

**ROYAL BOROUGH OF KENSINGTON AND CHELSEA**

**NEGOTIATED PROCEDURE WITH PRIOR NOTICE**

**FOR**

**NOTTING DALE HEAT NETWORK - CONTRACT FOR DESIGN,  
BUILD, OPERATION AND MAINTENANCE**

**INSTRUCTIONS TO CANDIDATES AND BIDDERS & THE  
INVITATION TO SUBMIT INITIAL TENDER (“ISIT”)**

**Procurement Reference 270**

## **Important Notices**

### **Companies Excluded from this Procurement**

In accordance with a decision made by the Royal Borough of Kensington and Chelsea (the “Authority”) on 14 May 2021, the following companies and their subsidiary companies (together the “Excluded Companies”) are excluded from participating in the procurement in any form, as explained further below:

- Kingspan Group Limited;
- Rydon Group Limited;
- Celotex Limited; and
- Arconic UK Holdings Limited.

1. The Excluded Companies are not permitted to act as a Candidate or Bidder in this procurement.
2. Candidates and Bidders are not permitted to subcontract to or tender as part of a Consortium with the Excluded Companies.
3. Candidates and Bidders are not permitted to use any products produced by the Excluded Companies at any point in the delivery of this Project.

Any Excluded Company that submits a Tender and any Candidate that submits a Tender that features an Excluded Company as a subcontractor, Consortium partner or in the supply chain will have its tender rejected.

### **This “Instructions to Candidates and Bidders” and ISIT document**

This document is the main instructional document that explains the tender process and outlines the purpose of the other documents in the tender pack.

This “Instructions to Candidates and Bidders” and ISIT document has been prepared by the Royal Borough of Kensington and Chelsea (the “Authority”) and is for the use of those entities intending to tender to deliver the Project, their professional advisers and other parties essential to preparing their Standard Selection Questionnaire responses and Bids, and for no other purpose.

You are deemed to fully understand the process that the Authority is required to follow under relevant UK (and retained European law) particularly in relation to the Public Contracts Regulations 2015 and Utilities Contracts Regulations 2016.

Your attention is drawn to the notices set out in Appendix I (Procurement Conditions) which form part of the conditions for participation that apply to Candidates and Bidders in this procurement process.

## GLOSSARY OF TERMS

The capitalised words and expressions in this 'Instructions to Candidates and Bidders' and ISIT document have the meanings set out below unless the context specifically requires otherwise. References to the singular include the plural and vice versa.

In addition, any defined terms set out in the draft Contract shall apply equally in this document unless otherwise stated in this document.

Term	Definition
<b>Advisers</b>	means all professional advisers of the Authority involved in the Procurement
<b>Authority</b>	means the Royal Borough of Kensington and Chelsea of The Town Hall, Hornton Street, London, W8 7NX
<b>Award Criteria</b>	means criteria used by the Authority to determine which of the tenders represents the most economically advantageous tender, in accordance with Regulation 82 of the UCR 2016
<b>Bid/Tender</b>	means each of the written proposals submitted by a Bidder as part of this procurement process at any stage of the Procurement (including any Initial Tender and any Final Tender)
<b>Bidder</b>	means any individual, Organisation and/or Consortium who has passed the SQ and has had their Initial Tender evaluated by the Authority
<b>Candidate</b>	means any individual, Organisation and/or Consortium seeking to participate in this procurement process who has submitted a completed SQ response and Initial Tender but who have not been invited to the ITN stage, either because the shortlisting stage has not yet concluded, or because the Candidate has been de-selected / disqualified
<b>Confidential Information</b>	means all information designated as confidential and disclosed to Candidates by the Authority or its Advisers in order for them to formulate and prepare their Tender; or which may be supplied by the Authority or its Advisers at a future date (whether in written or visual format or otherwise)
<b>Consortium</b>	means either an entity which is to be formed by a group of Organisations or a group of Organisations acting jointly as the Tender
<b>Consortium Member</b>	means where the Candidate is a consortium, any individual Organisation forming part of that consortium
<b>Contract</b>	means the contract (including all schedules) between the Authority and the successful Bidder for the provision of works and services, a draft of which is available to Candidates through the Portal
<b>Contract Notice</b>	means the contract notice published in the FTS in respect of the Contract on 23 <sup>rd</sup> September 2022; ref. number: 270
<b>EIR</b>	Means the Environmental Information Regulations 2004
<b>Final Tender</b>	means the final tender Bids that Bidders will be required to submit in response to the Authority's ISFT document

Term	Definition
<b>Feedback Meeting</b>	means the meeting between a Bidder and the Authority to discuss the Contract
<b>Final Tender Stage</b>	means the stage of the Procurement commencing with the issue of the ISFT and ends with the identification of the Preferred Bidder following the evaluation of Final Tenders
<b>FTS</b>	means the <i>Find A Tender</i> UK e-notification service (within the meaning of the PCR 2015) where notices for new procurements are published
<b>FOIA</b>	means the Freedom of Information Act 2000
<b>Information Request</b>	means an information request under the FOIA or EIR
<b>Heat Network</b>	means the heat network that is proposed to be developed to comprise the Distribution Network, the Substations and the Energy Centre
<b>Initial Tender</b>	means a Tender submitted in response to this ISIT
<b>Selection and Initial Tender Stage</b>	means the stage of the Procurement commencing with the issue of the SQ and ISIT and ending when the Authority decides whether or not to award the Contract following evaluation of Initial Tenders
<b>ISIT</b>	means this Invitation to Submit Initial Tenders document (including all Appendices)
<b>ITN</b>	means the Invitation to Negotiate document issued to Bidders at the commencement of the Negotiation Stage
<b>ISFT</b>	means the Initiation to Submit Final Tenders document that will be issued to Bidders following the conclusion of the ITN negotiation stage
LWREH	Lancaster West - Renewable Heat Network, Lancaster West Estate
LWASHPI	Lancaster West, Air Source Heat Pump 1 , Kensington Leisure Centre roof
LWASHP2	Lancaster West, Air Source Heat Pump 2, Treadgold House – roof top plant room
LWRHS	Lancaster West, Renewable Heat Store , Adjacent to Kensington Leisure Centre
LWRBR	Lancaster West, Renewable Boiler Room, Adjacent to Camelford Walk
LWSN	Lancaster West, Solar Network, Various roof arrays across Lancaster West Estate
KLCPR	Kensington Leisure Centre, Plant Room, Kensington Leisure Centre
<b>Negotiated Procedure with Prior Notice</b>	means the procurement procedure as set out in Regulation 47 of the UCR 2016
<b>Negotiation Meeting</b>	means the meeting(s) between a Bidder and the Authority to discuss the Bidder's technical solution and price proposal

Term	Definition
<b>Negotiation Stage</b>	means the Stage of the Procurement commencing with the issue of the ITN and ending with the issue of the ISFT
<b>Organisation</b>	means a sole trader, partnership, limited partnership, limited liability partnership, co-operative or company and any analogous entity established inside or outside the UK and should be interpreted accordingly
<b>PCR 2015</b>	means the Public Contracts Regulations 2015 (as amended)
<b>Preferred Bidder</b>	means the Bidder which has been assessed by the Authority as having the most economically advantageous Final Tender (and in the case where the Authority has decided to award on the basis of Initial Tenders, the most economically advantageous Initial Tender)
<b>Preferred Bidder Stage</b>	means the process as described in paragraph 3.31 to 3.33 (inclusive) of this ISIT.
<b>Procurement Documents</b>	means any document issued by the Authority as part of this procurement process
<b>Portal</b>	means the electronic portal: CapitalESourcing that will be used by the Authority for receiving SQ and Tender submissions and managing all correspondence in relation to all stages of this procurement
<b>Project</b>	means the design, build, operation and maintenance of the primary Heat Network and energy as described in the Contract Notice, Project Description and detailed in the Procurement Documents
<b>Project Description and Objectives</b>	Means the document created by the Authority which provides an overview of the key features of the Project
<b>Resident Panel</b>	Means the resident representatives which the Authority will invite to participate on the Bid evaluation panels
<b>Risk Sharing Comments</b>	means the comments that Bidders are invited to share regarding the aspects of the Contract that the Bidder considers do not represent an appropriate risk sharing position
<b>Specification</b>	means the specification (Stage 3 Design) setting out the Authority's needs and requirements for the Project
<b>SQ</b>	Means the standard questions which Candidates wishing to participate in this procurement must and submit as part of the Selection and Initial Tender Stage
<b>UCR 2016</b>	means the Utilities Contracts Regulations 2016 (as amended)

## I INTRODUCTION – The Authority and Notting Dale Heat Network

- 1.1 The Authority is conducting a procurement for a design, build, operation and maintenance contract relating to the Notting Dale heat network (the “Procurement”). The Authority has issued a contract notice placed in the Find a Tender e-notification service with reference number 270 (the “Contract Notice”) to commence the procurement process.
- 1.2 The Notting Dale Heat Network (the “Heat Network”/”Project”) is to be delivered and operated by a Special Purpose Vehicle (SPV) wholly owned by the Council, Notting Dale Heat Network Ltd. It is the Council’s ambition that it will be the most reliable and proactively maintained heat network in the UK. The initial phase of the Project is to serve the Lancaster West Estate (LWE) for which the intended heat users include around 800 residential units, a school, a large Council-owned leisure centre and business units for SMEs (Baseline Studios). The Project is anticipated to expand through future phases, which are currently being assessed. Detail is provided in the ISIT - 2A, Project Description and Objectives report.
- 1.3 Construction, including the installation of all Substations, is due to start at the end of March 2023 and be completed as soon as reasonably possible according to the successful bidder’s programme, envisaged to be by mid-2024. On completion of test & commissioning, heat supply will commence to all properties, see the Project Description and Objectives for full details..
- 1.4 The Authority will enter into the Contract either directly with the appointed provider or through the Authority’s wholly owned subsidiary, Notting Dale Heat Network Ltd (or a combination of both).
- 1.5 This combined ‘Instructions to Candidates and Bidders’ and ISIT document has been developed to set out the initial stages in this procurement to achieve the selection of a contractor to design, build, operate and maintain the Heat Network.

### Purpose of this ‘Instructions to Candidates and Bidders’ and ISIT document

- 1.6 The purpose of this document is to:
  - 1.6.1 provide information regarding the timetable and structure of the Procurement: **Section 2- Negotiated Procedure With Prior Notice; Section 3 - Overview Of Negotiated Procedure With Prior Notice Stages and Section 4 - Indicative Project Timeframe)**
  - 1.6.2 set out information available to Bidders (**Section 5 - Information Available o Bidders During The ISIT Stage)**;
  - 1.6.3 set out the requirements of the Tender requirements for completion by Candidates (**Section 6 - Initial Tender Responses)**;
  - 1.6.4 set out the evaluation criteria, sub-criteria, weightings and methodology that the Authority will use to evaluate Initial Tender responses (**Section 7 - Evaluation).**

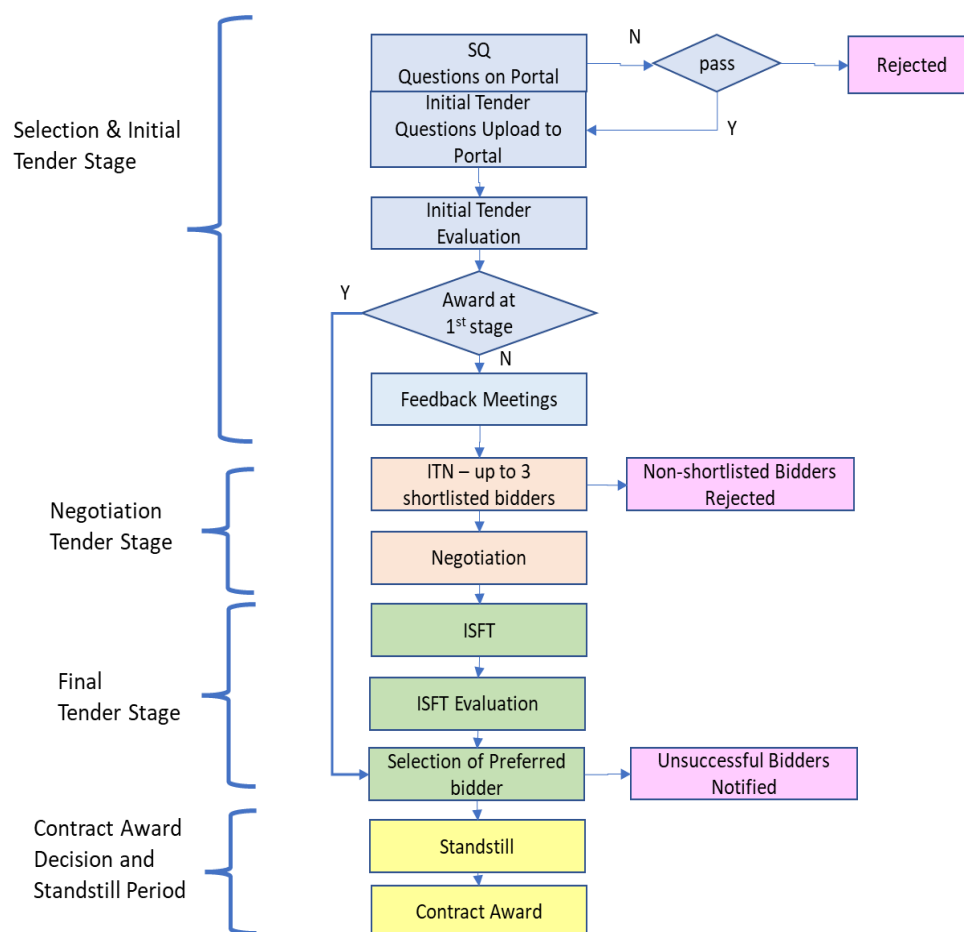
## 2 NEGOTIATED PROCEDURE WITH PRIOR NOTICE

- 2.1 The Authority is obliged to conduct this procurement in full accordance with the Utilities Contracts Regulations 2016. The Authority will procure the Proposed Contract using the Negotiated Procedure with Prior Notice as set out in Regulation 47 of the UCR 2016, which provides a structure for this competitive tendering exercise.
- 2.2 Candidates are invited to complete and submit both Standard Selection Questionnaires (SQ) **together with** an Initial Tender in response to the Authority’s requirements for Initial Tender as set out in Appendices 2 (*Quality Criteria Questions for Initial Tender*) and 3 (*Financial Criteria Submission Requirements*), respectively.

- 2.3 It should be noted that the return deadline for Bidders' SQ and Initial Tender responses is 17:00 on 7<sup>th</sup> November 2022 for the assessment to shortlist the final 3 Bidders to be invited to negotiate at the next stage of the procurement process.
- 2.4 Following appointment of a preferred bidder there is a further opportunity to 'clarify aspects of the tender or confirm commitments' provided, again, that there are no substantial changes to the tender and that this does not risk distorting competition or causing discrimination.
- 2.5 The Authority reserves the right to vary the selection procedure to support continued competition, avoid unnecessary bidding costs and adhere to subsequent technical or legal guidance.

### 3 OVERVIEW OF NEGOTIATED PROCEDURE WITH PRIOR NOTICE STAGES

- 3.1 The Negotiation Procedure with Prior Notice takes place over several successive stages, as illustrated in the below diagram and described in the following sections:



#### Selection and Initial Tender Stage

- 3.2 The selection and initial tender stage is the first stage in the procurement process. At this stage, Candidates wishing to participate in the procedure **must complete the Standard Selection Questionnaire (SQ) on the Tender Portal and then their completed Initial Tender response**. However the Authority will only assess a Candidate's Initial Tender response if the Candidate passes the SQ which demonstrates that the Candidate meets the minimum requirements for participation in the procurement process in accordance with Regulations 57 and 58 of PCR 2015.

- 3.3 Candidates failing to meet the minimum requirements for participation will be disqualified from the procedure at this stage. Any Candidate so disqualified will be notified of this, including a statement of reasons, in as timely a fashion as possible. They will then take no further part in the procedure.
- 3.4 Candidates meeting the minimum requirements for participation shall then have their responses to Appendix 2 (*Quality Criteria Questions for Initial Tenders*) and Appendix 3 (*Financial Criteria Submission Requirements*) as part of the Initial Tender evaluated in accordance with the Award Criteria and evaluation methodology as set out in Section 8 (Award Criteria) below.
- 3.5 All Qualified Candidates will receive a notification which will include details of their scores in respect of their Initial Tenders.
- 3.6 The procurement procedure permits the Authority to award the contract based on an evaluation of the Initial Tenders, applying the published Award Criteria, and the Authority reserves the right to do so at its absolute discretion.

#### **Risk Sharing Comments accompanying Initial Tenders**

- 3.7 The Authority will invite each Bidder to accompany their Initial Tender with its comments (“Risk Sharing Comments”) regarding the aspects of the Contract that the Bidder considers do not represent an appropriate risk sharing position and which could deliver better value for money for the Authority, if a different risk sharing position were to be adopted instead.
- 3.8 Any Risk Sharing Comments will not form part of the Bidder’s Initial Tender and shall not be evaluated. Any Risk Sharing Comments will inform the Feedback Meeting, in which the Authority will consider and discuss with the Bidder their views on the specified risk sharing position in the Contract.

#### **Feedback Meetings**

- 3.9 If the Authority decides not to award the Contract on the basis of the Initial Tenders then it proposes to conduct Feedback Meetings with all Bidders that submitted Initial Tenders and are eligible to continue in the Negotiation Stage.
- 3.10 The Feedback Meetings provide an opportunity for the Authority to engage with remaining Bidders on their views on the specified risk position in the Contract (informed by the Risk Sharing Comments accompanying their Initial Tenders) to enable the Authority to consider whether (in its absolute discretion) to adjust the Contract for the subsequent stages of the procurement exercise.
- 3.11 For the avoidance of doubt, the Feedback Meetings are not opportunities for individual Bidders to negotiate amendment to the Contract terms for their individual bids but rather a meeting to enable the Authority to gain general feedback from the Bidders on the suitability of the Contract terms.
- 3.12 After the Feedback Meetings with all the Bidders, the Authority will decide whether any adjustments should be made to the Contract and reserves the right (at its sole discretion) to issue to the Bidders an updated version of the draft Contract. The form of any updated version of the draft Contract shall be:
  - 3.12.1 determined by the Authority in its sole discretion (acting in accordance with its obligation to treat all Bidders equally);
  - 3.12.2 the same for all Bidders (i.e. there will only be one form of such documentation rather than Bidder-specific versions); and
  - 3.12.3 disclosed in their final form as part of the ISFT, and such version shall be the basis (without amendment or qualification) upon which all Bidders must submit a Final Tender.

#### **Negotiation Stage**

- 3.13 If the Authority decides not to award the contract based on the Initial Tenders, then the Authority intends to invite the 3 highest-scoring Bidders, on the basis of the Award Criteria as applied to the Initial Tenders to



participate in the Negotiation Stage. The invitation will be by the issue of an Invitation to Negotiate (“ITN”) which will set out the Final Tender requirements and the evaluation criteria, weightings and methodology; as well as providing additional information about the conduct of the Negotiation Stage.

- 3.14 Any remaining bidders, other than the 3 highest-scoring, shall be down-selected from participation at this point and excluded from participating further in the procurement process. These down-selected bidders will be provided with a notification explaining their scores in relation to the Award Criteria, and the reasons for which they were not selected, at this point.
- 3.15 The Authority envisages that the Negotiation Stage shall include one meeting. The Authority will engage and negotiate with the Bidders invited to negotiate, from the position set out in their Initial Tender in relation to its technical solution and price proposal, with the intention to improve and refine the offerings prior to the submission of Final Tenders.
- 3.16 The Authority shall determine the permitted scope and agenda of such discussions in Negotiation Meetings.
- 3.17 For the avoidance of doubt, Bidders are not invited to negotiate amendments to the terms of the Contract during the Negotiations Meetings process. The negotiations will be confined to developing each Bidder’s technical solution and price proposal with the objective of improving and refining the offerings prior to the submission of Final Tenders.
- 3.18 The Authority will invite a Resident Panel to participate in the evaluation of the Initial Tenders and to provide feedback on the bidders’ developing technical solutions so that their views and concerns can inform the development of the bids and the ongoing negotiation engagement with the Authority.

#### **Conduct of the Negotiation Stage**

- 3.19 It is the Authority’s preference that negotiations, wherever possible, shall be conducted in person, at Baseline Studios Whitchurch Road, London, W11 4AT.
- 3.20 To the extent that in-person negotiation meetings are not possible, whether due to the ongoing Covid-19 pandemic or any other relevant situation, negotiations shall be conducted using Microsoft Teams.
- 3.21 The Authority shall provide further details regarding the negotiation meetings (including date; time; location (if applicable); whether in person or virtual using platforms such as Teams or Zoom; number of attendees and agenda) at the commencement of the Negotiation Stage.
- 3.22 All negotiations will be conducted, and all documents and Tenders will be prepared, in the English language. The negotiations will be subject to English law and the exclusive jurisdiction of the English courts.
- 3.23 No negotiations or communications with the Authority, at any point up to and including the notification of the Contract award decision commencing the standstill period, shall imply acceptance of any offer or constitute an indication that the Bidder will be awarded the Contract.
- 3.24 The Authority reserves the right to amend the format of the Negotiation Stage including but not limited to adding further negotiation meetings with the Bidders if it considers this appropriate.

#### **Invitation to Submit Final Tenders Stage**

- 3.25 When the negotiation stage is concluded, the Authority will issue a notification to all Bidders which have not already been excluded, confirming that the negotiation stage has ended. After this point no further negotiation shall be possible.
- 3.26 After concluding the negotiation stage, remaining Bidders will be issued with an Invitation to Submit Final Tenders (“ISFT”) which will set out the Final Tender bid requirements. This will be accompanied by final versions of the Statement of Requirements and any other documents which have been amended as a result of the negotiation stage.

- 3.27 The technical solution and price proposals put forward in Bidder's Final Tenders shall reflect the negotiated position reached with the Authority at the conclusion of the negotiation stage described above.
- 3.28 Bidders must submit Final Tenders on the basis of acceptance of the latest version of the draft Contract as issued by the Authority following the Feedback Meetings. It is the responsibility of the Bidders to ensure that their Final Tender is submitted on the basis of such version of the draft Contract.
- 3.29 The Authority reserves the right to reject Bidders who seeks to vary, amend or qualify the terms and conditions set out in the latest version of the Contract (as issued by the Authority following the Feedback Meetings) as part of its Final Tender submission.
- 3.30 Final Tenders should be final and complete in meeting the Authority's requirement set out in the ISFT as further negotiations are not permitted following their submission. However, the Authority may request Bidders to clarify aspects of their tenders where the Authority considers it appropriate to do so.
- 3.31 Following the submission of Final Tenders, the Authority expects to undertake a process to identify a Preferred Bidder that provides the most economically advantageous tender with which to enter the Preferred Bidder stage.
- 3.32 Following the appointment of a Preferred Bidder, the Authority has an opportunity to choose to conduct limited discussions to confirm financial commitments or other terms contained in the Final Tender in order to finalise the terms in the Contract, provided that it does not have the effect of materially modifying essential aspects of the Final Tender or the requirements of the public procurement exercise and does not risk distorting competition or causing discrimination.
- 3.33 Bidders should note that the Authority reserves the right to define and restrict the areas open for negotiations in confirming financial commitments or other terms contained in the Final Tender.
- 3.34 Upon the completion of the Preferred Bidder stage to the Authority's satisfaction, the Authority will be in a position to decide whether to proceed to award the Contract to the Preferred Bidder.

#### **Contract Award Decision and Standstill Period**

- 3.35 If the Authority decides to proceed to award the Contract to the Preferred Bidder, then it will issue contract award notifications in accordance with the UCR 2016. This will provide debriefing information to unsuccessful Bidders and commence a standstill period. The debriefing information will be issued electronically.
- 3.36 The Authority will allow a standstill period of at least 10 clear calendar days to elapse, between the date of dispatch of the contract award notifications and the date on which the Authority enters into the Contract.
- 3.37 The Authority reserves the right to vary the procurement procedure to support continued competition, avoid unnecessary bidding costs and adhere to subsequent technical or legal guidance.

## 4 INDICATIVE PROJECT TIMEFRAME

- 4.1 The table below sets out the key dates in the procurement process, which are indicative and for information purposes only.

Stage	Date
<b>ISIT (Invitation to Submit Initial Tender)</b>	
Contract Notice and draft Procurement Documents published. SQ and ISIT document made available	23rd September 2022
Clarification Meeting – general presentation to bidder and individual opportunity for bidders to seek clarifications	6 <sup>th</sup> October 2022
Deadline for clarification requests at Selection and ISIT stage	17:00 17 <sup>th</sup> October 2022
<b>SQ and Initial Tender submission deadline</b>	17:00 7 <sup>th</sup> November 2022
Evaluation of SQ applications and evaluation of Initial Tenders from qualifying Candidates	18 <sup>th</sup> November 2022
Debriefing information provided to unsuccessful SQ applicants	
<p>The Authority decides it intends to award the Contract based on the Initial Tenders, and then appoints a Preferred Bidder to enter the Preferred Bidder Stage. If the Preferred Bidder Stage is successfully concluded then the Authority can decide to award the Contract on the basis of the Initial Tender. The Authority will then provide debriefing information to unsuccessful Bidders and commence a 10-day standstill period.</p> <p style="text-align: center;">OR</p> <p>The Authority decides not to award the Contract based on the Initial Tenders; chooses to initiate the ITN stage and provides debriefing.</p>	
<b>ITN (Invitation to Negotiate)</b>	
Feedback Meetings with 3 shortlisted Bidders	w/c 21 <sup>st</sup> November 2022
Issue of the ITN to  3 shortlisted Bidders	28 <sup>th</sup> November 2022
Deadline for clarification requests in response to the ITN	9 <sup>th</sup> December 2022

Negotiation Stage: First Negotiation Meetings	19 <sup>th</sup> /20 <sup>th</sup> December 2022
Negotiation Stage: Second Negotiation Meetings (if required)	w/c 9 <sup>th</sup> January 2023
<b>ISFT (Invitation to Submit Final Tender)</b>	
ISFT issued to shortlisted Bidders	16 <sup>th</sup> January 2023
Final Tender submission deadline	17:00 27 <sup>th</sup> February 2023
Evaluation of Final Tenders	to 10 <sup>th</sup> March 2023
Selection of Preferred Bidder	17 <sup>th</sup> March 2023
Preferred Bidder Stage	to 15 <sup>th</sup> May 2023
<b>Contract Award</b>	
The Authority decides to award the Contract based on the Final Tenders; provides debriefing information to unsuccessful Bidders and commences a 10-day standstill period.	29 <sup>th</sup> May 2023
Appointment of successful Bidder and Contract close	9 <sup>th</sup> June 2023

- 4.2 The Authority reserves the right to amend this indicative timeframe as the procurement progresses.

## 5 INFORMATION AVAILABLE TO BIDDERS DURING THE ISIT STAGE

### Procurement Documents

- 5.1 A full list Procurement Documents (which should be downloaded and read alongside this 'Instructions to Candidates and Bidders' and ISIT document) are identified in the following file "ISIT IE, Document Schedule"
- 5.2 The Authority reserves the right to update, revise and add to the Procurement Documents throughout the procurement process and Bidders are advised to access the Portal for the latest versions.

### Access to the Portal

- 5.3 Each Bidder will be given the opportunity to access to the CapitalESourcing in order to carry out inspections for the purposes of preparing its Initial Tender provided that the Bidder complies with such requirements as the Authority specifies in relation to such access and inspections. Any Bidder that wishes to request such access should contact the Authority through the Portal to request further information.

### Clarifications to Procurement Documents

- 5.4 Any queries arising from the Procurement Documents which may have a bearing on the Selection Questionnaire or Initial Tender submissions to be made by Candidates or Bidders, should be raised.

- 5.5 All queries in relation to this procurement must be made in writing through the CapitalESourcing portal by no later than 17:00 17<sup>th</sup> October 2022. The Authority reserves the right not to respond to clarifications in respect of the Selection and ISIT stage submitted after this period.
- 5.6 All questions considered by the Authority to be non-commercial and/or not marked by the Bidder as commercially sensitive will be formally distributed to all Bidders. The Authority's approach is that the identity of the enquirer will be protected.
- 5.7 Where the Authority considers that questions are material to the procurement process and the fullest understanding of its objectives, these questions and their subsequent replies will be disseminated to all Bidders.
- 5.8 Bidders should note, in relation to all responses to questions requested that the Authority and its Advisers offer no guarantee that such information in response to questions will be made available at this stage and are not warranting the accuracy of any responses.
- 5.9 Where a Bidder views any query as confidential (particularly where it believes that the release of the query to other Bidders may reveal commercially sensitive or confidential information or a trade secret) the following procedure will be adopted:
- 5.9.1 If a Bidder believes that a query is of a confidential or commercially sensitive nature, then it must be marked as such;
  - 5.9.2 If the Authority considers, in its absolute discretion, that it is able to treat the query on a confidential basis, then it will do so; and
  - 5.9.3 If the Authority considers, in its absolute discretion, that it is unable to treat the query on a confidential basis having regard to current guidance and legislation, then it will notify the Bidder of its decision and the Bidder will have the opportunity to withdraw the query.

## 6 INITIAL TENDER RESPONSES

### Part 1 – SQ

- 6.1 At the Selection and ISIT Stage, Candidates will complete Supplier Questions on the Portal, responding to the Selection Criteria. SQ responses will be assessed by the Authority, to determine which Candidates shall have their Initial Tenders assessed, as follows:
- 6.1.1 Selection Criteria determine whether the Candidates meets the minimum requirements necessary for participation in the procedure. Candidates failing to meet the required standards are disqualified at this point, will not have their Initial Tenders assessed and will take no further part in the process. These criteria are therefore assessed on a “pass or fail” basis, with failure to achieve a “pass” resulting in disqualification.
  - 6.1.2 If a Candidate achieves a “pass” against all of the Selection Criteria, the Candidate will have their Initial Tender response (Part 2) evaluated.

### Part 2 - Initial Tender

- 6.2 Bidders are required to include a response to the following as part of their Initial Tender submission:
- 6.2.1 each of the questions set out in Appendix 2 (*Quality Criteria Questions for Initial Tenders*); and
  - 6.2.2 the requirements in Appendix 3 (*Financial Criteria Submission Requirements*).

### Contract Acceptance for Initial Tenders

- 6.3 Bidders must submit Initial Tenders based on acceptance of the version of the Contract as issued by the Authority in relation to this ISIT.
- 6.4 The Authority reserves the right to reject a Bidder who seeks to vary, amend or qualify the terms and conditions set out in the Contract (as issued by the Authority in connection with this ISIT) as part of its Initial Tender submission.

### Risk Sharing Comments accompanying Initial Tenders

- 6.5 However notwithstanding paragraph 6.5 above, the Authority invites each Bidder to accompany the Bidder's Initial Tender with its comments ("Risk Sharing Comments") regarding the aspects of the Contract that the Bidder considers do not represent an appropriate risk sharing position and which could deliver better value for money for the Authority, if a different risk sharing position were to be adopted instead.
- 6.6 Comments that the Bidder wishes to suggest should be accompanied by narrative reasoning to support the need for the derogation, any proposed drafting amendments and an explanation of how better value for money can be achieved for the Authority by such proposals.
- 6.7 The Authority requires the terms and conditions of the Contract to be adhered and accepted for the purposes of the Initial Tenders to and is not inviting Bidders to negotiate the terms of the Contract in their Risking Sharing Comments Responses. Any Risk Sharing Comment put forward should not substantially deviate from the fundamental requirements set out in the Contract.
- 6.8 The Risk Sharing Comments should be submitted using the following tabular format and Bidders must not propose changes simply by way of footnotes or comments in the Contract :

Proposed change in risk sharing	Rationale	Impact on value for money

- 6.9 **A Bidder's Risk Sharing Comments shall NOT form part of the evaluation of the Initial Tender and shall be without prejudice to the requirement in paragraph 6.5.** However, the Authority may at its discretion take the Bidders' Risk Sharing Comments into account during the Feedback Meeting when deciding whether to modify the terms and conditions of the Contract. If the Authority decides to vary terms and conditions of the Contract then it will notify all Bidders of the updated requirements ahead of the Negotiation Stage.

### General format requirements

- 6.10 Bidders should present their SQ and Initial Tender submission in accordance with the following instructions:
- 6.10.1 all responses should be in English, text submitted in A4, with a font size of no less than 10 and any financial references should be in Pounds Sterling;
  - 6.10.2 any text document must be provided in Microsoft Word and any spreadsheet in Excel (or, in each case, in a compatible version);
  - 6.10.3 Bidders are required to submit completed SQ and Initial Tender responses through the Portal by 17:00 on 7<sup>th</sup> November 2022;
  - 6.10.4 Bidders shall adhere to the word limit that applies to the responses where a limit is given. Responses that exceed relevant word limits will be cropped at the word limit (excess words over this limit will not be assessed or evaluated).

- 6.11 SQ and Initial Tenders must not be qualified and must be submitted strictly in accordance with the requirements of this ISIT. Initial Tenders must not be accompanied by statements that could be construed as rendering the Initial Tender equivocal and/or placing it on a different footing from other Initial Tenders.
- 6.12 The Authority will be running the Procurement process through the Portal. It is each Bidder's responsibility to ensure its SQ and Initial Tender submission is successfully uploaded to the Portal before the deadline.
- 6.13 Without prejudice to the Appendix I (*Procurement Conditions*), the Authority reserves the right, at its discretion:
- 6.13.1 to reject SQ's and Initial Tenders delivered after the date and time specified;
  - 6.13.2 reject SQ's and Initial Tenders that do not meet the requirements set out in this ISIT; and/or
  - 6.13.3 to request clarifications in writing or further relevant information from any Bidders after the submission of SQ's and Initial Tenders.

#### **Return of Certificates**

- 6.14 The Authority requires Bidders to make certain undertakings as part of their Initial Tender submission. These undertakings include signing the following documents, which must be completed and submitted as part of the Initial Tender. Copies of the certificates are provided on the Portal.
- 6.14.1 Form of Tender
  - 6.14.2 Bona Fide Tender Declaration and Non-Collusion Certificate
  - 6.14.3 FOIA and Disclosure of Confidential and Commercially Sensitive Information
  - 6.14.4 Conflict of Interest Declaration and Anti-Fraud and Safeguarding Statement Certificate

#### **Checklist of items for SQ and Initial Tender submission**

- 6.15 The table below sets out a checklist of all of the items that Bidders must include in an Initial Tender submission.

Item	Instruction
The Bidder's response to Selection Questions	Completed on the Portal
The Bidder's responses to the Quality Criteria Questions (as set out in Appendix 2)	Completed and uploaded to Portal
The Bidder's completed Pricing Schedule (in accordance with the requirements of Appendix 3)	Completed and uploaded to Portal
The Bidder's Risk Sharing Comments	Completed and uploaded to Portal
Form of Tender	Signed and uploaded to the Portal
Bona Fide Tender Declaration and Non-Collusion Certificate	Signed and uploaded to the Portal
FOIA and Disclosure of Confidential and Commercially Sensitive Information	Completed and uploaded to the Portal
Conflict of Interest Declaration and Anti-Fraud and Safeguarding Statement	Signed and uploaded to the Portal

## 7 EVALUATION

- 7.1 This section sets out the evaluation criteria and selection process against which the Initial Tenders will be assessed as well as providing information about the evaluation criteria intended to be applied to Final Tenders.
- 7.2 In respect of the Initial Tender responses, Bidders are required to respond to each of the questions set out in Appendix 2 (*Quality Criteria Questions*) and complete in full the requirements in Appendix 3 (*Financial Criteria Submission Requirements*).

### Compliance Review

- 7.3 Prior to carrying out the detailed scoring of responses the Authority may evaluate the completeness and compliance of the responses to the requirements of the SQ or ISIT.
- 7.4 SQ's and Initial Tenders which are substantially incomplete, or which are non-compliant with the requirements set out in the SQ and this ISIT may be rejected.
- 7.5 The Authority reserves the right to call for information from Candidates to clarify their SQ responses, or from Bidders to clarify their Initial Tender responses.

### Evaluation Criteria and Weightings

- 7.6 Following compliance checks, Initial Tenders will be evaluated and scored against the evaluation criteria and weightings set out below and Bidders ranked in line with their scores.
- 7.7 The evaluation criteria and weightings that will be applied by the Authority in each of the stages of the Negotiated Procedure with Prior Notice are shown in **Table 1** below.
- 7.8 The detailed evaluation criteria, sub-criteria and weightings that will be applied by the Authority when evaluating Initial Tender responses are shown in **Table 2** below.
- 7.9 The Authority reserves the right to update, refine and supplement:
- 7.9.1 the quality questions, sub-criteria and requirements (Appendix 2); and
  - 7.9.2 the financial criteria evaluation methodology, submission requirements and sub-criteria (Appendix 3 and Appendix 4).

to be applied at the ISFT stage to evaluate Final Tenders.

- 7.10 The detailed evaluation methodology including the criteria, sub-criteria, and weightings that will be applied by the Authority when evaluating the Final Tenders will be confirmed and set out in the ISFT document issued to Bidders invited to participate in that stage of the procurement process.

### Evaluation Methodology and Scoring

- 7.11 Initial Tenders will be assessed on the basis of the most economically advantageous tender.
- 7.12 The Award Criteria that will be used to determine the Most Economically Advantageous Tender shall carry an overall weighting of:
- 80% for Quality
  - 20% for Price



The Scores for Quality and Price will apply the above weightings and then be added to attain a bidders Final Score.

- 7.13 The scoring of Initial Tenders will be based on evaluating the responses in accordance with the methodology below.

#### **Quality Criteria**

- 7.14 In relation to the Quality criteria and sub-criteria (as indicated), each question will be scored in application of the following scoring scale:

Criteria	Rating	Score
The information is omitted, or no details or irrelevant answer provided	Unacceptable	0
Serious concerns that the bidder does not understand the requirements, with very limited evidence that the service would be delivered to the expected standard	Poor	1
Submission is generic in its scope and some concern that the bidder does not understand the requirements. The proposal provides some limited evidence that the service could be delivered to a satisfactory standard.	Satisfactory	2
Reasonable confidence that the bidder understands the requirements and the proposal provides some satisfactory evidence that the service would be delivered to a fair and reasonable standard.	Fair	3
The submission is robust and well documented and shows the bidder understands the requirement and provides good evidence that it would be delivered to a good standard.	Good	4
The proposal is innovative and adds value, providing complete confidence that the bidder understands the requirement and very good evidence that the service would be delivered to an excellent standard.	Excellent	5

- 7.15 The Authority can take into account both the quality and performance of the bid response as well as its deliverability in applying the scoring scale in the evaluation.
- 7.16 A Bidder must achieve a score of at least 2 for questions 2 to 8. Where a Bidder does not attain such a Score across each question they may be excluded from the procurement].

#### **Financial Criteria**

- 7.17 Bidders are required to provide responses to the Financial Criteria in accordance with the requirements set out in Appendix 3 (*Financial Criteria Submission Requirements*) as part of their Initial Tenders.
- 7.18 The responses to the Financial Criteria for Initial Tenders will be evaluated and scored in applying the methodology set out in Appendix 4 (*Financial Criteria Evaluation Methodology*).

**Table 1: Evaluation Criteria and Weightings across the Procurement Stages**

Refer Table 2 – question areas and scoring will be consistent across the Procurement Stages.

**Table 2: Evaluation Criteria and Weightings for Initial Tender Evaluation**

The following scoring will be applied to each of the quality questions:

	<b>QUALITY QUESTIONS</b>	<b>Weightings for each of the stages of the Negotiated Procedure (including Initial Tender Phase)</b>
<b>2</b>	<b>Technical</b>	<b>20%</b>
2.1	Energy Demand	4%
2.2	Design	6%
2.3	Reliability of Heat Supply	4%
2.4	Supply Chain	3%
2.5	Future Proofing for Expansion	3%
<b>3</b>	<b>Project &amp; Construction Management</b>	<b>15%</b>
3.1	Project Management Strategy	5%
3.2	Project Team	5%
3.3	Project Delivery Programme	Not evaluated – for comment
3.4	Logistics	2%
3.5	Risk Management	3%
<b>4</b>	<b>Operation and Maintenance</b>	<b>15%</b>
4.1	Operations and Maintenance Strategy	5%
4.2	Customer Help Desk and Customer Experience	4%
4.3	Staffing	3%
4.4	Warranties	1%
4.5	Reporting and Communication	2%
<b>5</b>	<b>Health and Safety</b>	<b>6%</b>
<b>6</b>	<b>Resident Engagement / Customer Care</b>	<b>12%</b>
6.1	Design and Build	6%
6.2	Operations and Maintenance	6%
<b>7</b>	<b>Delivery of Commitments</b>	<b>20%</b>
7.1	Project Objectives	44%
7.2	Case Studies	1212%
7.3	KPIs	44%
7.4	Legal Compliance	Not evaluated – for comment
<b>8</b>	<b>Social Value &amp; Sustainability</b>	<b>12%</b>
8.1	Social Value	8%
8.2	Sustainability	4%
	<b>Total</b>	<b>100%</b>

the quality score for each question will be added together to obtain a total quality score out of 100, which will be weighted by 80% in the final score.

## APPENDIX I

### PROCUREMENT CONDITIONS

#### 1 DUE DILIGENCE

- 1.1 The Authority does not, unless expressly stated otherwise, warrant any information provided to Bidders through the procurement process. Bidders must satisfy themselves as to the accuracy, completeness and sufficiency of any information provided and The Authority shall not be liable in the event that any of the information subsequently proves to be inadequate, incorrect or misleading.
- 1.2 Upon receipt of a Tender, The Authority will assume that Bidders have conducted detailed due diligence and obtained all the information necessary to submit complete and accurate Tenders. The Authority will therefore not permit prices or related aspects of a Tender to be revised after submission as a consequence of any discrepancies arising from the fact that the Bidder failed to obtain full information or, if obtained, the information was subsequently found to be inaccurate or incomplete – this is the Bidders' risk

#### 2 BIDDER WARRANTIES

- 2.1 In submitting a Tender, each Bidder warrants, represents and undertakes to The Authority that:
- 2.2 all information, representation other matters of fact communicated (whether in writing or otherwise) to The Authority by the Bidder, its employees or agents in connection with or arising out of the Tender are true, complete and accurate in all respects;
- 2.3 it has made its own investigations and research and has satisfied itself in respect of all matters (whether actual or contingent) relating to the Tender;
- 2.4 it is satisfied itself as to the correctness and sufficiency of the information it has inserted in the price schedules, and included in its responses;
- 2.5 it has full power and authority to enter into contract and undertake the Works;
- 2.6 it is of sound financial standing and has, and will have sufficient premises, working capital, skilled personnel, vehicles, plant, goods and materials and other resources available to it to carry out the Works;
- 2.7 it will retain all necessary consents, licences and permissions to enable it to carry out the Works and will from time to time obtain and maintain all further and other necessary consents, licences and permissions to enable it to continue to do so; and
- 2.8 it will not at any time claim or seek to enforce a lien, charge, or other encumbrances over property of whatever nature owned by The Authority and that is for the time being in the possession of the Bidder.
- 2.9 If it is determined that any information supplied by a Bidder was inaccurate, incomplete or untrue and was relied upon for evaluation purposes, then The Authority shall exclude the Bidder from the procurement process. In addition, The Authority shall reserve the right to pursue all costs which may be incurred in re-commencing the procurement process and any other remedies available to The Authority in law.
- 2.10 The Bidder shall indemnify and keep indemnified The Authority against all actions, claims, demands, proceedings, damages, costs, losses, charges and expenses whatsoever in respect of any breach by the Bidder of any of its obligations in this ITT. Any Bidder that submits a Tender will be deemed to have accepted this requirement without qualification.

#### 3 LIABILITY OF THE AUTHORITY

- 3.1 Neither the Authority nor any of its representatives (including its officers, members, employees and advisors) shall, under any circumstances, be liable in any way to any Bidder for any costs, expenses or losses incurred by any Bidder or other person in relation to their participation in this procurement or otherwise.

- 3.2 Except in cases of fraud, the Authority, its officers, members, employees, agents or advisers do not accept any responsibility or liability whatsoever for any loss or damage of whatever kind and howsoever caused arising from the Tender Documents.
- 3.3 All submissions received will be evaluated. The Authority makes no representation regarding any Bidder's financial stability, technical competence or ability in any way to carry out the Works.
- 3.4 The subject matter of this ISIT and the procurement process as a whole shall only have contractual effect when it is contained in the express terms of a Contract. No statement or matter contained in the Tender Documents or made or undertaken as part of this procurement process is intended to or shall be taken as constituting a contract, agreement, warranty or representation between the Authority and any other party.
- 3.5 In so far as a Tender by a Bidder made in response to this ISIT forms (or is deemed to form) a contractual relationship between the Authority and that Bidder governing the relationship of the parties during this procurement process until an award is made (if any), the terms and conditions of such contract shall be as expressly set out in this ISIT. The ISIT forms the entire agreement between the parties relating to the procurement process and the submission of Tenders and there shall not be implied into any such contract any further terms, obligations or restrictions on the Bidder.

#### **4 CONFIDENTIALITY AND COMMUNICATIONS**

- 4.1 Bidders must treat all information supplied by the Authority in connection with this procurement process as confidential (and shall ensure that their employees, consultants, Sub-Contractors, advisers, insurers and funders shall treat documentation supplied in relation to this ISIT is confidential) and shall not, without the written consent of the Authority, at any time make use of the Tender Documents for its own purposes or disclose such information to any person unless required or permissible by law. Bidders are referred to the FOIA and Disclosure of Confidential and Commercially Sensitive Information document uploaded to the Portal.
- 4.2 Bidders shall not undertake (or permit to be undertaken) at any time, during the procurement process or after completion, any publicity activity with any section of the media in relation to the Works, or procurement process other than with the prior written agreement of the Authority. Such agreement shall extend to the content of any publicity. In this paragraph the word "media" includes (but without limitation) radio, television, newspapers, trade and specialist press, the internet and email accessible by the public at large and the representatives of such media.
- 4.3 If a Bidder fails to observe the conditions set out in this Section, or in any other way does not treat any of the Tender Documents as confidential, the Authority shall, without limitation to any other remedies it may have, exclude the relevant Bidder from further participation in this procurement process.
- 4.4 the Authority may disclose detailed information relating to Tenders to the Authority's members, directors, officers, employees, agents or advisors and the Authority may make the key procurement documents available for private inspection by the Authority's members, directors, officers, employees, agents or advisors. the Authority also reserves the right to disseminate information that is materially relevant to the procurement to all Bidders, even if the information has only been requested by one Bidder, subject to the duty to protect any Bidder's commercial confidence in its Tender. the Authority will act reasonably as regards the protection of commercially sensitive information relating to the Bidder in the light of the latest published guidance on this area.

#### **5 FREEDOM OF INFORMATION ACT 2000 AND ENVIRONMENTAL INFORMATION REGULATIONS 2004**

- 5.1 the Authority is subject to the FOIA and the EIR. This means that, subject to certain exemptions, an individual may request access to any information held by them and the Authority may have to accede to such a request. This may include information in respect of a Tender or details of the procurement process. Bidders are referred to the FOIA and Disclosure of Confidential and Commercially Sensitive Information document uploaded to the Portal.
- 5.2 If a Bidder thinks that any specific information given in its submissions is either commercially sensitive (meaning it could reasonably cause prejudice to the organisation if disclosed to a third party) or confidential in nature, then it should be clearly marked as 'not for disclosure to third parties'. Bidders should also give valid reasons in support of the information being exempt from disclosure under the FOIA and the EIR.
- 5.3 the Authority will endeavour to consult with Bidders and consider comments and any objections before any information identified by Bidders as commercially sensitive or confidential is released to a third party under the FOIA or the EIR.

However, the Authority will be entitled to decide in its absolute discretion whether any information is exempt from disclosure or if it must be disclosed in response to a request for information.

- 5.4 Any decision made by the Authority on disclosure must be in line with the provisions of the FOIA or the EIR and the Authority can only withhold information if it is covered by an exemption from disclosure, and if relying on a qualified exemption, that the public interest favours maintaining the exemption.
- 5.5 the Authority will not be held liable for any loss or prejudice caused by the disclosure of information that:
- 5.5.1 has not been clearly marked as 'not for disclosure to third parties' with supporting reasons (referring to the relevant category of exemption under the FOIA or EIR where possible);
  - 5.5.2 and/or does not fall into a category of information that is exempt from disclosure under the FOIA or EIR (for example, a trade secret or would be likely to prejudice the commercial interests of any person);
  - 5.5.3 and/or where it is in the public interest to disclose this and there is no statutory duty to withhold it.

## **6 CHANGES TO THE STATUS OF BIDDERS**

- 6.1 Each Bidder must keep The Authority informed of any changes and developments that affect its legal status or eligibility, technical ability and/or economic and financial standing that occur following the submission of its Tender. The Authority reserves the right to keep these matters under review and shall exclude a Bidder from further participation in the procurement process where any such change renders such Bidder incapable of meeting The Authority's requirements.
- 6.2 The Authority recognises that arrangements in relation to subcontracting may be subject to future change and may not be finalised until a later date. However, Bidders should be aware that where information provided to The Authority indicates that Sub-Contractors are to play a significant role in delivering key contract requirements, any changes to those subcontracting arrangements may affect the ability of the Bidder to proceed with the procurement process or to provide the Works required. Bidders should therefore notify The Authority immediately of any change in its proposed subcontracting arrangements. The Authority reserves the right to deselect any Bidder prior to any award of contract based on an assessment of the updated information.

## **7 CANVASSING**

- 7.1 Any Bidder which, in connection with this procurement:
- 7.2 offers any inducement, fee or reward to any member or officer of the Authority or any person acting as an advisor for the Authority in connection with this procurement;
  - 7.3 directly or indirectly canvasses any of the persons referred to above in connection with this procurement, or who has directly or indirectly obtained or attempted to obtain information from any such member or official concerning any other Bidder or Tender submitted by any other Bidder;
  - 7.4 does anything which would constitute an offence under the Bribery Act 2010 or under Section 117 of the Local Government Act 1972; and/or
  - 7.5 contacts any officer of the Authority about any aspect of this procurement in a manner not permitted by this ISIT,
  - 7.6 will be disqualified from this procurement process (without prejudice to any other civil remedies available to the Authority and without prejudice to any criminal liability which such conduct by a Bidder may attract).

## **8 NON COLLUSION**

- 8.1 Any Bidder which, in connection with this procurement:
- 8.2 fixes or adjusts the nature or price of any aspect of any Tender by or in accordance with any agreement or arrangement with any other Bidder;

- 8.3 enters into any agreement or arrangement with any other Bidder that they shall refrain from producing a Tender or as to the nature or pricing of any Tender to be submitted;
- 8.4 causes or induces any person to enter into any such agreement as is mentioned in either section above or to inform the Bidder of the nature or pricing (whether actual or approximate) of any rival Tender;
- 8.5 devises or amends the content of its Tender submission in accordance with any agreement or arrangement with any other person, other than in good faith with a person who is a proposed partner, Sub-Contractor, Consortium member or provider of finance;
- 8.6 offers or agrees to pay or gives or does pay or give any sum of money, inducement or valuable consideration directly or indirectly to any person for doing or having done or causing or having caused to be done in relation to any other Tender or proposed Tender any act or omission; and/or
- 8.7 communicates to any person other than the Authority the nature or pricing (whether actual or approximate) of its proposed Tender (except where such disclosure is made in confidence in order to obtain quotations necessary for the preparation of the Tender (for example, for insurance, a contract or guarantee)),
- 8.8 will be disqualified (without prejudice to any other civil remedies available to the Authority and without prejudice to any criminal liability that such conduct by a Bidder may attract). Bidders are referred to the Certificate of Non-Collusion they are required to sign as part of their Tenders and their obligations and responsibilities contained therein.

## **9 CONFLICTS OF INTEREST**

- 9.1 It is each Bidder's responsibility to effectively manage any conflicts of interest whether through the imposition of information barriers or as otherwise appropriate. A Bidder must advise the Authority as soon as practicable in the event of a conflict of interest arising in respect of its Tender or its involvement in the procurement process. In such circumstances, the Authority may require further information from the Bidder. the Authority will disqualify a Bidder from further involvement in the procurement process in the event of a conflict of interest where that conflict of interest cannot be effectively managed or remedied.
- 9.2 The concept of a conflict of interest as set out in Regulation 24 of the PCR 2015, includes any situation where relevant staff members have, directly or indirectly, a financial, economic or other personal interest which might be perceived to compromise their impartiality and independence in the context of the procurement procedure. Please note that routine pre-market engagement carried out by the Authority should not represent a conflict of interest for a Bidder, provided that the engagement has been carried out in a transparent manner.
- 9.3 It is each Bidder's responsibility to ensure that its constituent members and advisers do not have conflicts of interest in relation to other Bidders for the Works or in relation to the Authority themselves, including in circumstances where it is proposed that constituent members and/or advisers attached to an unsuccessful Bidder join the team of another Bidder still in the process.

## **10 INTELLECTUAL PROPERTY**

- 10.1 The copyright in the Tender Documents and all other documents issued by the Authority is vested in the Authority and its advisers, as appropriate, and their content may not be reproduced, copied or stored in any medium without the prior written consent of the Authority. Such documents are and shall remain the property of the Authority and must be returned immediately upon demand.
- 10.2 By submitting a Tender each Bidder agrees and acknowledges that it shall have granted to the Authority and its advisers for all purposes related to the Works a non-exclusive, irrevocable, perpetual, royalty free licence to use, copy, modify, adapt and translate any drawings, specifications, materials, data and other information related to any element of any Tender proposed by the Bidder during the procurement process (together with the right to grant sub-licences).
- 10.3 Each Bidder warrants to the Authority that no document that it prepares as part of its response infringes any Intellectual Property Right.

- 10.4 Each Bidder undertakes to indemnify the Authority against all actions, claims, demands, liability, proceedings, damages, costs, charges and expenses whatsoever arising out of or in connection with any breach of the provisions of paragraph 6 of this ISIT.



## APPENDIX 2

### QUALITY CRITERIA QUESTIONS FOR INITIAL TENDERS

Refer to ISIT - Quality Criteria Questions for Initial Tenders for the Quality Criteria Question to which the bidder must respond and upload to the Portal; which cover the following thematic areas:

- Technical
- Project Management and Construction Management
- Operation and Maintenance
- Health and Safety
- Resident Engagement / Customer Care
- Delivery of Contractual Commitments and Case Studies
- Social Value and Sustainability

### APPENDIX 3

#### FINANCIAL CRITERIA SUBMISSIONS REQUIREMENTS

○ **Design and Build (D&B) Price**

Bidder to:

- Complete the Design and Build pricing table (Table 1) in the Pricing Document
- Provide an estimated monthly payment profile for the Design and Build works over the length of the contract:

○ **Operation and Maintenance (O&M) :**

Bidder to:

- Complete the Operation and Maintenance – Primary pricing table (Table 2.1) in the Pricing Document
- Complete the Operation and Maintenance – Secondary pricing table (Table 2.2) in the Pricing Document
- Complete the Operation and Maintenance – Tertiary pricing table (Table 2.3) in the Pricing Document
- Complete the Operation and Maintenance – Optional - Billing pricing table (Table 2.4) in the Pricing Document
- Provide proposed indexation to above pricing for extension of the contract beyond the initial 2 years (and up to five years)

○ **Total Price**

To determine the price metric for evaluation the tender price will be determined as follows:

**Tender price = D&B Total Price + (Sum of the Annual Total Prices for O&M (across all properties / blocks) x 5 (for the full potential 5-year contract term))**

The lowest compliant bidder price will be awarded the full marks. Other bidder's price scores will then be pro-rata as illustrated in Appendix 4 of this document.

## APPENDIX 4

### FINANCIAL CRITERIA EVALUATION METHODOLOGY

Bidders submitting a Tender are required to complete the Pricing Document uploaded to the Portal as part of the commercial envelope. Each Bidder's completed Pricing Document will be evaluated by the Authority.

The Tender with the lowest total will automatically score the highest mark for that category in the Pricing Envelope. Thereafter each other Tender is compared against the lowest priced Tender in accordance with the following formula to arrive at a score to one decimal point:

$$(A \div B) \times C = X$$

Where:

- A = the lowest submitted total price of all Tenders
- B = the total price submitted by Tenderer
- C = the maximum score of 100
- X = the score for Price

Based on a notional figure of £7,000,000 for the lowest Tender price and using the formula set out above, the Pricing Envelope score for price would be as set out below and then weighted by 20% in the final score:

Tenderer	Tender Price	Score Awarded (X)
1	£7m (A)	100 (C)
2	£8m (B)	87.5
3	£9m (B)	78
4	£12m (B)	58.5