

Schedule 6 Evaluation Methodology, Evaluation Criteria and Evaluation Scoring Methodology

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1. Introduction

1.1. Background

This document describes the Tender Evaluation process for Responses for the Logistic Support Contract (LSC) competition (BATCM/0294). In this Schedule 6 “Responses” means both Initial Tenders and Final Tenders unless indicated otherwise. This document defines the Tender Evaluation Methodology that will be used to select a Preferred Bidder prior to Contract Award. The document will provide guidance and direction for all those involved in the Tender Evaluation and for stakeholders to understand the basis upon which the award process is to be conducted.

The award process will determine a Preferred Bidder on the basis of the Most Economically Advantageous Tender methodology in line with the original Contract Notice.

1.2. Scope

This document will define:

- The Tender Evaluation Organisation: This will describe the roles and responsibilities of all those involved in the Tender Evaluation and Award Decision.
- The Tender Evaluation Process: This defines the process and provides the necessary guidance and direction to those involved. It will include the processes of Tender receipt, response Tender Evaluation and the inputs into the Tender Evaluation Panel (TEP) as well as the debriefing process for Bidders.
- The Technical Evaluation Method: This describes the method by which the technical elements of the response will be evaluated and scored determined for each of the proposals.
- The Commercial Evaluation Method: This describes the method by which the commercial elements of the response will be evaluated for each of the proposals.
- The Financial Evaluation Method: This describes the method by which the financial elements of the response will be evaluated for each of the proposals.
- Overall Evaluation Score: This describes the approach in bringing together the technical, commercial and financial aspects to determine the overall score for each proposal.

1.3. Evaluation Overview

The evaluation process for scored elements of the Final Tender evaluation is split into two pillars:

- Qualitative Pillar split into:
 - Technical Response (**85%** weighting); and
 - Commercial Response (scored elements)¹ (**15%** weighting) made up as follows:
 - Draft Contract Documents (excluding Schedule 6 (*Incentivisation*) of the Contract) (10%); and
 - Incentivisation (Appendix 1 to Schedule 6 of the Contract)² (5%).
- Financial Pillar split into:
 - Core Contractor Deliverables; and
 - Spares & Repairs Catalogue.

¹ As set out in the ISFT, certain Main Body Contract Clauses and Schedules (or parts thereof) will be evaluated on a PASS/FAIL basis (as set out in Annex C to this Schedule 6 of the ISFT), and bidders’ attention is drawn to section 3.1 of the ISFT.

² The main paragraphs of Schedule 6 (*Incentivisation*) of the Contract are assessed on a PASS/FAIL basis. Bidder responses to Appendix 1 to Schedule 6 of the Contract are scored. (See Annex F to this Schedule 6 of the ISFT).

Commercial Response

The proportion of the Commercial Evaluation score allocated to the response to the Draft Contract Documents (excluding Schedule 6 (*Incentivisation*)) will be 10% of the Commercial Evaluation score. The proportion of the Commercial Evaluation weighting which will be allocated to the scored element of the response to the incentivisation mechanism (Appendix 1 to Schedule 6 (*Incentivisation*) of the Contract issued with the ISFT) will be 5%.

The overall Commercial Evaluation weighting will, therefore, remain 15% of the overall Tender evaluation. Bidders should note that their responses to certain Schedules of the Contract (or parts thereof) will be evaluated as part of the Technical Evaluation or Financial Evaluation, as indicated in Tables A – T (inclusive) of **Annex C** (*Commercial Questions and Evaluation Criteria*) to this Schedule 6 to the ISFT.

Incentivisation

Following consideration of Bidder proposals in their Initial Tenders and the outcome of clarifications/negotiations with Bidders, the Authority is issuing the final form calibrated incentivisation mechanism with this ISFT (which is set out in Schedule 6 (*Incentivisation*) of the Contract issued with this ISFT). As referred to in the ITN, the Authority confirms that acceptance of Schedule 6 (*Incentivisation*) (apart from Appendix 1 (*KPIs and relevant Applicable Deductions*)) will be evaluated on a **'PASS/FAIL'** basis. Bidders should note that, in order to be awarded a 'PASS', a Bidder must confirm acceptance of the form of Schedule 6 (*Incentivisation*) (apart from Appendix 1) of the Contract issued with the ISFT. **Bidders who do not provide such confirmation of acceptance will be awarded a 'FAIL' and will be disqualified from taking further part in this procurement process.**

Bidders' responses to Appendix 1 (*KPIs and relevant Applicable Deductions*) of Schedule 6 (*Incentivisation*) will be **scored** in accordance with **Annex F** (*Response to Incentivisation Mechanism*) to this Schedule 6 to the ISFT.

Evaluation Phases

As set out in the ITN, the pillars will undergo a series of evaluation phases illustrated in Table 1 below. The Table describes the main characteristics of each of these phases of the evaluation pillars. The detail is described in later sections of this document.

Table 1

Final Tender Evaluation Process			
Tender Evaluation Phase	Technical	Commercial	Financial
Phase 1a	Initial Tender stage - completed.		
Phase 1b			
Phase 2			
Phase 3			
Phase 3a			
Phase 3b			
Phase 3c			
Phase 4a	Negotiation stage - completed.		
	Invitation to Submit Final Tenders (ISFT) issued		
Phase 4b	Receive Final Tenders (including Technical, Commercial and Financial Responses)		
	Authority Queries		

Phase 5	TEP ³		
	Evaluate Final Tender Technical Responses	Evaluate Final Tender Commercial Responses	Evaluate Final Tender Financial Response (Core Contractor Deliverables and Spares & Repairs Catalogue)
	Authority Queries	Authority Queries	Authority Queries
	Moderation	Moderation	Moderation
Phase 6	TEP		
	Overall Evaluation Score awarded for Final Tenders		
	Award Decision and Notification to Bidders of outcome of Final Tender Evaluation (standstill letters)		

1.4. Evaluation Methodology

The evaluation methodology being employed for this procurement is known as a **Value for Money Index** and utilises an assessment of a Bidder's Quality Score (for their Technical Response and Commercial Response) against their Total Price (Core Contractor Deliverables and Spares & Repairs Catalogue).

This evaluation methodology uses the following formula:

$$\text{Value for Money Index} = \frac{\text{Quality Score (Technical Score + Commercial Score)}}{\text{Total Price (Core Contractor Deliverables (£) + Spares & Repairs Catalogue (£))}}$$

The Financial evaluation methodology is set out in Section 6 (Financial Evaluation Method) and the Qualitative evaluation methodology is set out below Sections 4 (Technical Evaluation Method) and 5 (Commercial Evaluation Method) below.

Qualitative evaluation

The weightings for the Technical and Commercial evaluation are set out in Table 2 below.

Table 2

Technical (85% weighting)	Commercial (15% weighting) ⁴
Inventory Management Service - 38%	Draft Contract Documents (excluding Schedule 6 (<i>Incentivisation</i>) of the Contract) - 10%
Inventory Modelling Service - 16%	
Technical Service - 8%	
Information Management Service - 8%	Incentivisation (Appendix 1 to Schedule 6 (<i>Incentivisation</i>) of the Contract) - 5%
Transition Service - 10%	
Contract Programme - 5%	

³ This will be held if required, e.g. if it is identified that one or more of the bids is non-compliant

⁴ See Section 1.3 above and **Annex C** regarding evaluation of Commercial Responses at Final Tender stage.

Once the evaluation of the responses has been conducted, the Authority will take the score which has been achieved against the individual categories and use this to form the overall mark as illustrated below in Table 3. **Bidders should note the Minimum Technical Requirements in Section 4 for the Technical evaluation, and the minimum aggregate pass marks for the Commercial Evaluation in Section 5 of this Schedule 6. Any Bidder who fails to meet either of the Minimum Technical Requirements or who fails to achieve either of the minimum aggregate pass marks will be disqualified from taking any further part in this procurement process.**

Table 3 – Example Technical and Commercial Evaluation

(A)	(B)	(C)	(D)	(E)
Evaluation Category	Total Evaluation Category marks available (no. of questions in Category x max score of 10 marks per question)	Example total Category mark achieved	Category Weighting	Final Quality Score (weighted % Mark Achieved)
Technical Evaluation				
Inventory Management Service	110	70 (3 x 10 + 4 x 7 + 4 x 3)	38%	24.3%
Inventory Modelling Service	30	27 (10 + 7 + 10)	16%	14.4%
Technical Service	20	10 (3 + 7)	8%	4%
Information Management Service	30	27 (10 + 10 + 7)	8%	7.2%
Transition Service	40	23 (10+3+3+7)	10%	5.75%
Contract Programme	10	7 (1 x 7)	5%	3.5%
Commercial Evaluation				
Draft Contract Documents	100	70 ⁵	10%	7%
Incentivisation	100	70 ⁶	5%	3.5%
Total	340	234	100%	68.8%⁷

(Figures will be rounded up to the nearest 2 decimal points).

⁵ Commercial Score of 70 marks out of a possible 100 marks based on a Commercial response evaluated as Minor Reservations (as set out in Table 1 of Annex C to Schedule 6 of this ISFT).

⁶ Incentivisation Score of 70 marks out of a possible 100 marks based on the Incentivisation response with Minor Reservations (as set out in Table 1 of Annex F to Schedule 6 of this ISFT).

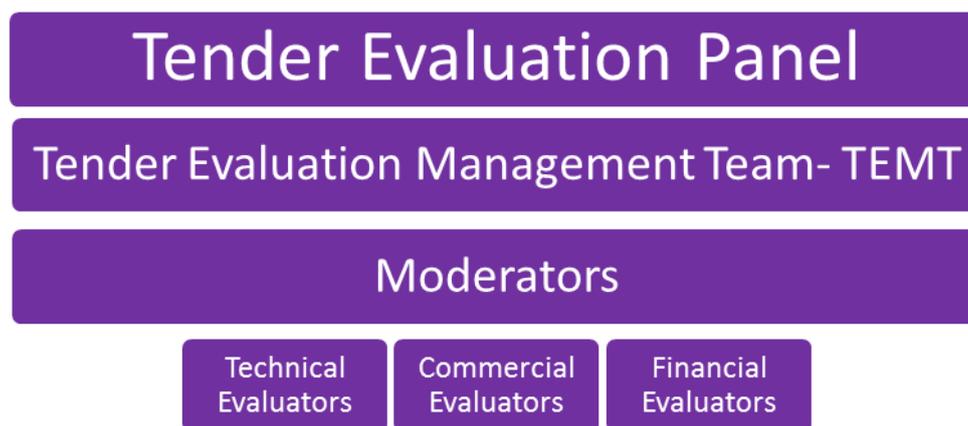
⁷ This is the 'Quality Score' referenced in the Value for Money Index formula (to which the Total Price will be applied, in accordance with Section 7).

2. Tender Evaluation Organisation

This section details the various roles of all those involved in the Tender Evaluation and down selection, including a high level description of their responsibilities.

A summary of the Tender Evaluation Organisational Structure is depicted in Figure 1.

Figure 1



2.1. Evaluators

There are three types of Evaluator

- Technical Evaluator
- Commercial Evaluator
- Financial Evaluator

Technical and Financial Evaluators will be a mix of Authority and contracted staff. The contracted staff are signed up to appropriate NDAs with the Authority. The Commercial Evaluation will be undertaken by the Authority supported by its legal advisers, Mills & Reeve LLP.

2.1.1. Technical/Commercial Evaluators

Note that this process applies to both Technical and Commercial aspects. Evaluators are allocated to specific sections of the Responses and are responsible for determining whether or not the Responses are compliant with the Tender Evaluation criteria, providing an evaluation score and supporting this with rationale.

Evaluators will provide a clear and concise rationale for their scoring including justification and evidence where appropriate.

Evaluators are responsible for raising any issues with the Tender Evaluation Management Team (TEMT) during evaluation and informing the Moderator. AWARD will be used to track completion of the evaluation process.

2.1.2. Financial Evaluators

Financial Evaluators will be independent of the Technical Evaluators. They will consider the prices proposed and carry out the Financial Evaluation of the bids.

2.2. Moderators

Moderators are responsible for:

- Ensuring the Evaluators carry out the Evaluation within the timescales prescribed by the Tender Evaluation Process (described at Section 3 and in Table 1) and raise any clarifications or issues with the TEMT.
- Reaching a Moderated score with the Evaluators for Phase 2 (Initial Tender stage) and submitting a Moderation result with appropriate justification for the scores to the TEMT.
- Reaching a Moderated score with the Evaluators for Phase 5 (Final Tender stage) and submitting a Moderation result with rationale to the TEMT.
- Supporting the TEP as required by the TEMT e.g. if the TEP needs to hear specific evidence.

2.3. Tender Moderation

Moderation will be led by an independent Moderator who has not been involved in any part of Tender Evaluation Process as an Evaluator. A Moderator will read the Tender responses and the Tender marking scheme ahead of the moderation of Bidders Tender responses as they may have to refer to the content to help resolve any disagreements within the Technical Evaluation, Commercial Evaluation or Financial Evaluation.

All the Evaluators will independently assess their allocated questions, provide a score and record notes to justify the award of the Evaluator score. When there is a variance in an evaluation score between Evaluators, a moderation meeting will then be held to review the scores and agree the final score for each evaluated question. Where there are multiple Evaluators of the same question, average or modal score will not be used. The Moderator will lead the moderation meeting and act as a facilitator, challenging where necessary. The Moderator and the Evaluators will explore the arguments for any scoring variations and the team will come to a final agreed score. Where the team are unable to agree a final score the Moderator will determine the final score awarded to the evaluated question. (Meetings may be held virtually).

The Moderator will record the final score and the moderation rationale on AWARD.

2.4. Tender Evaluation Management Team (TEMT)

The TEMT is responsible for managing the Tender Evaluation Process and handling the flow of information between the Evaluators, Moderators, Commercial Officer and the TEMT and will ensure a complete audit trail is recorded throughout the Tender Evaluation process.

The TEMT will comprise a Tender Evaluation Manager (TEM) and Commercial Officer. They will be supported by a Finance Officer and Technical Lead as required.

2.4.1. TEM

The TEM will be responsible for presenting the body of evidence and results from the Tender Evaluation and will have overall responsibility for ensuring actions raised by the TEP are completed.

The TEM is responsible for managing any internal questions or issues which may arise during the various phases of Evaluation including clarification questions or issues.

The TEM will also act as the interface between Evaluators and the Commercial Officer e.g. to support raising and closing external clarification questions.

2.4.2. Commercial Officer

The Commercial Officer is responsible for all communication with the Bidders throughout the Tender Evaluation process.

The TEM will engage with the Commercial Officer to resolve any clarification questions during the Evaluation period and to communicate the results of the Tender Evaluation process on behalf of the TEP.

The Commercial Officer will have control over the AWARD Tool.

2.5. Tender Evaluation Panel

The TEP will review all relevant evidence provided by the TEMT in order to determine the outcome of the competition at the final TEP meeting.

The TEP has responsibility for resolving major issues or making decisions throughout the Tender Evaluation period.

The members of the TEP will be independent of the Evaluation and Moderation teams. The Chair of the TEP is responsible for acting as the final arbiter where disputes cannot be resolved by TEMT.

3. Final Tender Evaluation Process (Phase 5) and Overall Evaluation Score and Award Decision and Notification (Phase 6)

This section outlines the stages in the Tender Evaluation Process. A high-level summary is shown in **Table 1** above.

Phase 5 - Final Tender Evaluation Process

3.1. Tender Response Receipt

As set out in the ISFT, bidders are not required to submit hard copies of their Final Tenders. Tender Responses are required to be uploaded onto the AWARD portal by the specified Final Tender Deadline. Following the Final Tender deadline:

- Tender Responses will be opened and logged on the AWARD portal by the Tender Board; and
- The Tender Board will check submissions to confirm they contain all of the documents listed in

3.2. Initial Compliance Check

Responses will be subject to initial compliance checks at the start of the Tender Evaluation process. The objective for the check is to quickly identify whether there are any deficiencies against the Mandatory Requirements List in **Annex A**. This process will be assured through the TEP. **The Authority reserves the right to disqualify any Bidder who fails to provide any of the information set out in the Mandatory Requirements List in Annex A to this Schedule 6.**

3.3. Technical Evaluation

The scoring of the responses involves the Technical Evaluators evaluating their allocated Tender responses against the relevant Technical Questions and Evaluation Criteria set out at **Annex B** to this Schedule 6.

If a response is assessed as non-compliant the Evaluator will document the areas of deficiency and submit this to the TEMT.

Evaluators will access the Bidders' response through AWARD and will populate AWARD with scores and justifications. Evaluators may raise clarification questions to be raised with Bidders. The Bidder responses to those clarification questions will be taken into account in the evaluation of the relevant section.

Once all Evaluators have recorded their Evaluation in AWARD, the Moderation process is managed by the Moderator for the response. The Moderator will review the results from the Evaluators with a view to achieving a moderated result for each respective response to determine the final moderated score as set out above in paragraph 2.3 (Tender Moderation). This score, along with the moderation rationale will be documented in AWARD.

The Moderation process is complete once all Moderators have achieved a moderated score for all Technical responses and documented the outcome of their Evaluation within AWARD.

3.4. Commercial Evaluation

Bidders' Commercial Responses will be evaluated in accordance with the Commercial Questions and Evaluation Criteria set out at **Annex C (Draft Contract Documents)** and **Annex F (Incentivisation)** to this Schedule 6.

If a response is assessed as non-compliant the Evaluator will document the areas of deficiency and submit this to the TEMT.

Evaluators will access the Bidders' response through AWARD and will populate AWARD with scores and justifications. Evaluators may raise clarification questions to be raised with Bidders. The Bidder responses to those clarification questions will be taken into account in the evaluation of the relevant section.

Once all Evaluators have recorded their Evaluation in AWARD, the Moderation process is managed by the Moderator for the response. The Moderator will review the results from the Evaluators with a view to achieving a moderated result for each respective response to determine the final moderated score. This score, along with the moderation rationale will be documented in AWARD.

The Moderation process is complete once all Moderators have reached a moderated score for all Commercial responses and documented the outcome of their Evaluation within AWARD.

3.5. Financial Evaluation

Bidders' Financial Responses (Core Contractor Deliverables (£) + Spares & Repairs Catalogue Price (£)) will be assessed in accordance with Section 6 below and the Evaluation Criteria set out at **Annex D**.

If a response is assessed as non-compliant the Evaluator will document the areas of deficiency and submit this to the TEMT.

Evaluators will access the Bidders' response through AWARD and will populate AWARD with scores and justifications. Evaluators may raise clarification questions to be raised with Bidders. The Bidder responses to those clarification questions will be taken into account in the evaluation of the relevant section.

Once all Evaluators have recorded their Evaluation in AWARD, the Moderation process is managed by the Moderator for the response. The Moderator will review the results from the Evaluators with a view to achieving a moderated result for each respective response to determine the final moderated score. This score, along with the moderation rationale will be documented in AWARD.

Phase 6 - Overall Evaluation Score and Award Decision and Notification

3.6. Overall Evaluation

The overall Final Tender scores will be calculated in accordance with Section 7 of this ISFT.

The results of the Final Tender Evaluation will be submitted to the TEP. The TEP may require further information/evidence to support the evaluation.

3.7. Award Decision

Following completion of Phase 3, Bidders will be notified of the outcome of the Final Tender Evaluation, and standstill letters will be issued to the unsuccessful Bidders.

4. Technical Evaluation Method

'Technical Evaluation' for the purposes of this document is defined as anything that is not part of the Financial or Commercial evaluations.

4.1. Technical Evaluation Objectives

The Technical Evaluation Method will:

- Assess the compliance of the Tender Responses to the requirements in the Technical Questions and Evaluation Criteria (as set out in **Annex B**).
- Assess the scores against those evaluation criteria.
- In the case of the Initial Tender submissions, determine areas for negotiation such as areas of strength, weakness, opportunity, dependency and risk.

4.2. Technical Evaluation Outline

The Technical Evaluation high level description of phases is as follows:

- Phases 2 – 4 – Initial Tender stage and Negotiation stage (completed).
- Phase 5 – Evaluate the Final Tender responses to the Technical Questions. This phase is the detailed Evaluation of the Final Tender responses to the Tender Evaluation Criteria. Final Tender responses will be scored against the stated evaluation criteria by a number of Evaluators, and moderated to give the overall score.
- Phase 6 – Calculation of the overall Technical score to present to the TEP.

4.3. Phase 5 – Technical Final Tender Evaluation

This phase is the detailed Evaluation of the Final Tender Technical Question responses. The objective of this phase is to evaluate responses against the Technical Questions and Evaluation Criteria.

As mentioned in paragraph 4.2 of the ISFT, where a Bidder makes amendment to their Initial Tender Technical responses in their Final Tender Technical responses, they must clearly identify any changes they have made to the Authority by use **of track changes and highlights** within their Final Tender Technical submission uploads, and by completing **Annex G** to Schedule 6 of the ISFT. Where the Technical response only requires a text submission in an AWARD text box, the Bidder must identify any changes to their Initial Tender text submission responses in their Final Tender text submission response in Annex G to Schedule 6 of the ISFT.

In order to determine the Technical scores against the evaluation criteria, the Evaluators will:

- determine and record the score for Bidders' Final Tender Technical responses and provide a rationale regarding the score allocated, in accordance with the Evaluation Criteria at Annex B; and
- raise any clarification questions, as necessary, to complete the above.

This Phase of Tender Evaluation is complete once:

- all Evaluators have completed their independent Tender Evaluations and submitted results with rationale in AWARD;
- the Moderators have achieved a moderated score of the Evaluators' Tender Evaluations with a rationale submitted in AWARD as set out above at paragraph 2.3 Tender Moderation;
- all issues and Authority queries are resolved; and
- The TEMT signs-off this phase of the process.

There are 2 (two) components to the overall Technical score (which correspond to the two Tabs in the Technical ISFT Questions at **Annex B** to this Schedule 6), as set out below:

- Response to SORs (Contract Programme, Inventory Management, Inventory Modelling, Technical Service, and Information Management); and
- Transition Service.

The evaluation criteria under each of the Tabs in the Technical ISFT Questions at **Annex B** to this Schedule 6 are identified as either mandatory (i.e. they are scored on a **compliant/non-compliant** basis) or **scored**. **If a Bidder is awarded a ‘non-compliant’ score for any of the Technical questions, that Bidder will be disqualified from taking any further part in this procurement process.**

Where responses to a Technical question are scored, the question will be scored on a 0-3-7-10 mark basis as set out in the two Tabs in the Technical ISFT Questions at **Annex B** to this Schedule 6. Scored Technical questions will be scored using the following scoring methodology;

Table 4 - Annex B Scoring Methodology

Score	Category	Criteria
10	High Confidence	a response that addresses all aspects of the Authority’s Requirements for the relevant SOR Serial (and which may, in some areas, exceed aspects of the Authority’s Requirements), with good explanations which provide a high level of detail and which are supported by highly detailed and relevant evidence demonstrating how all aspects of the relevant Authority’s Requirements will be met. The response, therefore, gives the Authority a high degree of confidence that the Bidder will meet (and may, in some areas, exceed) the relevant Authority’s Requirements
7	Good Confidence	a response that addresses all aspects of the Authority’s Requirements for the relevant SOR Serial with explanations which provide a reasonable level of detail and which are supported by reasonably detailed and relevant evidence demonstrating how all aspects of the relevant Authority’s Requirements will be met. The response, therefore, gives the Authority a good degree of confidence that the Bidder will meet the relevant Authority’s Requirements
3	Moderate Confidence	a response that addresses all aspects of the Authority’s Requirements for the relevant SOR Serial with, in most, but not all respects, explanations which provide a reasonable level of detail and which are supported by reasonably detailed and relevant evidence demonstrating how the relevant Authority’s Requirements will be met. However, in some respects the explanations do not provide a reasonable level of detail and/or the evidence provided is not reasonably detailed and/or relevant. The response, therefore, gives the Authority, only moderate confidence that the Bidder will meet the relevant Authority’s Requirements
0	Low Confidence	the response fails to address all aspects the Authority’s Requirements for the relevant SOR Serial with explanations which provide no, or a poor level of detail and which are supported by no, or evidence which is lacking detail and/or which is irrelevant in demonstrating how the relevant Authority’s Requirement will be met. Alternatively, no response has been provided. The response, therefore, gives the Authority only low confidence that Bidder will meet the relevant Authority’s Requirements

The minimum technical requirements for Tenders (“**Minimum Technical Requirements**”) are as follows:

- Technical ISFT Questions:
 - 100% of mandatory criteria are required to be awarded a "**Compliant**" score; and
 - 100% of scored Technical criteria **must score ≥3**.

In the event that a Bidder fails to achieve either of the Minimum Technical Requirements, that Bidder will be disqualified from taking any further participation in the procurement process.

The overall Technical score for Bidders who have not been disqualified on the basis of the above will be presented at the TEP and will be calculated as follows:

- Technical Score = \sum Evaluation Criteria Mark by category

Worked Example

A worked example of how the Technical Evaluation Method works is set out below.

Table 5 - Technical Evaluation Breakdown

Category	No. of Category Scored Technical Questions	Max Category Score marks (No. of Category questions x max score of 10 per question)	Category Weighting (out of a total Technical weighting of 85%)
Inventory Management	11	110	38.00%
Inventory Modelling	3	30	16.00%
Technical Service	2	20	8.00%
Information Management	3	30	8.00%
Transition Service	4	40	10.00%
Contract Programme	1	10	5%

WORKED EXAMPLE (cont'd):

A Bidder achieves Technical Scores for the 11 scored Technical Questions under the Inventory Management Category, of 3 x 3, 7 x 7 and 1 x 10 = 68 marks. (The maximum available marks for the Inventory Management Category was 110 marks).

As Inventory Management carries a weighting of 38%, each mark out of 110 for Inventory Management carries a weighting of 0.35 ($38 \div 110 = 0.35$). $68 \times 0.35 = 23.8$, so the Bidder scores 23.8% for Inventory Management.

The Bidder achieves Technical Scores for the three scored Technical Questions under the Inventory Modelling Category of 10 + 7 + 10 = 27 marks (out of a maximum of 30 marks). As Inventory Modelling carries a weighting of 16%, each mark out of 30 carries a weighting of 0.533 (to the nearest 3 decimal points). $27 \times 0.533 = 14.391$, so the Bidder scores 14.39% for Inventory Modelling.

The above methodology is applied to each Category and the questions within them. The Bidder's % scores for each Category are added together to achieve the Bidder's Total Technical Score (out of a maximum of 85%).

(Figures are rounded up to the nearest two decimal points).

The Moderator will review the results from the Evaluators with a view to achieving a moderated result for each respective response to determine the final moderated score. This score, along with the moderation rationale will be documented in AWARD.

The TEP will be presented with the overall scores of all Tenders. Any Tenders which do not meet the Minimum Technical Requirements will also be presented to the TEP. As mentioned above, any **Tenders which do not meet the Minimum Technical Requirements will be rejected in full and the Bidder will be disqualified from taking any further part in this procurement.**

5. Commercial Evaluation Method

5.1. Commercial Evaluation Objective

The Commercial Evaluation will assess Bidders' Final Tender responses to the Draft Contract Documents in accordance with this Schedule 6. Bidders' attention is drawn to the notes to Bidders contained in the Draft Contract Documents issued to them with this ISFT and to any Tender response requirements contained therein.

5.2. Commercial Evaluation Outline

The Commercial Evaluation high level description of phases is as follows:

- Phases 2 – 4 - Initial Tender stage and Negotiation stage (completed).
- Phase 5 – Review of Commercial scores of Final Tender submissions and scoring of Final Tender Commercial responses against commercial evaluation criteria (as set out in Annex C and Annex F).

5.3. Phase 5 – Final Tender Commercial Evaluation

If the Final Tenders include all of the information set out in the Mandatory Requirements List as detailed in **Annex A** to this Schedule 6, they will proceed to Phase 5 of the Commercial Evaluation.

In order to determine the overall Commercial Score the Evaluators will evaluate:

- responses to the draft Main Body Contract Clauses and Schedules (other than Schedule 6 (*Incentivisation*)), in accordance with **Annex C** to this Schedule 6; and
- responses to the incentivisation mechanism in Schedule 6 (*Incentivisation*) of the Contract in accordance with **Annex F** to this Schedule 6.

As set out in the ITN, the Authority reserved the right to amend the Main Body Contract Clauses and Contract Schedules to be evaluated on a PASS/FAIL basis at Final Tender stage in the ISFT. **Tables A – T** (inclusive) (*Legal Bid Requirements*) in **Annex C** to this Schedule 6 sets out whether a Main Body Contract Clause/Contract Schedule (or part thereof) is evaluated on a PASS/FAIL or scored basis. As set out in **Annex F** hereto, Schedule 6 (*Incentivisation*) of the Contract (other than Appendix 1 thereto) is assessed on a PASS/FAIL basis.

The Evaluators will review each of the Final Tenders by identifying whether the Bidder has accepted the Main Body Contract Clauses and Contract Schedules (excluding Schedule 6 (*Incentivisation*)), or the parts thereof, identified as PASS/FAIL. Where the Bidder has confirmed acceptance of a PASS/FAIL Main Body Contract Clause/Contract Schedule (excluding Schedule 6 (*Incentivisation*)), the Bidder will be awarded a PASS for that Main Body Contract Clause/Contract Schedule. Where a Bidder is awarded a PASS, the Evaluators will evaluate the scored elements of the Bidder's Final Tender response to the Main Body Contract Clauses and Contract Schedules (excluding Schedule 6 (*Incentivisation*)) in accordance with **Annex C** to this Schedule 6. **Where a Bidder does not confirm acceptance of a PASS/FAIL Main Body Contract Clause/Contract, they will be awarded a FAIL for that Main Body Contract Clause/Contract Schedule, and they will be disqualified from taking any further part in this procurement process.**

The Evaluators will also review each of the Final Tenders by identifying whether the Bidder has accepted the main paragraphs (paragraphs 1 – 19 (inclusive)) of Schedule 6 (*Incentivisation*) of the Contract, which are assessed on a PASS/FAIL basis. Where the Bidder has confirmed acceptance of the main paragraphs of Schedule 6 (*Incentivisation*), the Bidder will be awarded a PASS for Schedule 6 (*Incentivisation*). Where a Bidder is awarded a PASS, the Evaluators will evaluate the Bidder's Final Tender response to Appendix 1 to Schedule 6 (*Incentivisation*) of the Contract, in accordance with Table 1 in **Annex F** to this Schedule 6. **Where a Bidder does not confirm acceptance of the main paragraphs of Schedule 6 (*Incentivisation*) of the Contract,**

they will be awarded a FAIL, and they will be disqualified from taking any further part in this procurement process.

When evaluating the scored elements of the Main Body Contract Clauses and Contract Schedules, the Evaluators will identify whether any amendments proposed by the Bidder give rise to any minor or major reservations (in accordance with the evaluation methodology set out in **Annex C** (Main Body Contract Clauses and Contract Schedules) in relation to the Bidder's:

- deliverability;
- performance; and/or
- the required transfer of risk to the Contractor.

Any such reservations will be logged and reviewed as a whole for the Main Body Contract Clauses and Contract Schedules (other than Schedule 6 (*Incentivisation*)) to determine the overall score of the Bidders' response to the Main Body Contract and Schedules in accordance with the score categories, descriptions and deductions set out in Table 1 in **Annex C**. The same process will be followed when assessing Bidders' Final Tender responses to Appendix 1 to Schedule 6 (*Incentivisation*) of the Contract, in accordance with Table 1 in **Annex F**.

Minimum aggregate pass marks

The **minimum aggregate pass mark** for the response to the Main Body Contract Clauses and Contract Schedules (other than Schedule 6 (*Incentivisation*)), in accordance with **Annex C**, shall be a **mark of 40** (ie. a score category of Moderate Reservations, as set out in Table 1 of **Annex C**).

The **minimum aggregate pass mark** for the response to Appendix 1 to Schedule 6 (*Incentivisation*) to the Contract, in accordance with **Annex F**, shall be a **mark of 40** (ie. a score category of Moderate Reservations, as set out in Table 1 of **Annex F**).

The Authority reserves the right to disqualify any Bidder who fails to achieve the minimum aggregate pass mark of 40 for either the response to the Main Body Contract Clauses and Contract Schedules (other than Schedule 6 (*Incentivisation*)) or for the response to Appendix 1 to Schedule 6 (*Incentivisation*) of the Contract.

The Moderator will review the results from the Evaluators with a view to achieving a moderated result for each respective response to determine the final moderated scores as set out at Paragraph 2.3 (Tender Moderation) to this Schedule 6.

This phase of the Final Tender Evaluation is complete once:

- all Evaluators have completed their Final Tender Evaluations with rationale and input these on AWARD;
- the Moderators have achieved moderated scores with rationale and input these on AWARD as set out in Paragraph 2.3 (Tender Moderation);
- all issues and Authority queries are resolved; and
- the TEMT signs-off this phase of the process.

6. Financial Evaluation Method

6.1. Financial Evaluation Objectives

The Financial Evaluation Method will prescribe the calculation of the Total Price utilising Net Present Value (NPV) which is the term for the sum of a stream of future values that have been discounted as defined in the HM Treasury Green Book. The Total Price will be the summation of the Total NPV for the Core Contractor Deliverables, the Total NPV for the 'Spares Catalogue' and the Total NPV for the 'Repair Catalogue'. The Total Price will then be used in conjunction with the Technical and Commercial evaluation scores to calculate the Value For Money Index in the method outlined at Paragraph 7.

6.2. Financial Evaluation Outline

The Financial Evaluation is carried out in a number of phases as set out below.

- Phase 2 – 4 – Initial Tender stage and Negotiation stage.
- Phase 5 – Final Tender Financial Evaluation.

6.3. Phase 5 – Final Tender Evaluation

If the Tenders satisfy all information set out in the Mandatory Requirements list as detailed in Annex A to this Schedule 6, they will proceed to Phase 5 of the Financial Evaluation. The purpose of the Phase 5 is to undertake the Financial Evaluation in accordance with Annex D and Annex E to this Schedule 6.

In order to determine the Financial Score, the Evaluators will:

- evaluate the Bidders' priced Tender responses to the LSC-requirement for validity; and
- raise any issues as necessary via the Tender Evaluation Panel to complete the above process.

6.3.1. Description of Financial Evaluation

To undertake the Financial Evaluation, the Bidders will be provided with a 'LSC Pricing ISFT Template' on which they will be required to submit their prices for the Core Contractor Deliverables, 'Spares Catalogue' and 'Repair Catalogue' elements of the LSC requirement. The 'LSC Pricing ISFT Template' is provided at Annex D to this Schedule 6 and has been populated with the following information:

- **Core Contractor Deliverables** – the Core Contractor Deliverables are the price of those items that are considered to be relevant and applicable to the successful delivery of the LSC-service provision by the Bidder. A copy of the template that the Bidders are required to use to submit their prices for this element of their bid is provided at **Annex D** to this Schedule 6.
- **Spares Catalogue Default Data** – Where relevant and applicable the Original Equipment Manufacturer, Default Spares Catalogue Quantity Breaks, the corresponding default Spares Catalogue Price Breaks, the Unit of Measure, indicative Primary Package Quantity, and indicative Minimum Order Quantity data have been provided for each of the NSN-items in the Spares Catalogue. Where appropriate, the Bidders are required to overwrite this data with their Tender-submission data based on the Annual demand and Annual Modelled Demand data; the corresponding 'Link To Price Evidence'- column should be used to provide a link to the information that substantiates the submitted data. It should be noted that the Default Prices are unaffordable to the Authority. Bidders are encouraged to provide a more favourable price to the Authority than the Authority Default Price. The Default Price is used for the purpose of Financial Evaluation at the Initial Tender stage only. **Where a Bidder fails to provide a Spare Catalogue Price for each and every NSN detailed in the Spares Catalogue tab of the LSC Pricing Template at Annex D to Schedule 6, at the Invitation to Submit Final Tender Stage, that Bidder will be disqualified from taking any further participation in the procurement process.**

- **Repair Catalogue Default Prices** – Default Repair Catalogue prices, the repair location and the corresponding Repair Level have been provided for each of the items in the Repair Catalogue. The Bidders are required to overwrite this data with their Tender-submission data based on the corresponding indicative Annual Repair Quantity data; the corresponding ‘Link To Price Evidence’-column should be used to provide a link to the information that substantiates the submitted data. It should be noted that the Default Prices are unaffordable to the Authority. Bidders are encouraged to provide a more favourable price to the Authority than the Authority Default Price. The Default Price is used for the purpose of Financial Evaluation at the Initial Tender stage only. **Where a Bidder fails to provide a Repair Catalogue Price for each and every NSN detailed in the Repairs Catalogue tab of the LSC Pricing Template at Annex D to Schedule 6, at the Invitation to Submit Final Tender Stage, that Bidder will be disqualified from taking any further participation in the procurement process.**
- **Escalation Indices (Agreed Indexation)** – Authority-recommended annual price escalation indices for the period Financial Year (FY) 2020/21 to FY 2025/26 inclusive have been provided which will be used to escalate the Spares Catalogue and Repair Catalogue prices submitted by the Bidders at FY 2019/20 Economic Conditions to outturn prices for NPV calculation purposes. The Bidders are able to submit alternative lower annual escalation indices that they believe to be applicable to the Spares Catalogue and Repair Catalogue elements of their submission. **Where a Bidder proposes annual escalation indices in excess of the Authority proposed indices that Bidder will be disqualified from taking any further participation in the procurement process.**

The financial analysis will be based on the approach as described below. The Financial Evaluation will consider the Bidders’ proposals for the provision of the Services identified at paragraph [6.3.2] below and the Bidders Catalogue proposal (LSC Pricing ISFT Template) in accordance with Annex D to this Schedule 6.

6.3.2. Calculating the Total NPV Core Contractor Deliverables (Firm Price)

The Core Contractor Deliverables (Firm Price) of the LSC Requirement are comprised of the following 7 (seven) elements:

- Inventory Management Service;
- Inventory Modelling Service;
- Technical Service;
- Information Management Service;
- Transition IOC Milestone Payments;
- Transition FOC Milestone Payments; and
- Exit Milestone Payment.

The Bidders are required to submit their annual prices for these items for the period FY 2020/21 to 2027/28 inclusive. The submitted prices should be inclusive of any escalation that they believe is applicable to this element of their submission, but exclusive of VAT, as specified by Table 6 below:

Table 6 - Annual Price Response Table

Core Contractor Deliverable Costs	Total Cost	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Inventory Management Service	£ -								
Inventory Modelling Service	£ -								
Technical Service	£ -								
Information Management Service	£ -								
Transition IOC Milestone Payments	£ -								
Transition FOC Milestone Payments	£ -								
Exit Milestone Payments	£ -								
Total Cost	£ -								

The annual GDP Deflator Rates and NPV Discount Rates relevant to the LSC timeframe will be applied to the annual Total Prices to generate the corresponding NPV to enable the Core Contractor Deliverable Prices submitted by each of the Bidders to be compared for Value For Money on a common basis.

Total Contractor Deliverables NPV = \sum (Annual Total Prices * Corresponding GDP Deflator Rate * Corresponding NPV Discount Rate)

6.3.3. Calculating the Catalogue Price

Spares Catalogue Price

The Bidders are required to submit their Spares Catalogue Price in the 'LSC Template - Spares Costs' tab of the LSC Pricing ISFT Template at Annex D. The Spares Catalogue price submissions provided by the Bidders for each of the items in the Spares Catalogue will be assessed for validity. For each NSN-item in the Spares Catalogue, the Bidders will be required to identify relevant Price Breaks and corresponding Price Break Unit Prices at FY 2019/20 Economic Conditions relevant and applicable to their submission based on the indicative annual modelled demand values for that item to encourage the Bidders to exploit economies of scale purchasing from their Supply Chain; escalation indices will be applied to the prices submitted at FY 2019/20 Economic Conditions to uplift them to the equivalent prices for subsequent years.

A worked example of how this will work in practice is provided below; please note that the example only shows up to 3 (three) Quantity Breaks and associated Unit Prices as being available, and is for demonstration purposes only; up to 8 (eight) Quantity Breaks and associated Unit Prices are available in the corresponding LSC Template - Spares Costs' tab of the LSC Pricing ISFT Template at Annex D provided to the Bidders:

Table 7 - Example of Quantity Breaks

NATO Stock Number (NSN)	Description	Quantity Breaks			Price Breaks Unit Prices @ FY 2019/20 Ecs			UOM	PPQ	MOQ	Annual Modelled Demand	Modelled Price @ FY 2019/20 Ecs
		Break 1	Break 2	Break 3	Break 1	Break 2	Break 3					
5985-01-516-8345	MANPACK BLADE ANTEN	1			£ 398.45			Each	1	1	272	£ 398.45
5985-01-526-2075	CABLE ASSY_RADIO FREQUENCY	1			£ 472.14			Each	1	100	100	£ 472.14
5985-99-666-1466	ANTENNA	100	500	1,000	£ 395.07	£ 342.59	£ 300.52	Each	1	100	800	£ 300.52
5985-99-300-4202	HANDSET	100	250	500	£ 550.53	£ 491.48	£ 462.58	Each	1	100	2,400	£ 462.58
5985-99-391-2186	ANTENNA	100	500	1,000	£ 495.68	£ 406.27	£ 385.13	Each	1	1	750	£ 385.13
5985-99-693-0408	HEADSET-MICROPHONE	50	100	250	£ 249.53	£ 234.01	£ 225.94	Each	1	25	75	£ 234.01
5985-01-502-6662	ANTENNA	1	10	25	£ 300.93	£ 108.21	£ 63.65	Each	1	1	83	£ 63.65
5995-99-666-5482	CABLE ASSEMBLY	1	5		£ 187.67	£ 153.82		Each	1	1	34	£ 153.82

If the Bidder is only able to obtain a Unit Price for a single unit, this price will be applied to the Annual Modelled Demand quantity (as identified for NSN 5985-01-516-8345 and NSN 5995-01-526-2075 in the example above). If the Annual Modelled Demand quantity is greater than the highest Quantity Break identified, the corresponding highest Quantity Break Unit Price will be applied to the Annual Modelled Demand quantity (as identified for NSN 5965-99-300-4202 and NSN 5995-99-666-5492 in the example above).

Bidders are required to provide evidence in support of the NSN Catalogue Price in the format specified in 'LSC Template – Spares Costs NSN Price Evidence' and the 'LSC Template – Repair Costs NSN Price Evidence' tabs of the LSC Pricing ISFT Template at Annex D. The Authority will assess such evidence to determine the level of confidence the Authority has in the likelihood of the relevant NSN Price being secured and/or honoured by the Bidder. This assessment will be carried out as follows:

- (i) the Authority will assess the evidence provided in support of the relevant NSN Price against each of the Assessment Criteria set out in Table 8;
- (ii) the Authority will award each of the Assessment Criteria with a Data Class grading, ranging from Class 1 to Class 5 (where Class 5 is the lowest and Class 1 is the highest);
- (iii) the Authority will award an overall Data Class for the relevant NSN Price which shall be equal to the highest of the Data Classes awarded in respect of the Assessment Criteria for the relevant NSN Price;
- (iv) the overall Data Class awarded will determine if any adjustment to the relevant NSN Price is to be made, which will be an increase to the relevant NSN Price, as calculated by the Default Price less the percentage (as identified in the column G of Table 8 below) of the delta between the relevant NSN Price and the relevant Default Price (as set out in Annex B of Schedule 6 of the ISFT) for the relevant NSN.

Where a Bidder fails to provide any supporting evidence for a Spare and/or Repair NSN Catalogue Price in the format as defined in the 'LSC Template – Spares Costs NSN Price Evidence' and the 'LSC Template – Repair Costs NSN Price Evidence' for each and every NSN detailed in the 'LSC Template – Spares Cost' and the 'LSC Template – Repair Cost' tabs of the LSC Pricing Template at Annex D to this Schedule 6, at the Final Tender stage, that Bidder will be disqualified from taking any further participation in the procurement process.

Table 8 - Data Class Level Assessment Criteria

Maturity Class	Assessment Criteria		Allowable % of Delta Between Bid NSN Price and Default Price
	Pricing Methodology ⁸	Method of Evidence ⁹	
Class 5	Rough Order of Magnitude (ROM) estimate or judgement from Subject Matter Expert (SME) or no pricing methodology provided	An incomplete response or no response provided	0%
Class 4	Analogous estimation – the comparison of pricing from a similar item or activity.	A qualified or non-binding Supplier quotation for the relevant NSN Price	25%
Class 3	Parametric estimation – utilising a relationship between variables (unit cost/duration and the number of units e.g. repair hours) to develop the price.	A qualified or non-binding Supplier quotation for the relevant NSN Price	50%
Class 2	Activity based estimating (Bottom-up) – utilising the individual components or associated tasks with known prices to develop the price.	A qualified or non-binding Supplier quotation for the relevant NSN Price	75%
Class 1	Supplier bid or actual price	A binding Supplier quotation for the relevant NSN Price	100%

A binding price quotation is a quotation where the Bidder can demonstrate through the provision of evidence an enforceable commitment with the relevant supplier in relation to the relevant NSN Price.

A qualified or non-binding quotation is a quotation where the Bidder is unable to demonstrate through the provision of evidence an enforceable commitment with the relevant supplier in relation to the relevant NSN Price.

Examples.

1. A binding quotation for the delivery of an NSN Price for the relevant NSN item from an OEM Supplier with supporting evidence of commitment – Class 1
2. A reseller sourced NSN Price which demonstrates a commitment at the NSN Price, however the NSN Price is qualified with a conditional first order within 180days – Class 2
3. A repair price based upon parametrically estimated man hours and costed against an OEM provided binding quotation for hourly rates for a Repair Engineer – Class 3
4. An NSN Price provided based on a number of non-binding quotations from Suppliers that demonstrates no binding enforceable commitment for the NSN Price – Class 4
5. An OEM provided quote which is based upon a comparable item however is not supported by a binding price quotation or binding commitment and is qualified with the condition that only upon order at the NSN Price will the NSN Price become binding - Class 4
6. A price offered from an undefined Supplier which is not supported by a price quotation - Class 5

A Data Class Level will be assigned to the NSN Price at FY 2019/20 ECs submitted for each item in the Spares Catalogue and Repair Catalogue based on the assessment of the provenance of the prices submitted in accordance with Table 8. This will identify the proportion of the delta between the default price and the submitted NSN Price that will be allowable and ranges from 0% for a Class 5 assessed price submission (i.e. 0% of the delta between the default price and the submitted price is allowable, so the default price for that particular item will be used in the evaluation) to 100% for a Class 1 assessed price submission (i.e. 100% of the delta between the default price and the submitted NSN Price is allowable, so the submitted price for that particular item will be used in the evaluation) and will be applied to the submitted NSN Prices to generate a Factored NSN Price. An example of how this will be applied is provided below; the same Default price and Bidder price information has been used for illustrative purposes only:

⁸ The Pricing Methodology is the method the Bidder has applied to derive the NSN Price.

⁹ The Method of Evidence criterion refers to the extent to which the Authority has confidence the Bidder can enforce the NSN Price Quotation on the Supplier of the NSN Price Quotation.

Table 9 - Worked example for calculation of Factored NSN Price

(A)	(B)	(C)	(D)	(E)	(F)	(G)
Default Price @ FY 2019/20 ECs	Bidder NSN Price @ FY 2019/20 ECs	Delta (Default Price – Bidder Price)	Class Level Assessment	Class Level Delta Allowance	Factored NSN Price @ FY 2019/20 ECs	Calculation of Factored NSN Price @ FY 2019/20 ECs
£250.00	£100.00	£150.00	Class 5	0%	£250.00	£250.00-(0%*£150.00)
£250.00	£100.00	£150.00	Class 4	25%	£212.50	£250.00-(25%*£150.00)
£250.00	£100.00	£150.00	Class 3	50%	£175.00	£250.00-(50%*£150.00)
£250.00	£100.00	£150.00	Class 2	75%	£137.50	£250.00-(75%*£150.00)
£250.00	£100.00	£150.00	Class 1	100%	£100.00	£250.00-(100%*£150.00)

To calculate the annual price for a Contract Year, the Factored NSN Price will be multiplied by the Annual Modelled Demand quantity and the corresponding escalation rate; the Annual Modelled Demand quantity is the Annual Demand quantity uplifted to the next multiple of the Minimum Order Quantity (MOQ), e.g. if the Annual demand is, say 893, and the MOQ is 10, the Annual Modelled Demand would be 900.

The annual GDP Deflator rates (Source: *K338 indexation rate as published via the Office of National Statistics and to note that the current rate has been rolled into future years at a constant rate.*) and NPV Discount Rates are applied to the corresponding total annual escalated spares prices to generate the corresponding NPV, i.e.

Total Spares Catalogue NPV = \sum (Annual Escalated Factored Spares Prices * Corresponding GDP Deflator Rate * Corresponding NPV Discount Rate)

Repair Catalogue Price

The process for calculating the total Repair Catalogue NPV is the same as that used to calculate the total Spares Catalogue NPV but, as the Bidders have been requested to submit prices for a single repair activity, quantity considerations are not considered to be applicable, i.e.

Total Repair Catalogue NPV = \sum (Annual Escalated Factored Repair Prices * Corresponding GDP Deflator Rate * Corresponding NPV Discount Rate)

6.3.4. Presentation to TEP and Final Tender Award Decision

Following the evaluation of Final Tenders in accordance with this Section 6, the results of the Final Tender Financial Evaluation will be presented to the TEP.

7. Overall Evaluation Score

This section describes the process for bringing together the overall Technical and Commercial score with the Total Price calculated from the NPV for the Core Contractor Deliverables, Spares Catalogue and Repair Catalogue submitted by each of the Bidders for the LSC requirement to identify the Most Economically Advantageous Tender (MEAT).

Where Tenders are deemed compliant, and meet the **Minimum Technical Requirements** and **minimum aggregate pass marks** (Commercial Evaluation), the MEAT will be calculated using the Value for Money Index approach, i.e.:

$$\text{Value for Money Index} = (\text{Technical Score} + \text{Commercial Score}) / \text{Total Price}$$

To increase the resolution of the Value For Money Index, the result has been multiplied by 100,000,000. For example, if a Bidder is awarded a technical score of 75 and a Commercial Score of 10.5 (7 for Draft Contract Documents (excluding Schedule 6 (*Incentivisation*)) and 3 for Appendix 1 to Schedule 6 (*Incentivisation*) to the Contract), and has a Total Price of £50,000,000. The Value for Money Index calculation is as follows:

$$\text{Value for Money Index} = (\text{Technical Score}(75) + \text{Commercial Score} (7 + 3.5 = 10.5)) / \text{Total Price}(\text{£}50,000,000)$$

$$\text{Value For Money Index} = 0.00000171 \times 100,000,000 = \mathbf{171}$$

At the TEP the Bidder whose Final Tender achieves the highest Value For Money Index score will be considered to be the Preferred Bidder for the LSC requirement. In the event that 2 (two) or more Bidders achieve the same Value For Money Index, the Bidder that has submitted the lowest Total Price will be considered to be the winner of the competition to identify the Preferred Bidder for the LSC requirement.

Annex A: Mandatory Requirements List (Final Tender)

Required Document	Location
Form of Tender	Schedule 9 of the ISFT
Acceptance of Draft Contract Documents	AWARD Portal Annex C of Schedule 6 of the ISFT
Confirmation that a Parent Company Guarantee will be provided in the agreed form	Schedule 18 to the Contract Schedule 1, paragraph 31 (29) of the ISFT
Statement Relating to Good Standing	Schedule 1, paragraph 31 (26) of the ISFT
Commercially Sensitive Information Form (DEFFORM 539A)	Schedule 2 of the ISFT Schedule 1, paragraph 29 and paragraphs 31 (21) to (24) (inclusive) of the ISFT
Tender Return Label (DEFFORM 28)	Schedule 3 of the ISFT Section 4.3 of the ISFT
MOD Tender Submission Document	Section 4.4 of the ISFT Schedule 1, paragraph 17 of the ISFT Schedule 10 of the ISFT
Contract Programme – fully worked up	Clause 9 of the Contract Schedule 4 (Assurance and Acceptance Process) of the Contract Schedule 22 (Contract Programme) of the Contract Schedule 2 of the Contract SoR Serial 1.3.1
Sub-Contracting Plan	Clause 17.1 of the Contract
Cyber Security Questionnaire	Clause 45B.3.2 of the Contract Annex B of Schedule 6 of the ISFT Ref Number: RAR-BB5Q7TFQ
Business Continuity Plan - fully worked up	Clause 37.6 of the Contract Clause 81.2 of the Contract Annex B of Schedule 6 of the ISFT
Weekly and Monthly Report Templates	Annex B of Schedule 6 of the ISFT
Risk Register	Annex B of Schedule 6 of the ISFT
Populated Schedule 7 GFA List	Annex B of Schedule 6 of the ISFT
Transition Plan	Schedule 2 of the Contract SoR Serial 2.5.1 Paragraph 4.3 of Schedule 8 of the Contract
Draft Quality Management Plan	Clause 68 of the Contract Annex B of Schedule 6 of the ISFT Schedule 2 of the Contract Schedule 15 of the Contract

Exit Plan	Appendix 2 of Schedule 17 of the Contract
Required Commercial Response	Relevant Provision(s)
Contract Schedule 6 (<i>Incentivisation</i>)	Clauses 3.1 and 29 of the Contract Schedule 6 of the Contract Clause 3.2 of the ISFT Annex F to Schedule 6 of the ISFT
Authority Obligations Proposal	Part 2 of Schedule 7 of the Contract Paragraph 5 of Schedule 6 of the ISFT
Required Financial Response	Relevant Provisions
Core Contractor Deliverables Firm Price (Excluding Exit Payment Firm Price) and Option Firm Price for each Option	Paragraph 1.1 to paragraph 1.8 of Part 2 of Schedule 9 (Pricing and Payment) Annex D of Schedule 6 of the ISFT
Milestone Payment Schedule (“MPS”) (for Core Contractor Deliverables (excluding Exit Payment Firm Price) and each Option) – with tracking between MPS and WBS (see row below)	Appendix 1 and Appendix 2 to Part 2 of Schedule 9 (Pricing and Payment) Annex D of Schedule 6 of the ISFT
Exit Payment Firm Price	Paragraph 9 of Part 1 of Schedule 9 (Pricing and Payment) Annex D of Schedule 6 of the ISFT
LSC Template - Spares Costs	Paragraph 6 of Schedule 6 of the ISFT Annex D of Schedule 6 of the ISFT
LSC Template - Repair Costs	Paragraph 6 of Schedule 6 of the ISFT Annex D of Schedule 6 of the ISFT
LSC Template - Spares Costs NSN Pricing Evidence	Annex D of Schedule 6 of the ISFT
LSC Template - Repair Costs NSN Pricing Evidence	Annex D of Schedule 6 of the ISFT

Annex B: Technical Questions & Evaluation Criteria

Refer to attached document.

Annex C: Commercial Questions & Evaluation Criteria

Refer to attached document.

Annex D: Financial Evaluation Criteria

Refer to attached document.

Annex E: Catalogue Evaluation Method

1.1 ISFT Template Catalogue

The Bidders will be provided with a template that identifies those items that form the Spares Catalogue and Repair Catalogue for the LSC requirement; the template 'LSC Pricing ISFT Template' is provided at Annex D to this Schedule 6. The Bidders will be required to submit their submissions to the Authority using the template provided to enable the Authority to compare the competing submissions.

The Spares Catalogue and Repairs Catalogue provided to the Bidders are populated with default information. If the Bidder is unable to obtain any data requested, the equivalent default information will be considered to be relevant and will be used to calculate the Spares Catalogue Costs and/or the Repairs Catalogue Costs (as applicable) in the Bidders' submission.

The Bidders are required to provide evidence in support of the NSN Catalogue Price that provide in place of the default information included in the Spares Catalogue and Repairs Catalogue. The Authority will assess the provenance of these evidence in accordance with the methodology prescribed at Schedule 6 paragraph 6.4.2.

1.2 NSN Catalogue Prices

The Bidders must provide NSN Catalogue Prices for all NSN's included in the 'LSC Pricing ISFT Template' for the Spares Catalogue and Repairs Catalogue that are free from any margin, mark-up or any other benefit accruing to the Bidder, as specified at SoR Serial 2.1.3.5 and 2.1.4.5. The Spare Catalogue Price and the Repairs Catalogue Price the Authority pays must be a 'pass through' cost for the LSC Bidder. Bidders are to confirm compliance with SoR Serial 2.1.3.5 and 2.1.4.5, and Clause 5.1.21 of the Contract in the evidence that they provide at 'LSC Template - Spares Costs NSN Price Evidence ' and the 'LSC Template - Repair Costs NSN Price Evidence'.

1.3 OEM Bidders

An "OEM Bidder" is defined as a Bidder who is both a Bidder for the LSC requirement, either as a Prime Contractor or a partner Company in a consortia as described in the DPQQ Initiation to Negotiation and an Original Equipment Manufacturer (OEM) of any of the items identified in the Spares Catalogue and/or Repair Catalogue.

Where any Bidder is identified as an OEM Bidder it is a requirement for participation in the LSC ISFT Tender process that for any item in the Spares Catalogue or for any repair activity identified in the Repair Catalogue, the price they provide in their submission for the LSC requirement must also be the price they provide as an OEM to any other Bidder for the LSC requirement. Failure by an OEM Bidder to provide the same price to competing Bidders for the LSC requirement as the price they provide in their own submission as a Bidder for the LSC requirement will be deemed by the Authority to constitute a non-compliant response in accordance with the Catalogue Evaluation Method. **Bidders who fail to comply with this requirement will be awarded a 'non-compliant' response and will be disqualified from taking further part in this procurement process.**

Bidders' attention is drawn to CQ Response Ref. CL-LSC-0007.

1.4 Total Catalogue Price

The Bidders' submissions will be evaluated to determine a total Spares Catalogue price and a total Repair Catalogue price. The total Spares Catalogue price will be calculated as follows:

Total Spares Catalogue Price = \sum Annual Forecast Item Demand * Corresponding Unit Price * Class Level Data Allowance * Annual Escalation Indice

The total Repair Catalogue price will be calculated as follows:

Total Repair Catalogue Price = \sum Unit Repair Price * Class Level Data Allowance * Annual Escalation Indice

Annex F – Response to Incentivisation Mechanism

Bidder’s responses to Incentivisation Mechanism at Final Tender stage

Each Bidder is required to provide a response to the proposed Contract Schedule 6 (*Incentivisation*) by completing **Table 2** (*Schedule 6 (Incentivisation) Main Paragraphs*) and **Table 3** (KPI Table (Appendix 1 to Schedule 6 (*Incentivisation*))) in this **Annex F**. Responses to Tables 2 and 3 in this Annex F will be evaluated as follows:

- (1) Acceptance of the main paragraphs (paragraphs 1 – 19 (inclusive)) of Schedule 6 (*Incentivisation*) (Table 2) will be evaluated on a PASS/FAIL basis. **Where a Bidder fails to accept the main paragraphs of Schedule 6 (*Incentivisation*) in full, the Bidder’s Final Tender response will be deemed to be non-compliant and the Bidder shall be disqualified from taking any further part in this procurement process.**
- (2) Responses to Appendix 1 to Schedule 6 (*Incentivisation*) of the Contract (Table 3) will be scored in accordance with the scoring methodology in Table 1 below.

Scoring Methodology

The approach outlined in Table 1 below will be applied when evaluating compliance with Appendix 1 to Schedule 6 (*Incentivisation*) of the Contract and Bidders responses will be scored in accordance with the categorisations set out in Table 1 below.

As set out in Table 1, responses to Appendix 1 to Schedule 6 (*Incentivisation*) will be scored out of a maximum of 100 marks. The **minimum pass mark** for responses to Appendix 1 to Schedule 6 (*Incentivisation*) shall be **40 marks** (ie. a score category of Moderate Reservations, as set out in Table 1). **The Authority shall disqualify any Bidder who fails to achieve the minimum pass mark of 40 for their response to Appendix 1 to Schedule 6 (*Incentivisation*).**

Table 1

(Bidders will commence with a score of 100 marks and deductions will be applied, dependent upon the overall score category allocated by the Evaluators of the Bidders' Tender responses to Appendix 1 to Schedule 6 (*Incentivisation*) of the Contract).

Overall Score Category	Description	Deduction
Acceptable	Tender submission provides a clear and comprehensive response to Appendix 1 to Schedule 6 (<i>Incentivisation</i>) of the Contract which presents no more than immaterial concerns in relation to the relevant Bidder's deliverability and/or performance and/or the required transfer of risk to the relevant Bidder (as set out in Appendix 1 to Schedule 6 (<i>Incentivisation</i>) of the Contract).	No deduction (0 marks deducted)
Minor Reservations (i.e. the review of the Tender submission does not identify any "major" reservations or a significant number of "minor reservations").	Tender submission provides a clear and comprehensive response to Appendix 1 to Schedule 6 (<i>Incentivisation</i>) of the Contract but there are minor deficiencies and/or minor, but evident concerns in relation to the relevant Bidder's deliverability and/or performance and/or transfer of risk to the relevant Bidder (as set out in Appendix 1 to Schedule 6 (<i>Incentivisation</i>) of the Contract).	Deduction of 30 marks
Moderate Reservations (i.e. the review of the Tender submission identifies a significant number of "minor" reservations and/or a number of "major" reservations (but not a significant number of such "major" reservations).	Tender submission has moderate deficiencies and/or gives rise to moderate concerns in relation to the relevant Bidder's deliverability and/or performance and/or transfer of risk to the relevant Bidder (as set out in Appendix 1 to Schedule 6 (<i>Incentivisation</i>) of the Contract).	Deduction of 60 marks
Major Reservations (i.e. the review of the Tender submission identifies a significant number of "major" reservations).	Tender submission has major deficiencies and/or gives rise to major concerns in relation to deliverability and/or performance and/or transfer of risk to the relevant Bidder (as set out in Appendix 1 to Schedule 6 (<i>Incentivisation</i>) of the Contract).	Deduction of 80 marks
Unacceptable	No response is provided or an insufficient response is provided to perform an evaluation.	Deduction of 100 marks

For the purposes of Table 1:

“major reservation” means the Bidders’ Tender submission contains major deficiencies and/or gives rise to major concerns in relation to deliverability and/or performance and/or transfer of risk to the Bidder; and

“minor reservation” means (although the Bidder’s Tender submission provides a clear and comprehensive response) the Bidder’s Tender submission contains minor deficiencies and/or the Authority has minor concerns in relation to the deliverability and/or performance and/or transfer of risk to the Bidder.

Table 2 - Schedule 6 (Incentivisation) (Main Paragraphs)

Paragraph Number	Paragraph	Fully Accept (Yes / No)	Reasons for non-acceptance (and impact of proposed amendment on price (if any))	Proposed alternative wording (showing changes from original Authority drafting)
1	KPIs		PASS/FAIL	PASS/FAIL
2	Monitoring Methodology		PASS/FAIL	PASS/FAIL
3	Inventory Management KPIs		PASS/FAIL	PASS/FAIL
4	Inventory Modelling KPIs		PASS/FAIL	PASS/FAIL
5	Technical Service KPIs		PASS/FAIL	PASS/FAIL
6	Information Management KPIs		PASS/FAIL	PASS/FAIL
7	Measurement and Reporting		PASS/FAIL	PASS/FAIL
8	General LSC Remedial Action Plans		PASS/FAIL	PASS/FAIL
9	Assessment of KPIs		PASS/FAIL	PASS/FAIL
10	Impact of KPI Performance		PASS/FAIL	PASS/FAIL
11	Deductions for KPIs		PASS/FAIL	PASS/FAIL
12	[Not Used]		N/A	N/A
13	[Not Used]		N/A	N/A
14	Authority's Additional Remedies for KPI Failure		PASS/FAIL	PASS/FAIL
15A	LSC KPI Failure Action Plans		PASS/FAIL	PASS/FAIL
15	Total Monthly Deductions		PASS/FAIL	PASS/FAIL
16	Processing Deductions		PASS/FAIL	PASS/FAIL
17	Incorrect Reporting		PASS/FAIL	PASS/FAIL
18	Monthly Performance Report		PASS/FAIL	PASS/FAIL
19	Performance Review Meeting		PASS/FAIL	PASS/FAIL

Table 3 – KPI Table (Appendix 1 to Schedule 6 (Incentivisation))

KPI Number	KPI Name	Fully Accept (Yes / No)	Reasons for non-acceptance (and impact of proposed amendment on price (if any))	Proposed alternative wording (showing changes from original Authority drafting)
Inventory Management Service				
1	Purchasing Catalogue Currency			
2	Repair Catalogue Currency			
3	First Order Demand satisfaction rate (Critical Items)			
4	First Order Demand satisfaction rate (Non-Critical Items)			
5	Level 4 Repair Duration			
6	Adherence to Delivery Process			
Inventory Modelling Services				
7	Inventory Modelling Effectiveness			
8	Growth of Notional Value			
9	Back Order Demand Satisfaction Rate			
10	Stock to Issue Ratio			
Technical Service				
11	Technical Screening Service Efficiency			
12	Technical Screening Service Accuracy			
Information Management Service				
13.1/13.2 ¹⁰	Reporting Quality and Reporting Timeliness			
14	Collaboration			
15	360° Assessment			

¹⁰ Failure of either quality or time (or both) will result in failure to satisfy this KPI.

Annex G – Technical Tender submission record of changes

Refer to attached document.

NOTE TO BIDDERS: Where a Bidder makes amendment to their Initial Tender Technical responses in their Final Tender Technical responses, they must clearly identify any changes they have made to the Authority by use of **track changes and highlights** within their Final Tender Technical submission uploads, and by completing this **Annex G** to Schedule 6 of the ISFT. Where the Technical response only requires a text submission in an AWARD text box, the Bidder must identify any changes to their Initial Tender text submission responses in their Final Tender text submission response in this Annex G to Schedule 6 of the ISFT.

[Insert Table]