



Invitation to Quote

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

Subject: Heat Pump Manufacturing Supply Chain Research Project

Sourcing Reference Number: CR19094

UK Shared Business Services Ltd (UK SBS)
www.uksbs.co.uk

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Version 1.0

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.

<https://www.ukpbs.co.uk/use/pages/privacy.aspx>

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 whose 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.

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	Department for Business, Energy and Industrial Strategy 1 Victoria Street, London, SW1H 0ET
3.2.	Buyer name	Alexandra Richards
3.3.	Buyer contact details	Research@uksbs.co.uk
3.4.	Maximum value of the Opportunity	£106,000.00 Excluding VAT
3.5.	Process for the submission of clarifications and Bids	All correspondence shall be submitted within the Messaging Centre of the e-sourcing. Guidance Notes to support the use of Delta eSourcing is available here. 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.

Section 3 - Timescales		
3.6.	Date of Issue of Contract Advert on Contracts Finder	Thursday, 7 th November 2019 Contracts Finder
3.7.	Latest date / time ITQ clarification questions shall be received through Delta eSourcing messaging system	Friday, 15 th November 2019 11:00
3.8.	Latest date / time ITQ clarification answers should be sent to all Bidders by the Buyer through Delta eSourcing Portal	Monday, 18 th November 2019
3.9.	Latest date and time ITQ Bid shall be submitted through Delta eSourcing	Thursday, 5 th December 2019 11:00
3.10.	Clarifications (if required)	Wednesday, 11 th December 2019
3.11.	Anticipated notification date of successful and unsuccessful Bids	Wednesday, 18 th December 2019
3.12.	Anticipated Contract Award date	Wednesday, 18 th December 2019
3.13.	Anticipated Contract Start date	Monday, 6 th January 2020
3.14.	Anticipated Contract End date	Friday, 29 th May 2020
3.15.	Bid Validity Period	60 Days

Section 4 – Specification

1. Background

Heating makes up over one third of UK greenhouse gas emissions. Heat pumps produce heat very efficiently, using on average one unit of electricity to produce three units of heat. Combined with decarbonisation of the electricity grid, they are very likely to play a key role in the decarbonisation of heating in order to achieve the UK's net zero carbon target by 2050.

Currently there are only 220,000 heat pumps installed in the UK with around 28,000 being installed each year. Despite ongoing questions about pathways for the future of heating in the UK, which are considering electrification alongside hydrogen and biomass, a very considerable increase in the number of heat pumps will be necessary, whichever pathway is chosen. The CCC's "further ambition" scenario in their Net Zero report, suggests that 26 million heat pumps will need to be installed in domestic buildings in the UK by 2050 to meet the net zero carbon target. This scenario also suggests that heat pumps will need to meet 54% of non-domestic heat demand once energy efficiency savings have been accounted for. In a scenario that favours greater deployment of hydrogen, around 11.6 million domestic heat pumps would still be required. Either scenario would require a significant ramp up in deployment of heat pumps in the 2020s and 2030s. For example, the CCC have suggested that all replacement heating systems are low carbon by 2030 in off-gas grid homes and 2035 in on-gas grid homes, which will mean heat pumps in many cases.

BEIS has several policies in place expected to increase the use of heat pumps in domestic buildings in the UK. In the Clean Growth Strategy, BEIS said it would phase out the installation of high carbon fossil fuel heating in off gas grid properties during the 2020s. Under the Future Homes Standard, new build homes will not use fossil fuel heating from 2025. Together, these could drive a potential increase of heat pump installations to around 300,000 per year by the late 2020s. In regard to non-domestic buildings, the government has published a consultation on a future target of EPC B by 2030 for minimum energy efficiency standards in rented non-domestic buildings. This is expected to increase the uptake of low carbon heating in the sector.

However, UK manufacturers capture just 15% of the UK market, 0.5% of the EU market and 0.6% of the market in the rest of the world. This suggests that the UK commercial environment is not attractive for investment in heat pump manufacturing capacity and means that the UK could miss the economic opportunities presented by clean growth as demand for heat pumps grows.

Meanwhile, the UK has one of the biggest gas boiler markets in the world, with an annual market value of around £2.5-3 billion. In 2016, the UK deployed 1.7 million of 12.7 million gas boilers globally. It is important that the UK establishes economic opportunities as it transitions to low carbon heating, therefore it is useful to assess how existing expertise in the gas boiler industry, as well as other related industries such as refrigeration and air conditioning, could be channelled to support the heat pump industry.

This research will help to inform policy thinking to encourage supply chain growth in the UK and help achieve the objectives set out in the clean growth grand challenge. It will also feed into the development of realistic heat pump deployment profiles to inform the strategy on the future of heating and analysis for setting the 6th Carbon Budget.

2. Aims and Objectives of the Project

This project will set out the practical steps needed to grow the UK heat pump manufacturing supply chain, including hybrid heat pumps, considering synergies with other industries and

the possibility to build on the UK's current expertise in the transition away from fossil fuel heating.

Overall aims

1. To investigate the manufacturing supply and value chains for different sectors of the heat pump and related markets (e.g. gas boilers, refrigeration, air conditioning, ventilation). The installation aspect of the supply chain is out of scope as other workstreams and a separate research project are investigating this, however areas of interaction between manufacturers and installers (e.g. training) will be considered.
2. To identify where heat pump components are currently manufactured, where in the heating supply chain the UK has particular expertise that could make it internationally competitive, where there are opportunities for innovation and which components would deliver the highest value return on investment, therefore deserving particular focus.
3. To understand how the UK can become an attractive proposition for heat pump manufacture and to understand the barriers to growth of the UK heat pump manufacturing supply chain.
4. To gain a realistic understanding of the potential growth, and how that might vary in time, of a) the supply of heat pumps to the UK market and b) the UK's own heat pump supply chain in each sector (to include manufacturing of the heat pump and its component parts), considering the expansion of current heat pump manufacturers and the conversion of other related sectors (e.g. gas boilers, refrigeration, air conditioning, ventilation) to heat pump manufacturers.
5. To determine which policy levers could maximise growth of the UK's heat pump supply chain and minimise disruption in the transition to low carbon heating, leading to the development of a sustainable industry that is incentivised to innovate for the UK market.
6. To provide recommendations for government intervention.

Need for the research

There is an evidence gap around how quickly the supply of heat pumps to the UK market can increase to meet the levels of heat pump deployment required not only to meet net zero in 2050, but also to meet carbon budgets 4, 5 and 6. In addition, the global heat pump market is very competitive and government intervention may be needed if the UK is to capitalise on its existing knowledge and expertise to develop its heat pump industry. This work will build our understanding of this opportunity for the UK and how it can be exploited.

Research questions

There are three overarching research questions:

1. What are the risks and opportunities for the UK heat pump supply chain?
2. How fast could the UK heat pump supply chain grow?
3. What is the role for government in encouraging growth in the UK rather than elsewhere?

1. What are the risks and opportunities for the UK heat pump supply chain?

- 1.1. What does the current heating market look like in the UK for domestic and non-domestic properties? Who are the key manufacturers of heat pumps and boilers (tier 1) and the key component suppliers (tier 2)? What are their relative strengths

and weaknesses? What are the potential risks to the existing UK heating systems manufacturing sector as a result of a move to low-carbon heating? Which low carbon alternatives are heating companies investing in?

- 1.2. What does the current heat pump market look like outside the UK? Who are the key manufacturers (tier 1) and component suppliers (tier 2)? Which of these manufacturers could look to the UK to expand or relocate their operations due to interests that align with the UK market?
- 1.3. Which other industries are likely to have synergies with the heat pump industry, in terms of similar components, similar skills requirements etc. (e.g. refrigeration, air conditioning, ventilation)? Who are the key tier 1 and 2 stakeholders in these industries? What are their relative strengths and weaknesses?
- 1.4. In each tier of the heat pump supply chain, what does the UK produce, import and export (to cover air-source heat pumps, ground/water-source heat pumps, high-temperature heat pumps, hybrid heat pumps for both domestic and non-domestic properties)? What other aspects add value (e.g. training for installers)? What are the key differences between the supply chains of different types of heat pump? How do the supply chains differ if heat pumps are being manufactured for new build or retrofit?
- 1.5. In each tier of the supply chain for boilers and other related industries, what does the UK produce, import and export? What other aspects add value (e.g. training for installers)? Where are there synergies with the heat pump supply chain?
- 1.6. What would make the UK an attractive proposition for heat pump manufacture? In which aspects of the heat pump manufacturing supply chain, or those of related industries, does the UK have particular expertise? Where is there potential for the UK to grow expertise and where are these opportunities for innovation?
- 1.7. Which aspects of the heat pump supply chain represent the highest return on investment for the UK?
- 1.8. What impact could the UK's future trading arrangements with EU and non-EU countries have on the manufacturing supply chains of heat pumps? How will this affect availability of skilled labour?

2. How fast could the UK heat pump supply chain grow?

- 2.1. In terms of production volumes, what would a feasible growth rate of the heat pump manufacturing supply chain be over time under a range of different heat pump demand scenarios compatible with net zero (e.g. current policy environment, hydrogen + electrification future, electrification future) and scenarios of future support for the industry (e.g. current policy environment and plausible policy interventions)? What would be the split of imports vs domestic manufacture? What would the level of exports be?
- 2.2. Under different scenarios, what would happen to the gas boiler industry? Would it continue to make gas/hydrogen boilers, focus on hybrid heat pumps, convert to heat pump manufacture? What would happen to the oil/LPG boiler industry?
- 2.3. Under different scenarios, what would meeting a particular growth rate mean in terms of import/production of heat pumps and their components, skilling the workforce, number of factory buildings, organisation of the factory floor etc.? What are the trigger points for business decisions and what are the associated lag times?
- 2.4. What are the opportunities and scope for the UK to secure a larger share of the international heat pump market, regardless of the scale of expected UK demand? Which suppliers currently engage in trade, especially exports and which countries do they trade with?

3. What is the role of government to encourage growth in the UK rather than elsewhere?

- 3.1. What aspects of the current policy environment (e.g. standards, regulations, policy commitments) in the UK are supporting or hindering growth of the heat pump supply chain?
- 3.2. What commitments/incentives/upskilling programs/standards/targeted investment would encourage manufacturers to grow their heat pump supply chain in the UK, as opposed to elsewhere?
- 3.3. In other sectors (in the UK and elsewhere) that have grown rapidly or converted operations from producing one product to another (e.g. condensing boilers) and other countries where the heat pump supply chain has grown rapidly, what policy environment enabled that to happen?
- 3.4. What policy levers are likely to be most successful in terms of growing a sustainable and resilient supply chain and fostering innovation in the UK manufacture of heat pumps to deliver a product that is better suited to the UK housing stock?
- 3.5. What is the role of the UK government in the growth of the heat pump manufacturing supply chain in the UK and the facilitation of imports for any shortfall that is not possible to meet domestically? How can the government minimise disruption in the transition away from fossil fuel heating?

3. Suggested Methodology

We remain open to how this research is conducted, and bidders should provide a detailed response as to their methodology, including interview design, supply chain mapping methods and analysis of growth rates from manufacturer interviews. An example methodology is set out below. It is important that bidders take ownership of the aims of the project and produce evidence that supports the provision of supply chain growth rates and recommendations for the UK government regarding the development of the UK's heat pump manufacturing supply chain.

1. **Literature review.** Examine existing literature for lessons to be learnt from historical rapid supply chain growth and transitions from the manufacture of one product to another in other sectors and countries. We anticipate literature sources to include, academic literature, grey literature and policy databases.
2. **Supply chain mapping 1.** Through a short review of existing research, develop an understanding of the manufacturer (tier 1) landscape for heat pumps and other related industries (e.g. gas boilers, refrigeration, air conditioning, ventilation), as well as the suppliers (tier 2). Decide which related industries will be most relevant and will provide the most useful insight. Use the existing literature to draw up a list of the manufacturers that need to be interviewed for further information to answer the research questions. We expect to appoint a contractor with a strong track record of supply chain mapping expertise.
3. **Manufacturer interviews.** Interviews with:
 - a. UK heat pump manufacturers to understand how fast they can scale up production (e.g. 3-5 interviews as only a small number of UK manufacturers);
 - b. International heat pump manufacturers for whom it may make strategic sense to develop operations in the UK to understand what would make the UK an attractive proposition over other countries (e.g. 5-7 interviews);
 - c. Manufacturers in other related sectors (e.g. gas boilers, refrigeration, air conditioning, ventilation, or any other key sectors identified in the literature review and supply chain mapping) that may convert to heat pump manufacture or who have experienced a transition to the manufacture of a different product (e.g. condensing boilers) (e.g. 10-15 interviews).

Interview responses should build up an understanding of the aspects of the supply chain, potential for growth (including decision points and lead times), barriers to growth and policy interventions that could encourage growth. They should also find rough quantitative information to inform task 5 on e.g. the size of demand required to move operations to the UK or the potential capacity of a new manufacturing facility. Interviews should last around 60 minutes and are likely to involve the discussion of commercially sensitive information. The disclosure of commercially sensitive information may have higher chances of success in a face-to-face interview and this would be our preference. However, as manufacturers will be based across the UK and overseas, telephone interviews may be most practical. We estimate a 50:50 split between face-to-face and telephone interviews. We would expect the contractor to have expertise interviewing manufacturing professionals and to have appropriate contacts in the organisations we wish to survey. The contractor will be given parameters within which to discuss potential future policy options.

4. **Supply chain mapping 2.** Using insight from tasks 1-3 and further existing literature on relevant supply chains, develop an understanding of the manufacturing requirements for different heat pump supply chains (and those of other related industries) and how these change under different heat pump demand scenarios. The mapping exercise will:
 - a. List heat pump manufacturers in the UK, boiler manufacturers in the UK, manufacturers outside the UK for whom it may make strategic sense to grow operations in the UK and manufacturers in the UK with the possibility of converting operations to heat pump manufacture (e.g. refrigeration, air conditioning, ventilation).
 - b. List the components of a heat pump (for different types) and note, for different manufacturers, their value and whether they are imported/exported/produced in the UK.
 - c. Highlight areas of overlap between the heat pump supply chain and those of other industries.
 - d. Highlight the areas of the heat pump supply chain with most value for the UK.
 - e. Highlight areas of the heat pump supply chain with greatest potential for change, e.g. an imported component could be produced in the UK, a new manufacturer could set up operations in the UK.
 - f. Highlight areas of risk for UK manufacturers, particularly in regard to EU Exit.
5. **Growth rate analysis.** Using insight from tasks 3-4, develop and visualise simple estimates of growth rates out to 2037, the end of the 6th Carbon Budget, and how these change in time, under different policy futures and heat pump demand scenarios. This should include domestic supply and the split between imports and UK manufactured goods, as well as the level of international exports from UK manufacturers. The policy futures will consider a scenario with no government incentives (to deduce the import capacity for the UK and the tipping points for growth in the UK market purely led by demand) and scenarios with plausible policy interventions (the most useful of which having been deduced through manufacturer interviews). The heat pump demand scenarios will be based on BEIS modelling, reflecting the array of options currently on the table (e.g. a full electrification pathway, a hydrogen pathway, a hybrid pathway). Growth rates should reflect industry lead times and step-changes in supply resulting from business decisions and the analysis.
6. **Validation of results.** Either through a workshop or via individual conversations with manufacturers, test the results from the supply chain mapping exercise (task 4) and the supply chain growth estimates (task 5) with those interviewed in task 3 to ensure there is consensus on the conclusions drawn by the contractor. This should also

highlight areas where there is strong consensus, versus areas that may be more uncertain due to weaker consensus among those involved.

7. **Evidence evaluation.** Using insight from task 3 and subsequent analysis in task 4, synthesise the barriers to growth of the heat pump supply chain in the UK, identify areas of current and potential expertise, highlight the opportunities that could represent the most value for the UK and the reasonable policy levers that industry would like to see. This should highlight the impacts of a growth in heat pump industry on the fossil fuel boiler industry in the UK. Relevant case studies should be highlighted as part of this process. Summarise the results of task 5 and present the realistic estimates of supply growth for the UK heat pump market. This should include a description of the practical implications of reaching the different growth rates, informed by tasks 3 and 4. Using insight from task 1, evaluate the policy levers that have potential for success given their success abroad or in other sectors, recognising the specific context of heat pump manufacture in the UK.
8. **Development of recommendations.** Using conclusions from task 7, develop suggestions of pathways to grow the UK heat pump manufacturing supply chain whilst facilitating imports for any shortfall that is not possible to meet domestically and manage the transition to low carbon heating with minimum disruption. We would expect to appoint a contractor with expertise in developing plausible policy recommendations and a thorough understanding of the past and current policy environment in the UK.

4. Deliverables

Bidders should ensure the following is included in the costings and timings for this project:

- Literature review – a short review, the results of which will go into the interim and final reports.
- Interview guide – used to structure the engagement with manufacturers
- Interviews – can be a mixture of telephone and face to face, with a preference for face to face.
- Dataset behind the growth rate calculations and graphs with clearly set out assumptions behind modelling in a BEIS assumption log format¹.
- Interim report –to contain the results of the literature review, conclusions of the supply chain mapping exercise and visualisation of growth rate data.
- A validated version of the results from the supply chain mapping exercise and growth rate analysis.
- A presentation of the final results – to include PowerPoint slides summarising the key findings.
- Final report and shorter summary document – to contain conclusions of the whole study with case studies and recommendations for government.
- Weekly phone calls with the BEIS project manager.
- Monthly meetings with the project board to update on progress, including creation and distribution of a risk register.

¹ BEIS assumptions log template: <https://www.gov.uk/government/publications/assumptions-log-template>

A high level, example timetable of milestones is set out below. Given BEIS is open to the approach adopted we invite bidders to propose their own, suitably detailed timetable to achieve the above deliverables in the timeframe that allow sufficient time for BEIS to provide comments on draft research materials such as literature review search strategies and interview guides. However, actions 1 to 7 should be completed by 31st March 2020 and actions 8 to 12 should be completed by 29th May 2020.

No.	Action	To be completed by (approximate)
1	Inception and project familiarisation	Mid-January
2	Literature review	Late January
3	Scoping of manufacturers to interview	Late January
3	Development of interview approach and questions	Late January
4	Interviews	Early March
5	Present early findings from growth rate analysis	Early March
6	Supply chain mapping	Late March
7	Analysis of supply chain growth rates	Late March
8	Interim report of supply chain mapping exercise and growth rates	Early April
9	Validation of results	Mid-April
10	First draft of final reports	Late April
11	Presentation of findings and government recommendations	Early May
12	Final reports	Late May

Interviews:

A privacy notice will be required when collecting the personal data of those interviewed. The content of this can be agreed after the contract is awarded.

Presentation:

Near the close of the project the contractors should give a presentation within BEIS to the wider policy team. This should be timed to allow for any comments received to be taken account in finalising the report.

Reports:

The interim report should be a 20-30-page document or presentation summarising the work to date, including the results of the literature review, conclusions of the supply chain mapping exercise and visualisation of growth rate data. This must be written in plain English and suitable for circulation to the project board.

At the end of the project (after the final presentation) we require a finalised, fully quality assured, thorough report (around 100 pages) and a separate summary report (10-20 pages). The reports must be written in plain English. We expect that 2-3 drafts will be needed to

reach the finalised reports and these drafts should be delivered well in advance with sufficient time built in for review and comments. Each draft must be proof-read and delivered at a professional and publishable standard. Clear, precise and succinct language is essential. We expect this to be costed and accounted for in the timeline.

Quality assurance and peer review:

All work completed for this research must be subject to appropriate quality assurance. Project milestones, research approach, outputs, quality assurance should be agreed by BEIS and the contractor at the start of the contract. Final outputs will be reviewed by BEIS before the project is signed off.

Sign-off for the quality assurance must be done by someone of sufficient seniority within the contractor organisation to be able take responsibility for the work done. BEIS reserves the right to refuse to sign off outputs which do not meet the required standard specified in this Invitation to Tender. The Contractor must state how all work on the project will be quality assured within the proposal.

All analysis carried out as part of the project should be subject to quality assurance consistent with the Aqua Book guidance².

BEIS may wish to appoint an external peer reviewer for the project. If we do this then we will endeavour (though cannot guarantee) to align timings of this of this with the first or second set of comments from BEIS on the first or second draft of the report.

Publication:

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

Checklist for 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:

1. document reads logically when reflowed or rendered by text-to-speech software
2. language is set to English (in File > Properties > Advanced)
3. structural elements of document are properly tagged (headings, titles, lists etc.)

² See: <https://www.gov.uk/government/publications/the-aqua-book-guidance-on-producing-quality-analysis-for-government>

4. all images/figures have either alternative text or an appropriate caption
5. tables are correctly tagged to represent the table structure
6. text is left aligned, not justified
7. document avoids excessive use of capitalised, underlined or italicised text
8. hyperlinks are spelt out (e.g. in a footnote or endnote)
9. Please see Annex A for BEIS Social Research Report Writing Guidelines.

Working Arrangements / Emerging Findings:

It is important that BEIS are kept informed of emerging findings and project progress.

The successful contractor will be expected to identify one named point of contact through whom all enquiries can be filtered. A BEIS project manager will be assigned to the project and will be the central point of contact.

Weekly progress updates will be required throughout the project. These can be delivered via e-mail and/or phone call to the BEIS project manager. A monthly progress report will also be required, to be presented to the project board. Any changes to contractor team identified in the bid must be approved by BEIS with a plan for mitigating this to reduce impact on project.

All research tools and methodologies will need to be agreed by BEIS.

BEIS will own the intellectual property rights of any and all intermediate products, including the final deliverables, and in particular including presentation slide packs, reports and data. BEIS will strive to be supportive if any authors wish to publish any findings or work in academic/scientific journals once BEIS has published the main report, although reserves the right to decline this.

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.

The evaluation and if required team may comprise staff from UK SBS and the Contracting Authority and any specific external stakeholders the Contracting Authority deems required. After evaluation and if required moderation 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	SEL1.3	Compliance to Section 54 of the Modern Slavery Act
Commercial	SEL2.10	Cyber Essentials
Commercial	SEL2.12	General Data Protection Regulations (GDPR) Act and the Data Protection Act 2018
Commercial	FOI1.1	Freedom of Information
Commercial	FOI1.2	Freedom of Information Act Exemptions
Commercial	AW1.1	Form of Bid
Commercial	AW1.3	Certificate of Bona Fide Bid
Commercial	AW3.1	Validation check
Commercial	AW4.1	Compliance to the Contract Terms
Commercial	AW4.2	Changes to the Contract Terms
Price	AW5.1	Maximum Budget
Quality	AW6.1	Compliance to the Specification
Quality	AW6.2	Variable Bids
Quality	AW6.3	Non-Disclosure Agreement
-	-	Invitation to Quote – received on time within e-sourcing tool
In the event of a Bidder failing to meet the requirements of a Mandatory pass / fail criteria, the Contracting Authority reserves the right to disqualify the Bidder and not consider evaluation of any of the Award stage scoring methodology or Mandatory pass / fail criteria.		

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	35%
Quality	PROJ1.2	Staff to Deliver	15%
Quality	PROJ1.3	Understanding the Environment	15%
Quality	PROJ1.4	Project Plan and Timescales	15%

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 there may be multiple evaluators. If so, their individual scores will be averaged (mean) to determine your final score as follows:

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 Delta eSourcing 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 Delta eSourcing, Telephone 0845 270 7050
- 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 the Delta eSourcing Portal.
- 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 Delta eSourcing Portal.
- 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 the Delta eSourcing Portal.
- 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 2nd 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

- [Contracts Finder](#)
- [Equalities Act introduction](#)
- [Bribery Act introduction](#)
- [Freedom of information Act](#)