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Service

Bid Pack

Attachment 3 – Statement of Requirements

Contract Reference: CCFI20A10

State Aid Advice to HM Treasury in Relation to the Future Fund Scheme

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1. PURPOSE

- 1.1 The purpose of the procurement is to obtain a Market Economy Operator (MEO) report in relation to the Future Fund, one of the measures announced by the Chancellor to support businesses during the Covid-19 crisis.

2. BACKGROUND TO THE CONTRACTING AUTHORITY

- 2.1 HM Treasury is the UK's finance and economics ministry. It is leading the UK's response to the economic crisis resulting from the Covid-19 pandemic.

3. BACKGROUND TO REQUIREMENT/OVERVIEW OF REQUIREMENT

- 3.1 On Monday, 20 April 2020, the Chancellor announced plans to implement the Future Fund, a scheme providing government loans to UK-based companies ranging from £125,000 to £5 million, subject to at least equal match funding from private investors. The scheme seeks to provide liquidity to innovative businesses that would otherwise struggle to access financing as a result of the Covid-19 crisis, helping them to survive the challenging economic circumstances.
- 3.2 Given the scheme will see the government providing investments in companies, it involves a transfer of State resources to economic undertakings. In the light of this, the Treasury analysed the State aid implications of the scheme and, as part of that analysis, required an independent MEO assessment to be undertaken. The purpose of the assessment was to determine whether the government's proposed investments under the Future Fund would be on commercial terms and in line with how an ordinary market operator would act in the circumstances.

4. SCOPE OF REQUIREMENT

- 4.1 Please provide a detailed outline of the requirement stating what is in and out of scope:
- 4.1.1 an MEO assessment to assess whether the Future Fund proposal is in line with the MEO principle, and to advise on mitigants that could be put in place for any risks that were identified;
- 4.1.2 REDACTED

5. THE REQUIREMENT

- 5.1 An MEO assessment to inform the Treasury's analysis of the State aid risks of the Future Fund and help it to design the scheme so as to mitigate any risks that are identified.
- 5.2 Conversion of MEO assessment into full MEO report.
- 5.3 REDACTED
- 5.4 REDACTED

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5.5 REDACTED

5.6 REDACTED

5.7 REDACTED

5.8 The Supplier will not be required to deliver any training or skills transfer.

6. KEY MILESTONES AND DELIVERABLES

6.1 The following Contract milestones/deliverables shall apply:

| Milestone/Deliverable | Description | Timeframe or Delivery Date |
|------------------------------|---|-----------------------------------|
| 1 | Initial discussion of requirements | Within 1 day of instruction |
| 2 | Delivery of first draft of MEO report | No later than 27 April 2020 |
| 3 | Delivery of final report | Within 1 month of Contract Award |
| 4 | Any relevant follow-up work as required, including the items detailed in 5.3 to 5.8 above | Within 3 months of Contract Award |

7. MANAGEMENT INFORMATION/REPORTING

7.1 N/A.

8. VOLUMES

8.1 N/A.

9. CONTINUOUS IMPROVEMENT

9.1 The Supplier will be expected to continually improve the way in which the required Services are to be delivered throughout the Contract duration.

9.2 Changes to the way in which the Services are to be delivered must be brought to the Authority's attention and agreed prior to any changes being implemented.

10. SUSTAINABILITY

10.1 N/A

11. QUALITY

11.1 The assessment should be of the high standards that would be expected from a leading consultancy firm.

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12. PRICE

- 12.1 We expect the price of the initial work in preparing the MEO report to be based on hourly rates and with a fee cap. REDACTED.
- 12.2 Prices are to be submitted via the e-Sourcing Suite REDACTED.

13. STAFF AND CUSTOMER SERVICE

- 13.1 The Supplier shall provide a sufficient level of resource throughout the duration of the Contract in order to consistently deliver a quality service.
- 13.2 The Supplier's staff assigned to the Contract shall have the relevant qualifications and experience to deliver the Contract to the required standard.
- 13.3 The Supplier shall ensure that staff understand the Authority's vision and objectives and will provide excellent customer service to the Authority throughout the duration of the Contract.

14. SERVICE LEVELS AND PERFORMANCE

- 14.1 The Authority will measure the quality of the Supplier's delivery by:

| KPI/SLA | Service Area | KPI/SLA description | Target |
|---------|---------------------|---|--------|
| 1 | Delivery Timescales | All deliverables to be received on time, in line with the milestones described in Section 6 | 100% |

15. SECURITY AND CONFIDENTIALITY REQUIREMENTS

- 15.1 The Supplier's staff should have the suitable qualifications and experience to enable them to produce an MEO assessment.
- 15.2 The Supplier must keep confidential any information provided to it to enable it to produce its assessment.
- 15.3 The MEO assessment is confidential and must not be disclosed to any party other than the Authority.

16. PAYMENT AND INVOICING

- 16.1 Payment to be made following delivery of the final report.
- 16.2 Payment can only be made following satisfactory delivery of pre-agreed certified products and deliverables.
- 16.3 Before payment can be considered, each invoice must include a detailed elemental breakdown of work completed and the associated costs.
- 16.4 Invoices should be submitted to:

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17. CONTRACT MANAGEMENT

- 17.1 The Supplier is required to attend periodical meetings as required by the Authority to assist with the production of the MEO assessment.
- 17.2 Attendance at Contract Review meetings shall be at the Supplier's own expense.

18. LOCATION

- 18.1 The location of the Services will be carried out at the Supplier's premises.

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