

Appendix 3

Evaluation Criteria and information.

(Note: There are a few details still to be finalised, i.e. topics for discussion at the negotiation meetings etc. and discussions on these are ongoing.)

1. Initial and Final Tender Award Criteria

Level 1 Criteria	Weighting %	No.	Level 2 Criteria	Submission	Weighting %
Service Delivery	55	1	Key People	A	0
		2	Health & Safety	A + B	P/F
		3	Assist the alliance to achieve the aims and objectives	A	5
		4	Social value	A	5
		5	Customer engagement	A	10
		6	Mobilisation and Demobilisation	A + B	5
		7	Quality and Performance management	A + B	10
		8	Opportunity and Innovation	A + B	10
		9	Environment and Carbon Agenda	A + B	10
		10	Systems and Interface	A + B	12
		11	Value for money	A + B	15
		12	Operational delivery, including resilience and business continuity	A + B	18
Commercial	5	13	Risk Allocation and Commercial Terms		100
Financial	40		Price		100

1. Quality Statements

Tenderers should note that information provided for **Level 2 Criteria, Key People** will not be scored but used to provide contextual information for assessors assessing the answers to the remainder of the questions.

In addition, information for **Level 2 Criteria, Health and Safety** will be assessed on a **pass or fail** basis, and all tenderers will be expected to pass this criterion. **A fail shall automatically result in the Client excluding the Tender from further consideration, rejecting the Tender forthwith, and not evaluating that Tender further.**

For all other **Service Delivery Level 2 Criteria**, as stated in the table above, a Quality Statement must be provided giving a description of how you will deliver the services in accordance with the contract and achieve the contract objectives. The submission should also include what extra value you will offer and clearly demonstrate the enhancement to service delivery over and above the requirements set out in the Scope.

2. Level 2 Criteria, Part A responses only.

For the Level 2 Criteria, **Key People, Assist the Alliance, Social Value and Customer engagement**, tenderers are only required to submit a part A response.

3. Level 2 Criteria, Part A / B responses and approach

For Level 2 Criteria, **Health & Safety, Mobilisation and Demobilisation, Quality and Performance Management, Opportunity and Innovation, Environment and Carbon Agenda, Systems and Interface, Value for Money and Operational Delivery including Resilience and Business Continuity** are to be presented in two separate, Parts A and B responses, as described below.

Part A and Part B will carry equal weighting and the scores for Part A will be added to the score for Part B, providing an overall total for each Quality Statement.

Part A – Proposed approach

Part A shall contain your approach and proposals against the criteria detailed, explaining how if awarded the contract, you would deliver the service and contract objectives, seeking continual improvement whilst maximising performance against each of the criteria listed.

You should also identify any risks and dependencies which you consider will be critical to the success of the objective, and set out how the people, partnering, and processes, to be

implemented in the contract will manage them. A timetable for the successful delivery of any outputs and objectives identified should also be provided.

Part B – Evidence to support the proposed approach

Part B shall contain any relevant evidence to support and demonstrate that the proposed approach outlined in Part A has been proven to work, will meet the requirements set out by the Client, and lead to successful delivery of the services in this contract.

The evidence shall consist of written statements showing how the approach proposed in Part A for the delivery of the contract has been developed, and how the proposed approach for this contract can be proven. Where possible and appropriate, you should support the written statements by reference to external sources of evidence and assurance which may include, without limitation, academic studies, journal papers, best practice studies etc.

You may provide as evidence information about the performance of the proposed solution in other similar contracts with similar scope standards and objectives. Such information should take the form of specific data demonstrating the performance of the solution in delivering against the contract including improvements in service delivery or outcomes. Focus should be on evidence capacity and capability as a contractor.

Submission formatting

Please format your submission in 11pt Calibri(Body) font and provide it formatted as A4 in Microsoft Word or an equivalent word processing format. Submissions must not be in a PDF format.

Your submission must not exceed the number of pages indicated (one page comprises one side of A4) for each question, and any part of the submission exceeding the page limit shall be disregarded. The page limits include all text, tables, images, and diagrams.

Where page limits are indicated for questions with Part A and B submissions, the page limit covers both the Part A and Part B submissions in their entirety. It is for Tenderers to decide how best to utilise the pages available across each Part.

Each sub-criterion is of equal importance to the Client, and the scoring criteria identify how the sub-criteria will be evaluated. For questions with a Part A and B submission, each Part must be clearly signposted with an appropriate heading. Each sub-criterion must also be clearly signposted within the response with an appropriate heading. Marks may be lost where the response to the specific Part, and/or sub-criterion is not contained with a clearly identified and signposted area of the Tender response.

Cross referencing is only permitted between Part A and Part B responses to the same question and is not permitted to responses to any other questions within the Tender. Where cross

referencing is made within the response to a Part A or B question, this must be clearly stated for the evaluators to follow. Marks may be lost where there is inadequate referencing within the question response.

Your submission must include as a minimum:

- (1) **Key People (Part A no scoring), 4 pages.** Please describe the management organisation and such general information on people, partnering and processes as is needed to help the assessors understand the quality statements that follow. Your submission should include:
 - a) A diagram, (not included in the number of pages) showing the organisational structure and staffing levels which will be adopted for delivering the services including the back-office functions,
 - b) Identify those Key People required by the Contract,
 - c) How resources will be deployed, managed, and developed through the mobilisation, delivery, and de-mobilisation phases of the contract.

- (2) **Health & Safety (Part A Pass or Fail Rating), 10 pages.** For the general management of the service please detail how you will carry out health and safety management whilst taking a pragmatic approach to balance risk with mitigation cost. It should include in addition to the matters referred to above:
 - a) How the supply chain will be managed and engaged,
 - b) How you will seek to ensure wellbeing throughout the workforce.

- (3) **Assist the alliance to achieve the aims and objectives (Part A – 5%), 10 pages.** How will you embed a new culture including the development of effective behaviours, and competencies, and values needed to create a high performing team. Your submission should include reference to:
 - a) The terms of reference for the Alliance,
 - b) The core service objectives.

- (4) **Social value (Part A – 5%), 8 pages.** How will social value be delivered throughout the contract. The response must include:
 - a) How the services will deliver social value and social benefit, demonstrating greater community resilience,
 - b) What social value outputs the bidder will achieve such as through creating skills, training and employment opportunities, apprenticeships, Kickstart etc. and providing additional opportunities for individuals or groups facing greater social or economic barriers and creating equal opportunities for all,
 - c) How the Tenderer will maximise the use of Employment and Skills Planning (ESP) and the benefits you will deliver.

- (5) **Customer engagement (Part A – 10%), 10 pages.** How will you support the client to proactively and effectively engage with key stakeholders including the Elected Members, the public, officers of the Client, other members of the Alliance, and other network users. It should include
- a) How you will interface with the public, interested citizens/customers, to foster a positive image of the service and council, the Alliance, and you as the Contractor,
 - b) How you will manage public enquiries and complaints promptly and positively, including how you will go about improving NHT scores,
 - c) and more generally public satisfaction with the service.
- (6) **Mobilisation and Demobilisation (Part A – 2.5% and Part B – 2.5%), 12 pages.** Produce a Mobilisation Plan detailing how the transition will be managed to ensure continuity of service starting from appointment and covering operational mobilisation, supply chain mobilisation, communication, and services handover. The Mobilisation Plan should include in addition to those matters covered above:
- a) Timelines and significant milestones including how you will ensure the lawful TUPE transfer, induction, and integration of staff,
 - b) How you will ensure co-ordination and integration with the de-mobilisation requirements and activities of the outgoing Contractor,
 - c) What resources will be made available by you, the resources required of the Client, and the steps that will be taken to ensure success,
 - d) Change and stakeholder management, training and communication plans to ensure successful transition and to build effective relationships between the members of the Alliance,
 - e) Transition risk register with impact analysis and mitigation measures,
 - f) Mobilisation programme and Annual Plan preparation for the first financial year,
 - g) Service delivery arrangements, in particular identifying how you will meet the requirements for transfer of ongoing schemes and projects.
- (7) **Quality and Performance Management (Part A - 5% and Part B - 5%), 12 pages.** Produce a quality plan detailing how you will ensure robust quality management across all aspects of the service. It should include:
- a) How you will ensure that the performance management and incentivisation mechanism is adopted throughout your organisation, and supply chain, to the benefit of the Alliance and the overall services delivered,
 - b) How performance will be managed to achieve, maintain, and ultimately surpass the required contract service levels,
 - c) How you will build an organisation that responds rapidly to new requirements and changing demands.
- (8) **Opportunity and Innovation (Part A - 5% and Part B - 5%), 8 pages.** Please identify how you will identify, manage and ultimately implement opportunities at strategic and operational level. It should include:
- a) How you will identify existing opportunities,
 - b) How you will maximise future benefits,

- c) How you will introduce innovative materials and processes which will lead to added value for the Client.

(9) **Environment and Carbon Agenda (Part A – 5% and Part B – 5%), 10 pages.** Over the term of this contract, how would you engage and work with the highway authority and other members of the Alliance to reduce the impact on the environment, including the local natural environment and on climate change. Describe how you would assist the authority in achieving its objectives, in particular in reducing carbon emissions related to the contract with the aim of achieving a net zero position no later than 2050.

(10) **Systems and Interfaces (Part A – 6% and Part B – 6%), 10 pages.** How the use of IT solutions will be delivered, managed, and improved over time. This must include how any such systems will interface with the systems of the client and any other parties within the Alliance, as well as:

- a) How any ICT system will be used to contribute to a more efficient provision of the service as a whole, including improved accuracy and greater public interaction with information,
- b) How you will improve collaboration and communication through the development of systems and tools to enable the Alliance teams to share information and communicate electronically and more effectively,
- c) How you will ensure the building and retention of digital skills within the workforce,
- d) How you will achieve the provision and improvement of ICT systems to enhance the flow of information, and interaction with the public and other stakeholders,
- e) How you will achieve the financial cost capture and allocation and how this will integrate with the Client's ICT works ordering system.

(11) **Value for Money (Part A – 7.5% and Part B – 7.5%), 10 pages.** Please identify how you will demonstrate and continue to give cost predictability, accuracy and value for money to the client throughout the duration of this contract. It should include:

- a) How efficient delivery methods have resulted in reductions in costs,
- b) How you will identify and deliver ongoing efficiencies and savings, both cashable and non-cashable,
- c) On-going cost comparisons against comparable types of activities from across other areas of the industry.

(12) **Operational Delivery including resilience and business continuity. (Part A - 9% and Part B - 9%), 16 pages.** How will the general service will be delivered and managed, and the operational improvements which you commit to achieving. It will include in addition to the above:

- a) A comprehensive office management strategy including space requirements, identification of any additional space that is not owned by the Client, office management plans and management cover, including details of additional resource location and availability,
- b) Describe the systems, processes and resources that you will use to ensure the effective and efficient delivery of the service which may require the input from the client and other parties of the Alliance,
- c) How you will achieve 'right first time',

- d) How you will ensure the correction of defects,
- e) How you will manage and mitigate risks.
- f) How you will recruit, retain and train and develop staff,
- g) A comprehensive description of the systems, processes and resources that you will use to ensure business continuity,
- h) Space requirements, identification of any additional space that is not owned by the Client, office management plans and management cover, including details of additional resource location and availability.

(13) **Risk Allocation and Commercial Terms (5%), x pages.** Please describe how you have assigned and dealt with risk allocation. In addition, and subject to the Minimum Requirements for Commercial Terms set out in this document, the Tenderers will provide a marked-up version setting out any financial terms and assumptions you have made within this contract. It should include in addition to the above:

- a) The processes you would implement to monitor forecast and control cost over the life of the contract,
- b) Financial, commercial and development objectives that your company has for working within this Contract,
- c) Setting out any proposed changes to the amount of Low Service Damages,
- d) Setting out any proposed changes to any of the limitation of liability amounts,
- e) Setting out any proposed changes to any of the Performance Indicator performance levels.

For the avoidance of doubt the amounts and levels specified by the Client in the above documents constitute the Client's preferred position for the purposes of negotiation and its published position for the purposes of the Commercial position scoring criteria at paragraph 4.3.

4. Scoring Criteria

Bidders should note that regardless of a Tender's overall merits, in the event that a score of 0 is awarded against any question for either a Part A or Part B submission, the Client will exclude the Tender from further consideration, shall reject the Tender forthwith, and shall not evaluate that Tender further.

4.1. Part A submission scoring criteria (For scoring Questions 2, 3 and 4, the Part A submission will also assess the evidence provided that the solution is robust)

Response Rating	Description	Score
Excellent	An excellent response provided in addressing all the criterion/sub-criterion.	10
	The submission comprehensively and fully addresses the stated requirements of the question and is clear, detailed and specific in describing the solution and how it is proposed that it will meet the Client's requirements and contract objectives.	

	<p>The Tenderer clearly identifies, commits to, and quantifies added value within their approach, demonstrating innovation in their approach, where appropriate.</p> <p>The submission provides full confidence with regards to the solution by demonstrating a thorough understanding of the requirements, identifying, and proposing suitable mitigations for the technical and management risks, and allocating the skills and/or resources needed to deliver the proposed solution and the added value offered within the response.</p>	
Very Good	<p>A very good response provided in addressing the criterion/sub-criterion.</p> <p>The submission addresses the stated requirements of the question and all the requirements but is more general and lacks fullness, clarity or detail in describing some parts of the solution and how it is proposed that it will meet the Client's requirements and contract objectives.</p> <p>The Tenderer describes and commits to additional value and/or innovation, where appropriate, within their response, and shows the steps required to quantify the additional value.</p> <p>The submission provides a very good degree of confidence with regards to the solution by demonstrating a good understanding of the requirements, identifying and proposing suitable mitigations for the technical and management risks, and allocating the skills and/or resources needed to deliver the solution and the added value offered within the response.</p>	8
Good	<p>A good response provided in addressing the criterion/sub-criterion.</p> <p>The submission addresses the stated requirements of the question and the majority of the requirements but is more general and lacks fullness, clarity or detail in describing some parts of the solution and how it is proposed that it will meet the Client's requirements and contract objectives.</p> <p>The Tenderer describes and commits to additional value and/or innovation, where appropriate, within their response, and shows the steps required to quantify the additional value.</p> <p>The submission provides a good degree of confidence with regards to the solution by demonstrating a good understanding of the requirements, identifying and proposing suitable mitigations for the technical and management risks, and allocating the skills and/or resources needed to deliver the solution and the added value offered within the response.</p>	7

<p>Satisfactory</p>	<p>A satisfactory response provided in addressing the criterion/sub-criterion.</p> <p>While the submission generally addresses the stated requirements of the question, there are some minor omissions. The submission lacks fullness, clarity or detail in describing material parts of the solution and how it is proposed that it will meet the Client's requirements and contract objectives.</p> <p>Additional value is described, but the Tenderer fails to suitably quantify the value and/or fails to commit to the delivery of the additional value.</p> <p>The submission provides a satisfactory degree of confidence with regards to the solution by demonstrating an understanding of the requirements, identifying at least the most severe technical and management risks and providing suitable mitigations. It demonstrates an acceptable understanding of the skills and/or resources needed to deliver the solution and the added value included in the response.</p>	<p>5</p>
<p>Poor</p>	<p>A generally poor response provided in addressing the criterion/sub-criterion.</p> <p>There are more than minor omissions in the submission addressing the stated requirements of the question. The response is general and lacks clarity and/or detail in describing the solution and how it is proposed that it will meet the Client's requirements and contract objectives.</p> <p>The response fails to identify any additional value.</p> <p>The submission provides a poor degree of confidence with regards to the solution by failing to demonstrate an understanding of the requirements and/or identify even the most severe technical and management risks and/or identify suitable mitigations. It only demonstrates an acceptable understanding of the skills and/or resources needed to deliver the solution.</p>	<p>3</p>
<p>Un-satisfactory</p>	<p>The Tenderer provides an inadequate response which fails to sufficiently address all aspects of the question.</p> <p>The response creates serious concerns/risks in how the Tenderer proposes to deliver the requirements.</p> <p>Details in the Tenderer's response could pose a risk to the outcomes pursued by the Alliance.</p> <p>There is no response or a response of little or no relevance to the question.</p>	<p>0</p>

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4.2. Part B submission scoring criteria

Response Rating	Description	Score
Excellent	<p>An excellent response provided in addressing the criterion/sub-criterion.</p> <p>The submission gives excellent levels of confidence and demonstrates that the proposed solution is proven and will provide services that meet the stated requirements and above the required performance levels, and that any added value contained within the proposal can and will be delivered.</p> <p>The evidence is robust with high levels of third-party assurance and relates to multiple instances of highly comparable proposals.</p>	10
Very Good	<p>A very good response provided in addressing the criterion/sub-criterion.</p> <p>The submission gives very good levels of confidence that the proposed solution is proven, and that it will provide services that meet the stated requirements at the required performance levels, and that any added value contained within the proposal can and will be delivered.</p> <p>The evidence is comprehensive and generally robust with some third-party assurance and relates to at least one highly comparable proposal.</p>	8
Good	<p>A good response provided in addressing the criterion/sub-criterion.</p> <p>The submission gives good levels of confidence that the proposed solution is proven, and that it will provide services that meet the stated requirements at the required performance levels, and that any added value contained within the proposal can and will be delivered.</p> <p>The evidence is generally robust with some third-party assurance and relates to at least one highly comparable proposal.</p>	7
Satisfactory	<p>A satisfactory response provided in addressing the criterion/sub-criterion.</p> <p>The submission gives an acceptable level of confidence that the proposed solution is proven, and that it will provide services in line with the stated requirements and at the required</p>	5

	<p>performance levels, and that any added value contained within the proposal can and will be delivered.</p> <p>The evidence is sufficient but may not be comprehensive and robust. The evidence is not third-party assured and is drawn from a limited number of instances which are not fully comparable.</p>	
Poor	<p>A generally poor response provided in addressing the criterion/sub-criterion.</p> <p>The submission may state that the proposed solution will provide services in line with the stated requirements and at the required performance levels, and that any added value contained within the proposal will be delivered but the evidence gives an unacceptable level of confidence that the proposed solution is proven.</p> <p>The evidence is limited in scope or general in nature, contains no third-party assurance and is related to instances that are not comparable.</p>	3
Un-satisfactory	<p>There is no response or the response is of little or no relevance to the question.</p>	0

4.3. Commercial submission scoring criteria

Response Rating	Description	Score
Excellent	<p>The information sets out an improved commercial position for the Client compared to its published position on all of the points subject to the evaluation.</p> <p>The Client has no concerns about contracting with the Tenderer on this basis.</p>	10
Very Good	<p>The information sets out an improved commercial position for the Client compared to its published position on most of the points subject to the evaluation, with no derogations.</p> <p>The Client has very few or no concerns about contracting with the Bidder on this basis.</p>	8
Good	<p>The information sets out an improved commercial position for the Client compared to its published position on some of the points subject to the evaluation, with no derogations.</p> <p>The Client has very few or no concerns about contracting with the Bidder on this basis.</p>	7

Satisfactory	<p>The information sets out no or very few improvement to the Client's published position on any of the points subject to evaluation, and either there are no derogations or there is persuasive reasoning or identification of benefits to support such derogations.</p> <p>The Client has few concerns about contracting with the Bidder on this basis.</p>	5
Poor	<p>The information provided provides no improvement to the Client's published position on any of the points subject to evaluation, and there is at least one derogation and limited or no persuasive reasoning or identification of benefits to support such derogations.</p> <p>The Client has concerns about contracting with the Bidder on this basis.</p>	3
Un-satisfactory	<p>The position of the Tenderer in relation to one or more of the points subjects to evaluation is entirely unacceptable to the Client due to the seriousness of derogations from the Client's published position, such that the Client would not be willing to contract on this basis.</p>	0

5. Quality statement scoring process

- 5.1. The process described below will be applied for the scoring of tenders at Initial, Revised and Final Tender submission, if and when utilised, as described across this documentation.
- 5.2. Table 1- Individual Tender – Quality Scoring Example below, shows how individual tenderers scores will be calculated following evaluation. In the example below, quality accounts for 60% and therefore the price aspect would be marked out of the remaining 40%.
- 5.3. If a particular question requires both a Part A and Part B response, the scores awarded to both parts will be added together to give a score out of 20. Questions that are not split will be scored out of 10 as detailed in the scoring criteria.
- 5.4. The Level 2 criteria each carry an individual weighting (column iii). Combined these weightings equal 100% of the overarching Level 1 criteria value (column i). The scores awarded for the Level 2 criteria (column viii) reflect the percentage difference between the score awarded to the tenderer for the corresponding question (column vii) and the maximum possible score achievable for the corresponding question (column vi) multiplied by the weighting assigned to each question (column iii). This is illustrated further, in the formulas described below the table.

5.5. In the example below it can be seen the tenderer was awarded 71.50% for Level 2 criteria for Service Delivery and 80% for the Commercial criteria. This translates to a score of 39.33% for Service Delivery (55% X 0.715) and 4.0% for Commercial (5% X 0.8) to give an overall Quality Score of 43.33% out of the full 60% available.

5.6. The tender that scores the highest score for their quality submission, will then be awarded the full 60% overall weighting for Quality. Subsequent bidders are then awarded a proportion of the overall weighting which is adjusted based upon the relative distance between the highest scoring tender for quality, and the score for quality achieved by the tenderer. This is illustrated below in Table 2 - Overall Quality Weighting.

6. Table 1 - Individual Tender – Quality Scoring Example

	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)
Level 1 Criteria	Level 1 Criteria Weighting	Level 2 Criteria	Level 2 Criteria Weighting	Tenderer Part A Score	Tenderer Part B Score	Maximum Score Available (Part A Score + Part B Score)	Tender Total Score (Part A Score + Part B Score)	Level 2 Criteria Score **	Level 1 Criteria Overall Score ***
Service Delivery	55%	Key People	N/A	N/A	N/A	N/A	N/A	N/A	39.33%
		Health & Safety	N/A	N/A	N/A	N/A	N/A	N/A	
		Assist the Alliance	5%	8	N/A	10	8	4.0%	
		Social Value	5%	7	N/A	10	7	3.5%	
		Customer engagement	10%	5	N/A	10	5	5.0%	
		Mobilisation and Demobilisation	5%	10	8	20	18	4.5%	
		Performance and Quality Management	10%	8	7	20	15	7.5%	
		Opportunity and Innovation	10%	5	5	20	10	5.0%	

		Environment and Carbon Agenda	10%	8	7	20	15	7.5%	
		Systems and Interfaces	12%	8	8	20	16	9.6%	
		Value for money	15%	7	7	20	14	10.5%	
		Operational delivery	18%	8	8	20	16	14.4%	
		Level 2 Criteria Total	100%	N/A	N/A	N/A	N/A	71.5%	
Commercial	5%	Risk Allocation and Commercial Terms	100%	8	N/A	10	8	80.0%	4.0%
Final Quality Submission Score	60%	43.33%							

The value in Column (vii) is calculated using the following formula:

Column iv + Column v Score

The value in Column (viii) is calculated using the following formula:

(Column vii/ Column vi) X Column iii

The values in Column (ix) are calculated using the following formulas:

For Service Delivery

Sum of Service Delivery scores in Column viii X Service Delivery weighting in Column i

For Commercial

Commercial score in Column viii X Commercial weighting in Column i

Final Quality Submission Score = Overall score Service Delivery + Overall score for Commercial

7. Table 2 - Overall Quality Weighting

	(i)	(ii)	(iii)	(iv)	(v)
	Overall quality score	Percentage difference from highest Total Score	Points Deducted from 100	Total Points out of 100	Overall Quality Weighting
Tender 1	41.69%	-7.21%	7.21	92.79	55.67%
Tender 2	43.33%	-3.56%	3.56	96.44	57.86%
Tender 3	39.53%	-12.02%	12.02	87.98	52.79%
Tender 4	44.93%	0.00%	0.00	100.00	60.00%

The value in Column (ii) is calculated using the following formula:

$[(\text{Individual Tenderer Score} - \text{Highest Tenderer Score}) / \text{By Highest Tenderer Score}] \times 100$

The value in Column (iv) is calculated by using the following formula:

100 minus the value in Column (iii)

The value in Column (v) is calculated by using the following formula:

Value in Column (iv) multiplied by 60%

8. Price evaluation process

Price will be evaluated using the following methodology.

8.1. Tenderers will be required to enter a price against each individual item in the Price List. Tenderers are only required to enter prices once in the document; however, tenderers will be permitted to revise prices if and when any subsequent tender submissions are required as part of the Negotiation process.

8.2. The submitted prices will be totalled using 4 different quantity scenarios, which will be representative of possible future expense scenarios. This will help test pricing against situations that could occur over the length of the contract. The 4 scenarios are as follows:

- A. Base – anticipation of the annual service using existing quantities where applicable
- B. Increase in Maintenance Budgets
- C. Decrease in Maintenance Budgets
- D. Severe Winter

8.2.1. The specific details of each scenario in term of quantities are explained in detail within the contract specific Price List. The scenarios will have the following weightings, which in total represent the maximum available price score of 40%.

- A. 60% (24 points)
- B. 15% (6 points)
- C. 15% (6 points)
- D. 10% (4 points)

8.2.2. The lowest priced tender for each scenario will receive the maximum points available for that scenario as per Table 3 below, and detailed in clause 8.1.18.2.1. All other Tenders will be awarded points against each scenario that reflect the relative percentage difference between the lowest priced tender for that scenario, and the price of the

tender being evaluated. This is illustrated as an example against Scenario A in Table 4 below. This methodology applies to each of the 4 scenarios to give a total score, illustrated in Table 3 below.

- 8.2.3. The tender that scores the most points across the 4 scenarios, will then be awarded the full 40% overall weighting for Price. Each bidder is then awarded a proportion of the overall weighting which is adjusted based upon the relative distance between the score of the highest scoring tenderer and the score of the tender being evaluated.
- 8.2.4. In addition to the calculation of the total price for each Tender, the Financial Evaluation Panel will undertake a comparative analysis against submitted fees and prices to ensure financial viability and that the prices conform to market norms expected for the service provided. Should the Client consider that a price or fee is exceptional the Tenderer may be asked to provide further evidence to clarify or confirm that allowances made are based on costs anticipated.
- 8.2.5. Should the Client consider that a satisfactory response or sufficient evidence has not been provided to support any part of the Price submission, the Tender may be rejected.

9. Pricing Example

9.1. In the example below, price accounts for 40% and therefore the quality aspect would be marked out of the remaining 60%. **Please note the figures used in the tables below are for example purposes only and are not a reflection of anticipated tender prices.**

9.1.1. **Individual Scenario Scoring:** In Table 3 below, it can be seen that Tenderer 3 has submitted the lowest price against Scenario A and therefore scores the maximum 24 points available for that scenario (Table 4). Tenderer 4 has submitted a price that is 50% higher for that scenario and therefore receives a score 50% lower (12 points). The same theory applies across all the scenarios for all bidders.

9.1.2. **Overall Scoring:** In the example, Tenderer 3 has received the most points across the 4 scenario's (32.86 as shown in Table 5). They are therefore awarded the maximum 40% available for the Price Evaluation as shown in Table 6. The overall price weighting for all other tenders is relative to this as illustrated in Table 6 below.

10. Table 3 – Scenario Pricing

Scenarios and Tenders						
Scenario	Tenderer 1	Tenderer 2	Tenderer 3	Tenderer 4	Max Score available	Lowest Tendered Bid
A	£110	£130	£100	£150	24	£100.00
B	£115	£135	£110	£150	6	£110.00
C	£95	£120	£100	£130	6	£95.00

D	£110	£135	£125	£150	4	£110.00
Total					40	

Table 4 – Example Scenario Scoring

Scenario A					
	(i)	(ii)	(iii)	(iv)	(v)
	Price	Max Points Available	Percentage above Lowest Price	Points Deducted from score	Scenario Score
Tender 1	£110	24	10%	2.4	21.6
Tender 2	£130	24	30%	7.2	16.8
Tender 3	£100	24	0%	0	24
Tender 4	£150	24	50%	12	12

The value in Column (iv) is calculated by reducing the values of the specific row in Column (ii) by the value of the corresponding row in Column (iii).

The value in Column (v) is calculated by reducing the value of the specific row in Column (ii) by the value of the corresponding row in Column (iv).

11. Table 5 – Total Scenario Scoring

Score				
Scenario	Tenderer 1	Tenderer 2	Tenderer 3	Tenderer 4
A	21.60	16.80	24.00	12.00
B	5.73	4.64	6.00	3.82
C	6.00	4.42	5.68	3.79
D	4.00	3.09	3.45	2.55
Total Score	37.33	28.95	39.13	22.16

If a bid is more than twice the amount of the lowest price the equation will produce a negative number, in this case the bids score 0 points.

12. Table 6– Overall Price Score

Overall Price Weighting					
	(i)	(ii)	(iii)	(iv)	(v)
	Total Score from all scenarios	Percentage difference from highest Total Score	Points Deducted from 100	Total Points out of 100	Overall Price Weighting
Tender 1	37.33	-4.60%	4.6	95.4	38.16%
Tender 2	28.95	-26.02%	26.02	73.98	29.59%
Tender 3	39.13	0.00%	0.00	100.00	40.00%
Tender 4	22.16	-43.37%	43.37	56.63	22.65%

The value in Column (ii) is calculated using the following formula:

[(Individual Tenderer Score - Highest Tenderer Score) / By Highest Tenderer Score] X100

The value in Column (iv) is calculated by using the following formula:

100 minus the value in Column (iii)

The value in Column (v) is calculated by using the following formula:

Value in Column (iv) multiplied by 40%

13. Overall Scoring

- 13.1. The overall scores awarded are a combination of the scores awarded via the quality evaluation and the pricing evaluation.
- 13.2. Table 7 - Combined Quality and Price Score below, illustrates this, using the scores awarded in the examples in Table 2 and Table 6 above.
- 13.3. Applying the results in Table 7 would mean, at initial tender evaluation, that Tenderer's 1, 2 and 3 would be invited to proceed to initial negotiation and Tender 4 would be eliminated to the process.
- 13.4. Applying the results to final tenders would mean that, Tender 1 would be successful and would become the preferred bidder to proceed to contract award.

14. Table 7– Combined Quality and Price Score

Combined Quality and Price Score			
	Overall Quality Score	Overall Price Score	Total Score
Tender 1	55.67%	38.16%	93.83%
Tender 2	57.86%	29.59%	87.45%
Tender 3	52.79%	40.00%	92.79%
Tender 4	60.00%	22.65%	82.65%

Section 2– Negotiation Information

15. Aim of the Negotiation

- 15.1. The purpose of the negotiation is to provide the opportunity for the Client and Tenderers to engage in discussions and negotiation in order to seek an improvement in the delivery and costs, associated with nominated areas of the contract.
- 15.2. This process will provide Tenderers with the opportunity to propose innovative or alternative approaches to the delivery of services across the areas of negotiation that offer the Client improved costs and/or delivery methods aimed at enhancing the service provision across the life of the contract.
- 15.3. All negotiations will be carried out in compliance with the Public Contracts Regulations 2015 and the Client's duties as a Contracting Authority.

16. Overview and Aims of Negotiation Meetings

- 16.1. The negotiation meetings will be the forum, within which, the Tenderers can discuss their proposed innovative or alternative approaches for the delivery of services open for negotiation.
- 16.2. The Negotiation Phase will include one-to-one meetings between the Tenderers and Client on the service areas identified below.
- 16.3. The purpose of the Initial meetings will be to:
 - Ensure the Tenderers are clear of the objectives;
 - Ensure that the Tenderers understand the minimum requirements;
 - Discuss Tenderers ideas and options;
 - Identify and discuss risks and opportunities for the Client, Tenderer and others;
 - Identify resources (land, funds, staff, ICT, policy, etc.) required for Client, Tenderers and others;
 - Agree the feasibility of any proposals;
 - Give the Client confidence that rates submitted can reflect proposals;
 - Discuss timescales and mechanisms for implementation of proposals;
 - Discuss how any proposals may affect the pricing options; and
 - Discuss how any proposals may affect the quality submission.
- 16.4. Any subsequent negotiation meetings (if necessary) will aim to:
 - Achieve a greater understanding of the respective positions of the Client and the Tenderer's, to ensure a shared understanding of the scope and context of the area of negotiation.
 - Allow the Tenderer's to discuss and develop their proposed ideas and solutions in consultation with the Client's representatives.

- Give the Client's representatives, if necessary, the opportunity to review the Contractors proposal for a revised specification.
- Enable Tenderers to seek explanation from the Client on any aspects of the service under negotiation that may be unclear and to raise any preliminary issues relating to Tenderers' approaches to the service.

16.5. The purpose of the final negotiation meeting will be to:

- Allow the Tenderers to present their final proposed approach and discuss any remaining areas of concern/clarification.
- Allow the Client to outline any areas of concern related to the evidence provided in Part B of the Quality Statements.
- Conclude the negotiation process.

16.6. The Negotiation sessions will not be evaluated.

16.7. Tenderers should note that nothing said or intimated by the Client, or its advisers, at these meetings will constitute any transfer of risk to the Client or grants any approvals for Tenderers' proposals in relation to their adequacy in meeting the Client's requirements. However, the Client will endeavour to provide general advice, consistent with the requirements of Tendering probity, where preliminary high-level ideas and suggestions canvassed by Tenderers may or may not be acceptable to the Client.

16.8. Tenderers should provide details of areas which they wish to discuss with the Client at least 2 working days in advance of the Negotiation meetings. This does not preclude further areas being raised during the Negotiation meetings but will afford the Client sufficient time to consider those issues and enable more developed discussions during the meeting.

17. Conclusion of Negotiation

17.1. If, at the end of these discussions the Client has to its own satisfaction, agreed substantially all aspects of the proposed approach with the Tenderers and considered the implications on the specifications and outcomes, the Negotiation stage will formally close and the Instruction to Submit Final Tender (ISFT) will be issued.

17.2. The formal clarification process, as per the Instructions for Tenderers, for clarifying any specific issue relevant to the procurement may, however, continue until the set deadline for clarifications prior to submission of Final Tenders.

17.3. In accordance with the Public Contracts Regulations 2015, following submission of Final Tenders, no further negotiations of the Tender will occur.

18. Confidentiality

- 18.1. Answers to questions raised by Tenderers during the negotiations shall be disclosed in writing to all other Tenderers, unless both the question and answer relate specifically to the approach proposed by the Tenderer whereby, they will be considered commercially sensitive.
- 18.2. Should Tenderers wish to avoid such disclosure (for example, on the basis that the request or response contains commercially confidential information or may give another Tenderer a commercial advantage) the Tenderer must clearly indicate this when making the request, identifying that it relates to a commercially confidential matter, which the Client will then consider.
- 18.3. The Client will consider each such request for non-disclosure on its merits and in particular whether any regulations or considerations of probity require such a request to be denied.
- 18.4. Where the Client decides that the question (or request) and its response, cannot be withheld from circulation, the Tenderer reserves the right to withdraw the question or request, or alternatively re-present it in a different manner.
- 18.5. In accordance with Regulation 21 of the Public Contracts Regulations 2015, during the negotiation process the Client shall not disclose to another Tenderer any approach proposed by a Tenderer without that Tenderer's consent.
- 18.6. It should be recognised by Tenderers that ideas may not necessarily be unique to them and may have been considered by the Client or other Tenderers. Accordingly, while treating all Tenderers equally and fairly, the Client reserves the right to explore with all Tenderers, ideas and proposals which it considers are topics in the public domain, notwithstanding, that the idea or proposed approach already appears in the proposals of an individual Tenderer.

19. Areas for Negotiation

- 19.1. The Client will be using a Negotiation process to identify and discuss potentially new initiatives, or approaches, related to the aspects of the service. The Client intends to negotiate on the areas identified in the section below. The text provided for each point gives an indication of the types of issues that the Client may want to consider during negotiation and is not meant to be exhaustive.
 - a. **Re-cycling, maintenance methods, winter, etc. TBA**
- 19.2. The Client does not intend to negotiate on the following issues:
 - a. The NEC core clauses and options, the Scope and the pricing mechanisms for all other areas of the service not detailed in 20.1 above.

19.3. The Client reserves the right to adjust the areas detailed in 20.1 and 20.2 respectively, in advance of submitting the Invitation to Negotiate (ITN). This will be informed by the Tenders received. Final details shall be included within the ITN documentation.

20. Recording meetings

20.1. The Client will log key points raised in the meeting. These items will be classified under one of the following four headings:

- **Clarifications** (which must subsequently be raised by the Tenderer in accordance with the Instructions for Tenderers);
- **Changes** required to procurement documents as a result of the Negotiation;
- **Decisions**; or
- **Actions**.

20.2. The points recorded during the meeting will be recapped and confirmed at the end of the Negotiation meeting.

20.3. Logged issues may require further discussion or negotiation and the outcomes of which will be recorded.

20.4. An issue, once resolved and noted, will not be subject to renegotiation unless otherwise agreed by both parties.

20.5. Logged items pertaining to individual Negotiation sessions will be sent to the Tenderer as a confidential correspondence item for the Tenderer to review for accuracy and completeness following the Negotiation session.

20.6. Tenderers should provide confirmation of their acceptance as an accurate record of the discussions within 2 working days. Where the Tenderer considers that it does not accurately reflect discussions and agreement between the parties it shall provide alternative drafting to the Client. Any such comments will be considered by the Client and either accepted or contested as an accurate note. Where it is not possible to reach agreement on any aspect of the minutes, such points will be recorded as points raised and reserved by the Tenderer and logged as outstanding.

20.7. Prior to closing the Negotiation phase, all negotiation issues are to be settled. No amendments will be permitted after Negotiation has been formally closed.

21. Meeting Attendance and Roles

21.1. The Representatives from the Client's team will be drawn from Officers of the Client and external advisers where appropriate. TBA.

- 21.2. Tenderers will be advised of the names and positions of the Client's negotiation Team at least 2 working days prior to meetings. Additional Legal advisers may be consulted to advise on elements of the Negotiation where needed.
- 21.3. Representatives from the Client's organisation may attend in the capacity of observers for the purposes of shadowing the Competitive Negotiation process in order to apply the learning to other similar procurement projects the Client may undertake. The observers will not participate in the Negotiation Process. There will be a maximum of 2 observers present.
- 21.4. The Tenderer's negotiation team attending meetings shall consist of an appropriate number of suitably constituted and empowered representatives.
- 21.5. Confirmation of proposed meeting dates will be provided in advance of meetings, but Tenderers should ensure that the indicative dates and timings for Negotiation meetings contained in the Tender timetable are noted and scheduled into the diaries of the relevant Tenderer's personnel who will be involved in the meetings.
- 21.6. Tenderers are required to provide the names and positions of their representatives at least 2 working days before the meeting. Any changes to the individuals involved are to be notified to the Client.