

# Invitation to Quote

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

Subject **UK SBS Reports on the Payments to Governments  
Regulations**

Sourcing reference number **BLOJEU-CR17043BEIS**

**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 North Star House, North Star Avenue, Swindon, Wiltshire SN2 1FF  
VAT registration GB618 3673 25  
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**UKSBS**  
*Shared Business Services*

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## **Section 1 – About UK Shared Business Services**

UK SBS delivers shared business services to its owners; BEIS and its Partner Organisations.

We work behind the scenes, providing shared and specialist services to help reduce costs, improve quality and efficiency, to the benefit of UK taxpayers.

We provide HR & Payroll, Finance, Procurement, IT and Property Asset Management services to BEIS and its partner organisations – to enable our customers to focus on their core activities and make the most of their available budgets. Every day, we are supporting world-renowned scientists and researchers, policy makers and agencies that support UK jobs and growth, highlight UK science and innovation, and promote the UK as a global leader internationally. Our customers – the UK Research Councils, the Department for Business, Energy and Industrial Strategy and its partner organisations – are working on vital, life-changing projects ranging from Dementia Research, the Antarctic Research and UK Space programmes to the award winning UK Pavilion (the Hive) at the 2015 Milan Expo.

For more info, please visit our website: <http://www.ukpbs.co.uk/Pages/default.aspx>

## Section 2 – About Our Customer

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

The Department for Business, Innovation & Skills (BEIS) is the department for economic growth. The department invests in skills and education to promote trade, boost innovation and help people to start and grow a business. BEIS also protects consumers and reduces the impact of regulation.

BEIS is a ministerial department, supported by 47 agencies and public bodies.

Our priorities for 2016 to 2017 include:

- business and enterprise
- competitiveness and exports
- science and innovation
- apprenticeships and skills
- higher education
- labour markets

We have around 2,500 staff working for BEIS plus around 500 people working for UK Trade & Investment in the UK.

Our partner organisations include 9 executive agencies employing around 14,500 staff.

We have BEIS offices in London, Sheffield, Billingham, Cardiff, Darlington, Glasgow, Manchester, Nottingham, Runcorn and Watford.

### Department for Business, Energy & Industrial Strategy achievements include:

- Funding 457,000 apprenticeship starts in 2010-11 Academic Year
- Committing £75 million to support innovation in technology-based SMEs
- Helping 25,000 UK businesses (mainly SMEs), employing over 13 million people, to make the most of opportunities for growth in overseas markets; Growth Accelerator is a new Department for Business funded-service to help up to 26,000 small and medium enterprises (SMEs) grow as much as they can over three years. Working with an experienced coach, businesses will receive a personalised growth plan, training and workshops, networking and peer to peer support. SMEs can also learn how to develop their leadership and management capability.
- With the Cabinet Office, leading the review of 1,200 regulations across Government as part of the Red Tape Challenge, more than half of which will be scrapped or improved.

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

## Section 3 - Working with UK Shared Business Services Ltd.

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	Customer Name and address	Department for Business, Energy and Industrial Strategy 1 Victoria Street , London, SW1H 0ET
3.2	Buyer name	Liz Vincent
3.3	Buyer contact details	Research@uksbs.co.uk
3.4	Estimated value of the Opportunity	£55,000 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	24/03/2017
3.7	Latest date/time ITQ clarification questions should be received through Emptoris messaging system	31/03/2017 14:00
3.8	Latest date/time ITQ clarification answers should be sent to all potential Bidders by the Buyer through Emptoris	05/04/2017
3.9	Latest date/time ITQ Bid shall be submitted through Emptoris	14/04/2017 14:00
3.10	Anticipated rejection of unsuccessful Bids date	21/04/2017
3.11	Anticipated Award date	21/04/2017
3.12	Anticipated Contract Start date	24/04/2017
3.13	Anticipated Contract End date	28/07/2017
3.15	Bid Validity Period	60 Days



## Section 4 – Specification

### 1. Background

#### Transparency in the extractives industry

Natural resources, such as oil, gas and minerals, are worth billions of dollars to developing countries, many of whom, despite often residing over large reserves of resources, still remain some of the poorest countries around the world. One of the reasons for this may be because governments of resource-rich countries fail to appropriately handle the large payments that they receive from companies in the extractives sector. This implies a lack of efficiency in the financial pathway from company to citizen, but also a deficiency in good governance over the citizens of resource-rich countries, providing two arguments for intervention.

Increased transparency surrounding the payments made by extractives companies is believed to ameliorate these issues. The intended effect of this is two-fold. Firstly, citizens of resource-rich developing countries have an improved ability to hold their governments to account, thereby better ensuring that the citizens benefit appropriately from the extraction of their natural resources; and secondly, UK extractive companies and their investors should directly benefit from a better operating environment and an improved ability to accurately assess the associated risks.

Chapter 10 of the EU Accounting Directive (AD) was implemented to address these issues and improve global transparency in the extractives sector. It requires extractives companies to produce an annual report that details the payments made to governments regarding any activity involved in the extraction process (exploration, development etc.). Across the EU, these policy changes were to be introduced by the transposition date set by the commission, 20<sup>th</sup> July 2015.

The UK implemented the EU requirements early to support the Prime Minister's commitment to this agenda made at the G8 meeting in Loch Erne. The Reports on Payments to Governments Regulations 2014 came into force on 1<sup>st</sup> December 2014, and therefore applies to financial years beginning on or after 1<sup>st</sup> January 2015.

The legislation has elicited some response from the extractive companies that are in scope, mostly due to the increased reporting costs they must bear. There were also concerns raised in relation to competitive disadvantage. This is due to the US not implementing similar regulations. Additionally, whilst regulators have been in general agreement that the overall benefits will be large and wide-reaching, providing a reliable estimate has proven difficult.

**The subject of the current research is to accurately assess the increased costs borne by the extractive companies in question, and to ascertain the benefits that have been accrued by extractive companies, UK investors and citizens of the developing countries that are affected by this policy change.**

#### **The Reports on Payments to Governments Regulations 2014**

The UK regulations apply to large undertakings and public interest companies as defined in the regulations<sup>1</sup> and are also a "mining or quarrying undertaking or a logging undertaking"<sup>2</sup>. The Impact Assessment produced by BIS estimates that 251 UK incorporated large companies that carried out extractive activity were treated as in scope of the directive<sup>3</sup>, at the time of implementation. It is possible that the specific composition of the companies in scope has changed during the time since implementation.

The regulatory changes to both EU and UK legislation require extractives companies'

<sup>1</sup> The Reports on Payments to Governments regulations 2.

<sup>2</sup> The Reports on Payments to Governments regulations 4(b).

<sup>3</sup> Implementation of Chapter 10 of EU Accounting Directive 2013/34/EU Impact Assessment, No. BISBE777, Department of Business, Innovation & Skills.

disclosure on payments relating to any logging activity (this does not apply here since the UK does not have any logging industry or companies), or to exploration, prospection, discovery, development and extraction, depending on the company's specific industry<sup>4</sup>. All payments, or series of payments, that total more than £86,000 (€100,000) must be disclosed<sup>5</sup>, and disclosed payments are broken down by government, type of payment and, where applicable, specific projects for which the payment applies<sup>6</sup>. The reports cover financial years and are given to and held at the registrar of companies (Companies House in the UK) through electronic means<sup>7</sup>, remaining publicly available for at least ten years.

The UK regulations include a number of penalties for failure to report in line with other reporting requirements under the Companies Act 2016. As with all information on the public register third parties are able to question the information if they believe that it is inaccurate, in such circumstances procedures are set out in statute for contacting the company to achieve compliance with the regulations.

Requirements in Chapter 10 of the Accounting Directive were also carried across to amendments to the EU Transparency Directive. This means that those companies that are listed in the UK also have to comply with the requirements in the directive. The FCA amended its rules for listing to ensure that those companies listing in the UK and active in the extractives sector would be required to make the same information available.

## 2. Aims and Objectives of the Project

The main objective of the research is to assess both the costs that are borne by the companies in scope, and the benefits that accrue to those same companies, their respective investors, and any civil society organisations that have a particular interest in this legislation. An emphasis should be placed on the value of the additional information provided in the reports, who is using this information and for what purpose. The research will contribute to an evidence base regarding how transparency in the extractives sector can help in promoting accountability and good governance and in turn, improving profitability by reducing investment risks. We expect that this research will provide a fair assessment of the costs that extractives companies face as well as offering more general insight into the costs of transparency across an entire sector. The EU will be reviewing Chapter 10 of the Accounting Directive in 2018 and the information gained within this review may contribute to the wider work. In addition we would like interviewees to consider whether any further reporting in this area may be beneficial and why e.g. Commodity trading.

### Approach

We expect 5 key outcomes for the project:

- **Outcome 1:** Survey data and analysis of the costs, both one-off and annual, that have been incurred by companies that have submitted the payments reports. This should include any additional costs that stem from the early implementation of the Reports on Payments to Governments Regulations when compared to the EU's Accounting Directive transposition deadline. A distinction should also be made between UK-registered companies and international companies listed in the UK.
- **Outcome 2:** Survey data and analysis of the benefits that companies and their

<sup>4</sup> Exploration, prospection, discovery, development and extraction apply for mining and quarrying companies, The Reports on Payments to Governments regulations 2(1).

<sup>5</sup> The Reports on Payments to Governments regulations 5(3) and 9(4).

<sup>6</sup> The Reports on Payments to Governments regulations 5(1).

<sup>7</sup> The Reports on Payments to Governments regulations 14(1) and 14(3).

investors have experienced as a result of the policy change.

- **Outcome 3:** Survey data and analysis of the benefits that civil society groups or organisations have experienced, as a result of the additional information that is now available to them.
- **Outcome 4:** Survey data and analysis of the benefits that UK investors of companies in the extractives sector have experienced.
- **Outcome 5:** Information from Companies House (and the FCA?) regarding the service and the costs of maintaining it.

As outlined earlier, the UK legislation on transparency in the extractives sector was implemented and brought into force earlier than the initial transposition date for the EU Accounting Directive. It is important that the additional costs imposed on companies from early implementation are accounted for in the research.

It is also important that the benefits from increased transparency as a result of the additional reporting requirements are assessed as well. This applies especially to civil society groups and UK investors, but also companies that have filed reports already. The assessment of benefits should focus on the value of the extra information that is now available to all parties involved. We suggest asking for examples and/or case studies from all stakeholders for assessing the benefits.

### **Research Questions**

We would like the research to investigate:

For the purpose of Outcome 1

- The changes, with the associated costs, that the company has introduced to their operating practices as a direct result of the additional requirement to report:
  1. What has been the cost of familiarisation with the policy?
  2. What new systems/processes, if any, have been implemented to measure the flow of money to governments from extractive activity? What are the costs of these new systems/processes?
  3. Has the company had to create any new roles and/or teams to oversee the reporting process, and, if so, what are the associated costs?
  4. How much of the costs can be attributed to making changes to their financial reporting systems?
  5. How much of the costs can be attributed to submitting the report to Companies House or the Financial Conduct Authority? How easy is it to use the Companies House schema when submitting reports? Does the company have recommendations for improving this process?
  6. How much of the costs can be classified as transition and how much can be classified as ongoing?
  7. Are there any other costs that the company has experienced? In particular, has the company experienced increased legal fees due to conflict with foreign criminal law where disclosure of such information is prohibited? Does the company now feel they are at a competitive disadvantage with respect to non-EU firms?
  8. Does the company have any views on whether the regulations should be

extended to cover commodity trading?

The research, where possible, should identify the costs to parent companies and subsidiaries and listed and non-listed companies.

The contractor should contact the FCA for a list of companies that are listed on the UK exchange but registered outside the UK. These companies are subject to the requirements of the Transparency Directive, which applies in the UK to companies listed on a regulated market. Therefore companies who are not registered in the UK are subject to these requirements and must report in line with the listing rules.

- For UK-listed companies registered in a foreign country, the research needs to ask the same questions as for UK-registered companies (1-5), but should also cover:
  8. How was the company alerted to the requirement to report?
  9. Is the company subject to alternative regimes that apply within their country of registration? If so, has the company filed more than one report of payments to governments and have there been any frictional costs associated with the management of the two regimes?
  10. Has the company experienced any issues with laws that apply in other countries regarding the disclosure of information?

For the purpose of Outcome 2

- The estimated monetised benefits that the company has experienced as a result of increased reporting:
  1. Has the company seen an increase in the number of opportunities for extractive activity as a result of the impact reporting has on countries of operation? What are the estimated monetised benefits this might bring?
  2. Has the company witnessed any improvements in output in their countries of operation since the additional reporting requirements have come into effect?
  3. Has the company noticed an increase in the level of investment they have received that could be attributed to the additional reporting requirements?
  4. Has the company noticed less bribery and/or corruption in the countries of operation that can be attributed to the additional reporting requirements? If yes, has this improved the company's profitability?
  5. Has the company experienced any resistance or concerns from countries in relation to the information made public?
  6. Did the company originally believe that some countries would have concerns about the release of this information but in fact the information has been useful to both the company and the country?
- The non-monetised benefits from increased transparency:
  7. Has the company noticed any improvements in their reputation amongst investors (both prospective and current), trading partners or wider civil societies? Have they noticed a reduction in the level of resistance from local societies regarding their licence to operate in certain countries?
  8. Any other benefits?

For the purpose of Outcome 3

- The value that civil society groups see in the additional information provided to meet the reporting requirements:
  1. How often are the reports used?
  2. What purpose do the reports serve? How have they been used to help the organisation/group achieve their goals?
  3. Has the organisation/group noticed a decrease in the level of corruption, bribery, civil unrest or other disruptive activities in the countries of operation since the introduction of the reporting requirements?
  4. Has the information been used to support wider work on tackling corruption in countries, if so how?
- The extent to which the reports meet the standards expected:
  5. Do the reports sufficiently break down payments by projects and governments?
  6. Are the reports missing any key pieces of information? Is this diminishing the potential for change of these reports?
  7. Does the organisation/group have any views on whether the regulations should be extended to cover commodity trading?
  8. Has the organisation/group found the interface for accessing the reports easy to use? Do they have any suggestions regarding its structure going forward?
  9. Any other comments?

For the purpose of Outcome 4

- The value that UK investors see in the additional information provided to meet the reporting requirements:
  1. How often are these reports referred to?
  2. Do investors feel there has been an overall reduction in information asymmetry as a result of the reporting requirements? Do the reports help inform investment decisions (e.g. help model cash flows)? How else have these reports been used?
  3. What improvements have investors experienced to their abilities to accurately assess the level of social and political risk associated with specific projects? How has this affected their investment decisions?
  4. Any other benefits?
- The extent to which the reports meet the standards expected:
  5. Do the reports sufficiently break down payments by projects and governments?
  6. Are the reports missing any key pieces of information? Is this diminishing the potential for change of these reports?
  7. Do investors have any views on whether the regulations should be extended to cover commodity trading?
  8. Any other comments?

For the purpose of Outcome 5:

1. What are Companies House and the FCA's views on creating and maintaining the service? Have they found it simple or complicated? Do they have any suggestions going forward?

2. What costs have Companies House and the FCA experienced in setting up the service? What are the costs they have faced in maintaining it?

Any other comments?

### **3. Suggested Methodology**

We require robust, quantitative valuations of the financial costs that have been borne by the extractive companies that have filed reports. We also seek a breakdown of both how and where these costs have been felt throughout the extractive company structure. An assessment of how these reports have been used by the various parties (companies, investors, civil society groups) is also important. This should be stated in the context of how the reports assist the users in achieving their goals, and inform an evaluation of the benefits experienced by all parties. Therefore, we suggest that all data collection is conducted through telephone interviews with all relevant parties. This allows respondents to better express concerns about the policy, state what they feel has gone well and offer recommendations for improvement in the future. We also feel that this method of data collection is likely to elicit a higher response rate from all parties, but in particular the companies that have complied with the reporting requirements. We recommend that the contractor make it clear to the individual who answers the survey that there will be quantitative assessments involved, so that they are appropriately prepared to answer these questions. Additionally, we would welcome written comments in support of these interviews if useful. Any suggestions or refinements on behalf of those tendering would be gladly received.

#### **Sample**

For the costs, the sample frame consists of UK-registered companies that have submitted reports to the Companies House extractives service, and companies registered outside the UK that have completed reports in line with the UK listing rules. We have calculated there to be about 60 companies that have filed reports with Companies House, and do not expect there to be many more with the FCA. Therefore, we do not feel it unreasonable to expect the contractor to acquire the relevant contact information for these companies themselves, and to conduct telephone interviews with them as well. We will provide the contractor with a list of the companies that have filed reports with Companies House, but we leave it for the contractor to identify the other relevant listed companies from the FCA.

The sample frame for the benefits includes the same list of companies as that for the costs, but it also includes UK investors and civil society groups that have an interest in transparency in the extractives sector. The total size of these groups is too large for the contractor to interview in its entirety, but we suggest contact be made with two key representatives.

The coalition Publish What You Pay (PWYP) involves more than 800 organisations in more than 50 countries<sup>8</sup>. It is committed to the goal of transparency in the extractives sector across the world and consists of charities, NGOs and activists that campaign for legislation and involve governments in their goals. We feel it is sufficient to use PWYP as representatives of the civil society groups that are involved with this policy. We suggest that the contractor

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<sup>8</sup> Publish What You Pay website: <http://www.publishwhatyoupay.org/about/>

make contact with PWYP and use them to form the sample frame for civil society groups. PWYP might feel it is appropriate for the contractor to speak directly to a number of organisations within the PWYP network. We leave it to the contractor to work with PWYP to decide on an appropriate sample group here. We remind the contractor that we require information that covers a range of continents, countries, industries and project sizes. We will provide the contractor with an appropriate contact within PWYP to initiate the dialogue.

The Investment Association (IA) is the trade body that represents UK investment managers, consisting of 200 members<sup>9</sup>. We suggest that, in a similar manner to PWYP and the civil society groups, the contractor use the IA as the main contact for information regarding UK investors in the extractives sector. Again, we leave it to the contractor to work with the IA to decide on a sample group that appropriately represents the relevant UK investors. We require investors that cover a range of countries and industries. We will provide the contractor with an appropriate contact within the IA to initiate the dialogue.

### **Analysis**

Estimates of the costs to companies of the reporting requirements need to be provided. This should be done from the perspective of providing the costs that individual companies have experienced, rather than attempting to provide aggregate costs for the extractives sector as a whole. The costs should include both direct (e.g. cost of reporting) and indirect (e.g. loss of competitiveness) costs, as laid out by the questions above. The analysis should also provide some insight into the additional costs that companies have faced as a result of the early implementation of the UK regulations (which apply from December 2014) when compared to the EU AD transposition date (which applies from July 2015). There is a resulting additional year of reporting required according to the UK regulations versus the EU AD timeframe.

Average costs for companies under a range of scenarios are required. In particular the research should identify:

- The costs to parent companies versus subsidiaries
- The costs to listed versus non-listed companies
- The costs to companies in each industry (mining, oil, gas etc.)
- The costs associated with projects of different sizes and operating in different countries
- The additional costs as a result of early implementation to subsidiaries of EU parent companies, due to the fact that subsidiaries to EU parent companies are required to report in the first year in the UK, but will subsequently be reported on by their EU parent
- For companies that are already subject to reporting requirements in other jurisdictions, and/or already report some of the information required on a voluntary basis the research needs to identify the costs associated only with the implementation of the Directive

The analysis should also highlight the value that these reports have added for all parties involved. The reports will obviously serve different purposes depending on who is using them, and this should be reflected in the results. We request data on who is using these

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<sup>9</sup> Investment Association website: <http://www.theinvestmentassociation.org/about-the-investment-association/>

reports and, in each case, how they have been used and for what purpose.

We expect a portion of the benefits experienced by companies and investors to be financial and request monetary valuations of this data where possible. Some form of quantitative analysis is likely to be appropriate here. However we expect the majority of the benefits will be harder to quantify, and this particularly applies for those experienced by civil society groups. Therefore, we expect a lot of the analysis concerning the benefits to be qualitative, and understand that quantitative analysis will not be suitable for a lot of the research. We cite this as justification for telephone interviews as the data collection method. We welcome suggestions on specific techniques for analysis and data collection.

Given the process of enforcement for the policy (see background), BEIS does not require focus on the level of compliance from companies with the policy. The focus of this research is to assess the effectiveness of the policy and its impacts for those companies and other parties that have been involved with it.

#### **4. Deliverables**

- Inception report, including agreed methodological approach, questionnaire and agreed sampling framework with approach for non-response
- Weekly updates on emerging findings and project progress
- Quality assured dataset of survey results, including basic summary statistics (all enabling interrogation by BEIS)
- Presentation of interim findings
- Draft final report
  - Quality assured final report for publication

#### **Terms and Conditions**

Bidders are to note that any requested modifications to UK SBS 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, the Customer and any specific external stakeholders UK SBS deem 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	AW4.1	Contract Terms
Price	AW5.5	E Invoicing
Price	AW5.6	Implementation of E-Invoicing
Quality	AW6.1	Compliance to the Specification
-	-	Invitation to Quote – received on time within e-sourcing tool

Scoring criteria			
Evaluation Justification Statement			
In consideration of this particular requirement UK SBS has decided to evaluate Potential Providers by adopting the weightings/scoring mechanism detailed within this ITQ. UK SBS 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: Score/Total Points available multiplied by 20 ( $60/100 \times 20 = 12$ )

Where an evaluation criterion is worth 10% then the 0-100 score achieved will be multiplied by 10.

**Example** if a Bidder scores 60 from the available 100 points this will equate to 6% by using the following calculation: Score/Total Points available multiplied by 10 ( $60/100 \times 10 = 6$ )

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: 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.

Once the evaluation process and due diligence is complete, should the result of the process result in a tied place(s) then the supplier(s) who scored the highest total in the Quality criterion shall be considered the successful supplier and shall be awarded the opportunity .

Should the above still result in a tie we will go to a secondary tie decision which will be who scored the highest total in the Price criterion (Question AW5.2) they shall be considered the successful supplier and shall be awarded the opportunity.

## **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.ukpbs.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.
- 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 typically 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 your customer is and what they want – a generic answer does not necessarily meet every customer'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 and concise 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 check and recheck your Bid before dispatch.

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

### **DO NOT**

- 7.12 Do not cut and paste from a previous document and forget to change the previous details such as the previous buyer's name.
- 7.13 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.
- 7.14 Do not share the Procurement documents, they are confidential and should not be shared with anyone without the Buyers written permission.
- 7.15 Do not seek to influence the procurement process by requesting meetings or contacting UK SBS or the Customer to discuss your Bid. If your Bid requires clarification the Buyer will contact you.
- 7.16 Do not contact any UK SBS staff or Customer staff without the Buyers written permission or we may reject your Bid.
- 7.17 Do not collude to fix or adjust the price or withdraw your Bid with another Party as we will reject your Bid.
- 7.18 Do not offer UK SBS or Customer staff any inducement or we will reject your Bid.
- 7.19 Do not seek changes to the Bid after responses have been submitted and the deadline for Bids to be submitted has passed.
- 7.20 Do not cross reference answers to external websites or other parts of your Bid, the cross references and website links will not be considered.
- 7.21 Do not exceed word counts, the additional words will not be considered.
- 7.22 Do not make your Bid conditional on acceptance of your own Terms of Contract, as your Bid will be rejected.

## Some additional guidance notes

- 7.23 All enquiries with respect to access to the e-sourcing tool and problems with functionality within the tool may be submitted to Crown Commercial Service (previously Government Procurement Service), Telephone 0345 010 3503.
- 7.24 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.
- 7.25 Question numbering is not sequential and all questions which require submission are included in the Section 6 Evaluation Questionnaire.
- 7.26 Any Contract offered may not guarantee any volume of work or any exclusivity of supply.
- 7.27 We do not guarantee to award any Contract as a result of this procurement
- 7.28 All documents issued or received in relation to this procurement shall be the property of UK SBS.
- 7.29 We can amend any part of the procurement documents at any time prior to the latest date / time Bids shall be submitted through Emptoris.
- 7.30 If you are a Consortium you must provide details of the Consortiums structure.
- 7.31 Bidders will be expected to comply with the Freedom of Information Act 2000 or your Bid will be rejected.
- 7.32 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
- 7.33 Your bid will be valid for 60 days or your Bid will be rejected.
- 7.34 Bidders may only amend the Contract terms if you can demonstrate there is a legal or statutory reason why you cannot accept them. If you request changes to the Contract and UK SBS fail to accept your legal or statutory reason is reasonably justified we may reject your Bid.
- 7.35 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.
- 7.36 If you fail mandatory pass / fail criteria we will reject your Bid.
- 7.37 Bidders are required to use IE8, IE9, Chrome or Firefox in order to access the functionality of the Emptoris e-sourcing tool.
- 7.38 Bidders should note that if they are successful with their proposal UK SBS 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 UK SBS may decline to proceed with the award of the Contract to the successful Bidder.

- 7.39 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.
- 7.40 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, UK SBS 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 UK SBS 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.

- 7.41 From 2nd April 2014 the Government is introducing its new Government Security Classifications (GSC) classification scheme 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 from 2nd April 2014. The link below to the Gov.uk website provides information on the new GSC:

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

UK SBS 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](#)
- [Tenders Electronic Daily](#)
- [Equalities Act introduction](#)
- [Bribery Act introduction](#)
- [Freedom of information Act](#)