

Request to Participate: Document 1 Information and Instructions – please read first

Contract Title:	Tropicana Operator
Reference Number:	NSC-0181-24
Portal Reference:	DN740601
Deadline:	Friday 4th October 2024 no later than 11:00hrs

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	Descriptive document (Document 2)	
	Soft market testing documents (Appendix 1)	
To be returned by the operator		
	Selection Questionnaire (information only and pass/fail) (Document 3)	
Q1	Project Specific Quality Questions (scored) (Document 4)	
Q2	Project Specific Quality Questions (scored) (Document 4)	
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Q4	Project Specific Quality Questions (scored) (Document 4)	

Further information will be released to Operators as and when it becomes available and as part of the next stages of the procurement process.

Failure to follow any of the instructions may result in a Submission being rejected. It is therefore important to read the information and instructions, and all appendices carefully before returning your Submission.



1. Definitions

The following terms are used within all documents included in the Request to Participate and are defined as:

The Council	meaning North Somerset Council, the contracting authority, or anyone acting on behalf of the Council that is seeking to invite suitable Operators in this Request to Participate.
Operator	meaning the organisation this Request to Participate has been sent to, and who may respond by returning a Submission via the E-Tendering Portal.
Request to Participate (RTP)	meaning this document and all other documents appended and listed in the content page, where Operators (that meet the criteria) are invited to submit a Selection Questionnaire, with a view to being awarded the Contract.
Request to Participate Stage	meaning this document and all other documents appended and listed in the content page, where Operators (that meet the criteria) are invited to submit a Selection Questionnaire, with a view to being awarded the Contract.
Selection Questionnaire	means all completed documents requested by the Council as part of the Request to Participate and submitted by Operators via the E-Tendering Portal.
Submission	meaning all documents required to be completed and sent back to the Council by the Operator.
E-Tendering Portal	means a secure (hosted) electronic tendering system through the Pro-Contract website: www.supplyingthesouthwest.org.uk
Contract	meaning a formal and legally binding agreement entered in to between two or more parties, including all documents to which reference may properly be made in order to ascertain the rights and obligations of all the parties involved. This includes any associated lease agreement.
Deadline	as specified on page 1 of this document, and specifically for the Request to Participate Stage of the procurement process.
Shortlisted Operator	means an Operator organisation that has been shortlisted following the Request to Participate stage and who will continue in the procurement process.

Invitation to Submit Outline Solutions (ISOS)	means the information and instructions, yet to be issued by the Council, where the Shortlisted Operators are invited to submit their Outline Solution, with a view to being awarded the Contract.
Outline Solution Stage	means the information and instructions, yet to be issued by the Council, where the Shortlisted Operators are invited to submit their Outline Solution, with a view to being awarded the Contract.
Outline Solution	means all completed documents requested by the Council as part of the Outline Solution Stage and submitted by Shortlisted Operators via the E-Tendering Portal.
Invitation to Submit Final Tender (ISFT)	means the information and instructions, yet to be issued by the Council, where the Shortlisted Operators are invited to submit their Final Tender, with a view to being awarded the Contract.
Final Tender Stage	means the information and instructions, yet to be issued by the Council, where the Shortlisted Operators are invited to submit their Final Tender, with a view to being awarded the Contract.
Final Tender	means all completed documents requested by the Council as part of the Final Tender Stage and submitted by Shortlisted Operators via the E-Tendering Portal.
Regulations	means the Concession Contracts Regulations 2016
Dialogue and Negotiation	Means the dialogue and negotiations between each Shortlisted Operator and the Council following the ISOS and ISFT.

2. Introduction to North Somerset Council

North Somerset Council is the local authority of North Somerset. It is a unitary authority, possessing the powers of both a non-metropolitan county and district council combined. There are three parliamentary constituencies within North Somerset. The main settlements are Weston-super-Mare and three smaller towns of Clevedon, Nailsea and Portishead.

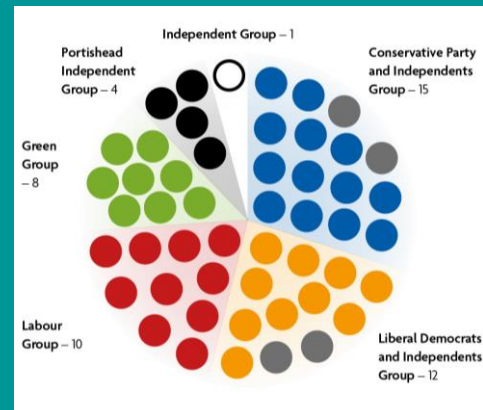


North Somerset Council provides a full range of local government services including highways, adult social care, children's services, planning, parks and open spaces, waste collection and disposal, property maintenance and the council is also a local education authority. The council declared a climate emergency and is committed to emissions reduction of own estate and wider region. In addition, the council has strong vulnerabilities to effects of climate change, including high risks of flooding and overheating, therefore has strong commitments to climate adaptation measures.



North Somerset has a population of around 215,574. It borders the local government areas of Bristol, Bath and North East Somerset, and Somerset Councils. The council operates out of the Town Hall in Weston-super-Mare and Castlewood in Clevedon.

The council has been under no overall control since 2019. Below is the number of seats that each political group currently holds in the Council:



Our Vision - an open, fairer and greener North Somerset



3. Overview of the opportunity

Please read '[Document 2 – Descriptive document](#)' for further details.

In 2023, the Council was awarded around £20 million in funding from the UK government, which was matched by North Somerset Council to invest in a £23 million programme of investments across Weston-super-Mare ([Council wins cash boost for Weston](#)). A proportion of this fund is for the Tropicana, which aims to make major repairs and improvements to the site and increase the capacity to enable its viable operation for the future.

The council's objectives for the procurement are to:

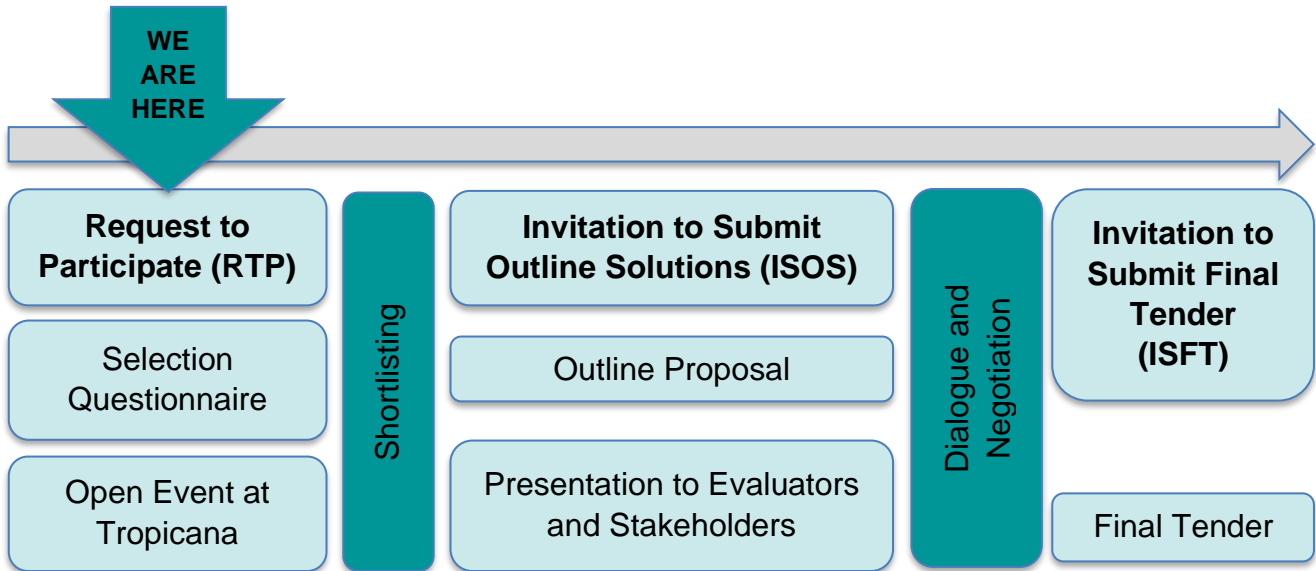
- Procure a long-term viable Operator for 20+ years.
- Secure an Operator on an operating service contract with appended lease.
- Reduce the council's revenue costs and provide an income stream in the longer-term.
- Deliver the objectives of the UK Government funding (previously called the Levelling Up programme) and Super Weston Placemaking Strategy, in particular:
 - Select an operator to provide a programme of entertainment, culture and activity which generates a sense of excitement and pride (locally, regionally, and nationally) as to the future of the venue and its offer.
 - Maximise the amount and range of year-round entertainment to diversify the offer across town and the seafront, raise the profile of Weston-super-Mare, boost the visitor economy, and raise the town's placemaking credentials.
 - Increase opportunities for community use of the Tropicana, including as a focal point for cultural activity and creative opportunities for local communities, organisations, and visitors.
 - Ensure the operator will work proactively with NSC teams to ensure the safe and successful operation of the wider seafront and town centre.



The successful Operator will enter into a long-term operator service contract with 20+ year lease with North Somerset Council. The operator service contract shall set out the operator's responsibilities, such as processes for flood defence warnings, seafront management requirements, engagement with residents and businesses etc. The contract will also cover logistical agreements for example shared access to the beach, and engagement with the North Somerset Safety Advisory Group for events etc.

It is anticipated that the successful bidder will enter into the operator service contract and lease following completion of the improvement works. It is expected that the site will be operational by March 2026, if not earlier.

4. Procurement process, timeline and instructions



Please find an indicative timetable below for the procurement process set out above. The Council reserves the right to depart from the timetable, and/or **not award the Contract if necessary**.

Competitive Dialogue-based approach and timetable

The Concession Contracts Regulations 2016 (“CCR”) apply to this scheme. The Council intends to follow a process similar to the Competitive Dialogue procedure described in the Public Contracts Regulations 2015 (as amended) (“PCR”) in terms of a process which allows the Council to engage with and negotiate solutions with the bidders and also to have a preferred bidder stage to confirm commitments with the bidder who has been assessed as offering the most economically advantageous tender.

However, under the CCR, the Council is not bound by the strict formalities or rules governing Competitive Dialogue in the PCR and is able to adapt and change that process within the flexibilities provided in Regulation 37 CCR.

Feedback will be provided to operators at the shortlisting stage, dialogue stage and the award stage.

Request to Participate (RTP)	
Open event at the Tropicana:	17th September 2024 – 14:00 18th September 2024 – 10:00 (see full details below)
Additional documents available: <ul style="list-style-type: none"> • Heads of Terms – Operator Agreement • Heads of Terms – Lease • Draft ISOS documents 	These documents will be available on the E-Tendering Portal week commencing 9th September 2024
Deadline for the receipt of clarifications / queries from Operators in relation to the RTP	Monday 23rd September 2024 no later than 14:00hrs
RTP Submission Deadline:	Friday 4th October 2024, no later than 11:00hrs
Evaluation and shortlisting:	7th October to 25th October 2024
Notify Operators of outcome:	Week commencing 28th October 2024

Open event at the Tropicana

An open event for interested Operators will be held at the Tropicana, two dates are available:

- **17th September 2024 – 14:00 to 17:00**
- **18th September 2024 – 10:00 to 13:00**



North Somerset Council will present their vision and objectives for this procurement and the future of the Tropicana, including a brief tour of the venue and summary of improvement works.

Interested Operators who would like to attend an open event are invited to confirm their attendance through the **E-Tendering Portal** by **5pm, Wednesday 11th September 2024**, providing names of **up to 4** attendees from their organisation and which of the dates you wish to attend.

Please note – as the Open Event is being held in person, it is not possible for the Council to protect the identities of the Operators attending.

There will be limited opportunity to ask questions at this event. Should Operators have questions, if possible, we would appreciate these questions being asked via the E-Tendering Portal. All questions and responses will be made available to all Operators via the portal. The Council will however provide the information delivered at the event to all Operators via the E-Tendering Portal following the event and prior to the first deadline, should you not wish to / are unable to attend.

Shortlisting

There are a number of pass / fail sections within the Selection Questionnaire (Document 3, sections 2 to 5). These will be assessed first before the technical and professional ability section (Document 3, sections 6 to 8) is assessed, which is also a pass / fail section. If your submission fails any of the initial pass / fail sections, the Project Specific Quality Questions (Document 4) will not be assessed.

The Council intends to invite **up to five Operators** to the Invitation to Submit Outline Solution stage but reserves the right to invite less than five. The Operators will be shortlisted by calculating the total weighted score (out of 100%) from the evaluation of the Selection Questionnaires received and using the Award Criteria set out in this document.

Invitation to Submit Outline Solutions (ISOS) – indicative dates subject to change	
Issue ISOS to shortlisted Operators:	Wednesday 30th October 2024
Deadline for the receipt of clarifications / queries from Shortlisted Operators in relation to the ISOS	13th December 2024, no later than 14:00hrs

ISOS Submission Deadline:	18th December 2024, no later than 14:00hrs
Notify Shortlisted Operators of the venue/ time for their Presentation:	Shortlisted Operators will be notified in the week commencing 6th January 2025
Online presentations to Evaluators and Stakeholders:	13th January 2025 - 17th January 2025
Notify Shortlisted Operators of the venue/ time for the Dialogue and Negotiation:	Shortlisted Operators will be notified on 24th January 2025
Online dialogue and Negotiation meetings:	30th January 2025 - 26th February 2025

Shortlisted Operators will be provided with further information and instructions about the Presentations and the Dialogue and Negotiation meetings which will be required during this period as and when it becomes available. This will be provided via the E-Tendering Portal, giving reasonable notice of the online meeting date(s) and topics to be discussed. Where possible, the Council will aim to set a series of meeting dates/times for this period in advance.

Invitation to Submit Final Tender (ISFT) – indicative dates subject to change	
Issue ISFT to Shortlisted Operators:	Week commencing 3rd March 2025
Deadline for the receipt of clarifications/ queries from Shortlisted Operators in relation to the ISOS	21st March 2025, no later than 14:00hrs
ISFT Submission Deadline:	31st March 2025, no later than 14:00hrs
Evaluation:	4th - 25th April 2025
Notify Operators of outcome:	May 2025

5. Evaluation process

Request to Participate (RTP)

This stage of the procurement process is to obtain and evaluate general information about you, as a potential Operator, to determine your suitability for the opportunity.

The following documents are mandatory to complete and return and form your Submission to the Request to Participate. They must be uploaded to the E-Tendering Portal, and prior to the Deadline.

To be Returned		
Document 3		Selection Questionnaire (information only and essential pass/fail questions)
Document 4	Q1	Project Specific Quality Questions (scored and used to shortlist)
	Q2	Project Specific Quality Questions (scored and used to shortlist)
	Q3	Project Specific Quality Questions (scored and used to shortlist)
	Q4	Project Specific Quality Questions (scored and used to shortlist)

Any Submissions received after the specified deadline will not be considered, except where:

- the Council has sent prior written confirmation to extend the deadline; and/or
- in exceptional cases for circumstances outside of an Operator's control.

The Council reserves the right to make this decision and the decision will be final.

Operators are responsible for ensuring that their Submission is completed correctly and in full by the Deadline, therefore the Council is not bound to allow any Operator the opportunity to upload any part of their Submission late if they do not deem it appropriate and fair to other Operators to do so. Should elements of an Operator's Submission be missing, the Council may, at its discretion, allow the Operator to upload these outstanding documents within a strict time limit, decided by the Council.

Failure to return all the required documents will usually mean that you will not be invited to the next stage of the procurement process, as the Council will be unable to assess your suitability.

For the avoidance of doubt, the Council does not require Operators to submit any financial commitments or detailed business plans at the Request to Participate.

Selection Questionnaire (Document 3) - Exclusion Grounds: Part 1 and Part 2

The Selection Questionnaire includes a self-declaration, made by you on behalf of your organisation, and that none of the grounds for exclusion apply, see:

[Annex D - Exclusion Grounds: Public Procurement \(HTML\) - GOV.UK \(www.gov.uk\)](#)

If any of the grounds for exclusion do apply, there is an opportunity to explain any measures your organisation has taken to demonstrate your reliability, notwithstanding the existence of a ground for exclusion (we call this self-cleaning). Please see further details regarding self-cleaning below.

Every member of your bidding group/consortium (if applicable), and any subcontractor that is being relied on to meet the selection criteria, must complete Part 1 and Part 2, and submit the self-declaration. This means that where you are joining a group of organisations, including joint ventures and partnerships, each organisation in that group must complete one of these self-declarations. Subcontractors that you rely on to meet the selection criteria, must also complete a self-declaration. Subcontractors that are not relied upon do not need to complete the self-declaration.

Self-cleaning

Any Operator that answers 'Yes' to questions within Part 2 of the Selection Questionnaire, should provide sufficient evidence, in a separate Appendix, that provides a summary of the circumstances and any remedial action that has taken place subsequently and effectively "self-cleans" the situation referred to in that question. The Operator has to demonstrate it has taken such remedial action, to the satisfaction of the Council in each case.

If such evidence is considered by the Council (whose decision will be final) as sufficient, the Operator concerned shall be allowed to continue in the procurement process. In order for the evidence referred to above to be sufficient, the Operator shall, as a minimum, prove that it has:

- paid or undertaken to pay compensation in respect of any damage caused by the criminal offence or misconduct;
- clarified the facts and circumstances in a comprehensive manner by actively collaborating with the investigating authorities; and
- taken concrete technical, organisational and personnel measures that are appropriate to prevent further criminal offences or misconduct.

The measures taken by the Operator shall be evaluated taking into account the gravity and particular circumstances of the criminal offence or misconduct. Where the measures are considered by the Council to be insufficient, the Operator shall be given a statement of the reasons for that decision.

The Council confirms that it will keep confidential and will not disclose to any third parties any information obtained from a named customer contact, other than to the Cabinet Office and/or contracting authorities defined by the regulations, or pursuant to an order of the court or demand made by any competent authority or body where the authority is under a legal or regulatory obligation to make such a disclosure.

Selection Questionnaire (Document 4) – Project specific quality questions to assess Technical and Professional ability

These scored questions will be evaluated to assess the technical and professional ability of an Operator to be shortlisted and continue to the next stage of the procurement process. The questions will be evaluated and scored using the table below.

Score	Classification	Award Criteria
5	Excellent	A response that inspires confidence; requirements are fully met and is robustly and clearly demonstrated and evidenced. Full evidence as to how the Contract will be fulfilled either by demonstrating past experience or through a clear process of implementation.
4	Good	A response supported by good evidence/examples of the Operators relevant ability and/or gives the Council a good level of confidence in the Operators ability. All requirements are met, and evidence is provided to support the answers demonstrating sufficiency, compliance and either actual experience or a process of implementation.
3	Satisfactory	A response that is acceptable and meets the minimum requirement but remains limited and could have been expanded upon.
2	Weak	A response only partially satisfying the requirement with deficiencies apparent. Not supported by sufficient breadth or sufficient quality of evidence/examples and provides the Council a limited level of confidence in the Operators ability to deliver the specification.
1	Inadequate	A response that has material omissions not supported by sufficient breadth and sufficient quality of evidence/examples. Overall, the response provides the Council with a very low level of confidence in the Operators ability to deliver the specification.
0	Unsatisfactory	No response or response does not provide any relevant information and does not answer the question.

Please note - 'Requirements' are those set out in the scored questions and the descriptive document (Document 2).

The council reserves the right to reject any Submission that scores 2 or less in respect of any of the scored questions.

The weighting for each scored question is set out in the table below:

Project Specific questions to assess Technical and Professional ability		Weighting
Q1	Venue Operations	20%
Q2	Finance Viability	40%
Q3	Programme	30%
Q4	Positive Wider Impacts	10%
Total		100%

These scored questions in the Selection Questionnaire will be evaluated and scored by a panel of evaluators using a consensus scoring approach and then weighted accordingly.

The Council has provided an individual response document to make it easy for the Council to distribute to the evaluation panel members. You must complete these documents in the format given, please do not make any changes, as this allows for ease of evaluation.

Next stage: Invitation to Submit Outline Solutions (ISOS)

Further information will be provided to Shortlisted Operators setting out further information and instructions for this stage of the procurement process, including the latest RIBA designs and draft Operator Services Contract and Lease.

The purpose of this stage is for Shortlisted Operators to set out an 'Outline Solution' for the site, i.e. setting out the full proposal; business plan; income proposal; entertainment programme, etc. Scores at this stage will be focused on viability, quality and detail of proposed activity and operational logistics. The information provided at this stage and the Presentation to Evaluators and Stakeholders will not be evaluated, and scored, but will form the basis of the Dialogue and Negotiation meetings.

Final stage: Invitation to Submit Final Tender (ISFT)

Further information will be provided to Shortlisted Operators setting out information and instructions for this stage of the procurement process. The purpose of this stage is for organisations to submit their Final Tender, which will include proposed amendments to the operator services contract. The information provided at this stage will be evaluated and/or scored in line with the given evaluation criteria.

6. Additional information and instructions for Operators

Submitting Appendices

Should you be required to submit additional information as an appendix to the Selection Questionnaire (only as instructed) – these should be numbered clearly and named appropriately with the question number it relates to and uploaded prior to the Deadline.

Questions from Operators

If you have any queries regarding this Request to Participate, please use the secure messaging service on the E-Tendering Portal only. Operators must not approach any other member of the Council in relation to the opportunity, therefore the Council will **only** respond to queries using the E-Tendering Portal.

Operators should note that unless your query is deemed commercially confidential, responses will be provided to all Operators. The Council will take into consideration any request by the Operator to treat the query and the response as commercially confidential. The identity of Operators raising any queries will not be disclosed.

Support with the E-Tendering Portal

ProActis who provide the Council's procurement portal can also offer support to Operators. For all technical support issues, please contact them in the first instance by logging your query at: <https://suppliersupport.proactisservicedesk.com>. If your query is urgent and of a time sensitive nature: ProActis also has an emergency phone number: **0330 005 0352**.

The Public Procurement Review Service

This service allows government operators and potential government operators to raise concerns anonymously about unfair public sector procurement practice. The government can then investigate and resolve these concerns for contracting authorities as listed in Schedule 1 of the Public Contracts Regulations 2015. To use the Public Procurement Review Service, read the terms and email publicprocurementreview@cabinetoffice.gov.uk or phone **0345 010 3503**.

Consequences of misrepresentation

If you seriously misrepresent any factual information in filling in the Selection Questionnaire, and so induce the Council to enter into a Contract, there may be significant consequences. You may be excluded from the procurement procedure, and from bidding for other contracts for three years. If the Contract has been entered into you may be sued for damages and the Contract may be rescinded. If fraud, or fraudulent intent, can be proved, you or your responsible officers may be prosecuted and convicted of the offence of fraud by false representation, and you must be excluded from further procurements for five years.

Sub-contracting arrangements

Where the Operator proposes to use one or more sub-contractors to deliver some or all of the contract requirements, a separate Appendix should be used to provide details of the members of the supply chain, the percentage of work being delivered by each sub-contractor and the key contract deliverables each sub-contractor will be responsible for.

The Council recognises that arrangements in relation to sub-contracting may be subject to future change and may not be finalised until a later date. However, Operators should be aware that where information provided to the Council indicates that sub-contractors are to play a significant role in delivering key contract requirements, any changes to those sub-contracting arrangements may affect the ability of the Operator to proceed with the procurement process or to meet the requirements. Operators should therefore notify the Council immediately of any change in the proposed sub-contractor arrangements. The Council reserves the right to deselect the Operator prior to any award of contract, based on an assessment of the updated information.

Please note that the Council may require a consortium of organisations to assume a specific legal form if awarded the contract, to the extent that a specific legal form is deemed by the Council as being necessary for the satisfactory performance of the Contract.

Where an Operator is proposing to create a separate legal entity, such as a Special Purpose Vehicle (SPV), you should provide details of the actual or proposed percentage shareholding of the constituent members within the new legal entity in a separate Appendix.

Freedom of Information

The Freedom of Information Act 2000 came into force for local authorities on 1st January 2005. It affects all information held by local authorities. It is a matter of law and local authorities cannot contract out of it. The council currently expects the position as to what information may be accessible to the public, to be as follows. However, it can give no guarantee that this will continue to be the case, as the legislation develops and as the Information Commissioner issues decisions in this area. Nor can the council give any commitment that it or other customers may not be required or feel obliged to make information available to the public or to withhold it on some other basis. By emailing your Submission in response to this Request to Participate, you are taken to accept this.

Information	How it is treated
Submissions	Will be treated as publicly inaccessible at least until the successful Operator has signed the contract.
Identity and amount of submissions received	The identity and financial value of the successful Submission will become publicly accessible during the award process. Whilst details of unsuccessful Submissions will be considered as confidential for the purposes of Freedom of Information, this does not extend to the identities of the potential Operators (unless the identity would be considered to be personal data). If financial values appear in publicly accessible documents, the Operators will normally not be identified by name. Unsuccessful Operators will continue to have their existing rights to know details about their own Submission, but not other organisations.
Contract documents as completed by the successful Operator	Accessible during the advertisement period under the council's auditing regime.
Amounts spent on purchases etc by the council.	Accessible.
Trade secrets and other information that is genuinely commercially confidential	Under European Law the Council is obliged not to disclose information that is genuinely confidential (such as the formula for making a particular product). However, the Information Commissioner has made it clear that this cannot be used as a blanket justification for refusing access, and that councils may not agree to treat information as confidential unless there is a really strong justification for doing so.

Additional guidance with regards the Health & Safety

If you are requested to provide your Health and Safety policy as described at Section 8 of Document 3, it must be of a standard to demonstrate competence and compliance with regards to H&S legislation and will be considered in relation to the nature of each procurement.

All of the questions asked are based on legislative requirements and responses will be evaluated to ensure that the information provided corresponds to the level of risk of the work or service activity specified within the tender.

The pass mark for this is 2.

A score of less than 2 for any part will be considered to have failed and removed from the tender process. Where a policy is awarded a score of less than 2, it will also be deemed to have failed and the next most economically advantageous tender will be assessed.

Excellent Response, wholly compliant	3
Good response, the key information/standards are in place. Some minor omissions	2
Information submitted is inadequate	1
Significant omissions. Response wholly inadequate or no response.	0

If you have self-certified that you have SSIP status or hold OHSAS18001/ISO 45001, instructions around the Health and safety policy will not apply however you may be asked to evidence your status/qualification.

Additional guidance with regards Equalities & Diversity

If requested, your equality and diversity policy will be assessed using the following criteria:

- Inclusion of all 9 protected characteristics specified in the Equality Act (age, disability, race, religion or belief, sexual orientation, pregnancy and maternity, marriage or civil partnership, sex, gender reassignment)
- A statement of acknowledgement of compliance with responsibilities under the Equality Act 2010
- A statement of how equality issues are being considered by the organisation in both employment and service delivery
- A statement of how equality issues are reviewed or monitored in the organisation, including the overall responsibility for the implementation of the policy
- An action plan on how equality issues are being improved across the organisation

A point will be awarded for each fulfilled criteria which is evident in your policy. The pass mark for this is 3/5.

Additional guidance with regards the Financial Standing Appraisal

The key objective of financial appraisal is to analyse a bidder's financial position and ability to carry out this contract. A range of factors needs to be considered as part of the appraisal and various financial statistics, ratios and figures analysed. Once the appropriate data has been obtained a professional judgement must then be applied to the issues.

When undertaking the financial vetting, the council looks at the bidder's most recent accounts along with those of any parent company (if applicable). These would be checked for general audit qualification issues and then analysed to give an indication of turnover and contract capacity, profitability, liquidity, net worth, asset/debt position and general stability. An Experian compact report will also be obtained and reviewed as part of the process.

Initially basic checks are made on a bidder's title and any relevant registration details (e.g. registered number at Companies House). The council would check whether the bidder is trading or dormant and whether it has a parent company. The status of the accounts is also determined to check whether accounts submitted are for the last accounting period for which statements have been filed and whether there are later accounts that are overdue.

When considering profitability, the council looks at the profit before tax. A loss in the year would be looked at in conjunction with the balance sheet resources available to cover this loss and any losses in the preceding year which would indicate trading difficulties.

When looking at liquidity, the council uses the Current Ratio and the Acid Test ratio. The Current Ratio is a measure of financial strength and addresses the question of whether the bidder has enough current assets to meet the payment schedule of its current debts with a margin of safety for possible losses in current assets. The Acid Test ratio measures liquidity and excludes stock to just really include liquid assets.

The council would look at the bidder's balance sheet and determine the net tangible worth of the organisation and that element that can be mobilised in a financial crisis. The council would also look at the debt (gearing) ratio, total liabilities against shareholders' funds, and interest cover, interest paid against profit before interest and tax.

Contract limit is the size of contract that is considered 'safe' to award to a bidder, based on a simple comparison of the annual contract value to the annual turnover of the organisation. This gives the council an idea of financial strength to ensure that the bidder can cope financially with this size of contract. The council assesses the capacity issue of whether the bidder has the resources to carry out the work. The council also considers whether the bidder will become over-dependant on the contract in question. The council would consider all of the above in assessing the financial standing of bidders and that of any parent, and then a judgement would be made as to the level of risk that the organisation would represent to the council. The final decision regarding the acceptability of the bidder's financial standing relies on a degree of professional judgement from the council. If the council decides that the financial standing of the bidder is such that it does not have the ability to perform the contract and represents an unacceptable risk to the council, then the bidder will be excluded from further consideration in this procurement process.

Note:

Any contract awarded by the council will be with the company whose accounts have been submitted. However, if the accounts submitted are those of the parent company, the contract can be with the subsidiary but a parent company guarantee will be required.

Should your organisation wish to bid for other opportunities with North Somerset Council, you should register your organisation on the [South West Procurement Portal](#).

Many thanks for your interest.

