

FRAMEWORK AGREEMENT FOR ENGINEERING INSPECTION SERVICES (EIS)

INVITATION TO TENDER (ITT)

eTendering Portal Reference: DN510414

Version	Issued	Comments
1	01.04.2021	Final Version

**All ITT documents and submissions must be treated as strictly private
and confidential**

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DEFINITIONS

Agreed Maximum Prices means the maximum price that an Appointed Company can charge for goods, works, or services provided in accordance with the Framework Alliance Contract.

Appointed Company shall mean a Bidder selected and appointed by the LHC, as the result of the evaluation of offers, to provide the arrangement component, works and/or services to the projects of LHC Clients and other bodies (see definition LHC Client below) under this LHC Framework Arrangement.

Bidder shall mean any company submitting an offer for the provision of this Framework Arrangement.

Call-Off Contract shall mean any specific contract entered into by the LHC Client with the Appointed Company under the terms of the Framework Alliance Contract.

Central Purchasing Body has the meaning given to it in the Public Contracts Regulations 2015.

Contractor shall mean any contractor, carrying out works under a direct contract with an LHC Client, and may include the Direct Labour Organisation of the LHC Client.

Consortium Procurement Construction (CPC) - Consortium Procurement Construction (CPC) is a partnership between LHC and the Northern Housing Consortium.

Framework Alliance Contract shall mean LHC's standard form of contract that details the terms and conditions that govern the operation of this Framework Agreement.

FAC-1 or FAC1 Agreement means the Framework Alliance Contract including LHC specific amendments.

Framework Service Level Requirements shall mean the expected level of performance throughout the Framework Term as referred to in the LHC amendments to the FAC1 Agreement.

Framework Term has the meaning ascribed to it in part 1, section 4.4.

Full Member of the LHC shall mean a body that is one of those, which together constitute the consortium known as the LHC and which together; determine the policy of the LHC.

LHC is a consortium of full and associate Members.

LHC Client means a purchasing organisation, which from time to time procures Supplies, Works and/or Services via various Framework Arrangements. Clients include local authorities, housing associations, registered social landlords, tenant management organisations and arm's length management organisations, education authorities, publicly funded schools, further education authorities, publicly funded further education organisations, NHS bodies and any other publicly funded organisation throughout England and Wales.

LSE is a regional business unit of **LHC**.

Public Procurement Regulations (PCR) means the Public Contracts Regulations 2015.

Standstill Period means the period designed to ensure that the procedures which have been followed are open to review before the conclusion of a contract and commence the day after the contract decision notice has been issued. Where the notification has been issued electronically this period will end at midnight on the 10th day following the relevant sending date. (Note - the final day must fall on a working day, and where it does not, the standstill period must be amended accordingly).

Tender shall mean the Tender Documents contained within the Invitation to Tender and the Offer made by the Appointed Company.

Works shall mean the provision of the supplies, works and/or services in accordance with the conditions of the LHC Framework Arrangement as described in the LHC ITT documents for various asset inspection projects being carried out by or for the LHC Clients.



VAT shall mean Value Added Tax chargeable at the rates and in the manner required by law at the time an Invoice is issued.

Working Day means Monday to Friday inclusive but not including any declared public holiday.

References used throughout this LHC ITT Document:

References to Clauses and the Schedules are references to clauses of and the Schedules to the Framework Agreement. The schedules shall be deemed to form part of this Framework Agreement. The revised Schedule 5 – Part 8A and Part 8B in the Specification shall replace Schedule 5 – Part 8A and 8B in the Framework Agreement. In the event of any inconsistency elsewhere between this Framework Agreement and the Schedules, the Framework Agreement shall prevail, followed by the Schedules;

Reference to any statute or statutory provision shall, unless the context otherwise requires, be construed as a reference to that statute or statutory provision as from time to time amended, consolidated, modified, extended, re-enacted or replaced.

Headings will not affect the construction of this Framework Agreement

PART 1 – OVERVIEW OF THE TENDER

1. Scope of the Framework

1.1 LHC is seeking interest from suitable organisations for our **Engineering Inspection Services Framework (EIS)**. This Framework is being established in partnership with **Southwark Council** and will cover all plant, machinery and equipment (jointly referred to as “assets”) required to be inspected under the following Health and Safety Statute and associated Health and Safety Regulations:

- Health and Safety at Work Act 1974 (HSWA)
- Management of Health and Safety at work Regulations 1999 (MHSWR)
- The Lifting Operations and Lifting Equipment Regulations 1998 (LOLER)
- Provision and Use of Work Equipment Regulations 1998 (PUWER)
- Pressure Systems Safety Regulations 2000 (PSSR)
- The Control of Substances Hazardous to Health 2002 (COSHH)
- Electricity at Work Regulations 1989 (EAWR)
- The Control of Major Accident Hazards Regulations 2002 (COMAH)
- The Dangerous Substances and Explosives Atmospheres Regulations 2002 (DSEAR)
- The Control of Lead at Work Regulations 2002 (CLAW)
- The Working at Height Regulations 2005 (WAHR)

1.2 The **Engineering Inspection Services Framework (EIS)** will provide services to LHC Clients in all regions in England and Wales through the following Workstreams:

- **Workstream 1 – Lifting Equipment (including passenger / goods lifts, stairlifts, cranes, etc)**
- **Workstream 2 – Electrical Equipment**
- **Workstream 3 – Power Presses & Associated Machinery and Mechanical Systems**
- **Workstream 4 – Pressure Plant and Systems**
- **Workstream 5 – Local Exhaust Ventilation**
- **Workstream 6 - Fall Protection Testing and Inspection**
- **Workstream 7 - Playground and Playground Equipment**
- **Workstream 8 - Multi-Discipline Inspection Services**

Workstreams 1 to 7 are divided into 2 call-off contract value bands:

- Below £100,000 per annum
- Above £100,000 per annum

There are no value bands in Workstream 8.

1.3 The location of LHC Client’s respective assets may vary depending on the services required and include, but is not exhaustive to:

- Individual street dwellings
- High and low rise blocks
- Houses in multiple occupancy (HMOs)
- Sheltered housing units, hostels and community halls
- Office buildings and commercial units
- Leisure centres and Park spaces
- Boiler and plant rooms
- Workshops and garages

- 1.4 Full details of the scope of services for this **Engineering Inspection Services Framework (EIS)** is set out in **Appendix 1 – EIS Specification**.

2. Introduction to the LHC Group

- 2.1 LHC is a central purchasing body providing procurement services in England, Scotland (on behalf of the Scottish Procurement Alliance) and Wales (on behalf of the Welsh Procurement Alliance). LHC sets up competitively tendered Framework Agreements in respect of building works, goods and services for use in public sector refurbishment, maintenance and new build projects.
- 2.2 Bidders successfully appointed to LHC Frameworks are required to pay LHC a percentage (“the Levy”) of the total value of every invoice submitted to LHC Clients in relation to a Call-Off Contract procured through the Framework. Appointed companies will be required to ensure that all quotations and invoices submitted to LHC Clients factor in the Levy amount that will be payable to LHC. The Levy to be applied for this Framework Agreement is a maximum of 5%. Further information can be found in part 6 of this document.
- 2.3 As a not for profit organisation, LHC returns surplus Levy income to our Clients to support social value initiatives in the local communities they serve.
- 2.4 The LHC Group consists of a number of regional business units, that collectively, provide Frameworks and associated support services to Public sector Clients throughout the UK. The regional business units are as follows:

LHC – LHC is a not-for-profit central purchasing body who develop PCR-compliant Frameworks in England, Scotland (on behalf of the Scottish Procurement Alliance) and Wales (on behalf of the Welsh Procurement Alliance). LHC's Frameworks are available to all publicly funded contracting authorities to procure works, goods and services to construct, refurbish and maintain social housing, schools and public buildings.

LHC was established by London boroughs in 1966 and to date more than 700 public organisations have used our Frameworks. LHC are recognised as one of the most experienced and respected providers of procurement Frameworks in the construction sector and our Clients and suppliers trust in our knowledge and experience, technical expertise, commitment to better homes and buildings, efficient procurement which delivers financial gains.

Scottish Procurement Alliance (SPA) – SPA is part of the LHC Group, but beyond the scope of this framework.

Consortium Procurement Construction (CPC) - LHC and Northern Housing Consortium have a long history of working together based on their shared purpose, values, and complimentary skill sets. Both organisations have a passion to improve homes and communities through excellent procurement, but each have developed their own specific areas of expertise in this pursuit.

Northern Housing Consortium, through Consortium Procurement, have focused on tenant services and compliance solutions designed to protect residents and property. LHC's focus is on the fabric of the property as well as new build and compliance solutions.

CPC is a partnership designed to offer each organisation's current and potential new members an unrivalled range of procurement solutions. Through CPC, Northern Housing Consortium's Clients will be able to access LHC's suite of Frameworks and vice versa.

Welsh Procurement Alliance (WPA) – WPA provides PCR compliant Frameworks which can be used by local authorities, social landlords and other public sector bodies within Wales to procure works, products and services for the construction, refurbishment and maintenance of social housing, schools and public buildings.

WPA operate in Wales connecting construction companies, manufacturers and service providers with the needs of our partners. WPA bring buyers and suppliers together, to build and maintain public property more efficiently and cost effectively, and to benefit local communities.

South West Procurement Alliance (SWPA) – SWPA provides PCR compliant Frameworks which can be used by local authorities, social landlords and other public sector bodies within the South West of England to procure works, products and services for the construction, refurbishment and maintenance of social housing, schools and public buildings.

SWPA operate in South West England connecting construction companies, manufacturers and service providers with the needs of our partners. SWPA bring buyers and suppliers together, to build and maintain public property more efficiently and cost effectively, and to benefit local communities

- 2.5 Throughout the remainder of this ITT document and all supplementary documentation provided with the tender where the term LHC is referenced this refers to the whole of the LHC group mentioned above.

3. LHC Lifetime Values

- 3.1 In addition to providing our Clients with competitively tendered Framework Agreements for building works, goods and services LHC is committed to delivering tangible social value and community benefits. LHC work with our Clients and appointed companies to ensure that wherever possible projects delivered using our Frameworks leave a social legacy.
- 3.2 To that end LHC have aligned our activities to the LHC Lifetime Values, which uses the 5 key value categories (see below) from Construction Innovation Hub (CIH). CIH has been established by government to progress innovation in the construction sector and the documents and toolkits provided by CIH are designed to help Client and advisors develop value solutions. During the life of the Framework LHC will work with Clients and appointed companies to promote, identify, implement, and monitor the impact of these value categories, which could be supported by social value and community benefit initiatives alongside the delivery of the works or service Contracts. Full details can be found here: <https://constructioninnovationhub.org.uk/new-toolkit-signals-shift-towards-value-based-decision-model/>
- 3.3 Appointed Companies will be expected to work with and assist LHC in promoting and demonstrating their commitment to delivering social value and community benefits in line with the LHC Lifetime Values.

Natural		Air Quality, Land Quality, Water Quality, Biodiversity
Social		Community - Citizens, Community Enterprise, Equality, Sourcing
Human		Safety & Security, Employment, Skills & Training, Mental & Physical Wellbeing
Manufactured		Carbon & GHG, Resource Use, Production, Productivity
Financial		Capital Cost, Operational Cost, Revenue, Economic Benefits

4. Overview of the Tender

- 4.1 LHC are following the Open tendering procedure as set out within the Public Contract Regulations 2015.
- 4.2 This Invitation to Tender ("ITT") is being made available with automatic and unrestricted access to all Organisations ("Bidders") who have expressed their interest in the Tender via LHC's eTendering portal.
- 4.3 The Framework Agreement for Engineering Inspection Services is advertised in Find a Tender (UK e-notification service) by way of a contract notice.
- 4.4 The duration of the Framework Term will be for a maximum of **4 (four) years** from the commencement date, however individual call-offs for services can exceed the four-year duration of the Framework. LHC will have the sole ability to terminate the Framework Agreement at any time following its commencement.
- 4.5 Companies appointed to the Framework will be required to enter into a Framework Alliance Contract (FAC1), which is a standard form of contract setting out the terms and conditions that govern the operation of the Framework. These include the call off procedures and example template documents to facilitate management of the Framework and call off contract procured under the Framework.
- 4.6 **Appendix 4b - FAC-1 LHC Amendments** supplied as part of the suite of ITT documents issued with this tender document contains specific amendments by LHC to the standard published form of the FAC1 Framework

Alliance Contract. Therefore, the LHC specific amendments should be read in conjunction with the FAC1 in published form.

- 4.7 Copies of the FAC1 in published form can be purchased by the creators of the FAC1 Contract at a discount from ACA, by emailing office@acarchitects.co.uk and quoting discount code reference LHC FAC2516102017.
- 4.8 This document seeks to provide an outline of the entire Tender process, Tender documentation provided by LHC, and set out the requirements of Tender submissions for this Tender.

5. Procurement Timescales

- 5.1 A timetable for the tender exercise is detailed below. Whilst LHC intends to adhere to the timetable where possible, it is indicative only and LHC expressly reserves the right to amend the timetable at any time at its discretion.

Key Actions	Expected Dates
Contract Notice Live	1 April 2021
Deadline for submitting ITT questions & clarifications	28 April 2021 at 17:00
Tender Return Date	7 May 2021 at 12:00
Tender Opening	7 May 2021
ITT Evaluation	13 May 2021 – 14 June 2021
Notify Bidders of ITT outcome	15 July 2021
Standstill Period (10 days)	16 July 2021 - 28 July 2021
Estimated Framework Commencement date	28 July 2021
Framework launch events	July/August 2021

6. Tender Documents Included Within This Tender

- 6.1 This ITT document describes the tender process and evaluation methodology by which companies will be appointed to the Framework. This ITT document is accompanied by a number of appendices, as below:

Invitation to Tender – Engineering Inspection Services

- Appendix 1 – EIS Specification
- Appendix 2 – Workstreams
 - Appendix 2a - WS1 Specification
 - Appendix 2b - WS2 Specification
 - Appendix 2c - WS3 Specification
 - Appendix 2d – WS4 Specification
 - Appendix 2e – WS5 Specification
 - Appendix 2f – WS6 Specification
 - Appendix 2g – WS7 Specification
- Appendix 3 – ITT Response Documents
 - Appendix 3a - Statutory Selection Questionnaire (SSQ)
 - Appendix 3b - Quality Questions
 - Appendix 3c - Checklist and Declaration
- Appendix 4 – Pricing and Contract Terms
 - Appendix 4a - Pricing Schedule
 - Appendix 4b - FAC-1 LHC Amendments
 - Appendix 4c - FAC-1 SCHEDULE 5 - Part 8A - General KPIs
 - Appendix 4d - FAC-1 SCHEDULE 5 - Part 8B - Project Specific KPIs
 - Appendix 4e - Consultant - Short Form Appointment

7. Accessing the Tender

- 7.1 Bidders must complete and submit all supporting documentation, requested or referenced, in this document and supporting appendices via the ProContract (Hosted by Proactis) eTendering portal (<https://procontract.due-north.com/>) on or before the Tender Return Date and time as stated in part 1 section 5 of this ITT document.

8. How to Ask Questions / Clarifications

- 8.1 In the event that any Bidder wishes to ask a question or seek clarification prior to the submission of the Tender then such questions or requests can ONLY be made through the messaging function within the eTendering portal. Any direct messages will not be answered but redirected to the sender advising to submit via the portal.
- 8.2 LHC will endeavour to respond to all questions and requests made through the eTendering portal, provided they are received before the deadline for submitting questions & clarifications specified in part 1, section 5 of this ITT document.
- 8.3 Responses to any queries or clarifications will be sent by LHC via the eTendering portal to all Bidders who have expressed an interest for the Tender within the eTendering portal for this Framework.
- 8.4 When submitting a question or request for clarification or further information, Bidders should indicate if they believe the question or request for clarification or further information is commercially confidential to them and should not be shared with other Bidders. This should be done by marking the question or request for clarification or further information as 'Confidential – not to be circulated to other Bidders'. At its absolute discretion LHC will respond to that specific request privately.
- 8.5 If LHC considers that, in the interests of open and fair competition, it is unable to respond to the question or request for clarification or further information on a confidential basis, it will immediately inform the Bidder who has submitted it. The Bidder must thereafter respond via the eTendering portal requesting that either the query be withdrawn or treated as not confidential. LHC will deem that the question or request has been withdrawn if the Bidder has not responded to LHC via the eTendering portal within 3 (three) working days following LHC's notification to the Bidder.

PART 2 – OVERVIEW OF THE FRAMEWORK

1. Scope of the Framework

- 1.1 LHC Client's assets covered by all of the Workstreams within this Framework, may be located in various types of private and public buildings, dependant on the services required and include, but is not exhaustive to:
- Individual street dwellings
 - High and low rise blocks
 - Sheltered housing units, hostels and community halls
 - Office buildings and commercial units
 - Schools and colleges
 - Leisure centres and park spaces
 - Boiler and plant rooms
 - Workshops and garages
- 1.2 Please refer to **Appendix 1 – EIS Specification** for the general specification for this Framework.

2. Workstreams Within the Framework – Overview

- 2.1 As outlined within the contract notice the Workstreams for the Framework will be structured in accordance with value bands which govern the value of call-off contracts that can be awarded in each Workstream.

Workstream Description	Value Bands
Workstream 1 - Lifting Equipment	Call-off Contract Value Band 1 - up to £100k p.a.
	Call-off Contract Value Band 2 - above £100k p.a.
Workstream 2 – Electrical Equipment	Call-off Contract Value Band 1 - up to £100k p.a.
	Call-off Contract Value Band 2 - above £100k p.a.
Workstream 3 – Power Press & Associated Machinery and Mechanical Systems	Call-off Contract Value Band 1 - up to £100k p.a.
	Call-off Contract Value Band 2 - above £100k p.a.
Workstream 4 – Pressure Plant and Systems	Call-off Contract Value Band 1 - up to £100k p.a.
	Call-off Contract Value Band 2 - above £100k p.a.
Workstream 5 – Local Exhaust Ventilation	Call-off Contract Value Band 1 - up to £100k p.a.
	Call-off Contract Value Band 2 - above £100k p.a.
Workstream 6 – Fall Protection Testing and Inspection	Call-off Contract Value Band 1 - up to £100k p.a.
	Call-off Contract Value Band 2 - above £100k p.a.
Workstream 7 – Playground and Playground Equipment	Call-off Contract Value Band 1 - up to £100k p.a.
	Call-off Contract Value Band 2 - above £100k p.a.
Workstream 8 – Multi-Discipline Inspection Services	No value band

IMPORTANT NOTES FOR BIDDERS

- 2.2 Within each Workstream Bidders will be able to select from a number of geographical regions/areas to be appointed to carry out projects in (as detailed further in part 2, section 4 of this document).

3. Workstreams Within the Framework – Workstream specific Descriptions

3.1 Workstream 1 – Lifting Equipment

Covers the provision of Lifting Equipment - as Appendix 2a - WS1 Specification

3.2 Workstream 2 – Electrical Equipment

Covers the provision of Electrical Equipment - as Appendix 2b – WS2 Specification

3.3 Workstream 3 – Power Presses & Associated Machinery and Mechanical Systems

Covers the provision of Power Presses & Associated Machinery and Mechanical Systems - as Appendix 2c – WS3 Specification

3.4 Workstream 4 – Pressure Plant and Systems

Covers the provision of Pressure Plant and Systems - as attached Appendix 2d – WS4 Specification

3.5 Workstream 5 – Local Exhaust Ventilation

Covers the provision of Local Exhaust Ventilation - as attached Appendix 2e – WS5 Specification

3.6 Workstream 6 – Fall Protection Testing and Inspection

Covers the provision of Fall Protection Testing and Inspection - as attached Appendix 2f – WS6 Specification

3.7 Workstream 7 – Playground and Playground Equipment

Covers the provision of Playground and Playground Equipment - as attached Appendix 2g – WS7 Specification

3.8 Workstream 8 – Multi-Discipline Inspection Services

Covers the provision of the combined services for Workstreams 1 to 7 inclusive

4. Regional Areas available within Each Workstream

4.1 For operation and Framework management purposes LHC uses an amended version (specific to LHC) of the UK NUTS regional structure. We have provided detailed maps and descriptions of LHC's operational and Framework structure and we recommend that Bidders review in conjunction with reading the below to assist in considering which geographical/regional areas they can cover within the Workstream(s), they are applying for.

4.2 Bidders should indicate which of the following geographical areas they are able to deliver services in:

Area	Area Description	UK NUTS codes included in the area	Managed by
1	Inner London West	UKI3	LSE
2	Inner London East	UKI4	LSE
3	Outer London - East & North East	UKI5	LSE
4	Outer London - South	UKI6	LSE
5	Outer London - West & North West	UKI7	LSE
6	Berkshire, Buckinghamshire and Oxfordshire	UKJ1	LSE
7	Surrey East & West Sussex	UKJ2	LSE
8	Hampshire & Isle of Wight	UKJ3	LSE
9	Kent	UKJ4	LSE
10	Bedfordshire and Hertfordshire	UKH2	LSE
11	Essex UK	UKH3	LSE
12	Gloucestershire, Wiltshire and Bristol/Bath area	UKK1	SWPA
13	Dorset and Somerset	UKK2	SWPA
14	Cornwall and Isles of Scilly	UKK3	SWPA
15	Devon	UKK4	SWPA
16	Derbyshire and Nottinghamshire	UKF1	CPC
17	Lincolnshire	UKF3	CPC
18	East Yorkshire and Northern Lincolnshire	UKE1	CPC
19	North Yorkshire	UKE2	CPC
20	South Yorkshire	UKE3	CPC

21	West Yorkshire	UKE4	CPC
22	Tees Valley and Durham	UKC1	CPC
23	Northumberland and Tyne & Wear	UKC2	CPC
24	Cumbria	UKD1	CPC
25	Greater Manchester	UKD3	CPC
26	Lancashire	UKD4	CPC
27	Cheshire	UKD6	CPC
28	Merseyside	UKD7	CPC
29	East Anglia	UKH1	CPC
30	Leicestershire , Rutland and Northamptonshire	UKF2	CPC
31	Herefordshire, Worcestershire and Warwickshire	UKG1	CPC
32	Shropshire and Staffordshire	UKG2	CPC
33	West Midlands	UKG3	CPC
34	North Wales	UKL: 11, 12, 13a, 13b, 23a, 23b	WPA
35	Mid Wales	UKL: 14c,24	WPA
36	South East Wales	UKL: 15a, 15b, 16a, 16b, 16c, 17a, 17b, 18, 21a, 21b, 22a, 22b	WPA
37	South West Wales	UKL14a, 14b	WPA

5. Award List & Reserve List

- 5.1 LHC intends to appoint up to **5 (five)** organisations per Workstream. This will ensure that LHC Clients will have adequate service coverage within each of the geographic locations and presents optimum position for further competition through mini-competition. However, LHC reserves the right to appoint additional companies to the Framework to ensure effective coverage and competition and/or not to appoint a company, where to do so would prevent, restrict or distort competition, have a discriminatory effect or unfairly favour particular economic operators.
- 5.2 For each regional area within a Workstream, subject to there being sufficient acceptable bids LHC will appoint a reserve list of **2 (two)**. These will be the 6th and 7th ranked Bidders for each Workstream. The reserve list Bidders will not be awarded a place on the Framework. However, should any successfully appointed Bidder subsequently become unable to perform their services in accordance with the expectations of the Framework because:
- The Directors are found to be Bankrupt
 - The company is the subject of insolvency or winding-up proceedings
 - Where the organisation's assets are being administered by a liquidator or by the Court
 - The company voluntarily withdraws from the Framework Agreement
 - The company no longer holds any accreditations, certificates, warranties, guaranties or other minimum criteria that is a pass/fail requirement to be on the Framework
 - The company fails to perform its duties or fails to comply with the requirements under the FAC-1
- then LHC has the right to appoint the supplier, ranked 6th during the original ITT evaluation to replace the supplier unable to perform services under this Framework Agreement.
- 5.3 Should the 6th ranked supplier be unable to provide the services under this Framework for any reason, LHC will approach the 7th ranked supplier.
- 5.4 LHC will only appoint a reserve list supplier to the Framework following due diligence undertaken by LHC to ensure that:
- The supplier can still meet the original technical requirements of the Framework Agreement
 - They will be appointed in accordance with their original submitted offer
 - They pass a financial assessment carried out by LHC
 - They still hold the required accreditations and insurance cover requirements originally requested under this Framework Agreement.

6. Restrictions on Workstreams Bidders Can Apply For

- 6.1 During the pre-tender engagement carried out for this Framework a key priority relayed to LHC by our clients is the need to encourage the participation of capable SMEs and responsive local engagement for the new Framework. This also links with LHC's Lifetime Values (as outlined in part 1, section 3 of this document).
- 6.2 As a result, LHC will not be setting a limitation on the combination of Workstreams that Bidders can apply for, to ensure that smaller organisations interested in the Workstreams with lower project value bands have an opportunity to compete with similar sized and resourced organisations, as well as increase the likelihood that LHC clients have a viable number of interested firms that would participate in any enquiry.

PART 3 - INSTRUCTIONS TO APPLICANTS

1. Tender Evaluation & Selection Process Overview

- 1.1 In accordance with the PCR Open tender procedure bid submissions will be assessed in two subsequent stages, qualification / selection and award. Detailed information related to the assessment of the bids:

Stage 1 - Qualification Criteria - The qualification criteria will assess the Bidder's suitability to be considered for the contract in terms of their financial capacity, technical capability and good standing as an organisation. This will be carried out in 4 steps as set out in part 3, section 2 of this document.

Stage 2 - Award Criteria – An assessment of the Bidder's suitability to be awarded the contract based on the completion of quality questions and completed pricing schedule which will be assessed in accordance with the weighting outlined in part 3, section 3 of this document.

- 1.2 Bidders who successfully pass the qualification criteria requirements will then be assessed and appointed to this Framework on the basis of submitting the **Most Economically Advantageous Tender (MEAT)**, within each Workstream as outlined in this ITT document and the Appendices.
- 1.3 For all Workstreams the award evaluation process comprises two elements, quality and price. The balance between quality and price for the purpose of evaluation using an overall weighting for each element, will be based on **60% quality and 40% price**.
- 1.4 The quality element having a total weighting of 60% will be assessed both on the basis of the Bidders' written responses to a range of technical quality questions, and an assessment by LHC. Further information on the quality assessment process can be found in part 3, section 3 of this document.
- 1.5 The Pricing element having a total weighting of 40% will be apportioned across multiple pricing criterion as described in part 3, section 3 of this document.

2. Stage 1 Evaluation – Qualification

- 2.1 In accordance with the PCR Open tender procedure bid submissions will be assessed in two subsequent stages, qualification / selection and award. Detailed information related to the assessment of the bids is set out below:
- 2.2 LHC will assess the Bidder's suitability to be considered for the Framework in terms of their financial capacity, technical capability and good standing as an organisation. This will be carried out in 4 steps as follows:

Step 1 – Assessment of the Qualification Criteria

Step 2 – Financial Stability Assessment

Step 3 – Insurance requirements

Step 4 – Accreditations and Certifications

Step 1 - Assessment of the Qualification Criteria

- 2.3 Your qualification criteria response will comprise of self-declaration information required in accordance with the Public Procurement Regulations 2015 (England and Wales).
- 2.4 This Framework is being advertised within England and Wales, and Bidders will need to provide a Complete & Compliant Bid as outlined in part 4 of this document.
- 2.5 Bidders should note following the assessment of a Bidder's response to the qualification criteria if a Bidder is deemed to be unsuitable to be considered for the Framework on the basis of the qualification criteria their bid will be excluded and their response to the award criteria will not be assessed. In the event of this situation the Bidder will be informed of this and the rationale for exclusion provided.

Step 2 - Financial Stability Assessment

- 2.6 In light of the current Covid-19 pandemic which is affecting all businesses if the last full financial accounts produced are more than 10 months old a Bidder will also be required to provide one of the following for the current financial year to date:
- a) Statement of Turnover. Post-tax profits, current assets and current liabilities signed by person responsible for financial matters since last set of published accounts, or
 - b) Statement signed by person responsible for financial matters, setting out significant changes in financial position since last available balance sheet.
- 2.7 The value bands for Workstreams 1 to 7 is as follows:
- 2.8 Bidders will be required to have the minimum levels of insurance, set out in the table below, to be considered.

	Workstreams 1 to 7	
Value Band (p.a. Call-off Contract Value)	Up to £100,000	Above £100,000

- 2.9 For the Value Band of above £100,000, the relevant contracting authority will stipulate the financial assessment criteria of the Bidder's ability to deliver a contract above £100,000.

Step 3 - Insurance Requirements

- 2.10 Bidders will be required to have the minimum levels of insurance, set out in the table below, to be considered eligible.
- 2.11 If a Bidder does not meet the insurance requirements their bid will be excluded and their response to the award criteria will not be assessed. In the event of this situation the Bidder will be informed of this and the rational for exclusion provided.

	Workstreams 1 to 7		Workstream 8
Value Band (p.a. Call-off Contract Value)	Up to £100,000	Above £100,000	N/A
Employer's Liability Insurance	£5,000,000	£5,000,000	£5,000,000
Public Liability Insurance	£5,000,000	£5,000,000	£10,000,000
Professional Indemnity Insurance	£1,000,000	£1,000,000	£10,000,000

Step 4 – Accreditations and Certifications

- 2.12 Bidders must evidence they have in place the relevant, environmental, equality, quality, and health and safety systems and policies listed below to be considered eligible for the Framework.
- 2.13 The Bidders will be required to provide evidence that they hold the relevant system (via upload of their third-party accredited certificate).

Environmental Management

UKAS (or equivalent) accredited independent third-party certificate of compliance with BS EN ISO 14001 (or equivalent) or a valid EMAS (or equivalent) certificate.

Quality Management

UKAS (or equivalent) accredited independent third-party certificate of compliance in accordance with BS EN ISO 9001 (or equivalent).

Health and Safety

The Bidder must hold a UKAS (or equivalent), accredited independent third-party certificate of compliance in accordance with ISO 45001 (or equivalent) or have, within the last 12 months, successfully met the assessment requirements of a construction-related scheme in registered membership of the Safety Schemes in Procurement (SSIP) forum.

Compliance with Equality Act 2010

Bidders will be required to evidence through a number of confirmatory statements they are compliant with the Equality Act 2010 and have measures in place to promote equality and diversity within their organisation.

IMPORTANT NOTES FOR BIDDERS

- 2.14 Bidders should note following the assessment of a Bidder's response to the Accreditations and Certifications criteria if a Bidder does not meet the minimum requirements their bid will be excluded and their response to the award criteria will not be assessed. In the event of this situation the Bidder will be informed of this and the rationale for exclusion provided.

3. Stage 2 Evaluation – Assessment of the Award Criteria

- 3.1 The award criteria will assess Bidders based on a combination of quality and price. The split between quality and price for the purpose of evaluation will be based on **60% quality and 40% price**.
- 3.2 The exact quality and price response requirements for each Workstream will be evaluated using the same overall 60% quality and 40% price criterion. The full breakdown for the quality criteria can be found in Sections 3.7 to 3.10 of this document.

Assessment of the Quality criteria – 60%

- 3.3 The quality element having a total weighting of 60% will be assessed on the basis of the Bidders' written responses to a range of technical questions and will consist of 3 parts.
- 3.4 Please refer to **Appendix 3b - Quality Questions** for the breakdown of the 60% allocated to the elements of the quality criteria for each Workstream.
- 3.5 These are general quality questions that LHC consider to be equally applicable to all Workstreams and requires completion irrespective of the Workstream or Workstreams the Bidder is applying for.
- 3.6 Regardless of the number of Workstreams a Bidder is applying for they will only need to submit a response to these questions once, and the scores provided by LHC following our assessment will be applied consistently for all Workstreams the Bidder has applied for. As per the table above the total weighted score for the responses to the general quality questions will differ according to the Workstreams a Bidder applies for.
- 3.7 The Bidder's response to the technical questions will be scored on the basis of the scoring matrix below.

Scoring Matrix for ALL Quality Questions and ALL Scenarios

Score	Response Requirement	Elemental Breakdown
5	Meets all the requirements of the question and further indicates innovation and creativity.	Response fully complies with the obligation to score 4 AND in addition provides innovation and creative solutions
4	Meets all the key requirements of the question.	Fully complies with the subject of the question and provides a robust answer.
3	Largely meets the requirements of the question.	Demonstrates most of the question, but the response is not comprehensive and does not cover all the elements/points of the required response set out in the question.
2	Meets some of the requirements of the Question.	Indicates some of the elements/points of the required response set out in the question.
1	Falls short of meeting the requirements of the Question.	Demonstrates an understanding but significantly fails expectation, the response does not demonstrate in any detail how the requirement would be met.
0	No submission or irrelevant response.	No answer provided or response provided is irrelevant or inappropriate.

- 3.8 The weighted score for each section (which will consist of a number of questions) will be assessed based on comparison of the total marks each Bidder achieves for all questions within the section compared to the maximum possible marks achievable for the section. This will then be expressed as a percentage based on the weight for the section. Weighted scores will be calculated to 2 decimal places. Example below:

Section	Maximum marks achievable	Bidder 1's mark	Weighting	Bidder 1 score achieved
1	25	22	15%	13.20%

- 3.9 LHC reserves the right to reject submissions that do not achieve at least 50% of the maximum possible weighted score for the technical Quality Questions, on the basis they may be deemed not to have achieved a minimum acceptable quality standard.
- 3.10 Should a quality submission be rejected on this basis, the Bidder will be excluded from participating any further in the tender. In the event of this situation the Bidder will be informed of this and the rational for exclusion provided.

Assessment of the Pricing Criteria – 40%

- 3.11 Bidders will be required to enter their pricing for all the applicable Workstreams they are applying for in **Appendix 4a - Pricing Schedule** which will form the basis for evaluating the price score for this Framework Agreement.
- 3.12 The total sum for each section of a Bidder's total will be compared with the total sum of the same section submitted by other Bidders who have bid for the same Workstream. The Bidder with the lowest price for each section will achieve the maximum percentage score for that section, with other Bidders receiving a lower percentage score based on how much more expensive they were than the lowest Bidder.
- 3.13 For each Bidder the percentage scores achieved for each of the sections within the Workstreams they have applied for will be totalled providing a total price score per Workstream.
- 3.14 For the avoidance of doubt LHC reserve the right to investigate and reject submitted pricing which (in the opinion of LHC) appears abnormally low in line with Regulation 69 of the Public Procurement Regulations 2015.
- 3.15 Prices submitted will be your Agreed Maximum Rates for the duration of the Framework Agreement, EXCLUSIVE of VAT and INCLUSIVE of the 5% LHC levy payable to LHC on the total contract sum for all works and services provided to the LHC Client applicable to any project procured under this Framework Agreement.
- 3.16 Full instructions with regards the evaluation of pricing submissions is contained within **Appendix 4a - Pricing Schedule**.

4. Regional Pricing Uplifts

- 4.1 Within the regional areas that Bidders have included in their service offering will be able to provide a regional reduction/uplift percentage to allow for the fact that some areas of a geographical region may be more or less expensive to service.
- 4.2 Bidders should note that whilst Bidders have been allowed to provide regional reductions/uplifts, they must still be able to provide the service required within the entire regional area they have offered services in and as such must provide pricing reductions/uplifts for all regional areas.
- 4.3 For the purpose of the evaluation, LHC will take the average uplift percentage across all the sub-regional uplifts within a regional area as the total uplift being applied to the prices.

5. Assessing the Price Submission Per Workstream

- 5.1 The Bidder's total bid price for each Workstream they have applied for will be the sum of the Bidders' total prices for each section of the pricing schedule for that Workstream.
- 5.2 Following which the regional uplift percentage for each of the regional areas they have selected and entered an uplift for will be applied to create a regional area total price for each Workstream.
- 5.3 The Bidder with the lowest total price for each regional area within a Workstream will achieve the highest price score for that regional area within the Workstream, and higher priced Bidders' scores will be indexed against the lowest priced Bidder.

6. Final Rankings

- 6.1 The final scores of the Bidders will be taken to two decimal places and ranked in descending order.
- 6.2 The top 5 (five) Bidders with the highest scores achieved for the combined Quality and Price sections will be ranked as having provided the most economically advantageous tenders for each Workstream and will be appointed to the Framework.
- 6.3 A summary of the Quality and Price scores will be provided to the Bidders in the Award Decision Letters.
- 6.4 In the event of a Tie Break, (where two or more top scoring Bidders have the same total weighted score including both quality and price elements), the Authority shall rank those Bidders based on the weighted score for their response to the quality element of the award criteria.

7. Annual Price Refresh

- 7.1 All prices submitted in the pricing schedule are the Agreed Maximum Prices for the Framework, however, the prices will be subject to an annual uplift which will be applied on the anniversary of the Framework commencement date.
- 7.2 Adjustments shall be taken from the Services Producer price inflation (SSPI) as published by the Office for National Statistics; this will be carried out by the Framework manager at the anniversary date of the Framework commencement.
- 7.3 Services producer price inflation (SPPI) price indices:
<https://www.ons.gov.uk/economy/inflationandpriceindices/datasets/servicesproducerpriceindexsppirecords>
- 7.4 For the purpose of calculating any rate change that will be applicable on the anniversary of the Framework, the base index will be the quarter of the tender submission date. Annual index comparisons will compare the index change from the base index quarter, which will be applied on the anniversary of the Framework commencement date. For this Framework the following will apply.
- 7.5 The planned commencement date of the Framework is 28th July 2021. The tender submission date is 7th May 2021; therefore, the index month will be 7th May 2021. Subsequent annual price reviews will compare the change



in index from 7th May 2021 to subsequent May indexes and will be applied on the relevant anniversary of 28th July 2021.

- 7.6 As a result, Bidders should be aware that the Agreed Maximum Prices submitted in their returned pricing schedule for this Framework will not receive a refresh until 28th July 2022 (or such alternative date should the commencement date of the Framework change).

PART 4 – COMPLETING YOUR BID SUBMISSION

1. What You Need to Provide for a Complete & Compliant Bid Submission

1.1 For a bid to be compliant and deemed to be complete you must provide the following:

1. Completed response to Appendix 3a - Statutory Selection Questionnaire (SSQ)

This should be completed in line with the instructions detailed in the form which will depend on whether you are bidding for regional areas within England and / or Wales and also the Workstream/s applied for.

Along with the completed qualification response template you should also provide the following:

- The most recent 3 years published accounts
- Financial statement (as detailed in part 3, section 2) if your most recent accounts are less than 10 months old
- Copies of Environmental Management, Quality Management and Health and Safety certificates

Please upload your response and all supporting attachments as a single zip file.

2. Completed response to Appendix 3b - Quality Questions

This should be completed in line with the instructions detailed in the form which will differ depending on whether you are bidding for regional areas within England and / or Wales and also the Workstream/s applied for.

Please upload your response and all supporting attachments as a single zip file.

3. Completed response to Appendix 3c - Checklist and Declaration

This form contains a checklist for Bidders and a declaration that is required to be completed and submitted along with your bid.

4. Completed response to Appendix 4a - Pricing Schedule

This will form the response to the pricing element of the award criteria. This response form is the same for all Workstreams, but Bidders will only complete the worksheets for the Workstreams they are bidding for.

PART 5 – GENERAL INFO AND PARTICIPATION CONDITIONS

1. General Information for Bidders

General

- 1.1 Information supplied by LHC (whether in the Tender Documents or supplementary clarification and / or information) is provided for general guidance in the preparation of the Tender. The Bidders must satisfy themselves as to the conditions affecting the supply and cost of all resources together with their availability and all other conditions of the individual Workstreams, insofar as the same might affect their Tender response.
- 1.2 Bidders must satisfy themselves by their own investigations with regard to the accuracy of any information provided by LHC, its officers or agents.
- 1.3 Bidders are to note that LHC shall not be held responsible or liable for any inaccurate information obtained by any Bidder, whether from a servant or agent of LHC and whether or not the inaccuracy is due to want of care on the part of LHC, its officers or agents.
- 1.4 Should any additions or alterations to any part of the ITT document or the provision of further information appear to LHC to be desirable to be provided prior to the date for submission of the tenders, such information will be issued to the Bidders through LHC's eTendering portal.
- 1.5 The Bidder is to note that, consistent with the requirements of the Open tendering procedures, post tender negotiations on price or prices cannot take place. Post tender discussions on aspects which do not include price or prices may only be held for the purpose of clarifying or supplementing offers or the requirements of LHC, providing that this does not involve discrimination, distortion of competition or the adjustment of prices/rates or total amounts. Bidders can however seek clarification of the ITT documents before the closing date set out in the tender timetable at part 1, section 5 of this ITT document.
- 1.6 The Bidder should seek all technical and legal advice as part of their investigation processes and fully satisfy themselves as to their legal and other obligations not only in relation to this Tender and the procurement process but also in respect of the Framework.
- 1.7 The Appointed Companies will comply with proportionate Key Performance Indicators (KPIs) with LHC. LHC Clients are keen to monitor the performance standards and commercial competitiveness of the Framework Agreement over the course of the contract. Workstream specific KPI's will be agreed with the Appointed Companies post award.

Confidentiality

- 1.8 The ITT documents and any related and supporting information provided by or on behalf of LHC must be treated by the Bidder as Private and Confidential.
- 1.9 The Bidder is not to disclose or release any information relating to the ITT documents and any related or supporting information other than on a strictly confidential basis to those who the Bidder needs to consult in the preparation of the submission of a bona fide Tender.
- 1.10 The Bidder should further not disclose the fact that they have been invited to tender for this Framework, or at any time release any information concerning the ITT document and/or their Tenders and/or any related documents and/or any negotiation and/or discussion with LHC in this connection for publication in the press or on radio, television, screen or any other medium without the express permission of LHC.
- 1.11 In accordance with the obligations placed upon public authorities by the Freedom of Information Act (FOIA) and/or Environmental Information Regulations) EIR, all information submitted to LHC may be disclosed by LHC in response to a request made pursuant to the FOIA and/or the EIR.
- 1.12 LHC is required to comply with the provisions of the FOIA and/or EIR and will normally seek comments from any party whose information is subject to a request under the FOIA and/or EIR. Even where information is identified as confidential and/or commercially sensitive, LHC may be required to disclose such information in accordance with the FOIA and/or EIR if a request is received.
- 1.13 In addition, Bidders are advised that the UK Government proposal to introduce a voluntary Code of Practice regarding FOI requests to private companies carrying out public contracts may impact on this Framework or call

off contracts. Bidders and Appointed Companies shall advise LHC and/or an LHC Client/s (as appropriate) of any request for information received under any voluntary Code of Practice and shall obtain LHC's and/or an LHC Client's written permission for the release of any information that refers to LHC, LHC Frameworks, terms and conditions of LHC Frameworks, LHC Clients or terms and conditions of LHC Client's call off contracts.

- 1.14 Bidders must carefully consider the use of phrases such as "in confidence" or "commercially sensitive" when submitting a Tender, as they will not necessarily protect their Tender or parts of their Tender from disclosure. In respect of any information submitted by a Bidder which they consider to be commercially sensitive, Bidders should clearly identify such information as commercially sensitive and the consequences of disclosure and detail the envisaged timeframe during which such information will remain commercially sensitive.
- 1.15 Receipt of Tenders marked in whole or in part as "confidential" and/or "commercially sensitive" should not be taken to mean that LHC accepts any duty of confidence by virtue of the marking.
- 1.16 The Bidder warrants to LHC that no document forming part of its Tender shall infringe any Intellectual Property Rights. The Bidder shall retain Intellectual Property Rights in all documents that it prepares as part of its Tender/Offer and LHC shall not copy or use any such documents other than for the purpose of the evaluation and consideration of tenders.
- 1.17 Each Bidder shall indemnify LHC and keep LHC indemnified against all actions, claims, demands, liability, proceedings, damages, costs, charges and expenses whatsoever arising out of or in connection with any breach of any of the provisions outlined.
- 1.18 LHC reserves the right to retain all Tender documents submitted by Bidders throughout the whole of the period that their Tenders remain valid and open for acceptance. Retention and destruction of the tender documentation will be carried out in line with General Data Protection Regulations (GDPR).

Copyright

- 1.19 The copyright in this ITT and Offer Document is vested in LHC and may not be reproduced, copied, sent to third parties or stored in any medium unless directly related to the preparation of this tender. The complete ITT documents and any document issued as supplemental to it is and shall remain the property of LHC.

Consortia and Groupings

- 1.20 Where any form of Consortium or grouping is proposed as the Bidder, this must be clearly and fully shown at the time of the submission of the Tender and the relationship between participants clearly explained.
- 1.21 All information should be given in respect of the proposed lead organisation. Relevant information should also be provided in respect of each and all of the Consortium or group members or Contractors who will play a significant role in the delivery of this Framework Agreement.
- 1.22 All responses made by a Consortium or group must be fully supported to enable LHC to properly assess the proposed overall provision.
- 1.23 Where the proposed prime Contractor is a special purpose vehicle or a holding company, this information should be fully provided at the time of the submission of the Tender.

Submission of Tenders

- 1.24 The Tender responses shall be submitted as defined in this ITT, should the Bidder be unable or unwilling to submit a tender, they should advise LHC through the eTendering portal, using the 'opt out' facility, giving reasons why they do not wish to tender.
- 1.25 The Tender and all supporting documentation are to be completed in the English language. All financial sums and amounts must be in pounds sterling.
- 1.26 Where the Bidder is a company, the Checklist and Declaration document must be signed by a Director of the Company. Where the Bidder is an individual, the Tender must be signed by that named individual and where the Bidder is a Partnership, by at least two Partners on behalf of all the Partners.
- 1.27 Tenders must be kept open and valid for acceptance by LHC for at least 180 days after the closing date for the return of Tenders. A longer period may be agreed by LHC and notified in writing to the Bidders.

- 1.28 All costs, expenses and disbursements incurred by any Bidder in the preparation and submission of the Tender, any discussions, interviews, clarifications and discussions, are to be borne in full by the Bidder.
- 1.29 No unauthorised alterations or additions (save for the inclusion of the relevant information) should be made to any other part of the ITT document.
- 1.30 Tenders must not be qualified in any way and must be submitted strictly in accordance with the ITT documents. Tenders must not be accompanied by any covering letter or any statement that could be construed as rendering the tenders equivocal and/or placing it on a different footing from other tenders.
- 1.31 Additional content and appendices such as marketing literature, unless specifically requested, will be disregarded in the assessment and evaluation of Tenders.
- 1.32 Tender submissions will remain inaccessible to LHC on the eTendering portal until after the Tender closing date. Only the last version of the tender documents submitted by the Bidder before the closing time and date stated in the eTendering portal will be made available to LHC for evaluation.
- 1.33 LHC may, at its own discretion, extend the closing date and time stated in the tender documents. The Bidders are strongly advised to give themselves sufficient time to upload their tenders onto the eTendering portal. Please see also the ProContract PowerPoint guidance slide pack attached.

Tender Validation

- 1.34 If LHC is required to validate aspects of a Bidder's response this shall be carried out by electronic means.
- 1.35 The results of the validation enquiry shall not be scored separately, but answers shall be evaluated to confirm or adjust up or down scores awarded during the ITT evaluation stage.
- 1.36 Bidders should note that the validation process shall only be operated where LHC determines, at its entire discretion, that further clarification of any part of the tender is required in respect of one or more of the Bidder's submissions before a final decision is reached.

Evaluation of works or services offered

- 1.37 LHC may at its discretion reject any or all of the services or works solutions offered by a Bidder if evaluation of the solutions offered by the Bidder fail to conform to the requirements of the Framework specification.

Financial Due Diligence undertaken by LHC

- 1.38 LHC reserves the right to request up to date financial information of all Bidders, including parent companies and holding companies, to carry out a financial evaluation. LHC may also review independent reports from Equifax, Dunn & Bradstreet, CreditSafe or similar credit risk agencies to check the financial viability of Bidders, before they are formally designated as an Appointed Company under the Framework.
- 1.39 In order to assess each Bidder's financial status, LHC will use the following ratios:
 - **Profitability:** this is calculated as profit after tax but before dividends and minority interests. If a company makes a profit, then it passes this ratio; and
 - **Liquidity:** this is calculated as current assets, divided by current liabilities. If the answer is greater than one, then it passes this ratio.
- 1.40 Where any of the two ratios cannot be met, LHC reserves the right to undertake its own detailed financial assessment of the Bidder in order to ascertain to its own satisfaction the financial and economic standing and robustness of the organisation of the Bidder and also, where applicable, the Parent/Holding Company and its subsidiaries. If the Bidder fails this evaluation, LHC will formally notify Bidders of their ineligibility and the rejection of their Application.
- 1.41 LHC's detailed financial assessment mentioned above will include the right to request up to date financial information of all Bidder's parent companies and holding companies to carry out a financial evaluation. LHC may also review independent reports from CreditSafe or similar credit risk agencies.
- 1.42 The assessment will be undertaken to utilise a UK standard format based on information extracted from the Profit and Loss and Balance Sheets of the Bidder's accounts covering:

- Turnover
- Post -tax profit
- Fixed assets
- Stocks and work in progress
- Current liabilities
- Total current assets
- Net current assets or liabilities
- Key ratios of liquidity and gearing
- Inter-company liabilities (if applicable)
- Inflows and outflows of cash
- Information from the Bidder's Bankers

1.43 LHC further reserves the right to seek additional financial information from the Bidders and to take this into consideration in the financial assessment process and also to obtain independent assessments on the financial information provided by the Bidder, or (where applicable) the Parent/Holding Company, and take this into consideration in the financial assessment.

1.44 Financial assessments that may be carried out are:

- Debt to Equity: Long term debt / Shareholders' funds %
- Net assets
- Sufficiency of reserves
- Levels of ratios in comparison to the industry sector
- Satisfactory audit report
- Parent company guarantee or Performance Bond

1.45 In the event the information raises doubts as to the financial stability of the Bidder and the Bidder is unable to satisfy LHC on the issues raised, then the company will not be considered for appointment.

1.46 If, as a result of the evaluation of financial due diligence, LHC determines that Client's may require a parental or bank guarantee for defined value, larger contracts to ensure that there are sufficient funds in the relevant company to meet the financial obligations of a call-off contract, this shall be stated in the award notification letter.

Rejection of Tenders

1.47 LHC shall reject a tender, without prejudice to any other civil remedies available to LHC or any criminal liability the Bidder may attract, if the Bidder:

- fixes or adjusts the price shown in its Tender by or in accordance with any agreement or arrangement with any other person or by reference to any other tender; or
- communicates to any person other than LHC the amount or appropriate amount of the prices shown in its Tender, except where such communication is made in confidence in order to obtain quotations necessary for Insurance, Guarantee Undertaking; or
- agrees with any other person that such other person shall refrain from submitting a tender or shall limit, restrict or reduce the prices to be shown by any other Bidder in its tender; or
- offers or agrees to pay or give any sum of money, inducement or valuable consideration directly or indirectly to any person for doing or having done, or for causing or having caused to be done any act of omission in relation to any other Bidder or any other persons proposed Tender.
- has a conflict of interest in the conduct of procurement procedures, in particular where relevant staff members have, directly or indirectly, a financial, economic or other personal interest which might be perceived to compromise their impartiality and independence in the context of the procurement procedure.

1.48 In addition, Bidders attention is drawn to the Public Procurement Regulations relating to grounds for rejection of Economic Operators and the grounds for exclusion from the Tender process.

LHC's right to reject

- 1.49 The issue of this ITT and the Offer documents does not commit LHC to conclude the Framework pursuant to this Tender process and LHC shall be able, in its sole discretion, to withdraw from the procurement process at any time or to amend, add, omit or revise any part or all of the procurement.
- 1.50 LHC may (but shall not be obliged to), at its discretion but always acting proportionately and in accordance with the law, deselect a Bidder if any of the following apply:
- the Tender is incomplete, misleading or inaccurate;
 - the Tender is not submitted as stated and required by LHC which therefore makes a Tender 'not compliant' for evaluation by LHC. This applies to both Quality and Price or Cost.
 - the Bidder seeks to negotiate.
 - the Bidder makes material changes to, or (in LHC's opinion) a material change takes place in respect of, any aspect of either their qualification, quality or price submission unless substantial justification can be provided to the satisfaction of LHC.
- 1.51 LHC further reserves the right to reject or disqualify a Bidder where there is a change in identity, control, financial standing or other factors impacting on the selection and/or evaluation process affecting the Tender.

TUPE

- 1.52 The Transfer of Undertakings (Protection of Employment) Regulations 2006 (as amended) ("TUPE") may apply to the workforce of the incumbent contractor(s) in relation to the Works under the Contract. Whether or not TUPE applies is a matter of law. This can finally be determined only by an Employment Tribunal.
- 1.53 If TUPE applies, the existing workforce of the incumbent contractor who are assigned to the Works immediately before the Commencement Date will transfer (unless they choose not to) to the Service Provider on their existing conditions of employment.

Standstill

- 1.54 The appointment of companies and the conclusion of the Framework will be subject to a Standstill Period of not less than 10 (ten) calendar days.

Debriefing

- 1.55 Following identification of the preferred Bidders who have been invited to become a party to the Framework in respect of each of the Workstreams, a debriefing will be available to all successful and unsuccessful Bidders on request.

Insurance

- 1.56 Copies of all Certificates in respect of the Insurances are to be provided by the Bidders and submitted with their tenders or provided by successful Bidders prior to award.

Acknowledgement of receipt of ITT documents

- 1.57 By accessing the tender documents at <https://procontract.due-north.com/> Bidders acknowledge receipt of the complete set of ITT documents, and is aware of all timescales for clarifications and submissions.
- 1.58 Companies receiving this ITT must be aware and acknowledge that if subsequently appointed to the Framework, it will be the responsibility of all Directors, Employees, Agents and sub-contractors of the Appointed Company to deliver call-off projects awarded under the Framework in full accordance with the terms, conditions and specifications described in this ITT, and to proactively promote best practice to all LHC Clients.

PART 6 – APPLICATION OF THE LHC LEVY

1. Application and Payment of the Levy

- 1.1 As outlined in part 1, section 2 each successful Bidder (herein referred to as an Appointed Company) appointed to the Framework shall pay to LHC a levy based on the total value of funds received by the Appointed Company from each LHC Client and from funding or grants agencies in respect of the works, supplies and/or the services provided by the Appointed Company to the LHC Client under the Framework, including the total value of supplies and/or services provided by any appointed sub-contractors.
- 1.2 The levy shall be applied to all supplies, works or services provided by the Appointed Company under each Call-Off Contract including preambles and preliminaries, enabling and access works. For clarity this includes:
 - Quotes and invoices both for works and services specified in any original call off but also for any variations or additions agreed throughout the life of the Call off Contract
 - Chargeable items related to the call off contract, but which are not specifically itemised in the Framework pricing schedule (i.e. specialist works). Such items will still be considered subject to the levy as they form part of the call off contract and therefore the appointed company must ensure they allow for the recoverable levy within the price issued to the Client.
- 1.3 For the purpose of this framework all rates submitted by the Bidder within the pricing schedule will form the Agreed Maximum Prices, these shall be inclusive of the 5% LHC levy.
- 1.4 The successful Bidder (Appointed Company) will be required to include the 5% LHC levy in every quotation and invoice provided to LHC Clients under any contract procured through this framework.
- 1.5 Appointed Companies will be required to pay LHC the 5% LHC Levy for all invoices submitted in relation to all call-off contracts secured through this framework, by declaring to LHC the total invoice value (ex. of the Levy & VAT) paid by the Client. Declarations are via the LHC's levy portal, following which LHC will invoice the Appointed Company the 5% levy on the declared net invoice value (ex. Levy & VAT) paid by the LHC Client.
- 1.6 For clarity, the LHC levy shall be applicable to all invoices submitted to the LHC Client, linked to any call off contract delivered under this LHC Framework Agreement, whether or not the services provided are captured within the scope or schedule of rates for the Framework Agreement. Therefore, Bidders should ensure they show the LHC levy as a separate line item within all quotations and invoices submitted to the LHC Client.
- 1.7 Full conditions related to the payment of the Levy can be found in **Appendix 4b – FAC-1 LHC Amendments**.
- 1.8 LHC Levy of 5% to be applied to the total value of all invoices inclusive of all sub-contractors fees.