**DYNAMIC PRE-QUALIFICATION QUESTIONNAIRE (DPQQ) GUIDANCE AND EVALUATION CRITERIA**

**1.** **INTRODUCTION**

* 1. This guidance document supports the issue of the Dynamic Pre-Qualification Questionnaire (DPQQ) for Defence Business Services (DBS)/ Ministry of Defence (MoD). It provides Potential Providers with guidance and clarity over the DPQQ process. The following definitions are used in this document and the DPQQ:

i) “We” or “Authority” means the Ministry of Defence (MoD)

ii “You” or “Your” or the “Potential Provider” means the business, company or organisation which is completing the DPQQ.

* 1. The Authority has issued the DPQQ to explore whether industry has the ability to provide a service that will meet Defence’s requirements.
  2. The Authority requires the information sought in the DPQQ from each Potential Provider that wishes to proceed further in the competition. Only Potential Providers who are successful at the DPQQ stage will be selected to proceed to the next stage of the Commercial Process.
  3. Please ensure that the questionnaire is completed as requested. Failure to do so may result in the application to participate in the process being rejected at this stage. If a question does not apply, please write N/A (‘Not Applicable’). If, either there is zero knowledge or the Potential Provider is unable to answer the question, please write N/K (‘Not Known’). Where questions cannot be completed, the Authority reserves the right to require further clarification or supplementary information. Any such requests for information will be issued within 10 working days of the start of the evaluation process.
  4. Where you have a valid reason for being unable to provide the specific information requested, other relevant information may be accepted but only if it is considered appropriate by the Authority. It is the Authority’s absolute discretion as to whether the alternative information is acceptable. Industry will not have the opportunity to challenge their de-selection on the basis of the Authority rejecting any supplementary information.
  5. All questions should be answered without reference to general marketing or promotional material.
  6. Where financial information is quoted in figures other than Pounds Sterling; the sum should be stated in both the original currency and pounds sterling. You should use exchange rates quoted (by national central banks, international institutions or commercial banks operating in the foreign exchange market) on the day the Contract notice and DPQQ were available for completion. For all currency conversions, the exchange rate used in the response must be identified.
  7. You must inform the Authority of any material changes to the information provided as soon as you become aware of any such change. This applies throughout all stages of the competition process and as such is not limited to this DPQQ process.

**2. PURPOSE OF DPQQ EVALUATION**

1. For the avoidance of doubt, the objective of the DPQQ evaluation is to pre-qualify and select Potential Providers to be invited to participate in the next stage of the competitive process.
   1. To aid in the selection of the Potential Providers, the DPQQ has been designed to reflect the Authority’s intention to select credible Potential Providers who may have the capability to deliver the requirements.

**3. EVALUATION PHASES**

* 1. The evaluation of the DPQQ will be as follows:

**Phase 1 – Qualification Envelope for Forms Part 1 - 1.3 - 1.7 and Part 2 1.8, and Part 3 1.11 and 1.12 are all mandatory questions (pass/fail)**

3.2 Upon receipt, DPQQ’s will be checked for completeness and compliance in accordance with the instructions issued to the Potential Providers. Part 1 of the DPQQ contain the pass/fail questions. If the potential provider scores a ‘fail’ on any of these questions, they will be deemed non-compliant. The Authority reserves the right to exclude non-compliant Potential Providers from the remainder of the evaluation process and any further part of this requirement.

|  |  |
| --- | --- |
| **Pass** | Information provided as required and / or sufficient to indicate that there would be no risk or an acceptable level of risk should the Authority invite the potential provider to tender |
| **Fail** | Information not provided and / or demonstrates that the level of risk associated with inviting the potential provider to tender in unacceptably high to the Authority. |

**Phase 1 – Qualification Envelope for Part 3 Section 1.10 Economical and Financial Standing are mandatory questions (pass/fail) with a separate criteria, as set out below:**

**Questions relating to economic and financial standing**

3.2.1. Each Potential Provider Entity must provide responses to questions 1.10.1 (SQ4.1) – 1.10.7 (SQ4.3c) in order for the Authority to carry out its financial health assessment. If a Potential Provider Entity fails to provide the requested information, the Authority shall exclude the Potential Provider from further participation in the Procurement.

**Evaluation of economic and financial standing**.

3.2.2. The Authority will use the information provided in the responses to questions SQ4.1 - SQ4.2(c) to assess the financial standing of each Potential Provider Entity in accordance with the qualification standards set out in Figure 1 below. The resulting assessment will lead to a PASS/FAIL evaluation based on whether the Potential Provider Entity has demonstrated, through meeting the qualification standards, that it has sufficient economic and financial standing to provide services of the technical scope and scale of Provision of Online Standards, Databases and Publications. Subject to paragraphs 3.2.3, 3.2.4 and 2, the Authority reserves the right to exclude a Potential Provider Entity that does not meet the qualification standards set out in Figure 1 below.

| **Assessment** | **Methodology** | **Qualification standard** |
| --- | --- | --- |
| All financial information | The Authority will review all financial information obtained from the response provided to questions DPQQ 4.1-4.2(c), the Potential Provider Entity accounts and the Company Watch credit rating check in order to establish a holistic view of the state of the Potential Provider Entity's financial health. | Failure to provide the financial information requested in this DPQQ will result in the Potential Provider Entity failing to meet this qualification standard. |
| Turnover | The Authority will review each Potential Provider Entity’s turnover for the three full financial years prior to the date of this DPQQ. | If the estimated annual contract value for this procurement exceeds fifty per cent. (50%) of a Potential Provider's annual turnover, the Potential Provider will not meet this qualification standard.  Where the Potential Provider Entity intends to provide all or some of Provision of Online Standards, Databases and Publications services via a joint-venture company, Consortium Member, or other special purpose vehicle, the Authority will apply the assessment equally to the Potential Provider Entity.  Accordingly, where the value of a Potential Provider Entity’s intended contractual obligations and financial liabilities exceeds 50% of its annual turnover, the Potential Provider Entity will not meet this qualification standard. |
| Liquidity ratios | A Potential Provider Entity’s current assets are divided by current liabilities to establish if there are sufficient assets to cover all of the Potential Provider Entity’s liabilities as they fall due over the course of one year. | The Authority requires a Potential Provider Entity to have:   * a minimum current ratio of 1.0; and * a minimum acid test ratio of 0.8.   If these ratios are not met, the Potential Provider Entity will not meet this qualification standard. |
| Company Watch | Company Watch "H-Score" (an overall measure of a business' financial health – for more information, see [www.companywatch.net/analytics-insight/h-score](http://www.companywatch.net/analytics-insight/h-score)). | If a Potential Provider Entity does not have a score of 20 or above, the Potential Provider Entity will not meet this qualification standard. |
| **Figure 1: Economic and financial standing qualification standards** | | |

3.2.3 If a Potential Provider Entity meets all of the qualification standards set out in Figure 1 above they will be awarded a PASS. Subject to paragraph 3.2.4 below, if a Potential Provider Entity does not meet one or more of the qualification standards set out in Figure 1 above, the Authority may award a FAIL for this evaluation.

3.2.4 The Authority may choose not to award a FAIL despite a Potential Provider Entity not meeting a qualification standard if:

3.2.4.1 the Potential Provider Entity can provide a parent company guarantee that:

3.2.4.1.1 meets the requirements set out in paragraph 3.3 below; and

3.2.4.1.2 in the Authority's opinion, gives the Authority sufficient comfort that the risks associated with the Potential Provider not meeting the qualification standard(s) will be effectively managed by the guarantee; and/or

3.2.4.2 the Authority considers that there are appropriate mitigating factors demonstrating that the reason(s) behind not meeting the qualification standard(s)are either:

3.2.4.2.1 unlikely to recur; or

3.2.4.2.2 unlikely to expose the Authority to a significant degree of risk if a contract were to be awarded to the Potential Provider at the end of the procurement.

3.3. Parent company guarantees and bank Guarantees

3.3.1 The Authority may also require a parent company guarantee from a Potential Provider Entity's ultimate parent company. The Authority may require this in a number of circumstances, including where:

3.3.1.1. There is a failure to meet one or more of the qualification standards described at paragraph 3.2.2 above;

3.3.1.2 The Potential Provider Entity that would contract with the Authority is a dormant or "shell" company for an intermediary company;

3.3.1.3 The contracting entity would be a joint venture company, Consortium Member, or other special purpose vehicle; or

3.3.1.4 The contracting entity otherwise:

3.3.1.4.1 Has no adequate financial track record that the Authority is able to assess; or

3.3.1.4.2 Lacks the financial capacity required to perform the services provided under Provision of Online Standards, Databases and Publications but is otherwise, in the Authority's opinion, financially sound.

3.3.2 The financial standing of any such parent company will be assessed in the same way as if the parent company were a Potential Provider Entity.

3.3.3 Where a Potential Provider Entity does not have an ultimate parent company, the Authority may request a bank guarantee be obtained instead.

**Phase 2 – Scoring of Project Specific Questions within the Technical Envelope for Section 2.1 of Part 3 (Weighted Scores).**

Each section will be evaluated separately to assess a particular aspect of the requirement.

3.4 Specific guidance for these PQQ questions are as follows:

3.4.1 For questions 2.1.1 – 2.1.4, please provide details of up to three contracts, in any combination from either the public or private sector; voluntary, charity or social enterprise (VCSE) that are relevant to our requirement. VCSEs may include samples of grant-funded work. Contracts for supplies or services should have been performed during the past three years. Works contracts may be from the past five years. The named contact provided should be able to provide written evidence to confirm the accuracy of the information provided below.

3.4.2 Consortia bids should provide relevant examples of where the consortium has delivered similar requirements. If this is not possible (e.g. the consortium is newly formed or a Special Purpose Vehicle is to be created for this contract) then three separate examples should be provided between the principal member(s) of the proposed consortium or Special Purpose Vehicle (three examples are not required from each member).

3.4.3 Where the Supplier is a Special Purpose Vehicle, or a managing agent not intending to be the main provider of the supplies or services, the information requested should be provided in respect of the main intended provider(s) or sub-contractor(s) who will deliver the contract.

3.4.4 If you cannot provide at least one example for each question in this section, please provide an explanation for this per question in this section e.g. your organisation is a new start-up or you have provided services in the past but not under a contract.

3.5 A Score out of 10 will be awarded for each question by the Authority’s Subject Matter Experts (SME’s) based solely on the responses that the potential provider has the skills, knowledge and experience to meet the requirements of the question.

3.5.1 Please be aware that a score of zero (0) for any single question, will be deemed unacceptable, therefore the tenderer will be withdrawn from the tendering process.

3.6 The evaluation of the DPQQ will be carried out using the scoring criteria within the table below:

|  |  |
| --- | --- |
| Score | Scoring Criteria |
| 0 | **Unacceptable**  Failure to respond or does not satisfy the question.  Unsatisfactory information provided with anecdotal, misleading or irrelevant evidence to demonstrate the potential provider has the requisite ability, experience, skills, resources and quality measures necessary. |
| 3 | **Acceptable**  Basic information provided with relevant supporting evidence to demonstrate that the potential provider has the requisite ability, experience, skills, resources and quality measures necessary. |
| 7 | **Good**  Information provided with multiple robust, relevant and substantiated supporting evidence to demonstrate that the potential provider has the requisite ability, experience, skills, resources and quality measures necessary. |
| 10 | **Excellent**  Consistently and reliably exceeds the expectation of the question across multiple examples with comprehensive added value.  Information provided with multiple robust, relevant and substantiated supporting evidence to demonstrate that the potential provider exceeds the requisite ability, experience, skills, resources and quality measures necessary. |

3.7 An Overall Score out of 100 will then be calculated using the below equation. The weightings of the sub-sections are driven directly by the requirements of the Project. The maximum ‘total actual score’ available is 1000 which will equate to a maximum ‘overall score’ of 100%

Per Technical Question: Score = Weighting (W) X Score (S)

Total Score: Overall Score = Total Actual Score (TAS) / Total Max Score (TMS) x 100

**4. DOWN SELECTION PROCESS**

* 1. The 10 highest scoring compliant DPQQ responses will be invited to the ITT stage.
  2. The Authority reserves the right to seek independent financial and market advice to validate information declared, or to assist in any pre-qualification evaluation.

**5. CLARIFICATION QUESTIONS**

5.1 The Authority will not accept or respond to any clarification questions on the requirement at the DPQQ stage.

**6. RESPONSE SUBMISSION – SECURITY CLASSIFICATION**

6.1 Please submit your response using only the Defence Sourcing Portal (DSP). Emailed responses will not be accepted

6.2 All response should contain information with a Security Classification no higher than Official Sensitive.

**7. FEEDBACK**

7.1 Potential Providers will be notified of their success or otherwise in the Selection process. Any company not being taken forward will be issued with a debrief letter either via Defence Sourcing Portal or directly from the MoD Commercial officer.

**8** **DPQQ DOCUMENTS**

8.1 This document (the DPQQ Guidance Document) and the DPQQ itself (collectively referred to as the “DPQQ Documents”) have been prepared by the Authority for the purpose of providing an application procedure for individuals or organisations interested in tendering for this requirement and to assist Potential Providers in making their own evaluation of the potential opportunity.

8.2 None of the Authority, its advisors, or the directors, officers, members, partners, military or civilian personnel, employees, other staff, agents or advisers of any such body or person:

* 1. makes any representation or warranty (express or implied) as to the accuracy, reasonableness or completeness of the DPQQ Documents;
  2. accepts any responsibility for the information contained in the DPQQ Documents or for its accuracy or completeness; or
  3. shall be liable for any loss or damage (other than in respect of fraudulent misrepresentation) arising as a result of reliance on such information or any subsequent communication.

8.3 Nothing in the DPQQ Documents is, or should be, relied upon as a promise or a representation as to the Authority’s ultimate decisions in relation to this requirement. The publication of the DPQQ Documents in no way commits the MOD to award any contract or pursue any tender process for this requirement.

**9. CONSORTIUM ARRANGEMENTS**

# 9.1 Potential Provider Entities may wish to form a consortium (whether in the form of joint ventures, unincorporated associations or partnerships), if for instance they do not feel they have the capacity or capability to meet the Authority’s requirements on their own.

# 9.2 The Authority reserves the right to require, the adoption of joint and several liability and / or the provision of parent company guarantees, cross-guarantees or any other appropriate form of guarantee or security depending on the specific form of the Potential Provider Consortium that is proposed.

# 9.3 At any stage in the procurement process, Potential Providers must, as soon as possible, notify the Authority in writing of any material change in relation to the proposed consortium arrangement (including any change of roles or responsibilities and the addition or removal of Consortium Members). The Authority reserves the right to require the responses to the DPQQ to be updated to reflect the revised arrangement so that it can make a further assessment by applying the selection criteria to the new information provided, which may affect the suitability of the Potential Provider to proceed with the procurement process and so may led to the rejection of your Tender or exclusion from the procurement.

9.4 All communication with the Authority during the procurement process should be through the Lead Party.

**10 RIGHT TO CANCEL OR VARY THE PROCESS**

10.1 The Authority reserves the right to:

1. cancel the pre-qualification process and evaluation process at any stage;
2. amend the terms and conditions of the procurement process; and
3. not to award a contract following the procurement process.

10.2 For the avoidance of doubt, in the event of the circumstances detailed in i), ii) and iii) above occurring, Potential Providers will be solely responsible for any costs and expenses incurred through participating in this process.

**11. RIGHT TO REJECT AND/OR DISQUALIFY**

11.1 The Authority reserves the right to reject or disqualify a Potential Provider where:

* + 1. the DPQQ response is submitted late, is completed incorrectly, is incomplete or fails to meet the Authority’s submission requirements in the DPQQ responses;

* + 1. the Potential Provider is guilty of serious misrepresentation in relation to its application and/or the process;
    2. following pre-qualification of a Potential Provider for the next stage of the procurement there is a change in identity, control, financial standing or other factor affecting the Potential Provider unless approved by the Authority;
    3. the Authority becomes aware that information provided by the Potential Provider in response to the DPQQ is intentionally or unintentionally false, misleading or incorrect.

**12. RIGHT TO REVISIT DPQQ EVALUATION**

12.1 The Authority reserves the right to revisit, and if necessary amend the result of, the evaluation if after completion of the evaluation:

* + 1. new information emerges which gives the Authority reason to doubt the original pre-qualification; or
    2. in relation to a bid by a consortium, a member of the consortium changes (where approved by the Authority).

12.2 The MOD also reserves the right at a later stage of this process to ask for evidence as to the claims made by and information provided by the Potential Provider pursuant to the DPQQ.