

## **APPENDIX 2: CONTRACT AWARD RECOMMENDATION REPORT**

**REPORT TO:** Procurement

**DATE:** 20/11/2018

**SUBJECT:** Contract Award Recommendation Paper for BTP2021  
Delivery Partner



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### **1 SCOPE OF WORK:**

A tender for consultancy services to augment an in-house central team and associated programme/project resources to ensure a timely implementation of BTP2021 programme of work to identify demonstrable cashable revenue efficiencies of £30M by 2020. This is to improve the capability and capacity of the internal teams with the objective of accelerating delivery, improving quality, driving innovation, integrating services and assuring delivery.

### **2 TIMESCALES / PROGRAMME:**

The work is to take place over a 2 or 3 year period commencing in January 2019.

### **3 LIST OF TENDERERS:**

The tender re-compete process to identify a suitable provider for the provision of a Delivery Partner for BTP2021 was undertaken under the Terms and Conditions of the Crown Commercial Services Management Consultancy Framework RM3745, Lot 2 Finance.

RM3745 is a compliant OJEU framework which has already been fully competed. There are 22 (twenty two) providers listed under Lot 2 and the supporting Framework Terms and Conditions will govern any resultant contract.

The procurement approach was set out in the supporting Invitation to Tender documents which outlined the specification requirement and also the methodology for evaluating bids

### **4 TENDER PROCESS:**

The Invitation to Tender (ITT) documents comprised the following:

- **Invitation to Tender** – Summarising the scope of services sought, how to complete the tender return, the timeline for the tender process and details of how tender returns would be evaluated by BTP/BTPA.
- **Statement of Requirements** – Describing the background to the requirement, the requirement itself and the services which BTP/BTPA seeks delivery.
- **Supplier Response Guidance** – A number of objective questions where bidders are asked to provide responses to assure BTP/BTPA how they will meet certain key requirements.
- **Price Schedule** – Spreadsheet for completion by bidders to confirm costs for provision of 'Core' fixed price services and also additional Discretionary Services to be called off on an 'as and when basis'.
- **Crown Commercial Terms and Conditions** – draft of the contract Terms and Conditions which will underpin the agreement between BTP/BTPA and the successful bidder.
- **Non-Disclosure Agreements** – This document was completed first by all bidders who expressed an interest in the procurement and returned to BTP prior to release of the above ITT documentation via the 'My Tenders' portal.

The Invitation to Tender (ITT) and supporting documentation was issued on 24 August 2018.

A Supplier Briefing Day was held on 31 August 2018 and was attended by bidder A, B, C, D and E.

Supplier clarification questions period closed at 12 noon on 21 September 2018. A number of clarification responses were issued to supplier questions in the intervening period from date of issue of the ITT to closure of the clarification period. All clarifications were responded to within 1(one) working day.

Due to the nature and volume of other relevant Target Operating Model supporting documentation, a 'Data Room' was provided for the period 3<sup>rd</sup> to 6<sup>th</sup> September inclusive and 10<sup>th</sup> to 14<sup>th</sup> September 2018 inclusive, where bidders could access and review this additional information.

It should be noted that during the process concerns were received from bidder A, that due to Bidder B previous involvement in producing the TOM *'the procurement was structured in such a way as to limit BTP's opportunity to get a fair and unbiased representation of what the market can offer'*. As a result A chose not to submit a bid.

Deadline for receipt of bidder responses was 12 noon on 1<sup>st</sup> October 2018.

## 5 TENDER EVALUATION:

Bids were received from the following entities:-

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- B
- C
- E

A tender evaluation panel comprising the individuals named below was appointed in advance of the tender bid responses;

Tracey Martin, Director of Finance and Commercial, BTP (Tender Evaluation Panel Chair)

Sarah McGarel, Chief Finance Officer BTPA

Andrew Pollins, BTPA Authority Member

Each member of the tender evaluation panel were required to independently assess the qualitative elements of each of the bids in advance of the Evaluation Moderation Meeting on 12<sup>th</sup> October 2018.

Tender responses were evaluated on a Quality/Cost ratio of 60:40, with the qualitative marks being allocated based on how well the bidder has answered the questions in the Supplier Response Guidance document. The degree to which bidder answers covered the points detailed in the model guidance answers document determined their score

Following the initial evaluation undertaken by the tender evaluation panel, Frank Hall, Senior Commercial and Procurement Manager chaired the Evaluation Moderation Meeting to review scores and assessments in order to reach consensus agreement across the tender evaluation panel with regard to scores for each question together with supporting comments.

In order to demonstrate transparency and separation the financial (cost) aspect of each bid was separately evaluated by a member of the finance team. Both separate score elements were then added together to provide an initial overall score prior to the bidder presentations, held on 18<sup>th</sup> October 2018.

<b>Evaluation Criteria</b>	<b>B</b>	<b>C</b>	<b>E</b>
Quality – 60%	49.5	48.3	35.0
Cost – 40%	38.90	40	33.70
<b>Score</b>	<b>88.4</b>	<b>88.3</b>	<b>68.7</b>

Due to the gap in scores achieved by QinetiQ in comparison to the other two bidders, the evaluation tender panel decided not to invite QinetiQ to bidder presentations.

B and C were invited to bidder presentations. The duration of each presentation was for 1 (one) hour. Ahead of presentation day both bidders were asked to prepare a presentation for no more than 20 minutes on the same general theme of:-

***“How they will work in partnership with BTP/BTPA to best leverage on our capacity and capabilities to maximise their own expertise in order to deliver our objectives and cost efficiencies”***

The tender evaluation panel then followed up with a number of questions.

Paragraph 6.2.4 of the ITT makes clear that no separate marks were reserved for ‘award’ at presentation stage, however BTP/BTPA as ‘the Authority’ reserved the right to revisit markings following presentations and subsequent questions.

Following presentation, the tender evaluation panel were of the opinion that in relation to question 4.2 - ***“Please provide your method statement for refreshing and integrating our Target Operating Model and Business Technology Strategy to assure implementation and de-risk delivery. Within your method statement, please provide examples of where you have previously achieved this integration with a positive outcome”*** – that there was sufficient merit to uplift the bidder C score allocated prior to presentation, from 75% to 100%.

All other individual assessment scores remained unchanged.

## **6 TENDER EVALUATION OUTCOME AFTER PRESENTATIONS:**

The effect in uplift for Question 4.2 increased the overall total Qualitative score for C from 48.3% to **49.3%**. The outcome of the evaluation exercise and the final combined Qualitative/Price scores and bidder positional rankings as set out in the table below were agreed and confirmed by the tender evaluation panel and commercial moderator.

<b>Evaluation Criteria</b>	<b>C</b>	<b>B</b>	<b>E</b>
Quality – 60%	49.3	49.5	35.0
Cost – 40%	40	38.90	33.70
<b>Score</b>	<b>89.3</b>	<b>88.4</b>	<b>68.7</b>
<b>Rank</b>	<b>1st</b>	<b>2nd</b>	<b>3rd</b>

The above demonstrates that it was a closely fought competition with C coming out marginally on top of B.

With regard to Implementation of the Target Operating Model and Service Delivery the evaluation panel were of the opinion that C demonstrated greater transparency and assurance than B regarding their approach to cost control in delivery of the Target Operating Model, e.g. “just enough”

approach, also 3 month re-bidding resourcing cycle provided more visibility and certainty to understand costs faced and control spend throughout planning and delivery.

## 7 TOTAL LIFE CYCLE COST (ONGOING COST E.G. MAINTENANCE / SERVICE COST):

Costs	Bidder C
'Core' Fixed Cost services (£) excl vat	2,202,100
'Core' Fixed Cost services (£) inc vat	2,642,520
Call off Additional Services (£) excl vat	715,500
Call off Additional Services (£) inc vat	858,600
<b>Overall Combined Total inc vat</b>	<b>3,501,120</b>

## 8 EFFICIENCIES (SAVINGS MADE I.E. CASHABLE/NON CASHABLE):

The Delivery Partner 2 year Budget forecasted by the Transformation Team was £3 million for the core requirement (fixed price element). But in addition they wanted to retain the flexibility to buy more services when needed (the cost of these additional services can be now quantified as £715,500.00\*). The total cost of the winning bid (exclusive of VAT) is **£2,917,600.00**, which is inclusive of the fixed price element and the projected additional services. Therefore, subject to award approval, this Procurement exercise will have delivered **£797,900.00** in cost avoidance savings.'

\*C Bid Submission

## 9 RECOMMENDATION:

- The contract for BTP2021 Delivery Partner is to be awarded to C after DAC approval has been received and the expenditure is agreed at the relevant level of Governance.
- Contract award for 24 months duration in two 12 month blocks with option to cancel at 12 months and with additional option to extend for a further third 12 month period (i.e. 12+12 plus 12 month extension option)
- To deliver 'Core' Fixed cost services at the cost of **£2,642,520 incs vat**, with the option for BTP/BTPA to call off further Additional Services at the additional cost of **£858,600 incs vat** during the contract period

\_\_\_\_\_ date: \_\_\_\_\_ date: \_\_\_\_\_

**Name**

BTP Chief Constable

(Budget Holder/Budget Approval)

**Name**

BTPA Chief Executive

(Procurement Authority)

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