



Highways Maintenance Efficiency Programme

# Instructions for Tenderers Notes for Guidance

Version 2 July 2016



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# REVISION SCHEDULE

INSTRUCTIONS FOR TENDERERS

NOTES FOR GUIDANCE

Rev	Date	Details	Prepared by	Reviewed by	Approved by
2 <sup>nd</sup> Edition	July 2016	Update to reflect the Publication of the Public Contract Regulations 2015	Anthony Collins Solicitors LLP	HMEP Steering Group March 2016	Matthew Lugg OBE (HMEP Advocate) July 2016

This report is supported by the following organizations:



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# FOREWORD

## ABOUT THE HIGHWAYS MAINTENANCE EFFICIENCY PROGRAMME

The Highways Maintenance Efficiency Programme (HMEP) is a sector-led transformation initiative that will maximise returns from investment and deliver efficiencies in highway maintenance services. The Programme started in April 2011 with sponsorship from the Department for Transport and is intended to run until 2018.

The Programme is offering local highway practitioners benefits from different ways of working. The vision is that over time, those involved in highways maintenance delivery, the local authorities as clients and their service providers, be they from the private or public sector will adopt an ambitious and longer-term approach to enable them to:

- Continuously find new and improved ways of delivering services to highway users and managing highways assets,
- Make use of collaborative partnerships to improve processes and outcomes, and
- Deliver a sustainable balance between meeting the needs of highways users, improving quality and minimising costs.

The overall Programme has been developed by the Programme Board through key personnel who support HMEP's development. This will ensure that:

- The Programme is truly being driven by what the whole sector needs and wants ('by the sector for the sector'),
- The solutions identified by the sector are relevant, realistic, repeatable, scalable and sustainable, and
- HMEP is benefits-led, driving true transformation of the sector with tangible efficiency gains and a lasting legacy.

As a transformation initiative HMEP is targeting the ways local highway authorities conduct their business. It invites the sector to adopt new ways of working to deliver efficiency savings through:

- **Collaboration & Change** – looking at how alliances between authorities, and clients and their providers, can be formed to deliver efficiencies in the delivery of highway maintenance services. Other projects are looking at changing business processes; for instance by applying LEAN thinking to the processes behind *service* delivery and how services or processes can be streamlined to realise efficiencies.

- **Procurement, Contracting and Standardisation** – advising on the routes to procurement enabling authorities to determine how their current service is aligned to current thinking and which is the best procurement option to realise their future service ambitions. It also provides the tools so that efficiencies can arise through the use of, for instance, a standardised form of contract and highway maintenance specification which are better aligned to the activities that local highway authorities undertake.
- **Asset Management** – by providing advice to the sector in the form of updated asset management guidance; for both a simplistic and, where appropriate, more complex lifecycle planning tool to determine whole life asset costs, thus moving away from a reactive to a longer-term approach for maintaining highways assets. To provide training specifically targeted at practitioners to help them move towards an asset management approach and to adopt the new HMEP guidance and tools.
- **Benchmarking & Performance** – collecting, sharing and comparing performance data on Customer/Quality/Cost to help both understanding to show how effective local highway authorities are in delivering Value for Money services and drive targeted efficiencies.

Products and tools are being developed for each of these themes and are being designed to be interdependent, but complementary, so that authorities can maximise their returns from their investments.

## **ABOUT THIS SUITE OF CONTRACT DOCUMENTS**

This suite of contract documents is part of the HMEP Procurement, Standardisation & Contracting theme. Entering into a contract is a time consuming process and there have been many developments in how they should be undertaken in recent years. This HMEP suite of documents compiles the current thinking around procurement and offers tools by which term maintenance services can be procured. It aims to remove the burden of maintaining the many bespoke forms of contract that authorities use and replace them with standard examples based on current good practice within the sector and is expected to be used in conjunction with the HMEP Standard Specification and Standard Details for Local Highway Maintenance to procure term service maintenance contracts or highway maintenance services. The suite comprises:

- Official Journal of the European Union (OJEU) Procedures and Notes for Guidance,
- Pre-qualification Questionnaire,
- Instructions for Tenderers and Notes for Guidance,
- The Form of Contract for Highway Maintenance Services.

These documents are located at [www.dft.gov.uk/hmep/efficiency/standard-form-of-contract.php](http://www.dft.gov.uk/hmep/efficiency/standard-form-of-contract.php)

The suite of contract documents takes practitioners through the procurement stages from advertising the intention to procure to the contract documentation needed to formalise the contractual relationships. It guides strategic thinking around the different considerations

when completing these stages. In sequence, the first document, the OJEU Contract Notice, would be used to advertise an impending contract. The second document comprises the Pre-qualification Questionnaire which is used to determine the capability and financial strengths of those service providers that should be invited to tender from those that should not. The third, the Instructions for Tenderers gives the data necessary for the *Contractor* to return the tender in the required format. Finally, the form of contract provides the *conditions of contract* and details the Parties' contractual obligations and requirements for performance. These documents will give Local Highway Authority officers the guidance they need to make the right choices while maintaining as much flexibility as possible to increase the scope of works.

Standardisation is one of the key facets of the Programme that will contribute to delivering efficiencies. Local highway authorities need to be aware that any variation to these standard forms, particularly the form of contract, has to be considered carefully and will introduce the need to consult, check and seek appropriate contract and or legal advice. The benefits to an authority of not making changes is that there is greater understanding through the use of these common forms that *Contractors*, in time, will become familiar and confident in using, thereby giving more competitive prices. Any change will detract from the benefit of using the common forms and will have to be measured against the perceived benefit of using other highway authority bespoke forms. Every change introduced increases uncertainty which the *Contractor* has to consider and which potentially leads to an increase in cost. Anything that generates inefficiencies and higher than average costs for construction activities would be considered contrary to the HMEP guiding principles.

## **INSTRUCTIONS FOR TENDERERS**

This publication comprises the Instructions for Tenderers and associated notes for guidance. It is based on the Highways Agency's New Engineering Contract 3 Instructions for Tendering and guides the user through the information needed for the tender period process, the submission of tenders, tender assessment procedures and subsequent award.

## **HOW WILL THIS HELP YOU DELIVER MORE EFFICIENT SERVICES?**

This suite of documents is aimed at local highway authorities to help guide them when procuring highway maintenance services. It is targeted at the head of procurement and head of highway level to guide their strategic thinking around the different considerations when completing their contract documents. It is based on the findings from a survey of the sector in October 2011 and examples of current contracts obtained from those authorities that have most recently procured highways maintenance services.

## **COMMENTS AND FEEDBACK**

The HMEP Programme Board would welcome any comments and feedback on this suite of documents so that it may be reviewed, improved and refined to give the sector the best advice possible. If you wish to make a comment, please send an email to [highwayefficiency@dft.gsi.gov.uk](mailto:highwayefficiency@dft.gsi.gov.uk) with the header 'Feedback on the HMEP Suite of Contract Documents'.



# 0 NOTES FOR GUIDANCE

## 0.1 GENERAL

- 0.1.1 To use these Instructions for Tenderers (IfT) as part of the tender documentation for Restricted Procedure or Negotiated Procedure with Negotiation, remove this section and the preceding pages 1 to 6 inclusive. Items to be completed by the Contracting Authority are highlighted in red text.
- 0.1.2 Insert a section on the Scope and Objectives for the Procurement of the Contract if the Contracting Authority wishes to provide this information.
- 0.1.3 The Compiler will need to insert the following information in section 1, item 1.1.1 at the appropriate locations:
- Contract name,
  - Select the procurement procedure to be adopted, and
  - Contract notice no. and date.
- 0.1.4 In section 1, item 1.1.5:
- the e-Sourcing portal web address,
  - Contract name, and
  - Procurement Officer name.
- 0.1.5 Determine if 1.1.9 and 1.1.10 are applicable.
- 0.1.6 In section 1, item 1.3.1:
- the e-Sourcing portal web address,
  - number of days tender queries must be submitted prior to return of tender date.
- 0.1.7 In section 1, item 1.3.2:
- the e-Sourcing portal web address.
- 0.1.8 In section 1, item 1.4.4, insert this text if the competitive procedure with negotiation is to be adopted and amend text accordingly.
- 0.1.9 In section 2, item 2.1.3:
- number of days tender must remain open.
- 0.1.10 Determine if either document is required at 2.1.4.
- 0.1.11 In section 2, item 2.1.5:
- the e-Sourcing portal web address.
  - project reference,
  - dated version of Microsoft Office to be used, and
  - file naming convention

- 0.1.12 In section 2, item 2.2.3:
- number of sheets and sides for Quality Statement.
- 1.1.13 In section 2, item 2.3.4:
- number of sheets and sides for Key People Submission.
- 0.1.14 In section 2, item 2.4.2:
- number of sheets and sides for Methodology Statement.
- 0.1.15 In section 2, item 2.6.1:
- delete [bill of quantities] if appropriate and omit text as described.
- 0.1.16 Include section 2, item 2.9.2 if option X4 is used.
- 0.1.17 in section 3, item 3.1.3 amend priorities if these do not meet the Contracting Authorities priorities, such as customers/public.
- 0.1.18 In section 3, item 3.5.1 enter quality and financial score ratio.
- 0.1.19 Include Section 4, item 4.1.4 if the contract will be executed as a Deed under seal.
- 0.1.20 Review list of documents issued with IfT in Annex A, item A.1.1 and A.1.2.
- 0.1.21 Delete Annex A Section A.2 if no data room is being provided, or enter opening times and notice period.
- 0.1.22 Review list of documents to be completed and returned with the Tenders in Annex A, item A.3.2.
- 0.1.23 In Annex B, Tender Query Form:
- the e-Sourcing portal web address,
  - Contract name
- 0.1.24 In Annex C, review timetable.
- 0.1.25 In Annex D, insert project specific issues that the Tenderer will respond to in their Quality submission. Insert “Separate submission not required” where appropriate.
- 0.1.26 Annex E gives guidance and a method of marking the Tenders Quality Statement. Enter scored marks for the Quality Statement and determine the Preferred Tenderer following the worked example in Appendix F.
- 0.1.27 In Annex G, check that clause Z21 is the correct Z clause for deleting bonuses and incentives and severance related to work from the Schedule of Cost Components.
- 0.1.28 In Annex I, insert any essential key people that the Contracting Authority requires the Contractor to provide.
- 0.1.29 Update contents page on completion.

# 1 THE TENDER PERIOD PROCESS

## 1.1 GENERAL

1.1.1 These Instructions for Tenderers apply to the submission of tenders for [contract name]. The tender process is carried out under the restricted/competitive procedure with negotiation procedure following the publication of contract notice no [...] dated [...].

[Note: There are rules setting out when use of the competitive procedure with negotiation (CPN) may be used – see the accompanying ‘OJEU Procedures and HMEP Notes for Guidance’ document.]

1.1.2 The process seeks to determine the most economically advantageous tender submitted to the Contracting Authority. This will be a compliant and sustainable bid with a validated overall score higher than any other Tenderers’ overall score.

1.1.3 Tenders must be submitted in accordance with these Instructions. Tenders not complying with these Instructions may be rejected by the Contracting Authority whose decision in the matter will be final. These Instructions will not form part of the proposed contract.

1.1.4 [Note: include this paragraph if using CPN – you must have reserved right to award after initial tenders without negotiating in the OJEU notice otherwise negotiation should be carried out] Once tenders have been received, the Contracting Authority shall determine in its absolute discretion whether it believes that it could improve the content of tenders by negotiating with Tenderers. If not, the Contracting Authority reserves the right to award the contract on the basis of the tenders received. If it believes negotiation is worthwhile, the Contracting Authority will notify each Tenderer of the date and time of a negotiation meeting, together with an outline of the matters to be negotiated. Once negotiations have taken place, the Contract Authority will require a Final Tender to be submitted. References within this Invitation to Tender are to be read as “Final Tender” where negotiation has taken place.

1.1.5 For enquiries contact the Contracting Authority via the e-Sourcing portal [https://\\*\\*\\*\\*\\*.co.uk](https://*****.co.uk) for [contract name]. The Procurement Officer for this competition is [insert name]. Contact with the Procurement Officer must be made via the e-Sourcing portal only. Except where otherwise directed in these Instructions, Tenderers must not contact any person in relation to this competition other than the Procurement Officer or, if nominated, their designated deputy. The name of any designated deputy will be confirmed in writing.

1.1.6 Tenderers are to identify a single point of contact in their organisation to communicate with the Procurement Officer. The name and email address of the contact are to be provided within one week of the Invitation to Tender.

1.1.7 The tender must be treated as private and confidential. Tenderers should not disclose the fact that they have been invited to tender or release details of the

tender documents, other than on an "in confidence" basis to those who have a legitimate need to know or whom they need to consult for the purpose of preparing the tender. Tenderers should not release information concerning the invitation to tender and/or the tender documents for publication in the press or on radio, television, screen or any other medium.

1.1.8 Under the Freedom of Information Act 2000 and the Environmental Information Regulations 2004 (EIR) the Contracting Authority may be obliged to disclose information relating to the tender process including any tenders received.

1.1.9 **[Include if required]** Under the Cabinet Office Efficiency Reform Group's Guidance Note dated December 2010 entitled "Transparency – Publication of New Central Government Contracts", the Contracting Authority may publish the responses to this tender and the provisions of any contract let pursuant to it, excluding only information which is exempt from disclosure pursuant to the Freedom of Information Act 2000. The Contracting Authority's initial view is that the only materials likely to be excluded from publication on this basis are as follows:

- Part B of the Quality Statement.
- CVs for the persons listed in the key people schedule.
- Build-ups of the prices in the [price list] and the resource cost schedule (but not the total prices).
- Build-ups of the fee percentages and the Working Areas overhead percentage (but not the total percentages).

1.1.10 **[Include if required]** Tenderers are invited to request that certain information is not disclosed or published if to do so would prejudice their legitimate commercial interests or is otherwise exempt from disclosure under the Freedom of Information Act 2000. Requests for non-disclosure under the Freedom of Information Act 2000 must accompany the tender and include:

- Clear and substantive justification.
- A time limit when any confidential information could be disclosed.

The terms of any confidentiality agreement would, if requested, be available for disclosure. Any request by the Tenderer under this paragraph is for information only and will not be taken into account in the tender assessment process, nor will it form part of any contract between the Contracting Authority and the Tenderer.

1.1.11 Tenderers must advise the Contracting Authority if:

- their ownership or the ownership of any member of their tendering consortium (or their parent company) changes, or
- any organisation involved in the preparation of this contract is acquired by them or by any member of their consortium (or an associated company).

If the Contracting Authority considers that a change in ownership on either ground referred to in this paragraph or any other circumstances have created a potential conflict which cannot be adequately managed through mitigation strategies suggested by the Tenderer, the Contracting Authority may exclude a conflicted Tenderer from the tender assessment. If excluded, the Tenderer will be notified by the Procurement Officer.

## 1.2 DOCUMENTS

- 1.2.1 Instructions relating to documentation are contained in Annex A.
- 1.2.2 Any drawings, prints, specifications, data, calculations and analyses issued to Tenderers in connection with this tender remain the property of the Contracting Authority. All such information issued to Tenderers may only be used for the purpose of tendering. Such information should not be disclosed to persons unconnected with the tender and should be returned to the Contracting Authority on completion of tender procedures. These provisions apply equally to drawings and other information supplied for the purpose of the tender, the property rights of which vest in a third party.

## 1.3 TENDER COMMUNICATIONS

- 1.3.1 Any queries from Tenderers regarding the tender documents must be made via **the e-Sourcing portal** on the form supplied in Annex B and sent to the Procurement Officer via **the e-Sourcing portal** no later than [21] days prior to the date of return of tenders.
- 1.3.2 All tender queries made in accordance with the above paragraph will be answered by the Procurement Officer. Queries regarding the tender documents and the responses to the queries will be issued weekly to all Tenderers via **the e-Sourcing portal**. If any answer requires a change to the tender documents then a tender amendment will be issued.
- 1.3.3 Tender amendments are changes to the tender documents that are made in writing by the Procurement Officer and issued to all Tenderers. Only in exceptional circumstances will tender amendments be issued after tenders have been submitted. In such circumstances, the Procurement Officer will notify all Tenderers of the required action.
- 1.3.4 Contracting Authority officers and their consultants do not have the authority to make any change to the tender documents except through a tender amendment issued by the Procurement Officer. If a statement is made at any meeting that a Tenderer considers is not in accordance with the tender documents then the Tenderer must refer the matter to the Procurement Officer as a tender query.

## 1.4 MEETINGS

**NOTE: Local Authority to amend section 1.4 to agree with the OJEU procedure to be employed.**

- 1.4.1 Tenderers will have the opportunity to meet the members of the Contracting Authority team at the tender presentation meeting set out below. The proposed date for this meeting is set out in Annex C. Other meetings will not normally be held unless specifically required to deal with a matter raised by a Tenderer.
- 1.4.2 A meeting will be held to explain, discuss and answer questions on the tender process. During this meeting, the following presentations will be given by the Contracting Authority.

- A presentation on the proposed contract by the Contracting Authority Project Leader, identifying and explaining any project specific issues of importance to the tender submission.
- A presentation by the Procurement Officer, setting out the tender process and timetable.
- A presentation on risk, focusing on the tender return requirements.
- An explanation of the tender marking system.

1.4.3 Tenderers will have an opportunity to ask questions at this meeting. Any tender queries must be submitted in accordance with the procedure set out above.

### 1.4.4 [Competitive Procedure with Negotiation

1.4.4.1 Meetings for negotiation may take place between the Contracting Authority and Tenderers, although, as stated in the OJEU notice, the Contracting Authority reserves the right to amend the Contract following receipt of the initial tenders.]

## 1.5 TENDER PROGRAMME

1.5.1 The tender programme is included at Annex C. The Contracting Authority reserves the right to amend the programme at any stage of the procurement process.

## 1.6 CANCELLATION OF TENDER

1.6.1 If the Contracting Authority decides:

- to cancel all or part of the tender or evaluation process at any stage;
- not to proceed with any proposal made in response to this Invitation to Tender or;
- not to accept a tender for any reason;

the Contracting Authority is not liable to reimburse any costs or losses incurred by the Tenderer in considering or submitting a tender in response to this Invitation to Tender or otherwise in connection with this competition.

## 1.7 INFORMATION

1.7.1 Whilst the information prepared by the Contracting Authority has been prepared in good faith, it does not purport to be comprehensive or to have been independently verified. The tender documents are issued on the basis that:

- neither the Contracting Authority nor any of its advisers accept any liability, responsibility or duty of care to anyone other than the Contracting Authority for their adequacy, accuracy, completeness or for anything said or done in relation to the procurement to which the tender documents relate;
- neither the Contracting Authority nor any of its professional advisers make any (express or implied) representation or warranty either about the information contained in the tender documents or on which they are based, or about any written or oral information that may be made available to any Tenderer, funder, other interested person or their professional advisers;

- nothing contained in the tender documents constitute an inducement or incentive in any way to persuade an interested person to pursue its interest, make a tender or enter into the tender documents or any other related agreement;
- the tender documents are not intended to provide a basis for any investment decision and should not be considered as a recommendation by the Contracting Authority or any of its advisers;
- neither the tender documents nor any information supplied by the Contracting Authority should be relied on as a promise or representation as to the future;
- the tender documents are neither an offer capable of acceptance nor are they intended to create a binding contract nor are they capable of creating such a contract by any subsequent actions; and
- no implied contract is to arise between the Contracting Authority and any Tenderer resulting from the issue of or any Tenderer's compliance with the tender documents or any matters related to them.

## 2 SUBMISSION OF TENDERS

### 2.1 GENERAL

- 2.1.1 Tenders and supporting documents must be written in English.
- 2.1.2 Tenders must be submitted in accordance with the tender documents including any tender amendments. Tenders must not be qualified or accompanied by statements or a covering letter that might be construed as rendering the tender equivocal. Unauthorised alterations or additions must not be made to any component of the tender documents. The Contracting Authority's decision as to whether or not a tender complies with these Instructions will be final.
- 2.1.3 Tenders not received by the Contracting Authority by the tender return date and time may be excluded from further consideration and returned to Tenderers. Offers should remain open for acceptance for [120] calendar days from the tender return date.
- 2.1.4 [Include if required] The Tenderer must sign and return the Fair Payment Charter [and Anti Bribery Code of Conduct or Members' Code of Conduct etc.] included in the Contract Data to the Contracting Authority before the Tender can be accepted.
- 2.1.5 The Form of Tender will be incorporated with the questions on the **e-Sourcing portal**, any response in the negative may lead to the rejection of the tender. The tender should be returned via the Contracting Authority e-Sourcing portal for [Insert project reference] in the volumes set out in Annex A. Documents are to be in .xls or .pdf format. When uploading tender submissions, upload the electronic files for each volume separately. No file is to be larger than 20Mbytes. Label each file using the naming convention [Insert naming convention to be used].
- 2.1.6 Further notes on the contents of these documents are given below.

### VOLUME 1

### 2.2 QUALITY STATEMENT

- 2.2.1 The Quality Statement must follow the structure set out and cover the items described in Annex D. The Quality Statement must present each item in two separate parts: Part A, the proposed approach to the contract; and Part B, evidence from previous projects undertaken by the Tenderer to demonstrate that the proposed approach is likely to be successfully delivered.
- 2.2.2 The approach to this contract is to be described in Part A of the Quality Statement in the form of proposals and quality procedures. The proposals are to consist of material explaining how, if awarded this contract, the Tenderer intends to Provide the Works. The quality procedures are to set out how the proposed activities are to be carried out. The quality procedures are required to be incorporated into the successful Tenderer's Quality Plan, and are limited to statements that will become contractual obligations. The evidence in Part B of the Quality Statement is to consist of verifiable statements showing how the approach proposed in Part A has been developed from the successful delivery of similar work.



- 2.2.3 The Quality Statement must not exceed the page limit, which is [25] sheets of A4 paper ([50] sides) for parts A and B combined.
- 2.2.4 Tenderers may use A3 paper in lieu of A4, but each A3 sheet will be counted as two A4 sheets. Text must be presented in “Arial” font and be no smaller than 11 point, single-spaced with the margins set at 2.5cm. Text no smaller than 8 point can be used for drawings, diagrams and flow charts. The page limit and font size relate to the entire Quality Statement including, title pages, drawings, diagrams, flow charts and annexes. The pages of the Quality Statement must be numbered. Page numbers and other header or footer information may be included in the margin space.
- 2.2.5 If the submitted Quality Statement does not comply with the submission requirements then the tender will normally be rejected.
- 2.2.6 If Tenderers consider that the page limit is insufficient to provide the information required by these Instructions then a tender query should be raised. No guarantee can be given that the page limit will be increased.

### **2.3 KEY PEOPLE SUBMISSION**

- 2.3.1 Tenderers are to provide an organisation chart and a description of their intentions for managing the contract together with the key people schedule.
- 2.3.2 The organisation chart should identify the posts and proposed location of key people and their teams. The skills, training and experience needed by the key people should be described. The submission must explain how the Tenderer intends to fill these posts and must demonstrate that the people named in the key people schedule meet the stated requirements. Emphasis must be placed on how these people will use their skills to successfully deliver the Contracting Authority’s objectives.
- 2.3.3 The submission should include the key people schedule in the form set out in Annex I, listing the key people proposed for this contract, and identifying any additional posts which Tenderers consider will be critical to the success of the project. CVs and other evidence that the people identified meet the requirements for their posts are to be provided for the named key people. The minimum period of availability is to be given for each named person. The Tenderer should prepare the submission on the assumption that no suitable TUPE staff will be available, although this may not be the case.
- 2.3.4 The submission should set out any share of the contract that the Tenderer intends to subcontract to third parties and any proposed subcontractors, including the name, contact details and legal representatives of those subcontractors (insofar as these are known at the time).
- 2.3.5 If the Tenderer is completing the documents as part of a consortium, then the following information must be provided:
- a the names of all consortium members;
  - b the lead member of the consortium who will be contractually responsible for delivery of the contract; and
  - c if the consortium is not proposing to form a legal entity, full details of the proposed arrangements.

- 2.3.6 The submission must not exceed the page limit, which is [5] sheets of A4 paper ([10] sides). Text must be presented in “Arial” font and be no smaller than 11 point, single-spaced with the margins set at 2.5cm. Text no smaller than 8 point can be used for drawings, diagrams and flow charts. The page limit and font size relate to the entire Key People Submission including, title pages, drawings, diagrams, flow charts and annexes. The pages of the Key People Submission must be numbered. Page numbers and other header or footer information may be included in the margin space. The page limit does not include the key people CVs.

## **2.4 METHODOLOGY STATEMENT**

- 2.4.1 The methodology statement is to provide:

- a A schedule of the resources planned for the contract in sufficient detail to identify individual resources and the total proposed resources for each operation.
- b A method statement for each operation, describing the approach proposed for that activity.
- c A register of risks, in the format shown in Annex J, identifying and describing the risk, to include the estimated effect of the risk on time and cost, and describe the actions proposed to avoid or reduce the risk. It must not include any reallocation of risks.

The statement is to include an assessment of the effect of the proposed approach on other costs that will be incurred by the Contracting Authority.

- 2.4.2 The Methodology Statement including, title pages, drawings, diagrams, flow charts and annexes, must not exceed the page limit, which is [10] sheets of A4 paper ([20] sides). Text must be presented in “Arial” font and be no smaller than 11 point, single-spaced with the margins set at 2.5cm. Text no smaller than 8 point can be used for drawings, diagrams and flow charts. The pages of the Methodology Statement must be numbered. Page numbers and other header or footer information may be included in the margin space.

## **VOLUME 2**

### **2.5 WORK BREAKDOWN STRUCTURE**

- 2.5.1 A Work Breakdown Structure (WBS) incorporating a cost breakdown structure is prescribed by the Contracting Authority. Tenderers are to submit financial information in accordance with this WBS.

### **2.6 PRICE LIST**

- 2.6.1 A completed price list is to be provided. [Omit following if bill of quantities is provided] The price list is to contain the item descriptions set out in the Contracting Authority WBS. Each activity in the price list is to be entered under one of the elements in the WBS.
- 2.6.2 The Prices are to be based on the forecast Defined Cost of the work required for each activity on the price list plus the Fee. A tender that is priced on any other basis will be rejected.

## 2.7 RESOURCE COST SCHEDULE

- 2.7.1 Tenderers are to provide a resource cost schedule setting out the Defined Cost plus Fee of the resources included in the methodology submission. It is to provide unit costs for each resource, the total cost of each resource, and the total for all resources on each operation. Substantiation is to be provided for the costs of the resources, including detail of the basic and overhead costs of people.

## 2.8 FINANCIAL INFORMATION

- 2.8.1 The tender is to include:
- a a Fee Schedule for each fee percentage, consisting of a build up of the fee percentages quoted in the Contract Data, which must follow the layout shown in Annex G.
  - b substantiation of the percentages entered in the Fee Schedule, in sufficient detail to demonstrate which elements of cost have been included in the fee percentage. The substantiation must be based on verifiable costs.
  - c **[Include if this option applies]** [a build up of the Working Areas overhead quoted in the Contract Data, which must follow the layout shown in Annex H. This must be supported by verifiable calculations of the forecast cost.]

## 2.9 OTHER INFORMATION

- 2.9.1 The Contracting Authority is required to take suitable precautions to safeguard its information. Information Assurance is the confidence that information and communications systems will protect the information they handle, and will function as and when they need to under the control of legitimate users. Tenderers are to provide a description of their proposals for handling information so that the suitability of their proposed Information Assurance solutions can be assessed.
- 2.9.2 **[Include if contract includes option X4]** Tenderers are to submit either:
- a a certified copy of the Board minutes, **(in English,)** from the Ultimate Parent Company clearly and unambiguously confirming that they will enter into the Parent Company Guarantee when requested, or
  - b a letter signed by the Company Secretary and a Director (or two Directors) clearly and unambiguously confirming that they will enter into the Parent Company Guarantee when requested.
- If the Tenderer does not return a certified copy of the minutes or a signed letter then the tender will be rejected.
- 2.9.3 In addition to the above, Tenderers must return the other information set out in Annex A.

## 3 TENDER ASSESSMENT PROCEDURE

### 3.1 EVALUATION METHOD

- 3.1.1 The Contracting Authority's assessment of tenders will be carried out in three stages. In the first stage, the Procurement Officer will check for tender compliance and panels will judge tender submissions, based wholly on the contents of the tender submission which must therefore contain all the information which Tenderers wish to be considered. The second stage will involve the validation of the quality submission and financial information. The final stage involves the sustainability check and confirmation of the availability of key people. An example of the evaluation process is set out in Annex F.
- 3.1.2 The Financial Assessment Panel and the Quality Evaluation Panel will work independently and will not have access to each other's assessments until after the verification of the quality submission and financial information.

#### STAGE 1

### 3.2 GENERAL

- 3.2.1 An equivocal tender or a tender which does not comply with the tender documents, including any tender amendments, may result in the tender being rejected.
- 3.2.2 The Contracting Authority will assess whether the Information Assurance solutions submitted provide adequate protective security for personal and confidential information. The Procurement Officer may refer any concerns to the appropriate Tenderer, and unless the Tenderer is able to demonstrate that its proposals can be relied on, the tender will be rejected.
- 3.2.3 During the evaluation period, the Contracting Authority reserves the right to seek clarification in writing or by means of a clarification meeting from any or all of the Tenderers, to assist in its consideration of their tenders.

### 3.3 QUALITY MARKING

#### Quality Statement

- 3.3.1 A Quality Evaluation Panel will mark the Quality Statement. The Panel will determine which Quality Statement provides the Contracting Authority with the most confidence that the Employer's objectives will be delivered and continual improvement achieved. In marking the Quality Statement, the panel will take into account all the material supplied in Volume 1.
- 3.3.2 The Quality Evaluation Panel will award marks for the assessment criteria using the marking system given in Table E.1 of Annex E and determine the total mark by completing Table E.2 of Annex E.

3.3.3 Clarifications are statements requested from Tenderers by the Procurement Officer to remove any ambiguity from tenders. Clarifications will be recorded in writing. If necessary to complete their marking, the Quality Evaluation Panel will seek clarifications from the Tenderer via the Procurement Officer. Clarifications will be sought during the marking process to remove any uncertainty over the meaning of the Quality Statement. If a clarification provides information not requested by the Procurement Officer then this information will not be accepted and may lead to the rejection of a tender.

3.3.4 Any uncertainty over the meaning of the Quality Statement will be removed via clarifications before the Quality Evaluation Panel complete their marking. No further requests for clarifications on the Quality Statement will be made after the marking is completed.

#### **Key people submission**

3.3.5 The Quality Evaluation Panel will mark the key people submission. The Quality Evaluation Panel will award marks for the assessment criteria using the marking system given in Table E.4 of Annex E.

#### **Methodology submission**

3.3.6 The Quality Evaluation Panel will assess the methodology submission. The Quality Evaluation Panel will award marks for the assessment criteria using the marking system given in Table E.5 of Annex E.

#### **Combining the Quality Scores**

3.3.7 The Quality Statement will be given marks out of a maximum of 100. The key people submission and the methodology submission will each be given marks out of a maximum of 10. These marks will be normalised to a mark out of 100.

3.3.8 The minimum quality requirement for this contract is to reach a threshold of 60 in the normalised mark for each part of the quality submission. A tender that has failed to achieve the minimum quality requirements may not be considered further in the tender assessment, and if excluded, the Tenderer will be notified by the Procurement Officer. If the tender is not excluded the normalised marks achieved by the tender will be used in subsequent calculations.

3.3.9 The marks for the Quality Statement, key people submission and methodology submission will be combined in the ratio of [55:15:30] respectively after they have been normalised. The combined mark will be rounded to one decimal place.

3.3.10 The tender with the highest total mark will be given a score of 100. The score of other Tenderers will be calculated by deducting from 100 one point for each full percentage point by which their mark is below the highest.

### **3.4 FINANCIAL SCORING**

3.4.1 A Financial Assessment Panel will determine a price for each Tenderer who has not been excluded on the following basis:

- a the total of the Lump Sum prices in the price list, which includes an estimate of those activities and their recurrence during the first year of the contract;

- b an allowance for compensation event assessments including the tendered fee percentages.

This price list is for financial assessment only and does not in any way reflect the actual contract quantity of recurrence of the activities listed.

- 3.4.2 The lowest price will be given a score of 100. The score of other Tenderers will be calculated by deducting from 100 one point for each full percentage point by which their price is above the lowest.
- 3.4.3 The estimates, allowances and adjustments in the paragraphs above are estimates for tender assessment purposes only and there is no guarantee that work to assessment values will be carried out during the contract period.

### **3.5 COMBINING QUALITY AND FINANCIAL SCORES**

- 3.5.1 The quality and the financial scores will be combined in the ratio [60:40] applied to the quality and financial scores respectively. The combined score will be rounded to one decimal place.
- 3.5.2 The tender with the highest total score will be validated. In the event of more than one Tenderer with the same total score, these tenders will be validated.
- 3.5.3 The Procurement Officer will inform Tenderers whether or not they have been identified for validation. Such notifications must not be taken as inferring acceptance of any tender.

## **STAGE 2**

### **3.6 VALIDATING THE QUALITY SUBMISSION**

- 3.6.1 The Quality Evaluation Panel will validate Part B of the Quality Statement to determine whether the Tenderer can substantiate its Part B evidence.
- 3.6.2 The Quality Evaluation Panel will not reconsider the Part A information or scores, nor will they seek or permit any further clarifications in relation to the Quality Statement. The tender cannot be modified during the validation stage, and therefore Part B marks cannot be increased above those assessed in Stage 1.
- 3.6.3 In validating Part B of the Quality Statements, the Quality Evaluation Panel will use any practical means, and may approach any person or organisation named in the Quality Statement as part of the validation. The validation may include meetings with the Tenderer.
- 3.6.4 The Quality Evaluation Panel will interview the key people identified in the tender. The key people will be required to demonstrate their understanding of the project requirements and show how their skills and experiences have been applied to successful outcomes on previous relevant projects. Records of training, skill achievement and past experience are to be produced if requested by the Panel.
- 3.6.5 The Quality Evaluation Panel will reconsider their Part B marks and the marks for the key staff in the light of their findings. If lower marks are awarded then the overall scores will be re-calculated.

### **3.7 VALIDATING THE FINANCIAL INFORMATION**

- 3.7.1 The Financial Assessment Panel will validate the tender to check that the costs included in the resource cost schedule are representative of the likely costs to be incurred.
- 3.7.2 The Financial Assessment Panel will establish whether the Tenderer has satisfactorily demonstrated that the Working Areas overhead percentage calculations and the build up in the Fee Schedule demonstrate that the figures stated are representative of the likely costs to be incurred.
- 3.7.3 As part of this validation the Financial Assessment Panel may ask to be provided with original evidence that demonstrates that the allowances made are based on costs actually incurred. The team may wish to interview appropriate accounting staff to provide the level of satisfaction required.
- 3.7.4 Failure to provide satisfactory evidence to support any part of this aspect of the tender may result in the tender being rejected.

### **3.8 DETERMINING THE PREFERRED BIDDER**

- 3.8.1 Following validation, if the Tenderer's score remains the highest, then that Tenderer becomes the Preferred Bidder. If
- a validating the financial information has led to the rejection of the tender, or
  - b the Tenderer's score has been changed, and is no longer the highest score,
- The Tenderer with the highest total combined score will be validated.
- This process continues until a Tenderer with a validated score higher than other bidders has been identified. This Tenderer becomes the Preferred Bidder.
- 3.8.2 The Procurement Officer will inform Tenderers whether or not they have been identified as the Preferred Bidder. Such notifications must not be taken as inferring acceptance of any tender.

## **STAGE 3**

### **3.9 SUSTAINABILITY CHECK**

- 3.9.1 The Contract must operate as a viable business for both partners. The Contracting Authority seeks to have the required level of service at an affordable cost, whilst providing a reasonable profit for the Tenderer. Abnormally low tenders will be subject to scrutiny. Contracting Authorities shall require tenderers to explain the price or costs proposed in the tender where tenders appear to be abnormally low. The Contracting Authority shall assess the information provided by consulting the Tenderer, and may only reject the tender where the evidence supplied does not satisfactorily account for the low level of price or costs proposed. This is in accordance with Regulation 69 of the Public Contracts Regulations 2015.
- 3.9.2 The Quality Evaluation Panel and the Financial Assessment Panel will jointly review the material submitted with the tender to verify that the resources proposed are likely to deliver the level of service set out in the quality submission.

- 3.9.3 During this stage of the assessment, the Quality Evaluation Panel and the Financial Assessment Panel may seek further clarification from the Preferred Bidder to enable them to understand the submission better. These clarifications may be sought in writing or at a meeting called for that purpose.
- 3.9.4 Failure to provide satisfactory evidence to support any part of this aspect of the tender may result in the tender being rejected.

### **3.10 TEAM CONFIRMATION**

- 3.10.1 Following validation and before a contract is awarded the Contracting Authority will require confirmation that the team offered in the key people schedule is available to start the project.
- 3.10.2 Failure to offer a compliant team may lead to the rejection of the tender.



## 4 TENDER AWARD

### 4.1 GENERAL

- 4.1.1 The Contracting Authority reserves the right not to proceed with any proposal made in response to this invitation.
- 4.1.2 Tenderers will be given feedback on their tender shortly after the assessment has been completed. Feedback will be set out in standstill notices which are sent to all Tenderers at the beginning of the mandatory 10 day standstill period which is held before the Contracting Authority may execute the contract with the successful Tenderer.
- 4.1.3 Prior to the award of any contract the successful Tenderer must provide evidence that insurance required by the contract is in place.
- [Include the following paragraph 4.1.4 if it is applicable]
- 4.1.4 [The contract will be executed as a Deed under seal.]
- 4.1.5 Details of the Contract Award will be published in the Official Journal of the European Union.
- 4.1.6 Any drawings and other documents issued by the Contracting Authority and not returned with the tender should be deleted from the Tenderer's computers and all hard copies destroyed.

# ANNEX A - TENDER DOCUMENTS

[Compiler to review lists and check that the issued annex correctly identifies all documents.]

## A.1 LIST OF DOCUMENTS WITH INVITATION TO TENDER

A.1.1 The following documents are included with this invitation:-

1. Instructions for Tenderers.
2. Contract Data parts one and two.
3. Form of Tender.
4. Form of Agreement by Deed.
5. Service Information.
6. Site Information.
7. Fair Payment Charter.
8. Anti Bribery Code of Conduct.
9. Data handling Policy.
10. Records Policy.

A.1.2 The following parts of the tender documents are included in a form to allow electronic preparation of the information required:-

1. Tender Query form.
2. Form of Tender.
3. Contract Data part 2.
4. Form for build up of Working Area overhead.
5. Form for key people schedule.
6. Form for Fee schedule.
7. Form for Risk register.

## A.2 DATA ROOM

[Omit this section if no Data Room is provided]?

A.2.1 The additional information set out in the Service Information is available in a Data Room. To arrange for access to the Data Room, contact should be made with the Procurement Officer.

A.2.2 The Data Room will be open between [set out times of opening]. A prior appointment is required and shall be made at least [2] working days before access to the Data Room is required.

A.2.3 Copies of the information available in the Data Room can be made available following arrangement with the Procurement Officer. If Tenderers request to use this service then the Contracting Authority's costs will be charged.

### A.3 LIST OF DOCUMENTS TO BE RETURNED WITH THE TENDER

A.3.1 The following documents are to be completed and returned by Tenderers with their Tenders in volume 1:

1. The Quality Statement.
2. The key people submission, including the key people schedule.
3. The methodology statement.

A.3.2 The following documents are to be completed and returned by Tenderers with their Tenders in volume 2:

1. Completed Form of Tender.
2. The completed Contract Data part 2.
3. A completed price list.
4. The resource cost schedule.
5. Three copies of the completed Fee Schedule, one for the direct, one for the subcontracted and one for the Associated Company fee percentage.
6. A build up of the Working Areas overhead quoted in the Contract Data.
7. A description of the proposed Information Assurance solution.
8. Statement undertaking responsibility for dealing with insurance claims or parts of such claims within the excess amount.
9. Status of registration under the Construction Industry Scheme Regulations.
10. Statement confirming their willingness, if awarded the contract, to accept the appointment and duties of principal contractor. **[for contracts with significant design elements, add: and principal designer].**
11. Evidence of their competence to carry out the role of principal contractor. **[where applicable add: and principal designer].**
12. Completed Fair Payment Charter.
13. Completed Anti Bribery Code of Conduct.
14. Any request for non-disclosure under the Freedom of Information Act.
15. **[If option X4 included]** A certified copy of the Ultimate Parent Company Board Meeting minutes or letter signed by the Company Secretary and a Director (or two Directors) clearly and unambiguously confirming that they will enter into the Parent Company Guarantee when requested.

# ANNEX B - TENDER QUERY FORM

Tender queries are to be entered in electronic form as below via the Contracting Authority e-Sourcing portal. All details are to be included on this form, and no further attachments are to be sent. One question should be asked for each row; insert additional rows if necessary.

<b>TENDER QUERIES SUBMISSION SHEET</b>			
Tenderer to issue sheet via:		<a href="https://*****">https://*****</a>	
For Contract		[contract title]	
Submitted by		Date	
		For Office Use Only.	
Query No.	Document Reference	Nature of Query	Query Ref Refer to

# ANNEX C - INDICATIVE TENDER PERIOD TIMETABLE

[Note to compiler – these timings should be adjusted for any specific contract requirements, and allowances should be made for issues likely to delay assessment – such as the ability of Tenderers to respond over the Christmas break. Note that the timings are simply suggestions and do not represent the minimum possible timescales. The red text needs amending depending on procedure followed.]

Item	Activity	Date	Week
1	Issue tender Documents		0
2	Tender Presentation		[2]
3	Last Date for Tender Queries		[11]
4	Last Date for Client to Answer Tender Queries		[13]
5	Tender Return		[14]
[6]	Period for negotiation of tenders]		[14 to 16]
[7]	Final Tender Return		[16]
6	Marking of the quality submission part A		[15 to 17]
7	Financial Scoring		[15 to 17]
8	Tenders for validation identified		[18]
9	Validating the quality submission		[19]
10	Validating the financial information		[19]
11	Preferred Bidder identified		[21]
12	Confirm availability of team with Preferred Bidder		[21]
13	Notification of winning tender		[23]
14	Standstill period		[23 to 24]
15	Feedback to Tenderers		[23]
16	Award Contract		[24]
17	Inaugural Meeting		[25]

# ANNEX D - QUALITY STATEMENT REQUIREMENTS

## D.1 GENERAL

D.1.1 The Quality Statement is to be presented in two separate parts (A and B), as described below. The first part is to provide the Part A statements and the second the Part B evidence.

## D.2 PART A - PROPOSED APPROACH

D.2.1 Part A is to set out the proposed approach to deliver the contract objectives by maximising performance against each performance criterion listed in table D.1 below and delivering continual improvement.

D.2.2 The proposals and procedures in Part A are to set out how the people, partnering and processes to be implemented on the contract will control the identified risks. Under each risk heading, the statement should deal with the issues listed.

D.2.3 Tenderers should also identify any additional issues affecting the listed risks which they consider will be critical to the success of the project, and set out how they propose to manage them.

## D.3 PART B - EVIDENCE TO SUPPORT PROPOSED APPROACH

D.3.1 Part B is to identify the evidence from other projects to provide the Contracting Authority with confidence that the proposed approach is likely to be successfully delivered.

D.3.2 The evidence is to consist of verifiable statements showing how the approach proposed in Part A has been developed and has contributed to the successful delivery of similar services.

D.3.3 A schedule outlining details of all projects used to provide evidence should be included at the end of Part B. It should include the following details:

- Project title
- Client
- Value
- Contractor or designer
- Role played
- Dates

**D.4 STRUCTURE OF STATEMENT**

- D.4.1 Table D1 below identifies the performance criteria for the contract, and lists certain risks to meeting those criteria. Tenderers should take account of this material for guidance as to the issues which need to be considered. The Quality Statement must be structured to follow the headings and sub headings in the table below, using the numbering system in the table, and cover each numbered risk separately.
- D.4.2 Some issues may be common to several risks; if this is the case then duplication should be avoided by the use of cross references.
- D.4.3 The listed risks must not be changed, but compilers should identify and enter contract specific issues in the “Issues” column. Any issues in the issues column that are not applicable to the proposed contract should be deleted.

Table D.1 – Quality Statement

Risk item		Issues [Separate submissions are not required for each risk]
<b>Client Satisfaction – Product</b>		
1.1	To provide input to a Term Maintenance Agreement which satisfies the Contracting Authority’s requirements.	[Insert project specific issues that the Tenderer will respond to in their Quality submission. Insert “Separate submission not required” where appropriate.]
<b>Client Satisfaction – Service</b>		
2.1	To maintain effective engagement, communication and collaboration with the Contracting Authority’s staff.	
2.2	To maintain effective engagement, communication and collaboration with the Contractor’s supply chain	<ul style="list-style-type: none"> <li>• Use of SME and Local Firms in Providing the Service – the Contractor to include proposals for increasing the input of SME and Local Firms in Providing the Service for the benefit of the local economy.</li> </ul>
2.3	To maintain effective engagement, communication and collaboration with external stakeholders.	
2.4	To manage sustainability effectively.	
2.5	To manage risk and opportunities effectively.	
2.6	Additional premises used for the Delivery of the service	<ul style="list-style-type: none"> <li>• The Contractor to detail any proposals for any additional premises he intends to provide beyond those provided by the Employer.</li> <li>• The Contractor to detail how each additional premises has been selected to balance the desire to deliver the service efficiently and the access needs of both the Contractor’s and Employer’s staff</li> </ul>
<b>Risk item</b>		<b>Issues [Separate submissions are not required for each risk]</b>
2.7	To facilitate continuous improvement through innovation.	
2.8	To monitor compliance with the Fair Payment Charter.	



## ANNEX D – QUALITY STATEMENT REQUIREMENTS

Risk item		Issues [Separate submissions are not required for each risk]
<b>Right first time</b>		
3.1	To deploy and manage quality processes.	
3.2	To demonstrate effectiveness of quality processes through independent audit.	
3.3	To ensure that key information and actions do not require avoidable rework.	
3.4	To minimise and manage non-conformance or defects.	
3.5	To measure the effectiveness of resource management.	
<b>Cost</b>		
4.1	To complete the Task Orders within the Task Order budget.	
4.2	To complete the Service within the Service Budget.	
4.3	To forecast reliably for the current financial year.	
4.4	To ensure that Compensation Events are priced accurately.	
<b>Time</b>		
5.1	To complete the Task Orders within the agreed timescale.	
5.2	To ensure timely response to key information and action required by Contracting Authority and other relevant stakeholders within the period.	
<b>Health &amp; Safety</b>		
6.1	To manage Health and Safety processes.	
6.2	To confirm effectiveness of Health & Safety management through independent audit.	
6.3	To minimise reportable accidents (RIDDORs).	

## ANNEX D – QUALITY STATEMENT REQUIREMENTS

Risk item		Issues [Separate submissions are not required for each risk]
6.4	To ensure safety of road users and members of the public in connection with Temporary Traffic Management and signing.	

# ANNEX E – QUALITY ASSESSMENT

The quality submissions will be marked using the assessment standards in Tables E1, E4 and E5.

Marks for the Quality Statement will be awarded for each of the assessment criteria set out in table E2. The assessment criteria are equally weighted [change if different weightings are to be used]. The mark given for each assessment criterion will be the lower of the individual marks for Part A and Part B.

The mark is a measure of the Contracting Authority's level of confidence that the Tenderer will deliver the project objectives and continually improve. The higher the total mark, the lower the risks to delivery and the more confidence the Contracting Authority will have that best value will be delivered. To illustrate this point, the relationship between the Part A and B marks and the risks to delivery are shown in Table E3.

Table E.1:

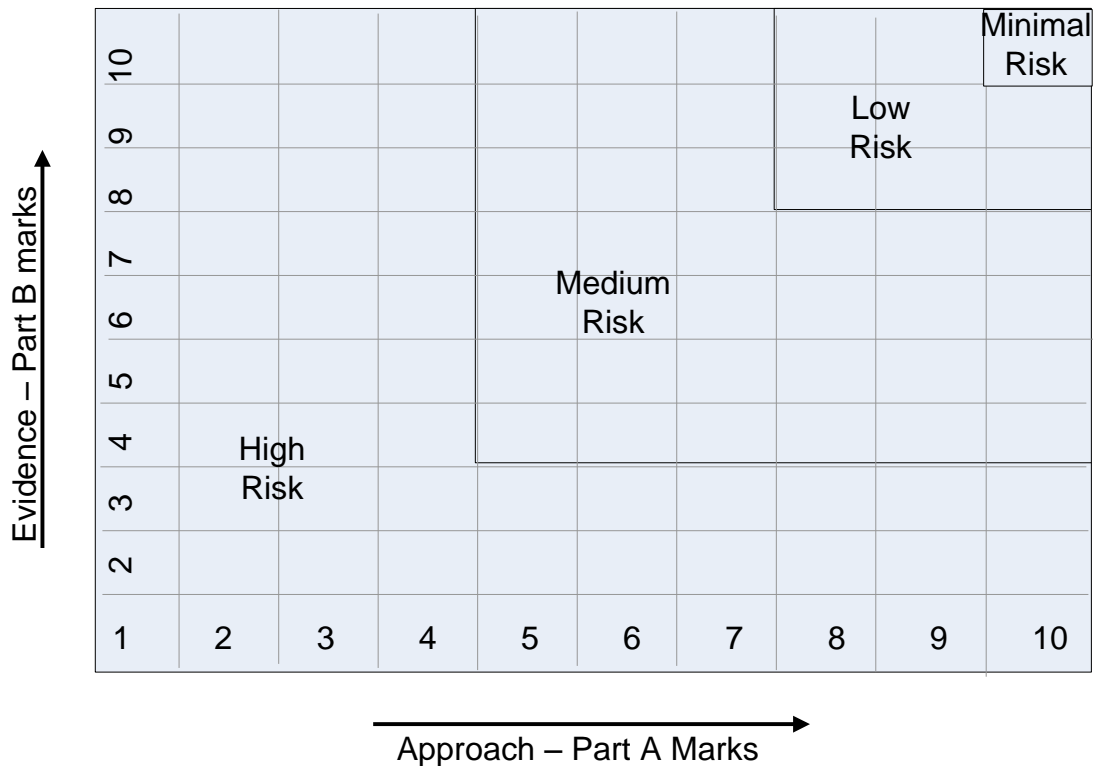
Marks awarded for Approach		
Proposed Approach	How well does the proposed approach demonstrate an understanding of the project objectives and address the main management and technical risks relating to the project?	Mark
Weak	The approach fails to demonstrate an adequate understanding of the project objectives and fails to address adequately the main management and technical risks.	1-4
Acceptable	The approach demonstrates an adequate understanding of the project objectives and covers the main management and technical risks to an acceptable standard.	5-7
Good	The approach demonstrates a good understanding of the project objectives. It deals fully with the main management and technical risks and provides for delivering continual improvement over the life of the project.	8-9
Excellent	The approach has been tailored specifically to suit the project objectives, uses innovative approaches to deal comprehensively with the main management and technical risks, and is likely to maximise performance against Key Performance Indicators and deliver continual improvement.	10
Marks awarded for Evidence		
Supporting Evidence	How well does the evidence from previous projects provide confidence that the proposed approach is likely to be successfully delivered?	Mark
Weak	There is little evidence that the proposed approach has been influenced by experience on other projects.	1-4
Acceptable	There is an adequate level of evidence that the proposed approach has been developed as a result of successful experience on other projects.	5-7
Good	There is substantial evidence that the proposed approach has been developed from other projects using formal continual improvement processes.	8-9
Excellent	There is substantial evidence that the approach has been developed using continual improvement processes, which are routinely used to develop approaches and deliver the objectives successfully on all projects.	10

**Table E.2: Assessment of the Quality Statement [You must state whether all criteria are worth equal marks or weight the criteria]**

Quality assessment criteria		Part A Marks	Part B Marks	Lower of Mark A and B
	[Criteria in this column must align with those used in Table D.1]	Approach	Evidence	B
<b>Client Satisfaction – Product</b>				
1.1	To provide input to a Term Maintenance Agreement which satisfies the Contracting Authority's requirements.			
<b>Client Satisfaction – Service</b>				
2.1	To maintain effective engagement, communication and collaboration with the Contracting Authority's staff.			
2.2	To maintain effective engagement, communication and collaboration with the Contractor's supply chain - tier 2 and tier 3.			
2.3	To maintain effective engagement, communication and collaboration with external stakeholders.			
2.4	To manage sustainability effectively.			
2.5	To manage risk and opportunities effectively.			
2.6	To facilitate continuous improvement through innovation.			
2.7	To monitor compliance with the Fair Payment Charter.			
<b>Right First Time</b>				
3.1	To deploy and manage quality processes.			
3.2	To demonstrate effectiveness of quality processes through independent audit.			
3.3	To ensure that key information and actions do not require avoidable rework.			
3.4	To minimise and manage non-conformance or defects.			
3.5	To measure the effectiveness of resource management.			
<b>Cost</b>				
4.1	To complete the phase within the phase budget.			
4.2	To complete the scheme within the scheme budget.			
4.3	To forecast reliably for the current financial year.			

Quality assessment criteria		Part A Marks	Part B Marks	Lower of Mark A and B
	[Criteria in this column must align with those used in Table D.1]	Approach	Evidence	
4.4	To ensure that Compensation Events are priced accurately.			
<b>Time</b>				
5.1	To complete the tasks within the agreed timescale.			
5.2	To ensure timely response to key information and action required by Contracting Authority and other relevant stakeholders within the period.			
<b>Health &amp; Safety</b>				
6.1	To manage Health and Safety processes.			
6.2	To confirm effectiveness of Health & Safety management through independent audit.			
6.3	To minimise reportable accidents (RIDDORs).			
6.4	To ensure safety of road users and members of the public in connection with Temporary Traffic Management and signing.			
	Subtotal			
	Total mark (Subtotal x 100/[number of criteria])			

**Table E.3: Relationship of delivery risk to Part A and Part B Marks**



This chart identifies the relationship between Part A and Part B marks, and the perceived risk to the Contracting Authority from a tender submission. A mark is awarded for the proposed approach given in Part A. Part B gives the level of confidence that the approach set out in Part A will be delivered. Thus the Part A mark is the highest that can be scored.

**Table E.4 – assessment of key people submission**

	How well do the training, skills and experience requirements for the posts identified in the key staff schedule meet the needs of the contract?	Mark
Weak	The training, skills and experience requirements are not sufficient to deliver the Employer's objectives.	1-4
Acceptable	The training, experience and skills requirements are sufficient to deliver the Employer's objectives and the people named in the key people schedule meet the stated requirements.	5-7
Good	The approach to filling the posts in the key people schedule has been well developed, and the named people have adequate ability to achieve continuous cost reductions and deliver the Employer's objectives.	8-9
Excellent	The proposed team have demonstrated that they can work together and collaboratively with the Employer to deliver the Employer's objectives and to achieve significant and continuous reductions in cost resulting in savings on the Employer's budget.	10

**Table E.5 - Assessment of methodology statement**

	How well do the proposals meet the contract requirements and demonstrate an understanding of the risks to the work?	Mark
Weak	The approach has not considered fully the requirements of the contract and fails to demonstrate appropriate cost and risk control.	1-4
Acceptable	The proposed resources are adequate for the methodology described, and risk management procedures are acceptable.	5-7
Good	The proposals show a well thought out balance between the resources required to carry out the work and the resources and approach proposed to mitigate the risks to the work.	8-9
Excellent	The proposals include specific project initiatives which give a high confidence of completing the work and minimising risks.	10



# ANNEX F- DETERMINATION OF SUCCESSFUL TENDER

## Worked Example

### Quality Assessment

Assume 5 tenderers have been marked for quality as follows:

Tenderer	quality statement	key people submission	methodology
A	60	7	8
B	63	5	4
C	83	9	9
D	71	7	7
E	85	8	9

These marks are normalised to:

Tenderer	quality statement	key people submission	methodology
A	60	70	80
B	63	50	40
C	83	90	90
D	71	70	70
E	85	80	90

Tenderer B's normalised mark is less than 60 in two of the quality submissions and is therefore not considered further.

Combining the normalised marks gives the total score for each Tenderer.  
 [Note, the table below is based on combining the scores in the ratio 55:15:30.  
 Marks in the table must be re-calculated if a different ratio is used]

**Table F.3 Proportion of normalised mark**

Tenderer	quality statement (55%)	key people submission (15%)	methodology (30%)	Total combined mark	Quality score
A	33.0	10.5	24.0	67.5	82
C	45.7	13.5	27.0	86.2	100
D	39.1	10.5	21.0	70.6	85
E	46.8	12.0	27.0	85.8	100

The Quality score is obtained from the total combined mark as described in paragraph 3.3.10.

**Table F.4 Financial Assessment**

Assume the tendered prices are as follows, converted to a financial score.

Tenderer	Price	Financial score
A	27,001,585	100
C	31,136,455	85
D	30,021,033	89
E	29,854,676	90

Table F.5 Combined scores

The final score is given by combining quality and financial scores.

[Note, the table below is based on combining the scores in the ratio 60:40.

Scores in the table must be re-calculated if a different ratio is used]

Tenderer	Proportion of score		Total score
	Quality score (60%)	Financial Score (40%)	
A	82	100	89.2
C	100	85	94.0
D	85	89	86.6
E	100	90	96.0

**Tenderer E has the highest score and is validated.**

# ANNEX G - PROFORMA FOR FEE SCHEDULE

The fee percentages inserted in Contract Data Part Two by the Tenderer are to be supported by the details in the following table.

Where a listed constituent of fee cannot be separated then “Included” is inserted. It must be made clear in which other constituent of the fee the constituent is included.

Other constituents can be separately listed, and a separate explanation of these is to be provided.

Three copies of the Schedule are to be provided; one for the subcontracted fee percentage covering the Fee on subcontracted work subcontracted to an Associated Company, a second for other subcontracted work, and a third for the direct fee percentage.

Note that in this contract clause Z21 **[check that this is the correct Z clause]** deletes severance related to work on this contract from the Schedule of Cost Components. Therefore these components of cost should be included in the Fee.

**Fee Schedule**

<b>Item</b>	<b>Constituent of Fee</b>	<b>Fee %</b>
1	Profit	
2	Franchises, Royalties, Licenses	
3	Accounting and Auditing	
4	Research and Development	
5	Publicity, Marketing, Sales, Exhibitions	
6	Entertainment	
7	Rents, Rates, Leases, Services and Servicing of Premises, Stationery, Telephones, Telex, Fax, Postage Charges	
8	Computing	
9	Asset Depreciation	
10	Insurance Premiums	
11	The amount of any excess borne by the Contractor in respect of any claims under Employer's Liability and Professional Indemnity Insurances	
12	Finance and Interest Charges	
13	Severance related to work on this contract	
14	Bonuses & Incentives	
15	Personnel/HR Services	
16	Quality Assurance	
17	Health and Safety	
18	Training	
19	Tendering	
20	Supply Chain	
21	Legal Costs	
22	Other (please specify)	
	<b>Total</b>	

# ANNEX H - PROFORMA FOR BUILD UP OF WORKING AREAS OVERHEAD PERCENTAGE

Constituent of Working Area overhead		Forecast cost (£)
	Item of cost	
(a)	Catering	
(b)	Medical facilities and first aid	
(c)	Recreation	
(d)	Sanitation	
(e)	Security	
(f)	Copying	
(g)	Telephone, telex, fax, radio and CCTV	
(h)	Surveying and setting out	
(i)	Computing	
(j)	Hand tools not powered by compressed air	
	Total forecast overhead cost	
	Forecast Defined Cost of People	
	% O/P	
	Percentage from Contract Data	

# ANNEX I - FORM OF KEY PEOPLE SCHEDULE

[Note for compilers; identify any essential key people; space should be left for Tenderers to complete.]

Tenderers should identify the key people for the listed posts, and add any further key people. The minimum period of availability of each member of staff must be stated. A CV for each person should be included. The maximum length of CV is 2 sides of A4 paper. The CV should emphasise the key skills relevant to this particular project.

## Key people

Post	Name	Minimum period of availability
[Insert description of posts]		

# ANNEX J - FORM OF RISK REGISTER

Tenderers should identify the risks for the project and describe the action proposed to deal with the risk. Add additional lines as required.

Number	Risk Description	Proposed Action to deal with risk



# ACKNOWLEDGMENTS

This second edition of the HMEP Instructions for Tenderers Notes for Guidance has been updated to take account of the changes made following the publication of the Public Contracts Regulations 2015. HMEP commissioned Anthony Collins Solicitors LLP to undertake a review of the major changes and to draft this second edition. The second edition was drafted by Richard Brooks, a Partner of Anthony Collins Solicitors LLP, and was reviewed by members of the Association of Directors of Environment, Economy, Planning & Transport and representatives from the Highways Term Maintenance Association (HTMA) on 22<sup>nd</sup> March 2016.

## REVIEW TEAM – INSTRUCTIONS FOR TENDERERS NOTES FOR GUIDANCE 2<sup>nd</sup> EDITION

The HMEP Programme Board would like to acknowledge the help and support it has received from those listed below when undertaking the review of its Instructions for Tenderers Notes for Guidance and preparing this second edition.

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Doug Ives – HTMA  
Lars Stapleton – HTMA  
Peter Theobald – HTMA

In addition to the above organisations the HMEP Programme Board would like to acknowledge support from all the local highway authorities, contractors and consultants that took part in the preparation of the first edition.

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