forward maintenance registers. |
| Building fabric services | Provision of building fabric services (external fabric and internal fabric repairs of buildings) across portfolio. |
| Specialist maintenance for security assets | Planned and reactive maintenance of security assets including CCTV, external access control, barriers, bollards and air-locks. |
| Grounds maintenance | Provision of landscaping services (maintenance of external areas) across portfolio. |
| **Soft FM Services** | |
| Cleaning services | Provision of catering services (staff restaurants, vending, and hospitality) within Posts. |
| Room booking services | Provision of room booking services including booking of rooms for meetings, set up of rooms, provision of equipment etc. and catering as required. Provide information on usage and availability. |
| Reception services | Provision of reception services (dealing with visitors, answering phones, providing assistance) within Posts. |
| Pest control services | Provision of routine and ad hoc pest services to control vermin on sites. |
| Mail and porterage | Provision of services to carry out general support functions such as moving and lifting and delivering. Taking receipt of goods/mail inwards and outwards and providing visibility of costs. Support to representational functions and events including set up and clear up. |
| Office support services | Management of office equipment agreements and suppliers and ensuring effective order and supply through maintenance/repair etc. Management of stationery supplies. |
| Cleaning and laundry | Provision of clean facilities including planned, reactive cleaning, feminine hygiene, waste services, specialist cleaning and ad hoc laundry services. |
| Security services | Provision of manned guarding, access control and electronic monitoring. |
| **Workplace Services** | |
| Workplace experience services | Workspace experience services – including concierge/development of receptionist services to be higher profile/more aligned to supporting the wider workplace, including in relation to elements of IT infrastructure support, such as Wi-Fi and local networks. |
| Workplace utilisation services | Workplace utilisation services including analysis and advice to achieve greater property utilisation and more flexible working. |
| **Project Related Services** | |
| Small/minor projects direct (self) delivery by supplier | Self-delivery of small projects (redecorations, refurbishment, asset replacements) within occupied buildings and or as part of move in and move out processes for staff residential property. |
| Medium and larger projects procurement and project management | Project management and procurement of medium and large projects within occupied, partially occupied or temporarily vacated properties (including refurbishments, redecorations, asset replacement and/or compliance related works). |
| Programme management | Programme management of a portfolio or maintenance and refurbishment projects. |
| Design and professional building consultancy services | Provision of professional services relating to the scoping, sourcing and delivery of projects across the RIBA project lifecycle stages. Professional services to include QS, M&E, Civil Engineering, Structural Engineering, Design and Architectural services relating to maintenance, refurbishment, and lifecycle asset replacements. |
| **Professional Property and Estates Management Services** | |
| Valuations | Providing independent valuations following request from FCO. |
| Acquisitions | The provision of support, guidance or management on property acquisition. |
| Disposals | Provision of property disposal services. |
| Asset plans | Development and implementation of individual asset plans for each property consistent with Property Strategic Plan. |
| Lease administration | Negotiate lease renewal T&Cs. Negotiate lease surrenders. Identify all current and future vacant space in the portfolio and implement a strategy for its reduction. |
| Portfolio strategy | Assistance in the development of a short and long term property strategies to achieve strategic objectives and year-on-year improvements in the performance of the property portfolio. |

1. **The Global DPS – Geographic Scope**

The regional FM model employed in Europe and Asia Pacific has delivered cost savings, greater transparency, and increased assurance around compliance. In parallel with this procurement the FCO is developing its FM category strategy which is focused on consolidating supply where the market allows it, and where there is an economic case to do so. The FCO has undertaken initial global market analysis to identify regions where consolidation could be achieved. Our market analysis identified a number of regions (including the Americas, MENA, Southern Africa and Europe) where we could benefit from consolidated supply.

The main objective of our global DPS is to provide a mechanism for developing regional contracts, similar to those we have in Europe and Asia Pacific. We intend to use the up-to-date market capability information gathered as part of this SQ process to support the development of our category strategy including the identification of further work packages. The regional contract for each work package will be tailored appropriately to that package and issued alongside the tender documents for the relevant work package. Our intent is for the DPS to fast-track procurements of work packages as participants will have qualified through the SQ and be signed up to our core terms and global standards.

Currently, our smallest regional contract covers 13 countries. Therefore, in order to gain entry onto the DPS, Tenderers must be able to deliver our required services in **at least 13 of the countries where supply can be consolidated, as listed below:**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Asia Pacific | Europe | | Americas | Middle East and North Africa | Southern Africa |
| Australia  China  Hong Kong  Indonesia  Japan  Malaysia  New Zealand  Philippines  Singapore  South Korea  Thailand  Taiwan  Vietnam  India\* | Austria  Belgium  Bulgaria  Croatia  Cyprus  Czech Republic  Denmark  Estonia  Finland  France  Germany  Gibraltar  Greece  Hungary  Iceland  Ireland  Italy | Latvia  Lithuania  Luxembourg Malta  Netherlands  Norway  Poland  Portugal  Romania  Slovakia  Slovenia  Spain  Sweden  Switzerland  Turkey  Ukraine  United Kingdom | United States of America  Argentina  Brazil  Canada  Chile  Mexico | Bahrain  Israel  Jordan  Kuwait  Lebanon  Oman  Qatar  Saudi Arabia  United Arab Emirates | Botswana  Mozambique  Namibia  South Africa  Zimbabwe |

*\*India is not currently in-scope for the Asia Pacific work package due to a number of ongoing and up-coming projects focused on India. However, it may be added at a later date through a specific contract change mechanism. Further details will be provided in the tender documents for the Asia Pacific work package.*

In the SQ we ask Tenderers to provide details of whether they have legal entities delivering similar services (or preferred suppliers/partners) in these and other countries by completing an Excel “Capability Matrix”.

In addition to the countries that are identified as being viable candidates for further regional consolidation of supply, we are interested in exploring with the market the potential to leverage suppliers’ systems, processes and helpdesks to cover countries where regional outsourced service delivery may not be possible.

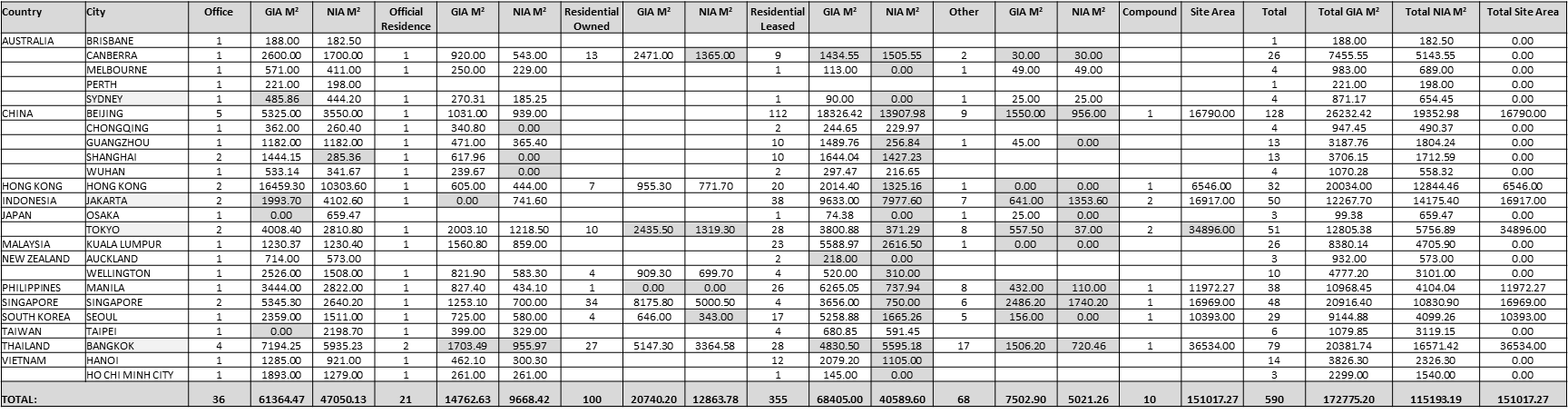
We expect the DPS to have an initial duration of 10 years, with the option to extend at the FCO’s discretion. The length of individual work packages may vary.

1. **The FCO in Asia Pacific**

The FCO operates across the Asia Pacific region through a number of offices (including Embassies, High Commissions and Consulates), Official Residences and staff residential properties. Some 1,900 people are employed in diplomatic, consular and support roles in these locations.

The FCO also operates some of its consulate services out of Honorary Consulates in countries not represented in the table below. In addition to this, a number of countries’ representative functions are provided from a consolidated location.

The following table provides a high-level overview of the countries, number of properties and indicative size portfolio that could be included in the Asia Pacific work package. The property portfolio consists of a mix of owned and leased properties. A full-sized version of this table is provided in Appendix E.



\* Numbers of buildings may change over the period of the contract. The property portfolio is subject to change, including acquisitions, disposals, asset replacements and relocations.

The scope of the Asia Pacific work package may also include:

* The offices of other departments or agencies of the UK Government listed in the Civil Service Yearbook from time to time;
* Other properties for which FM and Related Services may become the responsibility of the FCO; and
* The properties of other governments, should they, in the future, wish to access similar services utilising the global DPS.

Work Package 1 – Asia Pacific

The initial contract term will be five years, with the FCO having the option to extend the contract term up to an additional two 12-month periods. The scope of the contract will include the delivery of services to all occupants within FCO buildings whether they are FCO staff, contractors, consultants, staff from Other Government Departments (OGDs), or members of the general public. In addition, the contract will be structured to allow OGDs with buildings and operations overseas to access the services through application of contractual change control.

1. **Key Commercial Principles**

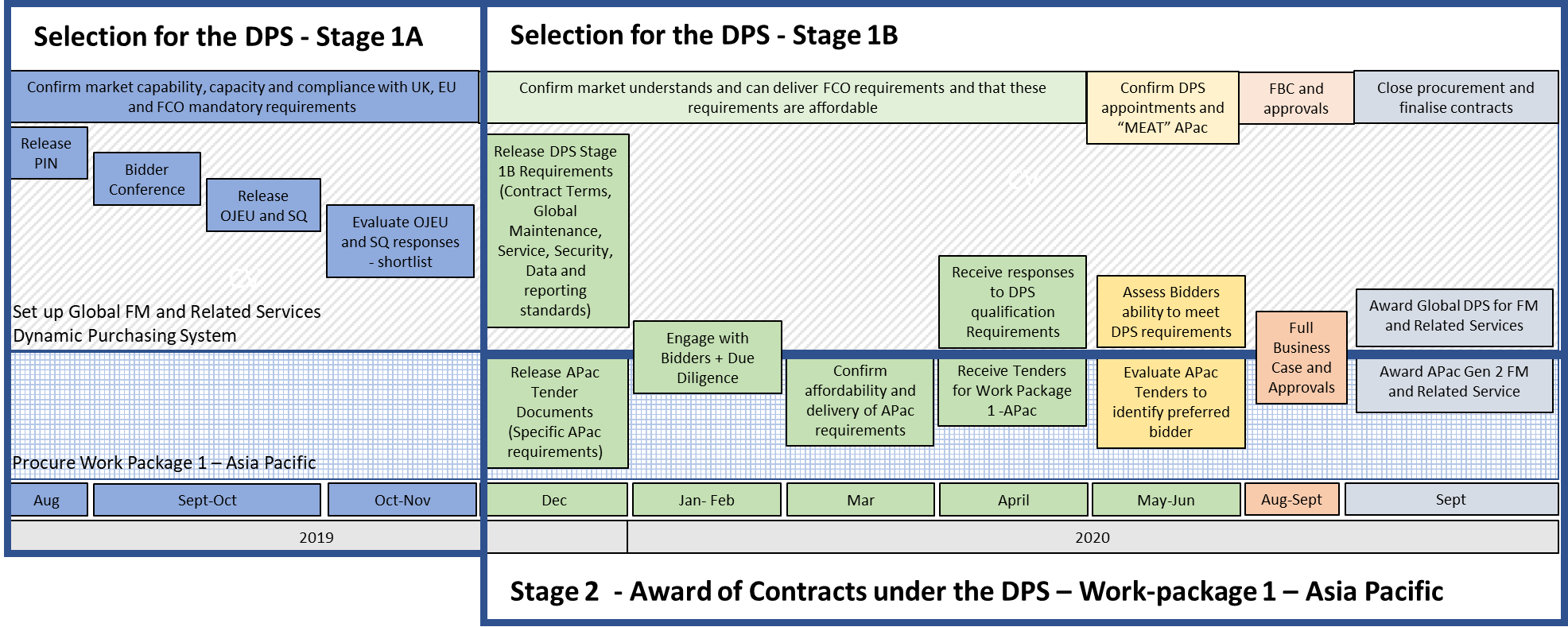
The global DPS, and individual contracts for work packages procured through the DPS, will be developed to reflect the following commercial principles:

* Individuals leading the bids should engage with the relevant decision-makers within their own organisation to gain the approvals required at each stage of the Procurement in good faith;
* Commitment to high levels of performance by both the FCO FM Client Unit and the appointed service provider(s);
* Development of a joint culture which promotes fair, open and honest business dealings;
* The FCO and appointed service provider(s) will work co-operatively with a commitment to ongoing appraisal of service performance and resolution of issues in a non-adversarial manner;
* Affordable services with cost certainty through fixed costs where suitable.
* Flexibility to ensure that service provision and contract costs continue to reflect the FCO’s business requirements as they change during the life of the contract;
* A performance regime with Key Performance Indicators (KPIs) that align with the FCO’s business requirements, and which has a focus on end-user experience;
* Linking of performance to remuneration with appropriate rewards and remedies;
* Clearly defined governance arrangements which provide a structured approach to the management of the relationship at both the strategic and operational level;
* Suitable contractual terms and breakpoints to allow the FCO appropriate levels of intervention in the event of poor service;
* Contract terms that seeks to provide the best value for money and that does not constrain future generation contracts;
* Elimination and/or minimisation of FCO exposure to extra unknown costs; and
* Appropriate allocation of risk and reward within the contract based on a clear understanding of roles and responsibilities.

1. **Procurement Route and Timeframe**

The FCO intends to carry out the Procurement in accordance with relevant EU procurement directives and treaty principles.

Key steps and their associated timelines are below:



|  |  |  |
| --- | --- | --- |
| **Stage** | **Task** | **Date** |
| 1 | Issue OJEU Notice and Stage 1A DPS selection requirements through SQ (available on Jaggaer) | 19th September 2019 |
| 1 | Receive completed SQs | 21st October 2019 |
| 2 | Issue Stage 1B DPS selection requirements.  Issue tender documents for Asia Pacific work package to all Tenderers shortlisted following Stage 1A | 17th December 2019 |
| 3 | Commence clarification period for Asia Pacific work package with shortlisted Tenderers | Jan-Feb 2020 |
| 4 | Receive responses to Stage 1B DPS selection requirements.  Receive tender responses for Asia Pacific work package. | April 2020 |
| 4 | Award places on global DPS to all Tenderers shortlisted following Stage 1B.  Award contracts for Asia Pacific work package | September 2020 |
| 4 | DPS and Asia Pacific work package go-live | 1st April 2021 |

The Procurement involves two main stages as follows:

**Stage 1 - Selection for the DPS**

* + This stage will have two parts: the first, a traditional SQ (“**1A**”), and the second, a requirement to sign up to relevant selection requirements (including a global DPS contract and various standards) (“**1B**”).
  + This stage determines which Tenderers are suitable to join the DPS (and all those who pass the selection stage will be awarded a place on the global DPS).

**Stage 2 - Award of individual contracts under the DPS.**

* This stage determines which Tenderer is awarded the contract for the Asia Pacific work package.

The FCO will be undertaking Stage 1B and Stage 2 concurrently.

Further details of each stage are outlined below:

**Stage 1A**

Documentation for this stage comprises:

* This Procurement Document (and accompanying confidentiality agreement – see Appendix E);
* SQ Part 1 – Potential Supplier Information (to be accessed via Jaggaer);
* SQ Part 2 – Exclusion Grounds (to be accessed via Jaggaer); and
* SQ Part 3 – Selection Questions (to be accessed via Jaggaer) including:
  + Financial Viability Risk Assessment (FRVA) Tool;
  + Capability Matrix;
  + Modern Slavery Act; and
  + Additional information in relation to due diligence and benefits delivered.

The SQ response required from Tenderers comprises:

* A covering letter confirming the organisation’s expression of interest (to be sent as a message attachment);
* A signed confidentiality agreement (to be sent as a message attachment); and
* Parts 1-3 of the SQ including all attachments.

All elements of the SQ should be submitted via the FCO’s Jaggaer portal. We are unable to accept responses submitted via any other means.

Financial Viability Risk Assessment

For the FVRA, please complete all of the information required for each relevant entity (i.e. bidding entity/lead supplier, parent company and ultimate parent) for the most recent three years.

Should a Tenderer (including any of its parent companies or individual organisations forming part of the Tenderer bidding entity) score an Amber or Red rating in any of the financial metrics set out in the FVRA, the FCO will require that Tenderer to provide an explanation and reserves the right to require the provision of additional information (such as references from banks and credit reference agencies). The FCO will consider the explanation (and any supporting documentation, if relevant) and determine whether or not the information provided is sufficient to give the FCO confidence in that Tenderer’s financial viability. If the FCO considers, at its sole discretion, that the information provided is insufficient to give such confidence, the FCO reserves the right to remove the Tenderer from this competition. Guidance on how to complete the FVRA can be found in Appendix D.

The Turnover Ratio metric is pass/fail. If Tenderers do not score at least one Green rating on this metric – indicating that they or a parent company has an annual turnover equal to or more than £1.23 billion – they will not progress to Stage 1B and will not be awarded a place on the DPS.

Guidance on how to complete the FVRA can be found in Appendix D.

Capability Matrix

Please use the Capability Matrix to record the scope and extent of the services you offer in each of the regions detailed in the spreadsheet. If you operate in any countries not listed in the Capability Matrix, please detail these at the bottom of each section of the spreadsheet, following the same format as the countries listed above. At subsequent stages, the FCO may conduct checks, including but not limited reference checks, site visits and other due diligence activities, in order to verify Tenderer’s service solutions for specific work packages on the DPS.

**Submissions must be made no later than 17:00hrs BST on 21st October 2019. Returns received after the closure deadline may not be considered.**

The FCO reserves the right to re-test any of this information, including the financial information required in the FVRA, at any point during the life of the DPS. Tenderers must continue to meet the requirements in the SQ to remain on the DPS.

If a Tenderer subcontracts any part of the services, the Tenderer’s subcontractors must meet the Exclusion Grounds requirements set out in Part 2 of the SQ. The FCO reserves the right to test whether subcontractors meet these requirements at any point during the life of the relevant work package contract.

**Stage 1B**

Following the Stage 1A assessment, short-listed Tenderers will be issued with further DPS selection requirements. These documents will consist of contractual terms and the FCO’s maintenance policy, which will apply to all FCO work packages. Tenderers will be required to confirm their agreement to these requirements to gain a place on the DPS. Further details will be provided to Tenderers in December 2019.

Parent Company Guarantee (PCG)

The FCO will require a PCG, and/or other guarantee deemed acceptable by the FCO, from Tenderers who win contracts for specific work packages on the DPS, including the Asia Pacific work package. The PCG will be held with a parent organisation of the bidding entity deemed acceptable to the FCO.

PCG terms will be issued at Stage 1B.

**Stage 2 - Asia Pacific Invitation to Tender**

Concurrently with Stage 1B, shortlisted Tenderers following Stage 1A will receive an Invitation to Tender (ITT) for the Asia Pacific work package. This tender pack will include a draft service specification, draft service matrix and draft contract documents together with details of the evaluation criteria that will be applied to the evaluation of Tenders.

This stage will be conducted via Jaggaer and include a clarification period with individual Tenderers intended to ensure that Tenderers fully understand the service requirements. It is possible that minor changes to service requirements will be agreed in which case they will be distributed to all shortlisted Tenderers.

Tenderer clarification sessions will cover (but will not be limited to):

* Service requirements and service solution;
* Systems and information management approaches;
* Performance management;
* People, resourcing and HR considerations;
* Transition management; and
* Commercial structures, contractual requirements and risk.

Instructions outlining the approach to each of the clarification sessions will be issued to shortlisted Tenderers in advance of the commencement of the sessions.

In addition to clarification sessions Tenderers will have the opportunity to:

* Visit the properties in scope;
* Ask clarification questions and request additional information through the FCO’s Jaggaer portal; and
* Access relevant information relating to the portfolio and services through a secure data room on the Jaggaer portal.

During Stage 2, Tenderers will be required to provide an interim tender submission which will consist of indicative pricing and confirmation of understanding and acceptance of FCO requirements. Full details of requirements will be provided in the tender pack.

Following the receipt of interim tender submissions the FCO will issue final ITT documents. The final ITT documentation will include:

* A Service Level Schedule that will detail the service obligations of the FM Service Provider specific to Asia Pacific;
* A Service Matrix that will detail the service requirements at each property;
* A balanced scorecard performance model that will include the KPIs and service delivery indicators against which Service Provider performance will be assessed;
* A pricing and performance model that will set out the basis upon which services are to be priced; and
* A services contract including populated contract schedules.

The FCO will evaluate final tenders received to identify the Most Economically Advantageous Tender, based on a combination of price and quality. Further details of sub-criteria and their weighting will be provided as part of the tender pack for each work package. At this stage, it is the FCO’s intention to assess final tenders for the Asia Pacific work package based on a weighting of 70% quality and 30% price (variations of +/- 10-20% may be used for subsequent work packages).

It should be noted that – despite the concurrent nature of the procurement process – only Tenderers that are successful in obtaining a place on the global DPS may be awarded the Asia Pacific work package. Therefore, a Tenderer who submits a tender for the Asia Pacific work package will not be awarded that contract (even if its tender is deemed to be the most economically advantageous) if that Tenderer fails to be shortlisted following Stage 1B.

Freedom of Information Act 2000[[2]](#footnote-3)

All Tender documentation and services provided by Tenderers in this Procurement will be subject to the Freedom of Information Act. The Act:

* Provides a general right of access to all types of recorded information held by a wide range of public authorities including the FCO (subject to conditions and exemptions) and on their behalf;
* Requires public authorities to establish and maintain an approved Publication Scheme which proactively makes certain information available to the public;
* Requires public authorities to ensure that its information and records meet prescribed minimum standards (contained in the Lord Chancellor's Code of Practice); and
* Extends the scope of the Data Protection Act 1998[[3]](#footnote-4).

Tenderers should seek their own legal advice in relation to the application of the Freedom of Information Act.

**9. Instructions for Use of the Jaggaer Portal**

If your organisation is interested in viewing SQ documents, please make an account on the FCO’s Jaggaer portal. This can be done through the link below:

<https://fco.bravosolution.co.uk/web/login.html>

Once you have made an account, please search for project 3220. The project name is ‘Global Facilities Management and Related Services Dynamic Purchasing System’. You will then be able to add your account to the project, and access the SQ. If you are unable to locate the project, please email [global.FM@fco.gov.uk](mailto:global.FM@fco.gov.uk).

Responses to SQ Parts 1 and 2 can be given directly on the portal. However some questions may require you to submit further evidence or information, which should be uploaded as an attachment.

Some responses to SQ Part 3 will require you to complete certain schedules and forms. These are all available to download in the attachments section. Completed documents must be uploaded as attachments in response to the corresponding question. All other responses to SQ part 3 can be given directly on the portal.

You must also submit a covering letter giving a formal expression of interest, and a signed copy of the confidentiality agreement, which can be downloaded from the attachments section. Please submit these as attachments through the messaging function. Please note this is a mandatory stage of completing the SQ.

Please note that all clarifications relating to the SQ must be made via the Jaggaer portal. Questions concerning the SQ (other than questions regarding accessing the SQ) sent to any FCO email address will not be answered.

**Appendix A – Selection Questionnaire: Notes for Completion**

1. The “Authority” means the contracting authority, or anyone acting on behalf of the contracting authority, that is seeking to invite suitable candidates to participate in this Procurement. In this instance, the Authority refers to the Foreign and Commonwealth Office (FCO).
2. “You” / “Your” refers to the service provider (i.e. the Tenderer) completing this standard Selection Questionnaire i.e. the legal entity responsible for the information provided. The term “service provider” is intended to cover any economic operator as defined by the Public Contracts Regulations 2015 (referred to as the “regulations”) and could be a registered company; the lead contact for a group of economic operators; charitable organisation; Voluntary Community and Social Enterprise (VCSE); Special Purpose Vehicle; or other form of entity.
3. Please ensure that all questions are completed in full, and in the format requested. If the question does not apply to you, please state ‘N/A’. Should you need to provide additional information in response to the questions, please submit a clearly identified annex.
4. The Authority recognises that arrangements set out in section 1.2 of the standard Selection Questionnaire, in relation to a group of economic operators (for example, a consortium) and/or use of sub-contractors, may be subject to change and will, therefore, not be finalised until a later date. The lead contact should notify the Authority immediately of any change in the proposed arrangements and ensure a completed Part 1 and Part 2 is submitted for any new organisation relied on to meet the selection criteria. The Authority will make a revised assessment of the submission based on the updated information.
5. For Part 1 and Part 2 each Tenderer is being relied on to meet the selection through self-declaration.

The Authority confirms that it will keep confidential and will not disclose to any third parties any information obtained from the Tenderer, other than to the Cabinet Office and/or contracting authorities defined by the regulations, or pursuant to an order of the court or demand made by any competent authority or body where the Authority is under a legal or regulatory obligation to make such a disclosure.

**Appendix B – Evaluation Criteria**

The table below outlines the evaluation criteria contained within the SQ and associated evaluation methodologies. The Authority mayseek independent financial, legal, market and internal advice and references to validate information declared or to assist in the evaluation. Reference site visits or demonstrations and/or presentations are unlikely to be requested at this stage, but the Authority reserves the right to request the same at further stages of the process.

| **Part** | **SQ Evaluation Criteria** | **Question(s)** | **SQ Sub Criteria** | **Weighting** | **Evaluation Methodology** |
| --- | --- | --- | --- | --- | --- |
| 1 | Potential Supplier Information | 1.1 | Potential supplier information | N/A | For information only |
| 1.2 | Bidding model | N/A | For information only |
| Declaration | 1.3 | Contact details and declaration | N/A | For information only |
| 2 | Grounds for Mandatory Rejection | 2.1 | Grounds for Mandatory Rejection | Pass/Fail | Yes = Pass or Fail\* / No = Pass  \*If answer is Yes, the Authority will read 2.1(b) and consider the nature of the situation, its impact upon the Authority’s procurement and whether the conflict can be managed before deciding to pass or fail. |
| 2.2 | Pass/Fail | Yes = Pass or fail\*/ No = Fail  \*If answer is Yes, the Authority will read 2.2(a) and consider the nature of the situation, its impact upon the Authority’s procurement and whether the conflict can be managed before deciding to pass or fail. |
| 2.3 | Pass/fail | Yes = Pass or fail\*/ No = Pass  \*If answer is Yes, the Authority will read 2.3(b) and consider the nature of the situation, its impact upon the Authority’s procurement and whether the conflict can be managed before deciding to pass or fail. |
| Grounds for Discretionary Rejection | 3.1-3.2 | Grounds for Discretionary Rejection | Pass/Fail | Yes = Pass or Fail\* / No = Pass  \*If answer is Yes, the Authority will read 3.2 and consider the nature of the situation, its impact upon the Authority’s procurement and whether the conflict can be managed before deciding to pass or fail. |
| 3 | Economic and Financial Standing | 4.1 | Economic and Financial Standing | Pass/Fail | Yes = Pass / No = Fail |
|  | 4.2(a) | Pass/Fail | 2 or more = Pass / Less than 2 = Fail |
| 4.2(b)-(i) | Pass/Fail | Green = Pass / Amber/Red = Pass or Fail\*  If your RAG rating is Amber or Red, you must provide an accompanying explanation. The Authority, at its sole discretion, reserves the right to remove a Tenderer from this competition who scores an Amber or Red in any metric and is unable to otherwise give the Authority confidence in its financial viability. |
| 4.3 | Pass/Fail | Yes = Pass / No = Fail |
|  | 5.1-5.3 | Willingness to provide a Parent Company Guarantee and/or a performance/financial bond if required | Pass/Fail | Yes = Pass / No = Fail |
| Technical and Professional Ability | 6.1 | Capability Matrix | Pass/Fail | 13+ points\* = Pass; 0-12 points = Fail  \*Points scored where demonstrating the existence of a legal entity delivering similar services in a jurisdiction scores 1 point per jurisdiction. |
| Modern Slavery Act | 7.1-7.2 | Modern Slavery Act | Pass/Fail | Yes = Pass / No = Fail |
| Additional Information | a. | With reference to the draft data room index Please identify any additional information that you would expect to be provided within a “data room” as part of the further stages of the procurement. | N/A | For Information Only |
| Additional Information | b. | To assist the FCO to develop the case for further regional outsourcing/consolidation of supply, please provide details of the financial and non-financial benefits you have been able to deliver for clients when implementing regional service solutions. | N/A | For Information Only |

**Appendix C – Requirements when Working with the FCO**

Resilience and Approach to Service Delivery

The FCO is particularly focussed on the resilience of the infrastructure assets, services and supply chain that directly support the effectiveness of its front line activities in the UK and overseas. The DPS providers, if awarded a work package under the DPS, will be required to work with the FCO to enhance the resilience of the FCO estate and FM services by:

* Providing information, analysis and expertise to enhance the resilience of buildings and assets including through optimising maintenance regimes;
* Developing a FM service delivery infrastructure that is highly resilient, including the development, implementation and ongoing testing of business continuity and disaster recovery plans as they relate to the FM services;
* Maintaining a capability to support operational “surge” modes to support operational responses to major events, disasters and emergencies that may impact on FCO Posts abroad; and
* Delivering the FM services in a manner that minimises the potential burden on FCO frontline diplomatic and representational activities.

Compliance and Statutory Obligations

The FCO requires any service provider awarded a work package under the DPS to deploy a comprehensive and robust approach to the management of quality and standards of service delivery. It is expected that the providers awarded work packages under the DPS will have appropriate internal controls, processes and systems in place internally to ensure compliance and consistency of service delivery. Relevant accreditations will need to be in place to provide evidence of compliance.

Furthermore, the providers awarded work packages under the DPS will need to continuously demonstrate that the services provided and the approaches adopted in the delivery of these services are fully compliant with all relevant legislation. In particular the providers will need to demonstrate that services provided and approach adopted are fully compliant with all relevant Health and Safety legislation and standards, and the FCO maintenance policy.

The FCO is implementing a holistic approach to compliance and auditing as part of the new FM model. This model contemplates a level of trust being vested in the providers awarded work packages under the DPS through self-certification approaches. This is balanced with a controls regime, which will incorporate auditing and service reviews undertaken by the FM Client Unit. This is focused on compliance with legislative, regulatory, contractual and performance requirements whilst:

* Ensuring that the providers’ ways of working reflect better practices in relation to health and safety;
* Ensuring effective financial controls that provide for appropriate levels of cost assessment and validation of the accuracy of invoices;
* Reflecting greater levels of audit required on critical buildings/works where such buildings and/or works could have a significant impact on FCO operations;
* Having the required level of technical input; and
* Achieving an appropriate risk allocation in undertaking audits, balancing audit cost with relevant risks and control requirements.

The providers awarded work packages under the DPS will be subject to both planned audits at which they will be expected to be present and random audits covering the same range of issues and items but undertaken on a random basis and not in their presence. The outcomes of audits may result in the need to implement remediation plans and/or for the FCO to apply other remedies as appropriate.

Systems and Data Requirements

The FCO recognises the need for information that is timely, relevant and accurate to support informed decision-making. A key requirement of the new FCO global model is that it is information and performance management led. However, the effectiveness of this approach is dependent on any provider awarded a work package under the DPS supplying information and data, and developing systems and interfaces that support this approach. In delivering services within this model the appointed providers must provide information in compliance with these processes and practices in the manner specified by the FCO. In particular, appointed providers will be required to:

* Provide data and information that enables the tracking of all FM activities including all reactive, planned, preventative and project activities undertaken;
* Develop systems interfaces with the FCO to facilitate upload and download of information in support of end to end financial and operational processes. Interfaces/data exchanges are expected to be developed with the FCO’s finance and property systems;
* Operate in a manner that recognises that service performance, and ultimately the payment for services, will be tied to the supply of accurate and timely information by the appointed providers that evidence the delivery of services;
* Manage information of a potentially sensitive nature including implementing relevant physical, systems and information practices that protect the nature of all FCO information;
* Contribute to the ongoing collection and management of information to further enhance the information led approach being implemented by the FCO;
* Recognise that at all times all data and information, relating to the FCO Estate and FM services, held, created and/or managed by the FM Service Provider remains the property of the FCO; and
* Comply with the standards and processes relating to systems, interfaces, information, and data established by the FCO and its Global Service Desk provider.

FCO Security Requirements

The FCO places high importance on the confidentiality and security of assets and data held. The service must be fully secure to the satisfaction of the FCO.

The key principle that applies to the FCO’s security requirements is that all databases, individual records and paper files must be protected against unauthorised access to information by staff and outsiders, unauthorised modification or corruption of information and software and accidental or deliberate damage or disruption to information and services.

The FCO’s security requirements and arrangements incorporate:

* Personnel security including the requirement for staff accessing FCO sites, systems and data to be security cleared;
* Administrative and procedural security;
* Physical security;
* Information security;
* Hardware and software security;
* Security arrangements applicable to integration with the FCO Infrastructure; and
* Security arrangements applicable to business continuity.

Further detail of specific security requirements will be provided in later phases of the procurement.

Staffing and HR Approach

The FCO recognises that people are at the heart of any service. The FCO places a high priority on the equitable and fair treatment of its own staff and expects the same of its service providers. The FCO has achieved global accreditation to the Investors in People Standard (IiP). It expects the same standard of employee management from its Service Provider. To this end the FCO expects the any provider awarded a work package under the DPS to:

* Deliver a service and deal with its staff in a manner consistent with FCO HR strategies and policies including equality and diversity;
* Recognise, support, motivate and develop its staff and the staff delivering services to the FCO in a manner that is consistent with FCO policies including
* Instil a performance culture with staff that includes active management, review, and development of staff performance.

**Appendix D – Financial Viability Risk Assessment Tool Guidance**

This Appendix provides guidance on the standard ratios and metrics that will be used when assessing the economic and financial standing of Tenderers and service providers using the FVRA.

Tenderers should complete the FVRA as fully as possible, providing the required information for the bidding entity/lead supplier, parent companies (both immediate and ultimate, where applicable), and any consortium or joint-venture partners, where applicable. All boxes in yellow should be completed, where possible. Numeric values should be used for all financial information.

At Stage 1A, Tenderers will not be required to provide this information for subcontractors; however, the FCO reserves the right to require such information in the future where deemed necessary.

When completing the FVRA template, Tenderers should be cognisant of the following:

1. **Terminology**: The terms referred to in this paper are those used by UK companies in their financial statements and are mostly available on the face of the Balance Sheet, Income Statement and Statements of Cash Flow. Where the entity is not a UK company, the corresponding items should be used even if the terminology is slightly different (for example a charity would refer to a surplus or deficit rather than a profit or loss).
2. **Groups**: Where the entity is the holding company of a group and prepares consolidated financial statements, the consolidated figures should be used.
3. **Foreign currency**: The FVRA template should be completed in the reporting currency of each entity. For the purpose of calculating the turnover ratio, Tenderers are required to select their reporting currency from a drop-down list. The FVRA template will then convert the reporting currency into Pound Sterling in order to compute the turnover ratio. A list of exchange rates used for this conversion, sourced from the Bank of England, is provided for reference as a worksheet within the FVRA template.

The FCO reserves the right to make adjustments including but not limited to:

* Treatment of non-underlying items;
* Accounting periods other than 12 months;
* Post balance sheet events; and
* Qualified accounts.

Where a Tenderer’s ratio score results in an Amber or Red classification, that Tenderer will be asked to provide an accompanying explanation. The FCO, at its sole discretion, reserves the right to deselect any Tenderer who scores an Amber or Red in relation to any ratio score. Further information is provided in section 8 of this Procurement Document.

When inputting financial information into the FVRA the following guidance should be considered:

**Metric 1 – Turnover Ratio**

*Turnover Ratio = Tenderer Annual Revenue / Expected Annual Contract Value*

**Definition**

Revenue should be shown on the face of the Income Statement in a standard set of financial statements. It should exclude the entity’s share of the revenue of joint ventures or associates.

**Interpretation**

The Turnover Ratio is used to understand how large the expected value of opportunities available on the DPS is compared to the annual revenue of a Tenderer. A larger number might suggest that the Tenderer can accommodate DPS contract opportunities more easily and be better able to deliver them.

**Metric 2 –Operating Margin**

*Operating Margin = Operating Profit / Revenue*

**Definition**

The elements used to calculate the Operating Margin should be shown on the face of the Income Statement in a standard set of financial statements. Figures for Operating Profit and Revenue should exclude the entity’s share of the results of joint ventures or associates.

Where an entity has an operating loss (i.e. where the operating profit is negative), Operating Profit should generally be taken to be zero.

Since Operating Margin can vary, the test should normally be based on the higher of (a) the Operating Margin for the most recent accounting period and (b) the average Operating Margin for the last two accounting periods.

**Interpretation**

Operating Margin is a measure of an entity’s profitability. A higher ratio would normally suggest, other things being equal, that the entity’s business is more sustainable and able to withstand any change in business and financial circumstances. Conversely, a low ratio may raise doubts over the sustainability of the business and hence the entity.

**Metric 3(A) – Free Cash Flow to Net Debt Ratio**

*Free Cash Flow to Net Debt Ratio = Free Cash Flow / Net Debt*

**Definition**

*Free Cash Flow = Net cash flow from operating activities – Capital expenditure*

*Capital expenditure = Purchase of property, plant & equipment + Purchase of intangible assets*

*Net Debt = Bank overdrafts + Loans and borrowings + Finance leases + Deferred consideration payable – Cash and cash equivalents*

The majority of the elements used to calculate the Free Cash Flow to Net Debt Ratio should be shown on the face of the Statement of Cash Flows and the Balance Sheet in a standard set of financial statements.

* **Net cash flow from operating activities**: This should be stated after deduction of interest and tax paid.
* **Capital expenditure**: The elements of capital expenditure may be described slightly differently but will be found under ‘*Cash flows from investing activities’* in the Statement of Cash Flows; they should be limited to the purchase of fixed assets (including intangible assets) for the business and exclude acquisitions of other companies or businesses. The figure should be shown gross without any deduction for any proceeds of sale of fixed assets.
* **Net Debt**: The elements of Net Debt may also be described slightly differently and should be found either on the face of the Balance Sheet or in the relevant note to the financial statements. All interest bearing liabilities (other than retirement benefit obligations) should be treated as borrowings as should, where disclosed, any liabilities (less any assets) in respect of any hedges designated as linked to borrowings (but not non-designated hedges). Borrowings should also include balances owed to other group members.

Deferred consideration payable should be included in Net Debt despite typically being non-interest bearing.

Cash and cash equivalents should include short-term financial investments shown in current assets.

Where an entity has net cash (i.e. where application of the formula would produce a negative figure), the outcome of the test should be treated as ‘Low Risk’.

**Interpretation**

An entity’s free cash flow represents the cash generated from its operations which is available for other purposes after ongoing capital expenditure. The Free Cash Flow to Net Debt Ratio effectively shows the proportion of its outstanding net debt (debt less cash), which it could pay off in a year if all its free cash flow went towards repaying debt and is a measure of the Tenderer’s leverage. A high ratio would normally indicate, other things being equal, that an entity is better able to pay back its debt and/or may be able to take on more debt if necessary. Conversely, a low ratio may raise doubts over an entity’s ability to service its existing debt.

**Metric 3(B) – Net Debt to EBITDA Ratio**

*Net Debt to EBITDA ratio = Net Debt / EBITDA*

**Definition**

*Net Debt = Bank overdrafts + Loans and borrowings + Finance leases + Deferred consideration payable – Cash and cash equivalents*

*EBITDA = Operating profit + Depreciation charge + Amortisation charge*

The majority of the elements used to calculate the Net Debt to EBITDA Ratio should be shown on the face of the Balance sheet, Income statement and Statement of Cash Flows in a standard set of financial statements but will otherwise be found in the notes to the financial statements.

* **Net Debt**: The elements of Net Debt may be described slightly differently and should be found either on the face of the Balance Sheet or in the relevant note to the financial statements. All interest bearing liabilities (other than retirement benefit obligations) should be included as borrowings as should, where disclosed, any liabilities (less any assets) in respect of any hedges designated as linked to borrowings (but not non-designated hedges). Borrowings should also include balances owed to other group members.

Deferred consideration payable should be included in Net Debt despite typically being non-interest bearing.

Cash and cash equivalents should include short-term financial investments shown in current assets.

Where an entity has net cash (i.e. where Net Debt is negative), the outcome of the test should be regarded as ‘*Low Risk’*.

* **EBITDA**: Operating profit should be shown on the face of the Income Statement and, for the purposes of this test, should include the entity’s share of the results of any joint ventures or associates.

The depreciation and amortisation charges for the period may be found on the face of the Statement of Cash Flows or in a Note to the Accounts.

**Interpretation**

An entity’s EBITDA is a proxy for the cash flow it generates from its ongoing operations. The Net Debt to EBITDA Ratio is often used by lenders as a measure of an entity’s ability to service its debt. A low ratio would normally indicate, other things being equal, that an entity is better able to pay back its debt and/or may be able to take on more debt if necessary.

Conversely, a high ratio may raise doubts over an entity’s ability to service its existing debt.

**Metric 4 – Net Debt + Net Pension Deficit to EBITDA Ratio**

*Net Debt + Net Pension Deficit to EBITDA ratio = (Net Debt + Net Pension Deficit) / EBITDA*

**Definition**

*Net Debt = Bank overdrafts + Loans and borrowings + Finance leases + Deferred consideration payable – Cash and cash equivalents*

*Net Pension Deficit = Retirement Benefit Obligations – Retirement Benefit Assets*

*EBITDA = Operating profit + Depreciation charge + Amortisation charge*

The majority of the elements used to calculate the Net Debt + Net Pension Deficit to EBITDA Ratio should be shown on the face of the Balance sheet, Income statement and Statement of Cash Flows in a standard set of financial statements but will otherwise be found in the notes to the financial statements.

* **Net Debt**: The elements of Net Debt may be described slightly differently and should be found either on the face of the Balance Sheet or in the relevant note to the financial statements. All interest bearing liabilities (other than retirement benefit obligations) should be included as borrowings as should, where disclosed, any liabilities (less any assets) in respect of any hedges designated as linked to borrowings (but not non-designated hedges). Borrowings should also include balances owed to other group members.

Deferred consideration payable should be included in Net Debt despite typically being non-interest bearing.

Cash and cash equivalents should include short-term financial investments shown in current assets.

* **Net Pension Deficit**: Retirement Benefit Obligations and Retirement Benefit Assets may be shown on the face of the Balance Sheet or in the notes to the financial statements.

They may also be described as pension benefits / obligations, post-employment obligations or other similar terms.

Where calculation of Net Debt + Net Pension Deficit produces a negative figure, the outcome of the test should be regarded as ‘*Low Risk’*.

* **EBITDA**: Operating profit should be shown on the face of the Income Statement and, for the purposes of this test, should include the entity’s share of the results of any joint ventures or associates.

The depreciation and amortisation charges for the period may be found on the face of the Statement of Cash Flows or in a Note to the Accounts.

**Interpretation**

Pension deficits have some similarities to debt in that they represent obligations repayable over time on which interest accrues. An entity’s EBITDA is a proxy for the cash flow it generates from its ongoing operations. The Net Debt + Net Pension Deficit to EBITDA Ratio measures the scale of an entity’s debt and any pension deficit relative to the entity’s size. A low ratio would normally indicate, other things being equal, that an entity is better able to pay back its debt and fund its pension fund deficit and/or may be able to take on more debt if necessary. Conversely, a high ratio may raise doubts over the sustainability of the entity.

**Metric 5 – Net Interest Paid Cover**

*Net Interest Paid Cover = Earnings Before Interest and Tax / Net Interest Paid*

**Definition**

*Earnings Before Interest and Tax = Operating profit*

*Net Interest Paid = Interest paid – Interest received*

Operating profit should be shown on the face of the Income Statement in a standard set of financial statements and, for the purposes of this test, should include the entity’s share of the results of any joint ventures or associates. Where the entity has an operating loss (i.e. a negative operating profit), operating profit should generally be taken to be zero.

Interest received and interest paid should be shown on the face of the Cash Flow statement.

Where Net interest paid is negative (i.e. the entity has net interest received), the outcome of the test should be regarded as ‘*Low risk*’.

**Interpretation**

The Net Interest Paid Cover measures how easily an entity can pay interest on its debt out of the profits it generates from its operations, and therefore provides a measure of the entity’s solvency. A higher number would normally indicate, other things being equal, that the entity is better able to service interest on its debt, and/or is more likely to be able to borrow additional money if required. Conversely, a low figure may raise doubts over an entity’s ability to service the interest on its existing debt.

**Metric 6 – Acid Ratio**

*Acid Ratio = (Current Assets – Inventories)/ Current Liabilities*

**Definition**

All elements that are used to calculate the Acid Ratio are available on the face of the Balance Sheet in a standard set of financial statements.

**Interpretation**

The Acid Ratio provides a measure of an entity’s ability to meet its short term liabilities. A high ratio would normally suggest, other things being equal, that it can more easily meet its liabilities as they fall due. Conversely, a low ratio may raise doubts over its ability to meet its liabilities as they fall due.

**Metric 7 – Net Asset Value**

*Net Asset Value = Net Assets*

**Definition**

Net Assets are shown (but sometimes not labelled) on the face of the Balance sheet of a standard set of financial statements. Net Assets are sometimes called net worth or Shareholders’ Funds. They represent the net assets available to the shareholders. Where an entity has a majority interest in another entity in which there are also minority or non-controlling interests (i.e. where it has a subsidiary partially owned by outside investors), Net Assets should be taken inclusive of minority or non-controlling interests (as if the entity owned 100% of the other entity).

**Interpretation**

The Net Asset Value provides a basic view of whether an entity’s assets exceed its liabilities. Where an entity has a negative Net Tangible Asset Value this may suggest the business and hence the entity is less sustainable in the event of any deterioration in performance.

**Metric 8 – Group Exposure Ratio**

*Group Exposure Ratio = Group Exposure / Gross Assets*

**Definition**

*Group Exposure = Balances owed by Group Undertakings + Contingent liabilities assumed in support of Group Undertakings*

*Gross Assets = Fixed Assets + Current Assets*

**Group Exposure**: Balances owed by (i.e. receivable from) Group Undertakings are shown within Fixed assets or Current assets either on the face of the Balance Sheet or in the relevant notes to the financial statements. In many cases there may be no such balances, in particular where an entity is not a member of a group or is itself the ultimate holding company of the group.

Contingent liabilities assumed in support of Group Undertakings are shown in the Contingent Liabilities note in a standard set of financial statements. They include the value of guarantees and security given in support of the borrowings of other group companies, often as part of group borrowing arrangements. Where the contingent liabilities are capped, the capped figure should be taken as their value. Where no cap or maximum is specified, the outcome of the test should automatically be regarded as ‘*High risk*’.

In many cases an entity may not have assumed any contingent liabilities in support of Group Undertakings, in particular where an entity is not a member of a group or is itself the ultimate holding company of the group.

**Gross Assets**: Both Fixed assets and Current assets are shown on the face of the Balance Sheet

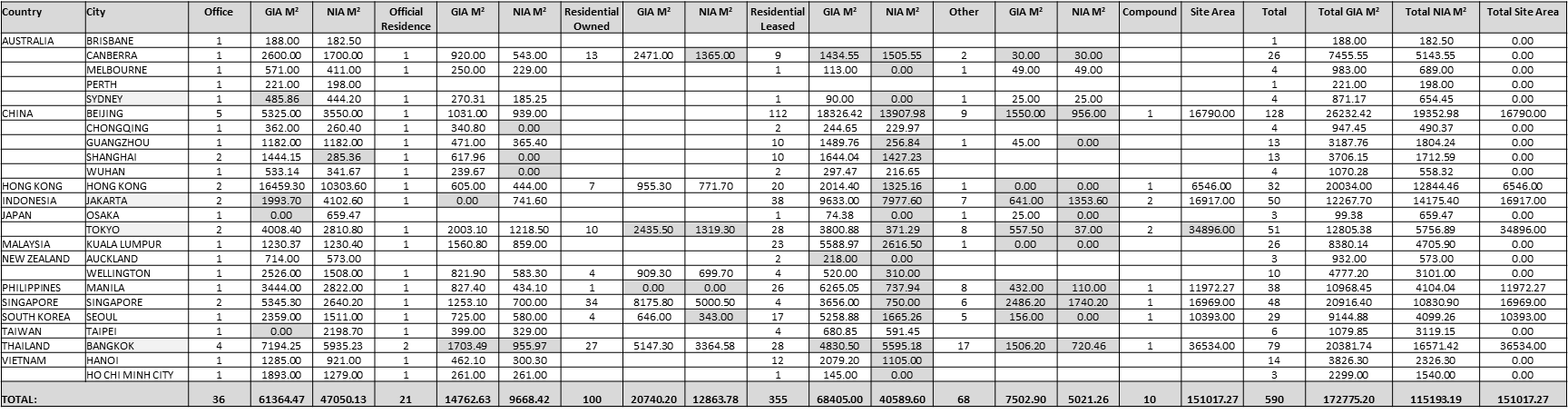
**Interpretation**

This test is relevant to subsidiaries and controlled entities which may have exposures (actual or contingent) to wider group entities whose results are not reflected in the entity’s own financial statements. The test is designed to establish whether an entity could withstand a significant adverse event elsewhere within the group of which it is a member; such an event could lead to the non-recovery of balances owed to it by other group members or to the crystallisation of a contingent liability linked to the wider group (e.g. a call under a guarantee).

Where Group Exposure represents a high or uncapped percentage of an entity’s Gross Assets, this suggests the entity is more exposed to the performance or position of other entities within its wider group. Typical exposures arise where an entity is a member of a borrowing group the members of which have provided cross guarantees and/or security to the lender.

**Appendix E – Overview of Properties in Scope in Asia-Pacific**

Data in the table is provided for information purposes only. Cells that are shaded grey indicate that we may not have both GIA and NIA data for the properties in question.



**Appendix F – Copy of Confidentiality Agreement**

Foreign & Commonwealth Office UK Confidentiality Agreement

DATE: [*insert date of document*]

During the course of discussions between us in connection with the tender process relating to the provision of facilities management services in Asia Pacific ("the Tender Process") we will disclose to you various information including information contained in the invitation to participate in the Tender Process or sent with it and any information which has been or may be made available to you by us in connection with the Tender Process communicated orally, in writing, whether or not indicated "proprietary" or "confidential" ("Information").

In order that we should be able to disclose the Information to you freely, we require you to enter into an undertaking as follows:

1. In consideration of the Secretary of State for Foreign and Commonwealth Affairs ("the Secretary of State") or any representative, employee or adviser of the Secretary of State or any person acting on behalf of the Secretary of State or with the Secretary of State's authority including person affiliated with the Secretary of State and any subsidiary company or related company of the Secretary of State (all such representatives, persons, companies and related companies, together with the Secretary of State and any representatives of such companies being hereafter referred to collectively as "the Foreign and Commonwealth Office"), providing you with information in connection with the Tender Process, the Foreign and Commonwealth Office requires you to agree to treat the Information confidentially.

2. You shall ensure that the Information is not disclosed in whole or in part to any person other than those of your consortium members, employees and professional advisers who need to know the Information for the purpose of carrying out the Tender Process. You shall ensure before any such disclosure that such consortium members, employees and professional advisers are aware of the confidential nature of the Information (and you shall draw their attention to the requirements of the Official Secrets Acts[[4]](#footnote-5) and obtain written acknowledgement from them that this has been done) and agree with you for the benefit of you and the Foreign and Commonwealth Office on terms at least as restrictive as this agreement to perform the obligations set out in this Agreement as though the term "you" referred to that consortium member, employee or professional adviser (as applicable).

3. You shall ensure that the Information is not used by you or your consortium members, employees or professional advisers at any time except for the purpose of participating in the Tender Process. In any event, the Information will not be used by you or, your consortium members, employees or professional advisers, in any way which might reasonably be construed to be detrimental to the Foreign and Commonwealth Office.

4. Upon request by the Foreign and Commonwealth Office at any time, you will immediately return (and shall ensure that your consortium members, employees and professional advisers immediately return) to the Foreign and Commonwealth Office all documents, letters and other written information which may have been supplied to you (or them) in connection with the Tender Process without retaining any copy thereof in any form including and without limiting the generality of the foregoing, extracts from such documents or copies or any notes relating thereto. In returning the above material you will confirm your (and your consortium members', employees' and professional advisers') compliance with this paragraph 4 and all the other obligations on your part in this Agreement.

5. Your obligations of confidentiality under this Agreement shall continue in respect of any piece of the Information for a period of five years following disclosure of that piece of the Information.

6. The Information does not include information which:

a) is lawfully known to you prior to your being provided with it by Foreign and Commonwealth Office, or

b) is made available to you on a non-confidential basis from a source other than the Foreign and Commonwealth Office or its representatives provided that such information is not provided in breach of any confidentiality obligation owed to any person, or

c) you are required by law to disclose, or

d) is in the public domain or comes into the public domain other than as a result of disclosure in breach of this Agreement.

7. You acknowledge that the Foreign and Commonwealth Office may be obliged (subject to the application of any relevant exemption(s) and, where applicable, the public interest test) to disclose information pursuant to the Freedom of Information Act 2000 ("FOIA")[[5]](#footnote-6) or the Environmental Information Regulations 2004 (the "Regulations")[[6]](#footnote-7). Where the Foreign and Commonwealth Office consults the Supplier in accordance with section IV of the code of practice issued under section 45 of the FOIA (or, as the case may be, any code of practice issued under powers contained in the Regulations), you agree to respond to any such consultation promptly and within any reasonable deadline set by the Foreign and Commonwealth Office. You also acknowledge that it is for the Foreign and Commonwealth Office to determine whether or not such information should be disclosed.

8. You shall and shall ensure that your consortium members, employees and professional advisers shall notify us of your and their press and communications point of contact for any press enquiries that may arise relating to the Tender Process or the supply of services specified. You shall not and shall ensure that your consortium members, employees and professional advisers do not undertake or permit to be undertaken any publicity or activity with any section of the media (including but not limited to making any announcements) in relation to the Tender Process or the supply of services specified other than with the prior written consent of the Foreign and Commonwealth Office (which may be withheld in its absolute discretion). All requests for such consent should be directed to [*insert contact*].

9. This Agreement shall be governed by the laws of England. In addition to any and all remedies available at law, the Foreign and Commonwealth Office shall also be entitled to equitable relief, including injunction and specific performance, in the event of any breach of this Agreement. The English Courts shall have exclusive jurisdiction except that the Foreign and Commonwealth Office may seek an interim injunction or other urgent relief in any court of competent jurisdiction.

IN WITNESS whereof you have executed this document as a Deed the day and year first before written:

EXECUTED as a Deed

and delivered on behalf of

[*insert name of participant*]

by:

……………………………………………….

Director

……………………………………………….

Director/Secretary

1. <https://www.gov.uk/government/publications/foreign-and-commonwealth-office-single-departmental-plan/foreign-and-commonwealth-office-single-departmental-plan-may-2018> [↑](#footnote-ref-2)
2. Refers to UK Legislation [↑](#footnote-ref-3)
3. Refers to UK Legislation [↑](#footnote-ref-4)
4. Refers to UK Legislation [↑](#footnote-ref-5)
5. Refers to UK Legislation [↑](#footnote-ref-6)
6. Refers to UK Legislation [↑](#footnote-ref-7)