

Invitation to Tender Instructions to Potential Providers

for the Supply Chain Future Operating Model
(FOM) - Logistics Service Provider

ITT 60469

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1. INTRODUCTION

- 1.1 The Department of Health, acting on behalf of the NHS Business Services Authority (the “**Authority**”), is issuing this Invitation to Tender (ITT) in connection with the Procurement of Logistics Services Provider(s) as part of the Procurement Transformation Program (PTP).
- 1.2 Detailed background information about the PTP can be found in the Data Room.
- 1.3 These Instructions to Potential Providers form part of the suite of documents that make up the ITT.
- 1.4 Detailed background information is included in the Service Specification (Attachment 2) and other documents in the Data Room. Potential Providers are advised to study these documents carefully together with all other documents forming part of the Invitation to Tender.
- 1.5 The Terms of Participation (Attachment 1) will apply throughout this Procurement. Potential Providers are required to confirm acceptance of the Terms of Participation in order to be included in this Procurement. To do so, Potential Providers are required to complete and submit (as part of their Tenders) the Form of Acceptance of the Terms of Participation – Attachment 6; Appendix F: Form of Tender
- 1.6 The Procurement will follow the timetable provided in paragraph 7.4.
- 1.7 The Contract will be for an initial three (3) year period with options to extend by two consecutive one (1) year periods, so that the Contract may (if extended) last for a duration of up to five (5) years. Any extension shall be subject to the conditions set out in the Contract.
- 1.8 The Procurement is being conducted in accordance with the **open procedure** under the Public Contracts Regulations 2015 (SI 2015/102) (as amended) (the “Regulations”). Any reference to a specific Regulation shall be a reference to a regulation of this instrument, unless otherwise stated.
- 1.9 These Instructions to Potential Providers and the other documents within the Invitation To Tender contain the information and instructions Potential Providers need in order to submit a Tender. Please read these documents carefully as failure to follow these instructions may result in the rejection of a Tender.
- 1.10 Potential Providers must strictly adhere to any word, page or other limits when submitting their Tenders. Such limits are set out in the Selection Questionnaire (Attachment 5) and the Award Questionnaire (Attachment 6). The Authority shall disregard any part of the response to a question or requirement that is over and above of the response limits permitted.
- 1.11 The Authority is using its e-Sourcing Portal (use link: <https://www.gov.uk/government/organisations/department-of-health/about/procurement>), to manage this Procurement. Tenders must be submitted via the e-Sourcing Portal. All communications relating to the Procurement will be conducted through the e-Sourcing Portal (unless otherwise stated – refer to section 8 (Questions and Clarifications) within this document).
- 1.12 In order to ensure the primary contact receives messages in relation to this Procurement (including responses to questions), Potential Providers should send an online message via the e-Sourcing Portal using their primary login. Online messaging is accessible via the ‘Actions’ drop down in the top right hand corner of the screen. **Messages from the Authority are only sent to Potential Providers who**

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have sent an initial acknowledgment (the initial online message) that they wish to participate (Note: this is a technical requirement and not the same as the EoI). For further assistance please refer to the e-tendering guidance provided on the Department of Health's website at: <https://www.gov.uk/government/organisations/department-of-health/about/Procurement>.

- 1.13 Please note that the Department of Health is in the process of changing its e-tendering systems and may change the e-sourcing tool during this Procurement. The Department of Health will try to minimise the impact this will have on this Procurement and all Potential Providers will be kept informed of any changes.

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2. OVERVIEW OF INVITATION TO TENDER

2.1 The following documents form part of this Invitation to Tender:

INVITATION TO TENDER DOCUMENTS		DOCUMENTS TO COMPLETE AND RETURN
<ul style="list-style-type: none"> ▪ Invitation to Tender – Instructions to Potential Providers Provides an introduction to the Procurement and signposts key information. 		
Attachment 1 – Terms of Participation		
Sets out the rights and obligations which apply respectively to the Potential Provider and the Authority during this Procurement.		
Attachment 2 – Service Specification		
Provides a detailed description of the Services that the Supplier will be required to provide to the Authority (will form Schedule 2 of the Contract).		
Attachment 3 – Contract (including Schedules)		
Sets out the terms and conditions and the schedules that will govern the relationship between the Authority and the Supplier.		
Attachment 4 – Evaluation Guidance		
Describes the evaluation methodology and evaluation criteria that will apply to the evaluation of Tenders.		
Attachment 5 – Selection Questionnaire		✓
Contains the selection questions which the Potential Provider is required to respond to or complete. NB: Answer sheets have been provided for SQ6.4 – SQ6.9		
Attachment 6 – Award Questionnaire		✓
Contains the award questions and administrative templates which the Potential Provider is required to respond to or complete. NB: Answer sheets have been provided for AQ1 – AQ8		
Attachment 6a – Outline Implementation Plan Guidance		
Guidance as to the preparation of the Outline Implementation Plan which Potential Providers are required to submit for eventual inclusion in the Contract		
Attachment 7 – Financial Submission Template		✓
To be completed by the Potential Provider setting out the requested pricing/cost details.		
Attachment 8 – Financial Submission Guidance		
Provides guidance on how to complete the Financial Submission Template.		
Attachment 9 – Allowable Assumptions Guidance		

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Provides guidance on how to complete the Allowable Assumptions Template.	
Attachment 10 – Allowable Assumptions Template To be completed by the Potential Provider where it proposes any Proposed Assumptions	✓
Attachment 11 – Non-Disclosure Agreement The Non-Disclosure Agreement which must be signed by the Potential Provider (Potential Providers should advise if they have already signed this during market engagement phase).	✓
Attachment 12 – Data Room Guidance Provides guidance on how to use and interpret the information available in the Data Room	

3. THE CONTRACT

- 3.1 This Procurement is intended to result in the award of a single contract for the Logistics Service.
- 3.2 The Contract is based on the Cabinet Office’s model contract (including the schedules), which has been amended to suit this Procurement. The Contract is included at Attachment 3.
- 3.3 It is anticipated that the Contract will have the following features:
- 3.3.1 An initial period for implementation services will start on the Commencement Date for a period of approximately 6 months ending on 30th September 2018.
 - 3.3.2 The Operational Services will begin 1st October 2018, for a 3 year period.
 - 3.3.3 Its term may be extended, by a further two (2) one-year extension options as provided by the Contract.
- 3.4 This Procurement is being conducted in accordance with the open procedure under the Regulations and as such the Authority is unable to negotiate the terms of the Contract. The Authority may at its sole discretion make amendments to the terms of Contract (including the Schedules) including, without limitation, to take into account any clarifications sought by Potential Providers on points of ambiguity or apparent error. If the Authority amends the Contract it will (by the deadline for responding to clarification questions (see paragraph 7) either:
- 3.4.1 amend and re-issue the Contract; or
 - 3.4.2 notify Potential Providers (in writing) of the changes it proposes to make and such changes will be made during the period after selection of the successful Potential Provider(s) and prior to the execution of the Contract.
- 3.5 The Potential Providers’ attention is also drawn to the provisions of Schedule 11 (Staff Transfer) of the Contract. Indicative data (anonymous) concerning transferring employees (together with relevant employment details) who may transfer to the Supplier on the Relevant Transfer Date (as defined in the Contracts) is set out in ‘**10X Logistics TUPE current**’ in the Data Room. Whilst the Authority believes that TUPE may apply at the commencement and potentially on the termination of the Services, Potential Providers are required to make and rely upon their own assessment as to the potential application and impact of TUPE on the Services and the related employment and pensions costs and liabilities.

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4. SERVICE REQUIREMENTS

- 4.1 A detailed description of the Service is set out at Attachment 2 (Service Specification).
- 4.2 The estimated value of the Contract is set out in the OJEU Notice **2017/S 164-338174**.

5. PROPERTY/SITES

- 5.1 A detailed list of the Sites is included in Attachment 3 (Contract).
- 5.2 Potential Providers upon their request shall be given an opportunity to visit the operational sites located at Rugby and Crick on 12th September 2017.
- 5.3 Such request must be submitted by close of business on 7th September 2017 using the Clarification Questions Template (Instructions to Potential Providers - Appendix 1) and submitted via the following email box: fom.logistics@dh.gsi.gov.uk. The Authority will respond to all requests via the e-Sourcing Portal only.
- 5.4 Due to operational and health and safety requirements the Authority reserves the right to cap the number of visitors to a maximum of 2 (two) attendees per Potential Provider.

6. DATA ROOM

- 6.1 Any supporting documentation in relation to this Procurement will be available in the Authority's secure data room ("Data Room").
- 6.2 Potential Providers will be required to send an email to fom.logistics@dh.gsi.gov.uk requesting access to the Data Room. Access will be granted on receipt of a signed Non-Disclosure Agreement (Attachment 11).

7. PROCUREMENT TIMETABLE

- 7.1 The timetable for the Procurement is set out in the table at paragraph 7.4 below.
- 7.2 The Authority may, at any time and for any reason, amend the timetable. The Potential Providers will be informed through the e-Sourcing Portal in the event that any such changes are made.
- 7.3 The Authority reserves the right to hold clarification(s) meeting.

7.4 TIMETABLE

DATE	ACTIVITY
25 th August 2017	OJEU Notice Submitted
25 th August 2017	Tender Documents Published and Clarification Period Open (Subject to OJEU publication)
7 th September 2017	Deadline for Potential Providers to submit a site visit or Payment Mechanism Presentation request
12 th September 2017	Logistics Site Visit (located at Rugby and Crick)
13 th and 14 th September 2017	Payment Mechanism Presentations

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DATE	ACTIVITY
11:00 UTC 18 th September 2017	Clarification period closes (“ Tender Clarifications Deadline ”)
11:00 UTC 25 th September 2017	Deadline for a response to the clarification questions
11:00 UTC 9 th October 2017	Deadline for submission of Tenders (“ Tender Submission Deadline ”)
10 th October- 3 rd November 2017	Evaluation period
1 st – 2 nd November 2017	Tender clarification meeting (to be confirmed (if required))
3 rd November 2017 – 19 th February 2018	Internal approvals (FBC process)
20 th February 2018	Intention to award notices issued to successful and unsuccessful Potential Providers.
2 nd March 2018	Standstill Period ends (in accordance with Regulation 87)
5 th – 12 th March 2018	Expected execution date of Contract and start of Implementation Services period
1 st October 2018	Contract commencement date (Operational Services)

8. QUESTIONS AND CLARIFICATIONS

- 8.1 Potential Providers may raise questions or seek clarification regarding any aspect of this Procurement at any time prior to the Tender Clarifications Deadline. Questions must be submitted using the Clarification Questions Template (Instructions to Potential Providers - Appendix 1) and submitted via the following email box: fom.logistics@dh.gsi.gov.uk. The Authority will answer all questions via the e-Sourcing Portal only.
- 8.2 If a Potential Provider believes that its question is commercially sensitive, then it must indicate this in the Clarification Question Template. The Authority will consider the sensitivity of the question and if it considers the question not to be commercially sensitive it will give the Potential Provider the opportunity to either retract the question without receiving an answer or confirm that the question is not commercially sensitive and that the response may be circulated to all Potential Providers. If the Authority considers a question to be commercially sensitive and that providing a response only to the relevant Potential Provider would not favour or dis-favour any Potential Provider nor distort competition, then it may respond only to that Potential Provider.
- 8.3 To ensure that all Potential Providers have equal access to information regarding this Procurement, the Authority will publish all its responses to questions raised by Potential Providers via the e-Sourcing Portal only.
- 8.4 The objective is to respond to clarification questions in 2 business days. If for any reason a response will take longer than this, the Authority will notify the Potential Provider that submitted the question in writing.
- 8.5 Any question received at or prior to 14:59 UTC will be deemed to arrive on day 1 of the 2 business days referred to in paragraph 8.4 above. Any question received after that time will be deemed to be received on the following business day.

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8.6 At times the Authority may issue communications through the e-Sourcing Portal, therefore please ensure that the mailbox of the individual who is the primary contact for the Potential Provider is reviewed on a regular basis.

9. CLARIFICATION MEETING

9.1 As part of the evaluation of Tenders, the Authority (at its sole discretion) may invite Potential Providers to a clarification meeting. If required this will take place between receipt of Tenders and announcement of the successful Potential Provider(s). It is anticipated that Potential Providers will be provided with at least two (2) days' notice if a meeting is to be required.

9.2 Potential Providers should refer to the Evaluation Guidance (Attachment 4) for further details.

10. PRICE

10.1 Prices should be submitted in pounds sterling inclusive of all expenses but should exclude VAT.

10.2 The Potential Providers' price models must include any costs associated with any potential staff transfer (see Financial Submission Guidance (Attachment 8)). Any assumptions that a Provider wishes to make around the scope and cost of a staff transfer must be outlined in the Allowable Assumptions Template at Attachment 10. The actual costs in relation to a staff transfer will then be dealt with in the accordance with the Allowable Assumptions Guidance (Attachment 9).

10.3 Potential Providers are required to enter a price within the e-Sourcing portal in order to submit their Tenders. However, for this Procurement, Potential Providers are required to complete the Financial Submission Template. Potential Providers should therefore enter a nominal £1 value when asked to 'submit a quote' on the e-Sourcing portal in order to be able to complete the online submission requirements. All pricing information should then be provided by completing the Financial Submission Template (Attachment 7).

11. SUBMITTING A TENDER

11.1 Potential Providers must ensure the Tender fully complies with the instructions in this ITT (including all Attachment). Potential Providers are strongly advised to read through all documentation first to ensure they understand how to submit a fully compliant Tender.

11.2 Potential Providers must submit their Tenders via the e-Sourcing Portal unless otherwise stated. Tenders submitted by any other means will not be accepted.

11.3 Potential Providers should refer to the [e-Tendering Manual](#) for guidance on how to use the e-Sourcing Portal. Tenders must be uploaded via the Sourcing Home Page using the 'Actions' window and selecting 'Create Quote'. **Documents uploaded using the 'New Message/Documents' tab are not correctly linked to the ITT and therefore will be rejected.**

11.4 Should Potential Providers experience any technical difficulties uploading their Tender, they must contact the helpdesk on 0113 254 5777 prior to the Tender Submission Deadline. The helpdesk is open Monday to Friday between 10.00am and 4.00pm excluding public and bank holidays.

11.5 It is the Potential Provider's responsibility to:

11.5.1 ensure that a fully compliant Tender is submitted;

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- 11.5.2 ensure that the latest versions of this document and its Attachments are used; and
- 11.5.3 allow plenty of time for uploading their Tenders onto the e-Sourcing Portal.
- 11.6 No additional attachments should be submitted with a Tender unless specifically requested by the Authority.
- 11.7 A fully compliant Tender must adhere to the response requirements set out in paragraph 5 of the Terms of Participation.
- 11.8 All Tenders must be received by the Authority before the Tender Submission Deadline. Tenders received after the Tender Submission Deadline will be considered irregular and will be excluded from this Procurement.
- 11.9 Potential Providers may modify and resubmit a Tender at any time prior to the Tender Submission Deadline.
- 11.10 Potential Providers may withdraw from this Procurement by choosing not to submit a Tender by the Tender Submission Deadline.
- 11.11 Tenders must remain valid and capable of acceptance by the Authority until 23:59 UTC on 28th September 2018.

12. TENDER EVALUATION

- 12.1 The Evaluation Guidance (Attachment 4) sets out how the Authority will evaluate Tenders.

13. CONTRACT AWARD

- 13.1 Subject to paragraphs 13.2 and 13.3 below, the Authority intends to award the Contract to the Potential Provider that offers the Most Economically Advantageous Tender (MEAT) in the opinion of the Authority (as determined by the application of the Evaluation Methodology).
- 13.2 If two or more Potential Providers obtain the same highest overall Consolidated Score, the Potential Provider with the highest Price Score will be deemed to have the highest overall Consolidated Score.
- 13.3 In the event that there is a tie after 13.2 has been applied, then the Potential Provider with the highest score for AQ6 will be deemed the winner.
- 13.4 Contract award is subject to the formal approval process of the Authority. Until all necessary approvals are obtained and the standstill period completed, no contract will be entered into.
- 13.5 Once the Authority has reached a decision in respect of a contract award, it will notify all Potential Providers of that decision and provide for a standstill period in accordance with the Regulations before entering into the contract.
- 13.6 Following the satisfactory conclusion of the 10 day Standstill Period, the Authority intends to conclude a contract with the successful Preferred Provider, within 2 working days.

14. CONTRACTING ARRANGEMENTS (SUB-CONTRACTORS AND GROUPS OF ECONOMIC OPERATORS)

14.1 The Authority welcomes Tenders from Potential Providers collaborating as a Group of Economic Operators or sub-contracting elements of their obligations. Where one of these approaches is adopted the remaining provisions of this paragraph must be followed.

14.2 It is important that Tenders clearly explain how Potential Providers will satisfy the Authority's minimum requirements for legal, economic, technical and professional capacity as set out in the Selection Questionnaire (Attachment 5). Potential Providers should also explain how their Tenders are structured in terms of organisations contributing to them.

Sub-Contracting Proposals

14.3 Subject to the provisions of the Contract, only Sub-Contractors identified in the Tender will be able to provide Services through the Contract. Subject to paragraph 14.7, any organisation, group company, subsidiary, parent company, holding company, associated company, franchise or fellow franchisee, strategic partner or organisation in any other relationship with the Potential Provider must be identified as a Sub-Contractor in the Tender.

14.5 Where Potential Providers propose to use one or more Sub-Contractors, they should complete question 1.2(b) in the Selection Questionnaire.

14.6 The Authority does not require all sub-contractors to be disclosed and to complete question 1.2(b) in the Selection Questionnaire. Only those sub-contractors who directly contribute to the ability of the Potential Provider to meet its obligations under the Contract must be disclosed and must complete question 1.2(b) in the Selection Questionnaire. There is no need to specify sub-contractors supplying general services to the Potential Provider (such as window cleaners, lawyers, desktop software providers etc.).

14.7 Reliance on the capability and/or experience of one or more Sub-Contractors to demonstrate ability to provide the Services must be described in the Tender. Potential Providers must clearly identify in responses to questions any instances in which it is relying on a Sub-Contractor.

Group of Economic Operator proposals:

14.8 Subject to paragraph 13.9 below, if a Group of Economic Operators wishes to act jointly to provide the Services, it may do so with all members of the Group of Economic Operators signing the Contract and assuming joint and several liability for performance.

14.9 The Authority may require the Group of Economic Operators to assume a specific legal form (e.g. a joint venture company) for the purpose of concluding the Contract. In such case the Authority may require the members of the Group of Economic Operators to nominate a guarantor (or guarantors) for the single legal entity's performance of the Contract, and following such requirement the Authority reserves the right to request and assess information on the economic and financial standing of the proposed guarantor(s) and to disqualify a Group of Economic Operators from further participation in this Procurement in the event that the Group of Economic Operators do not nominate a guarantor(s) that resolves any Authority concerns in relation to the economic and financial standing of such single legal entity, or in relation to the technical and professional ability of the same.

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- 14.10 A Lead Contact should be nominated to lead the bidding process and to complete the Tender on behalf of all the other members of the Group of Economic Operators. Potential Providers are required to set out details of the members of the proposed Group of Economic Operators and the percentage of contractual obligations assigned to each member in their responses to question 1.2(a) of the Selection Questionnaire.
- 14.11 Reliance on the capability and/or experience of one or more members of the Group of Economic Operators to demonstrate technical and professional ability to provide the Services must be described in the Tender. Potential Providers must clearly identify in responses to questions when it is relying on a member of the Group of Economic Operators and explain the member's role, capability and experience as the context of the question requires.

Changes to the contracting arrangements

- 14.12 The Authority recognises that arrangements in relation to sub-contracting and Groups of Economic Operators may be subject to future change, and may not be finalised until a later date. However, where any changes to those arrangements might affect the relevant Potential Provider's ability to deliver the requirements, Potential Providers must tell the Authority about any changes to the proposed sub-contracting or to the relevant Group of Economic Operators by notifying the Authority via BMS. The Authority will assess the new information provided and reserves the right to exclude the Potential Provider at any time prior to any award of contract.
- 14.13 Failure to notify the Authority of any changes in accordance with paragraph 14.12 may lead to a Potential Provider being disqualified from the Procurement.
- 14.14 The Authority reserves the right to require Potential Providers to put in place such appropriate arrangements as the Authority may require in order to provide additional reassurance to the Authority in circumstances of change in their Sub-Contractors or members of Groups of Economic Operators such as those described in paragraph 14.12.

Terms of Participation

- 14.15 The Authority requires single-entity Potential Providers or Lead Contacts to confirm that any Sub-Contractor and/or member of a Group of Economic Operators has read, understood and complied with all the statements contained within the Terms of Participation (Attachment 1).

15. PROCUREMENT CONTACT

- 15.1 The Procurement lead for this requirement is:

Graham Fox, Procurement Lead
fom.logistics@dh.gsi.gov.uk