

# Invitation to Quote

**Invitation to Quote (ITQ) on behalf of The Department for Business,  
Energy and Industrial Strategy**

**Subject: Innovation for inclusive growth - Impact of innovation on  
local growth and identification of the most significant regional  
drivers for innovation**

**Sourcing Reference Number: CR19008**

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

Registered in England and Wales as a limited company. Company Number 6330639.  
Registered Office Polaris House, North Star Avenue, Swindon, Wiltshire SN2 1FF  
VAT registration GB618 3673 25  
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Version 3.3

**UKSBS**  
*Shared Business Services*

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# Section 1 – About UK Shared Business Services

## Putting the business into shared services

UK Shared Business Services Ltd (UK SBS) brings a commercial attitude to the public sector; helping our Contracting Authorities improve efficiency, generate savings and modernise.

It is our vision to become the leading service provider for the Contracting Authorities of shared business services in the UK public sector, continuously reducing cost and improving quality of business services for Government and the public sector.

Our broad range of expert services is shared by our Contracting Authorities. This allows Contracting Authorities the freedom to focus resources on core activities; innovating and transforming their own organisations.

Core services include Procurement, Finance, Grants Admissions, Human Resources, Payroll, ISS, and Property Asset Management all underpinned by our Service Delivery and Contact Centre teams.

UK SBS is a people rather than task focused business. It's what makes us different to the traditional transactional shared services centre. What is more, being a not-for-profit organisation owned by the Department for Business, Energy & Industrial Strategy (BEIS), UK SBS' goals are aligned with the public sector and delivering best value for the UK taxpayer.

UK Shared Business Services Ltd changed its name from RCUK Shared Services Centre Ltd in March 2013.

## Our Customers

Growing from a foundation of supporting the Research Councils, 2012/13 saw Business, Energy and Industrial Strategy (BEIS) transition their procurement to UK SBS and Crown Commercial Services (CCS – previously Government Procurement Service) agree a Memorandum of Understanding with UK SBS to deliver two major procurement categories (construction and research) across Government.

UK SBS currently manages £700m expenditure for its Contracting Authorities. Our Contracting Authorities who have access to our services and Contracts are detailed [here](#).

## **Privacy Statement**

At UK Shared Business Services (UK SBS) we recognise and understand that your privacy is extremely important and we want you to know exactly what kind of information we collect about you and how we use it.

This privacy notice link below details what you can expect from UK SBS when we collect your personal information.

- We will keep your data safe and private.
- We will not sell your data to anyone.
- We will only share your data with those you give us permission to share with and only for legitimate service delivery reasons.

## **Privacy Notice**

This notice sets out how the Contracting Authority will use your personal data, and your rights. It is made under Articles 13 and/or 14 of the General Data Protection Regulation (GDPR).

### **YOUR DATA**

The Contracting Authority will process the following personal data:

Names and contact details of employees involved in preparing and submitting the bid;  
Names and contact details of employees proposed to be involved in delivery of the contract;  
Names, contact details, age, qualifications and experience of employees who's CVs are submitted as part of the bid.

#### *Purpose*

The Contracting Authority are processing your personal data for the purposes of the tender exercise, or in the event of legal challenge to such tender exercise.

#### *Legal basis of processing*

The legal basis for processing your personal data is processing is necessary for the performance of a task carried out in the public interest or in the exercise of official authority vested in the data controller, such as the exercise of a function of the Crown, a Minister of the Crown, or a government department; the exercise of a function conferred on a person by an enactment; the exercise of a function of either House of Parliament; or the administration of justice.

#### *Recipients*

Your personal data will be shared by us with other Government Departments or public authorities where necessary as part of the tender exercise. The Contracting Authority may share your data if required to do so by law, for example by court order or to prevent fraud or other crime.

#### *Retention*

All submissions in connection with this tender exercise will be retained for a period of (7) years from the date of contract expiry, unless the contract is entered into as a deed in which case it will be kept for a period of (12) years from the date of contract expiry.

### **YOUR RIGHTS**

You have the right to request information about how your personal data are processed, and to request a copy of that personal data.

You have the right to request that any inaccuracies in your personal data are rectified without delay.

You have the right to request that any incomplete personal data are completed, including by means of a supplementary statement.

You have the right to request that your personal data are erased if there is no longer a justification for them to be processed.

You have the right in certain circumstances (for example, where accuracy is contested) to request that the processing of your personal data is restricted.

You have the right to object to the processing of your personal data where it is processed for direct marketing purposes.

You have the right to object to the processing of your personal data.

## **INTERNATIONAL TRANSFERS**

Your personal data will not be processed outside the European Union

## **COMPLAINTS**

If you consider that your personal data has been misused or mishandled, you may make a complaint to the Information Commissioner, who is an independent regulator. The Information Commissioner can be contacted at:

Information Commissioner's Office  
Wycliffe House  
Water Lane  
Wilmslow  
Cheshire  
SK9 5AF  
0303 123 1113  
casework@ico.org.uk

Any complaint to the Information Commissioner is without prejudice to your right to seek redress through the courts.

## **CONTACT DETAILS**

The data controller for your personal data is:

The Department for Business, Energy & Industrial Strategy (BEIS)

You can contact the Data Protection Officer at:

BEIS Data Protection Officer, Department for Business, Energy and Industrial Strategy, 1 Victoria Street, London SW1H 0ET. Email: [dataprotection@beis.gov.uk](mailto:dataprotection@beis.gov.uk).

## Section 2 – About the Contracting Authority

### Department for Business, Energy & Industrial Strategy (BEIS)

The Department for Business, Energy and Industrial Strategy (BEIS) was created as a result of a merger between the Department of Energy and Climate Change (DECC) and the Department for Business, Innovation and Skills (BIS), as part of the Machinery of Government (MoG) changes in July 2016.

The Department is responsible for:

- developing and delivering a comprehensive industrial strategy and leading the government's relationship with business;
- ensuring that the country has secure energy supplies that are reliable, affordable and clean;
- ensuring the UK remains at the leading edge of science, research and innovation; and
- tackling climate change.

BEIS is a ministerial department, supported by 46 agencies and public bodies.

We have around 2,500 staff working for BEIS. Our partner organisations include 9 executive agencies employing around 14,500 staff.

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

## Section 3 - Working with the Contracting Authority.

In this section you will find details of your Procurement contact point and the timescales relating to this opportunity.

Section 3 – Contact details		
3.1	Contracting Authority Name and address	The Department for Business, Energy and Industrial Strategy of, 1 Victoria Street, London, SW1H 0ET
3.2	Buyer name	Karl Oakley
3.3	Buyer contact details	01793 867005 research@uksbs.co.uk
3.4	Maximum value of the Opportunity	The Maximum value of this opportunity is £110,000.00 excluding VAT  The initial contract value will be £10,000.00 excluding VAT.  If the option is taken to extend the contract the overall maximum value of this opportunity shall be £110,000.00 excluding VAT
3.5	Process for the submission of clarifications and Bids	<b>All correspondence shall be submitted within the Emptoris e-sourcing tool. Guidance Notes to support the use of Emptoris is available <a href="#">here</a>. Please note submission of a Bid to any email address including the Buyer <u>will</u> result in the Bid <u>not</u> being considered.</b>

Section 3 - Timescales		
3.6	Date of Issue of Contract Advert and location of original Advert	Thursday 24 <sup>th</sup> January 2019 Location Contracts Finder
3.7	Latest date/time ITQ clarification questions shall be received through Emptoris messaging system	Friday 15 <sup>th</sup> February 2019 at 11.00
3.8	Latest date/time ITQ clarification answers should be sent to all Bidders by the Buyer through Emptoris	Monday 18 <sup>th</sup> February 2019
3.9	Latest date/time ITQ Bid shall be submitted through Emptoris	Wednesday 20 <sup>th</sup> February 2019 at 14.00
3.10	Date Bidders should be available if clarifications are required	Thursday 28 <sup>th</sup> February 2019
3.11	Anticipated notification date of successful and unsuccessful Bids	Tuesday 5 <sup>th</sup> March 2019
3.12	Anticipated Award date	Wednesday 6 <sup>th</sup> March 2019
3.13	Anticipated Contract Start date	Monday 11 <sup>th</sup> March 2019

3.14	Anticipated Contract End date	Wednesday 1 <sup>st</sup> May 2019 with the option to extend until Monday 7 <sup>th</sup> October 2019 if Phase 2 is utilised.
3.15	Bid Validity Period	60 Days

## Section 4 – Specification

### 1. Background

The government’s ambitious, modern Industrial Strategy sets out a long-term plan to boost productivity and earning power throughout the UK. It sets out how we are building a Britain fit for the future, how we will help businesses create better, higher-paying jobs in the UK with investment in skills, industries and infrastructure of the future. The Industrial Strategy will boost productivity and earning power across the country by focusing on the five foundations of productivity: Ideas, People, Infrastructure, Business Environment and Places.

As part of the Industrial Strategy, Government have committed to [local industrial strategies](#) that build on local strengths and aim to boost local productivity and tackle regional disparities. The rationale is twofold: promote territorial inclusiveness and ensure each region boosts the national economy. The Industrial Strategy aims to ensure that the capacity to participate in innovation activities is distributed across all regions in the UK. While the UK is one of the leaders in innovation<sup>1</sup> within the EU, productivity and growth in the UK regions varies, with the most productive region now almost three times more productive than the least productive one<sup>2</sup>.

The strategy also created a Strength in Places Fund (SPF) with £115m per annum. The fund supports innovation-led regional growth by identifying and supporting areas of R&D strengths.

In order to improve effectiveness of the fund, among other objectives, BEIS need to understand how the economic impact of public support to R&D and innovation is likely to vary by geographic location within the UK because most of the available evidence is at the national level.

Some other examples of how the outputs of this project will be used - to update the estimates used in the Business Innovation Net Present Value model used to appraise new programmes in innovation; to achieve the 2.4% target for R&D spend by 2027.

Similarly, BEIS want to understand the most significant drivers for regional innovation, both public and private, and their magnitude.

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<sup>1</sup> European Innovation Scoreboard 2018 [https://ec.europa.eu/growth/content/european-innovation-scoreboard-2018-europe-must-deepen-its-innovation-edge\\_en](https://ec.europa.eu/growth/content/european-innovation-scoreboard-2018-europe-must-deepen-its-innovation-edge_en)

<sup>2</sup> CBI, 2016, “Unlocking regional growth”

## 2. Aims and Objectives of the Project

This research aims to identify important drivers of local innovation<sup>3</sup> activity, both public and private, and estimate the contribution of local innovation activities on local economic growth. The focus of this project is on the modes of innovation that are science based and rest on R&D.

Identifying the drivers is important for BEIS and other government departments because with this evidence policy could have a sharper focus on further strengthening the drivers that have positive impact on local innovation outcomes. Similarly, it is equally important to understand a link between the local innovation activity and local growth so that policy can use this knowledge to achieve the Industrial Strategy objective. Together these can also help with the ambition to raise R&D investment to 2.4% of the GDP.

The precise research questions of the project are:

1. What are the most significant factors, and their magnitude, that drive the regional innovation outcomes? What is the relative importance of drivers in terms of impact on innovation outcomes (identifying both firm-level and regional drivers in regions)? The question will be subdivided into:

- What are the most significant factors, and their magnitude, that drive private regional innovation?
- What are the most significant factors, and their magnitude, that drive public regional innovation?

2. What is an impact of innovation on regional growth, both at firm and regional level? The question will be subdivided into:

- What is the impact of private investments in innovation on regional growth (i.e., rate of return to innovation) at the regional level across regions and by type of innovation (e.g., R&D or innovation in terms of product or process)?
- What is the impact of public investments in innovation on regional growth at the regional level across regions and by type of innovation?
- In which regions does innovation lead to a relatively higher rate of return?
- In which sectors does innovation lead to a higher rate of return?
- To what extent innovation and inclusive growth<sup>4</sup> are related at a regional level?

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<sup>3</sup> Innovation is the application of new knowledge to the production of goods and services; it means improved product quality and enhanced process effectiveness. Innovation generates wide improvements in productivity, which are the primary source of enhanced well-being, higher real incomes and resources for Government (Innovation and Research Strategy for Growth, BIS, 2011)

<sup>4</sup> According to OECD definition, inclusive growth is “economic growth that creates opportunities for all population segments and distributes the dividends of increased prosperity fairly across society”. (OECD, Making Innovation Benefit All: Policies for Inclusive Growth, 2017)

### 3. Suggested Methodology

We expect the methodology to be based on an econometric analysis. The bidders are advised to review the studies included in appendix A - Literature Review for a more detailed description of the methods and approaches used in past research. Whatever approach a contractor may choose they must be able to answer the research questions outlined earlier.

Our review of selected studies indicates that currently there is limited evidence on local economic impact of the public support to R&D and innovation, as well as the impact of privately funded and undertaken R&D. Most of the evidence is at national level and many approaches<sup>5</sup> investigate factors driving regional development through aggregate models. Those models did not explore the factors that had the greatest impact on driving local growth. Aggregate models and analysis are unable to account for, for example, variety<sup>6</sup> of local characteristics (such as market size, market power, firm ownership) that affect local performance.

Similarly, aggregate models<sup>7</sup> don't account for differences between firms and thus they are unable to capture entirely the individual processes that generate regional productivity change, such as within region competition, and the different mechanisms that influence those processes.

Research<sup>8</sup> shows that firm-level analysis aggregated at a regional level would be superior to macro-level analysis, because this would allow to capture the 'within' and the 'between' components of regional productivity and the impact of 'entry and exit' of firms from the industry within and across the regions.

The study aims to provide granular estimates of the impact of innovation, both public and private, on growth (i.e., rate of return) as well as estimates of the most significant drivers of innovation by regions and, if feasible, sectors within regions. The drivers of innovation would ideally have to be disentangled into firm-specific, public research institutions and HEIs and regional ones. This will require contractors to provide estimates:

- at NUTS2 and 3 level (by Local Authority) for England and LEP for other Devolved Administrations as well as LEP/Mayoral Combined Authority
- at a suitable level of breakdown by sector within regions (e.g., following Standard Industrial Classification (SIC))
- at a suitable level of breakdown of firms' characteristics and performances of innovation – to do that contractors would need datasets such as Business Structure Database (BSD), the Annual Respondents Database (ARD) or latest version of ARDx and ONS microdata as well as on European Patent Office (EPO) and HRMC data lab.

<sup>5</sup> Harris, R. (2008). Models of regional growth: past, present and future.

<sup>6</sup> Harris, R. (2011) R&D, innovation and exporting

<sup>7</sup> E.J. Bartelsman, et al., Forecasting aggregate productivity using information from firm-level data

<sup>8</sup> E.J. Bartelsman, et al., Forecasting aggregate productivity using information from firm-level data

In practice, this would require to:

- Carry out an econometric analysis of firm-level and public research institutions' (such as research councils and HEIs) determinants of innovation and regional drivers on innovation outcomes within a selected place/location/region.
- Carry out an econometric analysis of firm-level and public research institutions investments in innovation & R&D on growth/ productivity in order to identify rate of return to innovation within a selected place/location/region.

**Looking at each specific question in more detail:**

**What are the local factors driving regional innovation?**

First, contractors should look at the firm-level (when investigating private R&D and innovation) and public research organisations' (such as research councils and HEI) drivers of regional innovation.

This would require analysing firm-level drivers to capture inherent company characteristics (such as nationality of ownership; human capital; venture capital; receipt of grants for innovation; specialisation of economic activity); inter-firm activity (sales and workers movements across companies); proximities (eg spatial, cognitive, organisational, cultural, product) and networking.

To investigate public sector regional innovation drivers, an analysis of research councils and HEIs activities contributing to R&D and innovation at a local level will need to be conducted. As innovation outcomes, contractors should capture the impact on such variables as level of collaboration between innovators; higher market value; higher sales from innovation products; higher R&D investments; higher number of new entrants in the market and more patents & more scientific papers.

This is consistent with and can be further advanced based on the work done by NESTA<sup>9</sup> that examines the impact of city-region characteristics on firm-level innovation and growth; but also, on work done by Riccardo Crescenzi et al. and by Andrés Rodríguez-Pose<sup>10</sup>

Second, aggregate and generalise drivers and innovation outcomes at different levels of geographic areas from the above analysis.

Examples of regional drivers include consolidated innovation indicators; innovation activity indicators (as done by ERC and by smart specialisation hub and CBI – such as the level of specialisation/ cluster of economic activity in a specific area) and other factors to capture the innovation system (such as the level of venture capital; universities; innovation parks; etc). This

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<sup>9</sup> NESTA (2013) "Firm growth and innovation in UK city regions"

<sup>10</sup> Crescenzi, Riccardo and Nathan, Max and Rodríguez-Pose, Andrés (2016) "Do inventors talk to strangers? On proximity and collaborative knowledge creation"

might include some of the variables identified by Richard Harris; Glaser<sup>11</sup> ; Smart Specialisation Hub<sup>12</sup> and NESTA.

As a result, this study should also be able to test the existence / extent of any relationship between level of specialisation of economic activity in a location and the performance of innovators who specialise in that activity.

To do that, contractors should consider whether relying on panel data analysis would be appropriate and how to use weights or other methods to adjust for different sizes of regions and ensure a relative comparison across regions.

### **Would higher innovation lead to a higher productivity / growth?**

To identify the impact, we recommend contractors explore the use of a Total Factor Productivity approach. This can be done relying on datasets such as HRMC data lab, Business Structure Database (BSD), the Annual Respondents Database (ARD) or latest version of ARDx and ONS microdata and European Patent Office (EPO).

Contractors might want to consider proxies for innovation such as the level of spending on R&D; tax credits received on R&D investments; patenting; grants and other proxies.

Examples of proxies for economic performances would include outcomes measured by GVA, firm's market value; productivity and sales. Having said that, the list of datasets is not exhaustive, and we will encourage contractors to propose other data sources that could add value to the research.

Because access to Secure Data Services/VML/HMRC is a necessary criterion to complete this project on time, we will rigorously assess the access to data and past experience of working with similar datasets and any cost associated—given these datasets are complicated, such understanding is vital to ensure success of this project.

Modelling quality assurance will be through the experts on the steering group as well as independent external review of the phase one report. This will provide a thorough and rigorous assessment. Furthermore, the independent reviewers will also assess the stage two report to make sure that the final report meets model quality requirements as well as standards of good quality research.

### **Data**

Business Structure Database and IDBR (BSD is an annual extract, IDBR is a live register) - a comprehensive list of UK businesses used by government for statistical purposes. The two main sources of input are the Value Added Tax (VAT) system from HMRC (Customs) and Pay as You Earn (PAYE) from HMRC (Revenue)

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<sup>11</sup> Glaser (2008) “Clusters of Entrepreneurship and Innovation”

<sup>12</sup> Mapping England's Innovation Activity: Refreshed

ONS Business Enterprise Research and Development (BERD) - covers estimates of UK businesses expenditure and employment relating to research and development

ONS Gross domestic expenditure on research and development (GERD) - estimates of research and development performed and funded by business enterprise, higher education, government, research councils and private non-profit organisations

European Regional Innovation Scoreboard (RIS) – provides statistical facts on regions’ innovation performance

Gateway to Research (GtR) - information about current research projects and outcomes of past projects

Beauhurst - platform to discover, track and understand high-growth companies; includes information on venture capital

European Patent Office (EPO) – includes detailed geographical information (at the post-code level) on inventors

Annual Survey of Hours and Earnings - data on levels, distribution and make-up of earnings and hours worked for UK employees by sex and full-time or part-time status in all industries and occupations

The Labour Force Survey (LFS) - a study of the employment circumstances of the UK population. It is the largest household study in the UK and provides the official measures of employment and unemployment

Joseph Rowntree Foundation – data on social inclusiveness indicators

#### 4. Deliverables

As mentioned before, the project will consist of two phases.

##### **Deliverables for Phase 1** (approximate duration 6-8 weeks)

- **Inception meeting** - contractors and BEIS steering group will meet to discuss how the project will proceed.
- **Data review and approach** - the selected contractor will review relevant datasets and will decide on the most appropriate datasets and econometric techniques, or other analytical methods for answering the research questions. We expect contractors to assess the datasets (and if possible, test run at a very small scale) and establish whether the proposed approach is applicable or not for each question.
- **Testing the methodology** - Given the outcome of the data and approach review, we expect contractors to test their proposed methodology, including the datasets that will fit into that approach (and its availability) and identify the benefits/ weaknesses and limitations of the proposed approach.
- **Short report:** the contractors will submit a short report (not more than 15 pages excluding the annexes) and a slide pack outlining the datasets that have been reviewed, their suitability to answer each research question, their proposed methodology with advantages, and feasibility of the approach for each of the research question.
- **Regular updates:** fortnightly update with the BEIS project team, a presentation to the steering group at the end of phase 1, as well as attending steering group meeting where required.

**Review of Phase 1** (approximate duration 2 weeks) – Given the complexity of the questions posed, BEIS want to ensure that this project adds value to the currently available estimates. To ensure this, at the end of phase 1, BEIS will review the outcome of it, and the Steering Group, in consultation with the peer reviewers, will make the final decision on whether to proceed further.

**Deliverables for Phase 2:** (approximate duration 4 months)

- **Building the datasets and finalising the methodology:** the contractor will develop the dataset to answer the research questions and finalise the methodology.
- **Performing the analysis:** in this phase the contractors will implement the agreed analytical approach and where required will make adjustments, where needed, to respond to each question. The contractors are also expected to present their work to the steering group to manage expectations and emerging issues.
- **Regular updates with BEIS.** We expect that contractor have a weekly catch-up with the project manager to track progress and address any issues that may arise.
- **Draft report:** the contractor will produce a draft report at the end of analysis stage. The contractor will agree the report structure with the project manager, but overall, the report should include an executive summary, context to the work, methodology, data, results, and conclusions. The report will follow the gov.uk guidelines on style, accessibility and should meet plain English requirements. With the draft report the contractors should also provide:

-Fully documented software code, used for analysis, and all underlying data (with complete reference) and datasets underpinning the analysis. Where the data is not publicly available, we expect contractors to organise access to the project folder in secure data service (SDS).

-All tables and figures in the report need to be in an excel spreadsheet with data included

-All models will be compliant with BEIS QA practice, further information on BEIS QA practice can be found here: <https://www.gov.uk/government/collections/quality-assurance-tools-and-guidance-in-decc>

Publication

The **final report** for this research project must be formatted according to BEIS publication guidelines, template and adhering to BEIS accessibility requirements on GOV.UK. Project manager will provide the template and the contractor should discuss any related issues in advance of producing the report to avoid re-writing. The contractor needs to ensure the drafts are free from typos, grammatical or syntax errors and are accessible to technical and non-technical audience—it will solely be contractor's responsibility to ensure these to BEIS' satisfaction.

Please ensure you note the following in terms of accessibility:

#### **Checklist for Word accessibility**

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

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

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

### **Project Cost Guidelines**

Bidders should break down project cost for phase 1 and 2 separately. Where feasible, itemise the cost for various deliverables within each phase in the bid.

### **Staff to Deliver Guidelines**

Bidders should provide details of expertise relevant to this project for each member of the project team. The bids should also outline which team member will lead on which deliverable and how much time each member will contribute to the project.

### **Project Plan and Timescale Guidelines**

The proposed high-level time table is below. Bidders should propose the overall project timeline and important milestones. In addition, they should outline how they will manage project delivery risks and ensure outputs will be delivered on time. If appropriate, add a short table with main delivery risk, potential risk owners and mitigation steps.

Phase 1 Start: 11/03/2019

Phase 1 End: 01/05/2019

Review of Phase 1 report and decision to proceed with Phase 2: 15/05/2019

Phase 2 start: 16/05/2019

Phase 2 End: 07/10/2019

### **Terms and Conditions**

Bidders are to note that any requested modifications to the Contracting Authority Terms and Conditions on the grounds of statutory and legal matters only, shall be raised as a formal clarification during the permitted clarification period.

## Section 5 – Evaluation model

The evaluation model below shall be used for this ITQ, which will be determined to two decimal places.

Where a question is 'for information only' it will not be scored.

The evaluation team may comprise staff from UK SBS and the Contracting Authority and any specific external stakeholders the Contracting Authority deems required. After evaluation the scores will be finalised by performing a calculation to identify (at question level) the mean average of all evaluators (Example – a question is scored by three evaluators and judged as scoring 5, 5 and 6. These scores will be added together and divided by the number of evaluators to produce the final score of 5.33 ( $5+5+6 = 16 \div 3 = 5.33$ ))

Pass / fail criteria		
Questionnaire	Q No.	Question subject
Commercial	SEL1.2	Employment breaches/ Equality
Commercial	FOI1.1	Freedom of Information Exemptions
Commercial	AW1.1	Form of Bid
Commercial	AW1.3	Certificate of Bona Fide Bid
Commercial	AW3.1	Validation check
Commercial	SEL3.11	Compliance to Section 54 of the Modern Slavery Act
Commercial	AW4.1	Contract Terms Part 1
Commercial	AW4.2	Contract Terms Part 2
Price	AW5.1	Maximum Price
Price	AW5.5	E Invoicing
Price	AW5.6	Implementation of E-Invoicing
Quality	AW6.1	Compliance to the Specification
Quality	AW6.2	Variable Bids
-	-	Invitation to Quote – received on time within e-sourcing tool

## Scoring criteria

### Evaluation Justification Statement

In consideration of this particular requirement the Contracting Authority has decided to evaluate Potential Providers by adopting the weightings/scoring mechanism detailed within this ITQ. The Contracting Authority considers these weightings to be in line with existing best practice for a requirement of this type.

Questionnaire	Q No.	Question subject	Maximum Marks
Price	AW5.2	Price	20%
Quality	PROJ1.1	Approach	40%
Quality	PROJ1.2	Staff to Deliver	10%
Quality	PROJ1.3	Understanding the Environment	20%
Quality	PROJ1.4	Project Plan and Timescales	10%

## Evaluation of criteria

### Non-Price elements

Each question will be judged on a score from 0 to 100, which shall be subjected to a multiplier to reflect the percentage of the evaluation criteria allocated to that question.

Where an evaluation criterion is worth 20% then the 0-100 score achieved will be multiplied by 20%.

Example if a Bidder scores 60 from the available 100 points this will equate to 12% by using the following calculation:

$$\text{Score} = \{\text{weighting percentage}\} \times \{\text{bidder's score}\} = 20\% \times 60 = 12$$

The same logic will be applied to groups of questions which equate to a single evaluation criterion.

The 0-100 score shall be based on (unless otherwise stated within the question):

0	The Question is not answered, or the response is completely unacceptable.
10	Extremely poor response – they have completely missed the point of the question.
20	Very poor response and not wholly acceptable. Requires major revision to the response to make it acceptable. Only partially answers the requirement, with major deficiencies and little relevant detail proposed.
40	Poor response only partially satisfying the selection question requirements with deficiencies apparent. Some useful evidence provided but response falls well short of expectations. Low probability of being a capable supplier.
60	Response is acceptable but remains basic and could have been expanded upon. Response is sufficient but does not inspire.
80	Good response which describes their capabilities in detail which provides high levels of assurance consistent with a quality provider. The response includes a full description of techniques and measurements currently employed.
100	Response is exceptional and clearly demonstrates they are capable of meeting the requirement. No significant weaknesses noted. The response is compelling in its description of techniques and measurements currently employed, providing full assurance consistent with a quality provider.

All questions will be scored based on the above mechanism. Please be aware that the final score returned may be different as there may be multiple evaluators and their individual scores will be averaged (mean) to determine your final score.

### Example

Evaluator 1 scored your bid as 60

Evaluator 2 scored your bid as 60

Evaluator 3 scored your bid as 40

Evaluator 4 scored your bid as 40

Your final score will  $(60+60+40+40) \div 4 = 50$

**Price elements** will be judged on the following criteria.

The lowest price for a response which meets the pass criteria shall score 100.

All other bids shall be scored on a pro rata basis in relation to the lowest price. The score is then subject to a multiplier to reflect the percentage value of the price criterion.

For example - Bid 1 £100,000 scores 100.

Bid 2 £120,000 differential of £20,000 or 20% remove 20% from price scores 80

Bid 3 £150,000 differential £50,000 remove 50% from price scores 50.

Bid 4 £175,000 differential £75,000 remove 75% from price scores 25.

Bid 5 £200,000 differential £100,000 remove 100% from price scores 0.

Bid 6 £300,000 differential £200,000 remove 100% from price scores 0.

Where the scoring criterion is worth 50% then the 0-100 score achieved will be multiplied by 50.

In the example if a supplier scores 80 from the available 100 points this will equate to 40% by using the following calculation:  $\text{Score/Total Points multiplied by 50}$  ( $80/100 \times 50 = 40$ )

The lowest score possible is 0 even if the price submitted is more than 100% greater than the lowest price.

## **Section 6 – Evaluation questionnaire**

Bidders should note that the evaluation questionnaire is located within the **e-sourcing questionnaire**.

**Guidance on completion of the questionnaire is available at**  
<http://www.uksbs.co.uk/services/procure/Pages/supplier.aspx>

**PLEASE NOTE THE QUESTIONS ARE NOT NUMBERED SEQUENTIALLY**

## Section 7 – General Information

### What makes a good bid – some simple do's 😊

#### DO:

- 7.1 Do comply with Procurement document instructions. Failure to do so may lead to disqualification.
- 7.2 Do provide the Bid on time, and in the required format. Remember that the date/time given for a response is the last date that it can be accepted; we are legally bound to disqualify late submissions. Responses received after the date indicated in the ITQ shall not be considered by the Contracting Authority, unless the Bidder can justify that the reason for the delay, is solely attributable to the Contracting Authority
- 7.3 Do ensure you have read all the training materials to utilise e-sourcing tool prior to responding to this Bid. If you send your Bid by email or post it will be rejected.
- 7.4 Do use Microsoft Word, PowerPoint Excel 97-03 or compatible formats, or PDF unless agreed in writing by the Buyer. If you use another file format without our written permission, we may reject your Bid.
- 7.5 Do ensure you utilise the Emptoris messaging system to raise any clarifications to our ITQ. You should note that we will release the answer to the question to all Bidders and where we suspect the question contains confidential information we may modify the content of the question to protect the anonymity of the Bidder or their proposed solution
- 7.6 Do answer the question, it is not enough simply to cross-reference to a 'policy', web page or another part of your Bid, the evaluation team have limited time to assess bids and if they can't find the answer, they can't score it.
- 7.7 Do consider who the Contracting Authority is and what they want – a generic answer does not necessarily meet every Contracting Authority's needs.
- 7.8 Do reference your documents correctly, specifically where supporting documentation is requested e.g. referencing the question/s they apply to.
- 7.9 Do provide clear, concise and ideally generic contact details; telephone numbers, e-mails and fax details.
- 7.10 Do complete all questions in the questionnaire or we may reject your Bid.
- 7.11 Do ensure that the Response and any documents accompanying it are in the English Language, the Contracting Authority reserve the right to disqualify any full or part responses that are not in English.
- 7.12 Do check and recheck your Bid before dispatch.

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

### DO NOT

- 7.13 Do not cut and paste from a previous document and forget to change the previous details such as the previous buyer's name.
- 7.14 Do not attach 'glossy' brochures that have not been requested, they will not be read unless we have asked for them. Only send what has been requested and only send supplementary information if we have offered the opportunity so to do.
- 7.15 Do not share the Procurement documents, they are confidential and should not be shared with anyone without the Buyers written permission.
- 7.16 Do not seek to influence the procurement process by requesting meetings or contacting UK SBS or the Contracting Authority to discuss your Bid. If your Bid requires clarification the Buyer will contact you. All information secured outside of formal Buyer communications shall have no Legal standing or worth and should not be relied upon.
- 7.17 Do not contact any UK SBS staff or the Contracting Authority staff without the Buyers written permission or we may reject your Bid.
- 7.18 Do not collude to fix or adjust the price or withdraw your Bid with another Party as we will reject your Bid.
- 7.19 Do not offer UK SBS or the Contracting Authority staff any inducement or we will reject your Bid.
- 7.20 Do not seek changes to the Bid after responses have been submitted and the deadline for Bids to be submitted has passed.
- 7.21 Do not cross reference answers to external websites or other parts of your Bid, the cross references and website links will not be considered.
- 7.22 Do not exceed word counts, the additional words will not be considered.
- 7.23 Do not make your Bid conditional on acceptance of your own Terms of Contract, as your Bid will be rejected.
- 7.24 Do not unless explicitly requested by the Contracting Authority either in the procurement documents or via a formal clarification from the Contracting Authority send your response by any way other than via e-sourcing tool. Responses received by any other method than requested will not be considered for the opportunity.

## Some additional guidance notes

- 7.25 All enquiries with respect to access to the e-sourcing tool and problems with functionality within the tool must be submitted to Crown Commercial Service (previously Government Procurement Service), Telephone 0345 010 3503.
- 7.26 Bidders will be specifically advised where attachments are permissible to support a question response within the e-sourcing tool. Where they are not permissible any attachments submitted will not be considered as part of the evaluation process.
- 7.27 Question numbering is not sequential and all questions which require submission are included in the Section 6 Evaluation Questionnaire.
- 7.28 Any Contract offered may not guarantee any volume of work or any exclusivity of supply.
- 7.29 We do not guarantee to award any Contract as a result of this procurement
- 7.30 All documents issued or received in relation to this procurement shall be the property of the Contracting Authority. / UKSBS.
- 7.31 We can amend any part of the procurement documents at any time prior to the latest date / time Bids shall be submitted through Emptoris.
- 7.32 If you are a Consortium you must provide details of the Consortiums structure.
- 7.33 Bidders will be expected to comply with the Freedom of Information Act 2000 or your Bid will be rejected.
- 7.34 Bidders should note the Government's transparency agenda requires your Bid and any Contract entered into to be published on a designated, publicly searchable web site. By submitting a response to this ITQ Bidders are agreeing that their Bid and Contract may be made public
- 7.35 Your bid will be valid for 60 days or your Bid will be rejected.
- 7.36 Bidders may only amend the contract terms during the clarification period only, only if you can demonstrate there is a legal or statutory reason why you cannot accept them. If you request changes to the Contract terms without such grounds and the Contracting Authority fail to accept your legal or statutory reason is reasonably justified, we may reject your Bid.
- 7.37 We will let you know the outcome of your Bid evaluation and where requested will provide a written debrief of the relative strengths and weaknesses of your Bid.
- 7.38 If you fail mandatory pass / fail criteria we will reject your Bid.
- 7.39 Bidders are required to use IE8, IE9, Chrome or Firefox in order to access the functionality of the Emptoris e-sourcing tool.
- 7.40 Bidders should note that if they are successful with their proposal the Contracting Authority reserves the right to ask additional compliancy checks prior to the award of any Contract. In the event of a Bidder failing to meet one of the compliancy checks

the Contracting Authority may decline to proceed with the award of the Contract to the successful Bidder.

- 7.41 All timescales are set using a 24-hour clock and are based on British Summer Time or Greenwich Mean Time, depending on which applies at the point when Date and Time Bids shall be submitted through Emptoris.
- 7.42 All Central Government Departments and their Executive Agencies and Non-Departmental Public Bodies are subject to control and reporting within Government. In particular, they report to the Cabinet Office and HM Treasury for all expenditure. Further, the Cabinet Office has a cross-Government role delivering overall Government policy on public procurement - including ensuring value for money and related aspects of good procurement practice.

For these purposes, the Contracting Authority may disclose within Government any of the Bidders documentation/information (including any that the Bidder considers to be confidential and/or commercially sensitive such as specific bid information) submitted by the Bidder to the Contracting Authority during this Procurement. The information will not be disclosed outside Government. Bidders taking part in this ITQ consent to these terms as part of the competition process.

- 7.43 The Government introduced its new Government Security Classifications (GSC) classification scheme on the 2<sup>nd</sup> April 2014 to replace the current Government Protective Marking System (GPMS). A key aspect of this is the reduction in the number of security classifications used. All Bidders are encouraged to make themselves aware of the changes and identify any potential impacts in their Bid, as the protective marking and applicable protection of any material passed to, or generated by, you during the procurement process or pursuant to any Contract awarded to you as a result of this tender process will be subject to the new GSC. The link below to the Gov.uk website provides information on the new GSC:

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

The Contracting Authority reserves the right to amend any security related term or condition of the draft contract accompanying this ITQ to reflect any changes introduced by the GSC. In particular where this ITQ is accompanied by any instructions on safeguarding classified information (e.g. a Security Aspects Letter) as a result of any changes stemming from the new GSC, whether in respect of the applicable protective marking scheme, specific protective markings given, the aspects to which any protective marking applies or otherwise. This may relate to the instructions on safeguarding classified information (e.g. a Security Aspects Letter) as they apply to the procurement as they apply to the procurement process and/or any contracts awarded to you as a result of the procurement process.

#### **USEFUL INFORMATION LINKS**

- [Emptoris Training Guide](#)
- [Emptoris e-sourcing tool](#)
- [Contracts Finder](#)
- [Equalities Act introduction](#)
- [Bribery Act introduction](#)
- [Freedom of information Act](#)