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**ANNEX D – EVALUATION OF TENDERS**

# INTRODUCTION

## This Annex D describes the evaluation process, methodology and criteria for Tenders submitted pursuant to the DMS-NG Contract 4 Off-shore Support to Military Training and Exercises (Contract 703249461) procurement. Each Tender involves the submission of a number of Tender Deliverables that address how the Tenderer proposes to meet the Statement of Requirement and the proposed contractual basis for the delivery of those requirements.

## An overview of the evaluation process is given in paragraph 2 (Overview of the Evaluation Process) below. Paragraph 3 (Evaluation Tools and Authority Clarifications) gives a brief outline of the software used to evaluate Tenders, while paragraphs 4 (Content and Completeness of Tenders) to 6 (Exclusion of Tenders for Non-Compliance) cover the various considerations that apply to whether the Tender is compliant and capable of being evaluated. Paragraphs 7 (Evaluation of Technical Requirements of Response) and 8 (Evaluation of the Financial Model) describe how the Technical and Financial Tender Deliverables are evaluated. The determination of the final score and Most Economically Advantageous Tender (MEAT), together with notification of results are described in paragraphs 9 (Consensus and Moderation) to 12 (Notification of Tender Results) of this Annex D.

## Instructions for preparing and submitting the Tender Deliverables are set out in Annex C (Guidance to Tenderers). Tenderers must comply with these instructions otherwise their Tender may be rejected for Non-Compliance.

# OVERVIEW OF THE EVALUATION PROCESS

## Evaluation of Tenders is undertaken in two phases: the Initial Tender evaluation phase and the Final Tender evaluation phase. A Negotiation Phase following the Initial Tender evaluation phase is an opportunity for Tenderers and the Authority to discuss and clarify issues identified as part of Initial Tender evaluation, with a view to Tenderers being in a position post Initial Tender Phase to submit a coherent, high-quality, commercial response to the Authority's Statement of Requirement (SoR) in their Final Tenders.

## For both the Initial Tender and Final Tender evaluation phases, the completeness and compliance of the submitted Tender will be considered as further described in paragraph 5 (Compliance Checks) below. Note that considerations as to the content and completeness of the Tender submission will apply (see paragraph 4 (Content and Completeness of Tenders) below) throughout the entire evaluation process.

## Once the check of the Tender for completeness and compliance has been carried out:

### Tenderer responses for each of the Technical Requirements of Response will be evaluated as described in paragraph 7 (Evaluation of Technical Requirements of Response). The weighted scores derived from the evaluation will be compiled to give an overall Technical Score; and

### the submitted Financial Model will be evaluated as described in paragraph 8 (Evaluation of the Financial Model) to derive the cost for delivering the Services in accordance with the Statement of Requirement.

## Appendix 1 (Tender Deliverables' Weightings) to this Annex D sets out the weightings that apply to each of the Tender Deliverables.

## The Technical Score and, to the extent applicable, the cost of each Tender as submitted by the Tenderer in the Financial Model will be subject to consensus and moderation as described in paragraph 9 (Consensus and Moderation), to ensure that all Tenders are treated fairly and on a transparent and equal basis.

## Regardless of the result of the evaluation of Tenders at Initial Tender Phase, all complete and compliant Tenders will be taken through to the Negotiation Phase.

## At the conclusion of the Final Tender evaluation phase, each Tenderer’s Technical Score and the cost of each Tender will be used to calculate the MEAT score. The Contract will be awarded to the Tenderer whose Tender achieves the highest MEAT score.

# EVALUATION TOOLS AND authority CLARIFICATION requestS

## The Authority will use the software tool in the Defence Sourcing Portal (DSP) for the evaluation of Tenders. Annex B (Defence Sourcing Portal Guidance) contains detailed guidance on the use of the DSP.

## The evaluation scores, weightings and reasons for each score will be recorded using the DSP to maintain a comprehensive audit trail of the evaluation and the reasons for the selection of the preferred Tender.

## As part of the evaluation process, the evaluation team may, at its discretion, decide to issue a clarification request about a specific aspect of a Tender response, where a response is ambiguous for example. Please note however that Tenderers should not rely on clarification requests from the Authority to ensure their responses are interpreted correctly; in the event that a response is not clear and/or readily comprehensible, the evaluation team is not obliged to issue a clarification request and the score for the relevant response will reflect the submitted response.

## All clarification requests from the Authority will be issued through the DSP addressed to the Tenderer Representatives.

## Tenderers must reply to any Authority clarification requests within five (5) Business Days of receipt (or such other period specified in the question). Failure to provide this additional information may result in the Authority being unable to evaluate or provide feedback in relation to the question to which the clarification request relates.

# CONTENT AND COMPLETENESS OF TENDERS

## Submitted Tenders will be evaluated on the basis of information and evidence provided within it. The Authority's evaluators, in their capacity as subject matter experts, may however consider external sources in order to verify the contents of Tenders. Tenderers must not assume that the Authority has any prior knowledge of their organisation, services and/or activities even if they are working with, or have worked with the Authority in any capacity. The Authority's evaluators will not consider prior knowledge during the evaluation process.

## Tenderers must ensure that their Tender is fully compliant with the requirements set out in this ITN and is clear, complete and internally consistent. Non-Compliance will be dealt with in accordance with paragraph 6 (Exclusion of Tenders for Non-Compliance). Any comments, footnotes and/or material in square brackets included in the Tender will be disregarded. The Tenderer should only provide their complete and final drafting.

# COMPLIANCE CHECKS

## The Authority's evaluation team for this procurement will evaluate the following elements of the Tender for compliance on a pass/fail basis:

### the Tender Deliverable Checklist (see paragraph 10 (Tender Deliverable Checklist) of Annex C (Guidance to Tenderers));

### the commercial elements of the response which are:

#### that the Contract 4 Terms & Conditions have been accepted; or the Tenderer has submitted a Table of Derogations from the Contract 4 Terms & Conditions in accordance with paragraph 11 (Contractual Derogations) of Annex C and this paragraph 5;

#### the Insurance Requirement (set out in Table C.3 (Insurance Requirements) of Annex C), to be completed and submitted in accordance with paragraph 12 (Completing the Pass/Fail Insurance Requirements) of Annex C and this paragraph 5; and

#### the Compliance to Statement of Requirement Declaration Statement, to be completed and submitted in accordance with paragraph 13 (Completing the Pass/Fail Compliance to Statement of Requirement Declaration Statement) of Annex C and this paragraph 5; and

### the financial elements of the response to be completed and submitted in accordance with paragraph 14 (Completing the Pass/Fail Financial Requirements of Response) of Annex C (Question Reference Numbers FIN01, FIN02 and FIN03) and this paragraph 5.

## Paragraphs 5.5 to 5.23 below set out in more detail the methodology for evaluating Tender compliance.

## Where a Tender is found to be Non-Compliant at the Initial Tender evaluation phase, the Tenderer will be notified accordingly, and, where applicable and subject to the Authority's absolute discretion, the relevant Non-Compliant responses may be discussed during the Negotiation Phase or the Tender may be excluded as envisaged in paragraph 6 (Exclusion of Tenders for Non-Compliance).

## At the Final Tender evaluation phase, where a Tenderer is unable to demonstrate full compliance, the Authority reserves the right to deem the Final Tender Non-Compliant and disqualify the Tenderer from this procurement.

## **Tender Deliverable Checklist**

## Compliance in respect of completion and submission of the Tender Deliverable Checklist is evaluated on a pass/fail basis (see paragraph 10 (Tender Deliverable Checklist) of Annex C (Guidance to Tenderers)).

## **Commercial Compliance**

## Commercial compliance is evaluated on a pass/fail basis. It covers submission of the Table of Derogations, the Insurance Requirements and the Compliance to Statement of Requirement Declaration Statement.

***Contractual Compliance***

## At Initial Tender stage, Tenderers are required to:

### either:

#### confirm their acceptance of the Contract 4 Terms & Conditions; or

#### submit their Derogations from the Contract 4 Terms & Conditions in respect of any Category 2 items identified in Appendix 2 (Contract Provision Categories) of Annex C (Guidance to Tenderers); and

### populate the Tenderer Inputs listed in Part C of Table C.2 (Table of Derogations) of Annex C (Guidance to Tenderers).

## Where Tenderers wish to offer Derogations at Initial Tender stage, the Authority will consider their proposals, subject to whether:

### a proposed Derogation constitutes a material change from the Tendered Contract,

### a proposed Derogation is not capable of being contracted; and

### a proposed Derogation delivers a demonstrable improvement in the value for money solution to the Contract and/or a reduction in the Authority's risk profile.

## Tenderers will be required to demonstrate evidence to support the improvements to value for money and/or reduction in the Authority's risk profile during the Negotiation Phase.

## The Authority will consider the aggregate of all proposed Derogations submitted by all the Tenderers for this procurement. As a result, the Authority may at its sole and absolute discretion amend the Contract 4 Terms & Conditions, including the Schedules, based on some or all of the proposed Derogations. If so, the changes to the draft Contract will be issued to all Tenderers as part of the Final Contract issued with the Invitation to Submit Final Tender.

## The Authority may also at its sole discretion agree Tenderer-specific changes to the Contract, provided that the Authority's overall risk position is not materially altered. These may be changes that only affect one Tenderer, for example where a particular corporate structure means that certain aspects of the Contract cannot be delivered in the manner described in the Contract. Whilst considering Tenderer-specific changes, the Authority will ensure it complies with the principles of equal treatment and transparency where required.

## Any Tender that contains additions, deletions, deviations or amendments to the Final Contract submitted during the Final Tender Phase may be deemed Non-Compliant so that the Tenderer is disqualified from this procurement.

***Insurance Compliance***

## Tenderer responses to the Insurance Requirement at Table C.3 (Insurance Requirements) of Annex C (Guidance to Tenderers) will be evaluated on a pass/fail basis, as follows:

### the insurer proposed by Tenderers in the Insurance Requirements for each category of insurance must be a Reputable Insurer; and

### the maximum deductible threshold proposed by the Tenderer for each and every occurrence for each class of insurance in the column headed “Maximum Deductible Threshold (£)” of Table C.3 (Insurance Requirements) must be a Reasonable Maximum Deductible Threshold; and

### any Derogations at Initial Tender stage which the Tenderer seeks to make from the drafting provided for Clause 48 (Insurance) and Schedule 7 (Insurance) to the Contract (other than the insertion of Reasonable Maximum Deductible Thresholds) shall be assessed in the same way as other Derogations to the Contract (see paragraphs 5.7 to 5.12).

**Marking scheme – amendments to insurance related drafting in the** **Contract**

|  |  |
| --- | --- |
| **PASS/FAIL** | **Evaluation Guidance** |
| Pass | No Derogations from the minimum Insurance Requirements stated in the Contract, other than the insertion of Reasonable Maximum Deductible Thresholds into Schedule 7 (Insurance) of the Contract. |
| Pass | One or more Derogations from the minimum Insurance Requirements stated in the Contract that are not considered to confer any adverse risk to the Authority or any material diminution in the required insurance cover of the Authority. |
| Fail | One or more Derogations from the minimum Insurance Requirements stated in the Contract that are considered to confer some appreciable risk to the Authority or diminution in the required insurance cover of the Authority. |
| Fail | Insufficient detail has been supplied, and/or the proposed insurance(s) is considered to leave gaps in the level or extent of insurance cover, which would expose the Authority to significant adverse risk and/or significant material diminution in the level of insurance cover required by the Authority. |
| Fail | Not marked. The Insurance Requirements have not been completed and/or have not been completed in a compliant manner. |

## Not used.

## ***Compliance to Statement of Requirement Declaration Statement***

## Tenderers must complete the Compliance to Statement of Requirement Declaration Statement confirming that their Tender meets the relevant requirements of the SoR. Further guidance on completing this requirement is set out in paragraph 13 of Annex C (Guidance to Tenderers). Completion and submission of the Compliance to Statement of Requirement Declaration Statement is evaluated on a pass/fail basis. Any failure to provide details of any non-compliance with the SoR, and/or any failure to provide reasons for non-compliance and mitigation together with cross references to relevant parts of the Tender, may result in the submitted Tender being deemed Non-Compliant.

## **Financial Compliance**

## Financial compliance is evaluated on pass/fail basis. It involves:

### a check that the Financial Model has been completed in a compliant manner as set out in paragraphs 5.17 to 5.19 below; and

### the evaluation of the pass/fail elements of the Financial Requirement of Response detailed in paragraphs 5.20 to 5.23 below.

***Compliant Financial Model Submission***

## Tenderers must complete the Financial Model in accordance with the instructions in paragraph 14 (Completing the Pass/Fail Financial Requirements of Response) of Annex C (Guidance to Tenderers).

## The Financial Model contains formulas that will determine the Net Present Value (NPV) of the Tender as defined in and using the calculation method described in the Authority’s publication *JSP 507 Investment Appraisal and Evaluation,* *Part 2: Guidance* at <https://www.gov.uk/government/publications/jsp-507-mod-guide-to-investment-appraisal-and-evaluation> and the discount cash flow rate stated in paragraph 8.3 (Evaluation of the Financial Model). This NPV will be used in the Weighted Value for Money Index calculation that will determine the MEAT as set out in paragraph 10 (Determination of Successful Tenderer).

## It is important therefore that the completed Financial Model provides a complete view of the costs that will be incurred by the Tenderer as well as its Sub-Contractors and the Authority (e.g. in respect of fuel) in delivering the Services.

***Compliant Response to ROADB and PPIM Financial Requirements of Response***

## Tenderers must complete the ROADB and PPIM Financial Requirements of Response in accordance with the instructions in paragraph 14 (Completing the Pass/Fail Financial Requirements of Response) of Annex C (Guidance to Tenderers).

## The submitted Financial Model must meet the requirements of Question Reference Number FIN01 (see paragraph 14 of Annex C (Guidance to Tenderers)). It is evaluated on a pass/fail basis as set out below.

|  |  |
| --- | --- |
| **Evaluation Outcomes Available** | Pass/Fail |
| **Evaluation Criteria** | The Financial Model is complete, reflects the technical solution and commercial structure proposed by the Tenderer, and complies fully with the instructions and guidance issued in Annex C and Annex D and, in respect of Final Tenders, reflects any amendments / items agreed to the proposed solution during the course of the Negotiation Phase.  Tenderer proposals/responses are coherent and consistent with their other Tender Deliverables. |

## The submitted ROADB must meet the requirements of Question Reference Number FIN02 (see paragraph 14 of Annex C (Guidance to Tenderers)). It is evaluated on a pass/fail basis as set out below.

|  |  |
| --- | --- |
| **Evaluation Outcomes Available** | Pass/Fail |
| **Evaluation Criteria** | The ROADB includes complete, consistent and coherent financial and operational assumptions used by Tenderers in arriving at the inputs / outputs in their Financial Model, and clearly documents any associated risks. The ROADB contains any additional information requested by the Authority and is compliant with instructions and, in respect of Final Tenders, reflects any amendments / items agreed to the proposed solution during the course of the Negotiation Phase.  Tenderer proposals / responses are coherent and consistent with their other Tender Deliverables. |

## The submitted Payment, Performance and Incentivisation Mechanism (PPIM) must meet the requirements of Question Reference Number FIN03 (see paragraph 14 of Annex C (Guidance to Tenderers)). It is evaluated on a pass/fail basis as set out below.

|  |  |
| --- | --- |
| **Evaluation Outcomes Available** | Pass/Fail |
| **Evaluation Criteria** | Tenderers have submitted completed PPIM tables that reflect their price, and are clearly reconcilable to the values in the submitted Financial Model.  Tenderer proposals/responses are coherent and consistent with their other Tender Deliverables. |

# EXCLUSION OF TENDERS FOR NON-COMPLIANCE

## Where part of a Tenderer's response to the Tender is Non-Compliant at the Initial Tender Phase or the Final Tender Phase, the Authority may (in its sole discretion) discuss, clarify (and/or negotiate during the Negotiation Phase) these Non-Compliant elements with the Tenderer but the Authority reserves the right to exclude a Non-Compliant Tender from this procurement.

## The Authority may treat as Non-Compliant and disqualify a Tender where this ITN identifies that a matter will result in disqualification for a Non-Compliance, which includes (but is not limited to):

### where a Tender Deliverable submitted or required to be submitted does not meet the criteria required to award it a score other than zero (0) in accordance with the relevant confidence characteristics (see paragraphs 7.4 to 7.15 (Evaluation of Technical Requirements of Response) below) at the time the Final Tender is submitted;

### where the Tenderer has not declared in its Tender Deliverable Checklist (see Compliance to Statement of Requirement Declaration Statement in Table C.1 of Annex C (Guidance to Tenderers)) that its response to each Technical RoR will achieve the associated outputs in the SoR;

### where the Tenderer has not accepted the form of Final Contract upon which the request for a Final Tender submission is to be based;

### where the Tenderer provides information and confirmations in relation to its Tender, expression of interest, DPQQ or at any point during the Tender process, and any such information or confirmations later prove to be untrue, incorrect or misleading or where the Tenderer does not supply any information required by the Authority during the Tender process;

### where the Financial Model submitted with the Final Tender is not complete (other than as a result of a clerical error);

### where the Tenderer has submitted a Variant Tender (see paragraph 24 (Variant Tenders) of this ITN for further details);

### where the Tenderer has not completed the Mandatory Declarations in Appendix 1 (Information on Mandatory Declarations) to Annex A (Tender Submission Document (Offer)) (other than as a result of a clerical error);

### where the Tenderer's response to the Insurance Requirements submitted as part of a Final Tender has been evaluated and receives a fail score on any basis of assessment; and/or

### where the Authority considers that a Tender is incomplete or incorrect.

## Tenderers should note that the information submitted as part of their Tender throughout the procurement may be subject to verification. If any error, omission, false statement or misrepresentation is discovered, the Authority reserves the right to treat as Non-Compliant and disqualify Tenderers without prejudice to any civil remedies available to the Authority and without prejudice to any criminal liability that such conduct by a Tenderer may attract.

## Following each phase of the Tender evaluation, the Authority will notify Tenderers as to whether their Tender has been excluded as a result of a Non-Compliance. The Authority reserves the right not to take a Tenderer whose Tender is Non-Compliant through to the subsequent phases of this procurement. Tenderer Representatives will be notified in writing via the Defence Sourcing Portal in the event that their Tender is excluded from the procurement.

## Tenderers are reminded of their ongoing disclosure obligation as set out in the DPQQ to immediately notify the Authority of any changes to the Tenderer's circumstances. The Authority reserves the right to revisit the matters assessed through the DPQQ (having regard to the DPQQ evaluation criteria), and where any Non-Compliance exists, may exclude the Tenderer from this Contract procurement.

## The Authority reserves the right to reject any Tender received after the stated Tender Return Date and time. The Authority may however, in its absolute discretion, consider such a Tender provided that:

### it has been submitted in good faith;

### no unfair advantage is afforded to that Tenderer; and

### no other Tenderer is unfairly prejudiced.

# EVALUATION OF TECHNICAL REQUIREMENTS OF RESPONSE (60% WEIGHTING)

## Responses to the Technical Requirements of Response are scored, and the combined scores for each Technical element have an overall weighting of up to 60% of the total score for a Tender. There are three (3) topic areas of Technical Requirements of Response:

* + - topic area 1 - Service Delivery, Transition and Exit Management Requirements of Response;
    - topic area 2 - the Social Value and Model Award Criteria (MAC) Requirements of Response; and
    - topic area 3 - the Financial Profit Share and Financial Management Information Requirements of Response.

Responses for each category of Technical Requirements of Response will be evaluated and scored in accordance with the applicable confidence characteristics as further described in paragraphs 7.4 to 7.15 below.

## The weighted scores for each category of these responses are added together to reach the overall Technical Score:

*Technical Score = (**Service Delivery,* *Transition Plan,* *Exit* *Management Plans Score x 82.5%) + (**Social Value and MAC Score x 10%) + (**Financial Profit Share,* *Financial Management Information Score x 7.5%)*

## **Note:** if any response to a Technical Requirement of Response is awarded a score of zero (0) at Final Tender Phase, the relevant response to RoR may be deemed Non-Compliant and the Tender disqualified from this procurement.

**Evaluation of the Service Delivery Plan and Transition Plan proposals**

## Tenderers must respond to the Technical Requirements of Response for the Service Delivery Plan and Transition Plan (RoR IDs C4\_GMP, C4\_SIMP, C4\_ODP, C4\_VAMP, C4\_HRMP, C4\_QMCIP, C4\_HSEP, C4\_SCP, C4\_EMP and C4\_TP) in accordance with the instructions in Annex C (Guidance to Tenderers).

## The final form of each of the Service Delivery Plan and the Transition Plan will be incorporated in the Final Contract (in Schedule 3 (Service Delivery Plan) and Schedule 5 (Transition) respectively). Each will be evaluated at Initial Tender Phase and key areas of each plan may be identified for discussion during the Negotiation Phase. Tenderers will submit their final form of the Service Delivery Plan and the Transition Plan as part of their Final Tenders and each will be evaluated during the Final Tender Phase.

## Scores for responses to the Requirements of Response for the Service Delivery Plan and Transition Plan have an 82.5% weighting in respect of the overall Technical Score. See Appendix 1 (Tender Deliverables' Weightings) of this Annex D for the weighting allocated to each individual evaluation topic.

## The evaluation of each response to a Requirement of Response (i.e. an evaluation topic) is carried out by reference to the confidence characteristics detailed below.

**Table D.1 –** **Topic area 1** **confidence characteristics**

|  |  |  |
| --- | --- | --- |
| **Confidence characteristics - Service Delivery, Transition and Exit Management** | | |
| **Score (%)** | **Confidence Level** | **Description** |
| **100** | High Confidence | The responses fully address all requirements within the Requirement of Response to an excellent level of detail and meet/exceed all of the requirements. The responses are detailed, clear, consistent and well-evidenced, and the Tenderer displays expertise and know how;  AND the Tenderer has provided a solution which gives the Authority **high confidence** that it will satisfy each of the following requirements:   1. it provides a comprehensive plan that covers ALL Requirement of Response areas; 2. it provides a comprehensive plan that covers the Service Delivery Area; 3. it provides a plan that exceeds the required detail to confidently demonstrate delivery of the solution; 4. it cross-references all Authority Dependencies; 5. it identifies key risks together with the provision of mitigation plans; and 6. it identifies all key assumptions. |
| **70** | Good Confidence | The responses are acceptable and fully address all of the requirements within the Requirement of Response to a good level of detail. The responses are detailed, clear, consistent, evidenced, and the Tenderer displays expertise and know how.  AND the Tenderer has provided a solution which gives the Authority **good confidence** that it will satisfy each of the following requirements:   1. it provides a comprehensive plan that covers ALL Requirement of Response areas; 2. it provides a comprehensive plan that covers the Service Delivery Area; 3. it provides a plan that meets the required detail to demonstrate delivery of the solution; 4. it cross-references all Authority Dependencies; 5. it identifies key risks together with the provision of mitigation plans; and 6. it identifies key assumptions.   Where requirements within the Requirement of Response are not fully met, the deficiencies are immaterial, and will require minimal compromise on the part of the Authority in relation to the Tenderer's solution. |
| **30** | Limited Confidence | The responses are acceptable and address the majority of the requirements within the Requirement of Response to an acceptable level of detail. However, the responses could have displayed more expertise, know how, consistency and substantiation.  AND/OR the Authority has **limited confidence** in the Tenderer's solution as a result of one or more of the following:   1. it provides a plan that does not sufficiently cover ALL elements of the Requirement of Response areas; 2. it provides a plan that does not sufficiently cover the Service Delivery Area; 3. it provides a plan that is insufficiently detailed to fully demonstrate delivery of the solution; 4. it insufficiently cross-references all Authority Dependencies; 5. it insufficiently identifies risks together with the provision of mitigation plans; and/or 6. it insufficiently identifies the assumptions.   Accordingly there are non-compliant or partially compliant responses to the Requirement of Response that will require some compromise from the Authority in relation to the solution. |
| **0** | No Confidence | The responses are inadequate as they fail to address many areas within the Requirement of Response and/or responses are poorly structured, inconsistent or include little or no supporting evidence.  AND/OR the Authority has **no confidence** in the Tenderer's solutions as a result of one or more of the following:   1. it provides a plan that omits any elements of the Requirement of Response areas; 2. it provides a plan that fails to cover the Service Delivery Area; 3. it provides a plan that does not meet the required level of detail to demonstrate delivery of the solution; 4. it fails to cross-reference any Authority Dependencies; 5. it fails to identify risks together with the provision of mitigation plans; and/or 6. it fails to identify assumptions.   There are non-compliant or partially compliant responses to the Requirement of Response with significant deficiencies resulting in a solution that is likely to be unfit for purpose and which will require workarounds. |

**Evaluation of Social Value and MAC**

## Tenderers must complete the Technical Requirements of Response for the Social Value Plan and MAC (RoR IDs C4\_SVP\_2.2\_2.3, C4\_SVP\_4.2 and C4\_SVP\_7.1) in accordance with the instructions in Annex C (Guidance to Tenderers). The Tenderer's Social Value Plan commitments submitted in response to the Technical Requirements of Response will be incorporated in the Service Delivery Plan (Schedule 3 (Service Delivery Plan) of the Contract).

## The responses for each MAC will form part of the reporting requirements in Schedule 3 (Service Delivery Plan) of the Final Contract and will be evaluated at Initial Tender Phase to identify key areas for the Negotiation Phase, and also evaluated again at Final Tender Phase.

## Scores for responses to the Social Value Plan and MAC have a 10% weighting in respect of the overall Technical Score. See Appendix 1 (Tender Deliverables' Weightings) of this Annex D for the weighting allocated to each individual evaluation topic.

## The evaluation of each response to a Requirement of Response (i.e. an evaluation topic) is carried out by reference to the confidence characteristics detailed below.

**Table D.2 –** **Topic area 2** **confidence characteristics**

|  |  |  |
| --- | --- | --- |
| **Confidence characteristics - Social Value Plan and MAC** | | |
| **Score (%)** | **Confidence Level** | **Description** |
| **100** | High Confidence | The responses fully address all requirements within the Requirement of Response to an excellent level of detail and meet/exceed all of the requirements. The responses are detailed, clear, consistent, well-evidenced and the Tenderer displays expertise and know how.  AND the responses leave no doubt as to the capability and commitment to deliver what is required. The Tenderer's responses therefore:   1. show very good understanding of the requirements; 2. show excellent proposals demonstrated through relevant evidence; 3. show considerable insight into the relevant issues; 4. are likely to propose additional value in several respects above that expected; and 5. address the Social Value Model Award Criteria and also show in-depth market experience.   The Tenderer's responses give the Authority **high confidence** in the Tenderer's ability to deliver the requirement. |
| **70** | Good Confidence | The responses are acceptable and fully address all of the requirements within the Requirement of Response to a good level of detail. The responses are detailed, clear, consistent, evidenced, although there may be limited minor issues that need further exploration or attention.  AND the Tenderer's responses therefore:   * 1. show good understanding of the requirements;   2. show sufficient competence demonstrated through relevant evidence;   3. show some insight demonstrated into the relevant issues; and   4. address most of the Social Value Model Award Criteria and also show general market experience.   The Tenderer's responses give the Authority **good confidence** in the Tenderer's ability to deliver the requirement. |
| **30** | Limited Confidence | The responses are acceptable and address the majority of the requirements within the Requirement of Response but give concern in a number of significant areas. The Authority has **limited confidence** in the Tenderer's responses and ability to deliver the requirement as a result of one or more of the following:   * 1. there is at least one significant issue needing considerable attention;   2. the proposals do not demonstrate competence or understanding;   3. the response is light on detail and unconvincing;   4. the response makes no reference to the applicable sector but shows some general market experience; and/or   5. the response makes limited reference (naming only) to the Social Value Model Award Criteria set out within the invitation. |
| **0** | No Confidence | The responses are inadequate as they fail to address many areas within the Requirement of Response and/or they are poorly structured, inconsistent or include little or no supporting evidence. Consequently, the Authority has **no confidence** in the Tenderer's responses and ability to deliver the requirement. |

**Evaluation of the Financial Profit Share and Financial Management Information**

## Tenderers must complete the Requirements of Response for the proposed Financial Profit Share and Financial Management Information (RoR IDs C4\_FPS and C4\_FMI) in accordance with the instructions in Annex C (Guidance to Tenderers).

## The Financial Profit Share and Financial Management Information are intended to form Schedule 4 (Payment, Performance and Incentivisation Mechanism) and Schedule 6 (Governance, Management Information, Reports, Records and Audit) of the Final Contract respectively and will be evaluated at Initial Tender Phase to identify key areas for the Negotiation Phase and also evaluated again at Final Tender Phase.

## Scores for responses to the Financial Profit Share and Financial Management Information have a 7.5% weighting in respect of the overall Technical Score. See Appendix 1 (Tender Deliverables' Weightings) of this Annex D for the weighting allocated to each individual evaluation topic.

## The evaluation of each response to a Requirement of Response (i.e. an evaluation topic) is carried out by reference to the confidence characteristics detailed below.

**Table D.3 –** **Topic area 3** **confidence characteristics**

|  |  |  |
| --- | --- | --- |
| **Confidence characteristics - Financial Profit Share and  Financial Management Information** | | |
| **Score (%)** | **Confidence Level** | **Description** |
| **100** | High Confidence | The proposals meet the requirements of the Requirement of Response fully and leave no doubt as to the Tenderer's capability and commitment to deliver what is required. Responses therefore show:   * 1. a very high level of transparency sufficient to provide the Authority with a high level of confidence as to the Tenderer's performance, costs and profit; and   2. that the response is also likely to offer additional value in several respects above that expected.   The Tenderer's responses give the Authority **high confidence** in the Tenderer's ability to deliver the requirement. |
| **70** | Good Confidence | The proposals broadly meet the requirements of the Requirement of Response. There are no significant areas of concern, although there may be limited minor issues that need further exploration or attention. Responses therefore show:   * 1. a good level of transparency sufficient to provide the Authority with confidence as to the Tenderer's performance, costs and profit; and   2. that the response is also likely to offer additional value in several respects above that expected.   The Tenderer's responses give the Authority **good confidence** in the Tenderer's ability to deliver the requirement. |
| **30** | Limited Confidence | The responses are acceptable and address the majority of the requirements within the Requirement of Response but give concern in a number of significant areas. The Authority has **limited confidence** in the Tenderer's ability to deliver the requirement as a result of one or more of the following:   * 1. there is at least one significant issue needing considerable attention;   2. the proposals do not demonstrate competence or understanding; and/or   3. the response is light on detail and unconvincing. |
| **0** | No Confidence | The responses are inadequate as they fail to address many areas within the Requirement of Response and/or they are poorly structured, inconsistent or include little or no supporting evidence. Consequently, the Authority has **no confidence** in the Tenderer's ability to deliver the requirement. |

# EVALUATION OF THE FINANCIAL MODEL

## To complete the evaluation, the Authority will consider the Total Value of each Tender as calculated in the Financial Model, based on:

### the total Annual Charge for the full Contract period for delivering the Services as described in the SoR;

### the cost of fuel consumed over the life of the Contract in accordance with the assumptions in paragraph 14.10 (Pricing assumptions and mechanism) and paragraph 14.57 (Fuel) in Annex C (Guidance to Tenderers);

### any redundancy costs incurred as a result of future staffing plans; and

### indexation applied in accordance with the assumptions set out in paragraph 14.10 (Pricing assumptions and mechanism) of Annex C and Schedule 4 (Payment, Performance and Incentivisation Mechanism).

## Each of the above charges and costs must reconcile to the Financial Model, the responses to the Technical Requirements of Response, and the proposed terms and conditions of the Contract. The Authority's evaluation team will check the values in the Financial Model for internal consistency and to ensure that there are no abnormally low or otherwise irregular costings.

## Once calculated, the Total Value for each Tender is converted into the Net Present Value using a discount cash flow rate of 3.5%.

# CONSENSUS AND MODERATION

## One or more consensus meetings will be held between evaluators to understand and discuss the rationale for the scores for the relevant Tender Deliverables (i.e. Technical and Financial Requirements of Response). The purpose of this process is to reach a consensus among the evaluators in relation to the score for each Requirement of Response and the rationale for that score. This consensus process will be facilitated by an independent chair with relevant experience and expertise, who has not been involved in the evaluation of the relevant Requirement(s) of Response.

## Subject to paragraph 9.1, the output of the consensus meeting will be an agreed score and the agreed rationale for each score, which shall be recorded. The consensus scores will be used in the calculation of the Weighted Value for Money Index for each Tender.

## Moderation will be the responsibility of experienced senior personnel in the Authority team who have not been involved in the evaluation or consensus phases. Prior to finalising the consensus scores, the moderators will review the consensus scores awarded to the Tenders to provide assurance that due process has been followed.

# DETERMINATION OF SUCCESSFUL TENDERER

## The successful Tender will be identified at the end of the Final Tender evaluation phase by applying the Most Economically Advantageous Tender (MEAT) calculation below.

## The MEAT will be calculated for each Tender and then Tenders will be ranked in order of the MEAT score. The highest-scoring Tender will be the MEAT and, subject to paragraph 19 (No Commitment) of the ITN, the Contract will be awarded on this basis.

## If there is more than one Tender with the same MEAT score at Final Tender Phase, then the Tender with the highest quality score shall be the MEAT.

# VALIDITY OF FINAL TENDERS

## The Final Tender is a legally-binding offer on the part of the Tenderer, capable of acceptance by the Authority.

## The Final Tender must be valid and open for acceptance for twelve (12) months from the Tender Return Date. If the Tenderer is successful, their Final Tender must be open for acceptance for a further ninety (90) calendar days once the Authority announces its decision to award the Contract.

## In the event that legal proceedings are instigated, challenging the award of the Contract or otherwise challenging the procurement prior to completion of the Contract, it is a condition of this ITN that the successful Tenderer holds their Tender open for acceptance until the date fourteen (14) calendar days after legal proceedings have concluded.

# NOTIFICATION OF TENDER RESULTS

## Should the Tender be successful, the Authority will notify the Tenderer using DEFFORM 158A and, subsequent to the standstill period, the successful Tenderer will confirm acceptance of their Final Tender, in writing, using DEFFORM 10. No contract will be in force until it has been issued by the Authority and executed by both parties.

## Should the Tender be unsuccessful, the Authority will notify the Tenderer using DEFFORM 158B.

**Appendix 1 – Tender Deliverables' Weightings**

| **Level 1**​ | **Level 1 Weighting (%)**​ | **Level 2**​ | **Level 2 Weighting (%)**​ | **Level 3**​ | **Level 3 Weighting (%)**​ | **Level 4 Evaluation Topic**​ | **Level 4 Weighting (%)**​ |
| --- | --- | --- | --- | --- | --- | --- | --- |
|
|  |  | Tender Compliance | Pass/Fail | Tenderers must provide a complete and compliant Tender Deliverable Checklist. | | | |
| Compliance | Pass/fail | Commercial (Contract & Insurance) | Pass/Fail | Tenderers must submit a compliant Contract mark-up, Table of Derogations, Tenderer Inputs and Insurance Requirements Table.  At Final Tender Phase Tenderers must accept the Contract 4 Terms & Conditions and pass the Insurance Requirements. | | | |
| Technical | Pass/Fail | Tenderers must pass all pass/fail elements within the Compliance to Statement of Requirement Declaration Statement. | | | |
| Financial | Pass/ Fail | Tenderers must pass all pass/fail elements within the Financial RoR. | | | |
| Technical​ | 60% | Technical​ | 100%​ | Service Delivery, Transition and Exit Management​ | 82.5%​ | Governance Management Plan​ | 11% |
| Security and Information Management Plan​ | 7% |
| Operational Delivery Plan​ | 25% |
| Vessel and Asset Management Plan​ | 10% |
| Human Resources Management Plan​ | 8% |
| Quality Management and Continuous Improvement Plan​ | 10% |
| HSEP Management Plan ​ | 13% |
| Service Continuity Plan ​ | 6% |
| Exit Management Plan​ | 5% |
| Transition Plan​ | 5% |
| Social Value and MAC​ | 10%​ | MAC 2.2 Employment and MAC 2.3 Education and Training | 33% |
|  | MAC 4.2 Influence Environmental Protection and Improvement | 34% |
|  | MAC 7.1 Support Health and Wellbeing in the Workforce | 34% |
| Financial | Financial | 7.5% | Financial Profit Share | 25% |
| Financial Management Information | 75% |
| Cost ​ | 40% | Financial Model ​ | 100%​ | In accordance with Financial Model to calculate the NPV of the Contract. | | | |