



ENERGY  
SERVICE  
BRISTOL



## City Leap Energy Partnership

### SQ Evaluation Criteria

ProContract ID: DN484211

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## 1. PURPOSE OF THIS DOCUMENT

This document provides details of the evaluation process and criteria that will be used for evaluating SQ Responses. This document should be read in conjunction with the:

- a) **SQ**,
- b) **SQ Guidance**; and
- c) **SQ MOI**.

Unless otherwise expressly stated, terms defined at the beginning of the SQ Guidance shall have the same meaning in this document.

## 2. SQ EVALUATION PROCESS

The evaluation of SQ Responses will consist of the following two stages:

- i. Preliminary Compliance Check;
- ii. Full Evaluation.

### 2.1. Preliminary Compliance Check

The information supplied in the SQ Response by each Bidder will be checked for completeness and compliance with the Requirements of the SQ before being Fully Evaluated.

The Preliminary Compliance Check will check that SQ Responses:

- Provide all requested information;
- Answer all questions (or state non applicable (N/A) and if required explain satisfactorily the basis on which the question is N/A); and
- Are made in the format and medium requested.

(Together, “the PCC Criteria”).

Where, in the opinion of the Authority, a response does not meet the PCC Criteria, the Authority may not proceed with any further evaluation of a Bidder’s SQ Response and exclude the Bidder from the Procurement.

SQ Responses that pass the PCC Criteria will then be Fully Evaluated.

## 2.2. Full Evaluation

SQ Responses will be marked on the following basis:

### a) Pass / Fail

All SQ Responses will be marked on a Pass/Fail basis with the exception of the responses to Question 6.1(a). For PASS / FAIL questions, a PASS must be achieved for each question to be able to participate further in the Procurement. Any Bidder that receives a FAIL on any PASS / FAIL question will be excluded from the Procurement.

Please refer to Annex A of this Evaluation Criteria for the basis on which a Pass or Fail will be awarded in relation to each Pass / Fail question.

### b) Scored with a minimum threshold to pass

Question 6.1(a) will be marked on a scored basis with a minimum threshold to pass. A minimum score of 20 must be achieved for each Requirement included in Question 6.1(a). Any Bidder that does not achieve such a score will be excluded from the Procurement.

Please refer to Section 4 of this document for details of:

- how the responses to the Requirements will be evaluated; and
- the weighting allocated to each of these Requirements.

## 2.3. Shortlisting to the Next Stage(s)

Bidders will only be eligible to be invited to the next stage of the Procurement ("Eligible Bidders") where they have:

- passed all PASS/FAIL SQ questions;
- scored a minimum score of "20" (Major Reservations) for each Requirement in section 6.1(a); and
- submitted the four signed SQ Declarations and a signed NDA and all other information required to be submitted.

All Eligible Bidders will be ranked in order of their total weighted scores awarded for the responses submitted to Question 6.1(a), from highest to lowest.

Where there is a 'tie' in the scoring of responses to section 6(1) (a), the relevant Bidders will be ranked in accordance with their scores for the following Requirements (in the order in which they will be applied):

- Requirement 1;
- Requirement 4; and
- Requirement 5.

The Authority will then invite a maximum of the five highest ranking Eligible Bidders to participate in the next stage of the Procurement. The number of Eligible Bidders invited to take part in the next stage of the Procurement will be solely at the Authority's discretion.

### **3. ECONOMIC AND FINANCIAL STANDING QUESTIONS**

#### **3.1. SQ Question 4.1 – Financial information requirements**

If the latest publicly available audited financial statements relate to a financial year with a year ending prior to the 30th September 2019, in addition to providing the most recent financial statements, please provide a copy of the Chairman's half-yearly statement (if available). In addition, the Authority reserves the right to request unaudited accounts and/or a statement signed by the statutory Director responsible for financial matters confirming that there are no known significant material adverse changes in the financial position of the organisation.

#### **3.2. SQ Question 4.2 - Minimum Net Assets Threshold/Minimum Financial Scoring Threshold**

##### **3.2.1. Stage 1: Assessment of Minimum Net Assets Threshold**

An assessment will be undertaken to determine whether a Single Bidder or Consortium has the requisite financial standing deemed appropriate to provide the investment needed to deliver City Leap.

The first stage is an assessment of the net asset position of the Single Bidder or Consortium. Net Assets is defined as an entity's total assets minus its total liabilities ("Net Assets"). The Net Assets of a Single Bidder or Consortium Member at the end of its most recent accounting period (based on audited financial statements for that period) must equal £150 million or more. This requirement is defined as the "Minimum Net Assets Threshold".

The Minimum Net Assets Threshold has been set by reference to the initial estimated investment required for City Leap and to ensure that the investment will not excessively dominate the existing business of any Bidder.

The Single Bidder or Consortium must meet the Minimum Net Assets Threshold. In the case of a Consortium, only a single member of the Consortium is required to meet the Minimum Net Assets Threshold in order for the Consortium to be deemed to have met the Minimum Net Assets Threshold. Failure of an organisation e.g. Single Bidder or at least one member of a Consortium to meet the Minimum Net Assets Threshold means the Bidder's SQ Response shall not be evaluated any further.

If a Single Bidder or Consortium Member is an entity whose principle activity is to carry out regulated financial or investment activities then, for the purposes of this SQ, this Bidder's Net Assets shall be defined as Assets under Management (definition set out in SQ Guidance).

### 3.2.2. Stage 2: Assessment of Minimum Financial Scoring Threshold (Profitability, Gearing, Liquidity) (see also section 0)

Subject to the Single Bidder or Consortium meeting the Minimum Net Assets Threshold outlined in 3.2.1 above, the Single Bidder or Consortium will be assessed against a range of financial metrics that will form an assessment of a Single Bidder or Consortium's (as applicable) financial solvency and strength. The financial metrics and assigned weightings are set out in Table 1 included in section 0 of this SQ Evaluation Criteria.

The Bidder will be evaluated on the financial metrics of profitability, gearing and liquidity to derive a weighted score out of 100. The associated weightings are outlined below.

- Profitability (30%)
- Gearing (40%)
- Liquidity (30%)

A Bidder must achieve a minimum cumulative score of 50% out of 100%, defined as the Minimum Financial Scoring Threshold. Failure of a Single Bidder or Consortium to meet the Minimum Financial Scoring Threshold means the response to the Selection Questionnaire shall not be evaluated any further.

The financial metrics of a Consortium will be derived on the aggregate of the information provided in response to Question 4.1 and/or 4.6 of the SQ, e.g. the gross profit of a Consortium shall be calculated by aggregating the gross profit of Consortium Members and dividing by the aggregate of the turnover of Consortium Members. Where a Consortium Member is relying on the financial and economic standing of a Guarantor in accordance with Question 4.6 of the SQ, the financial information of the Guarantor shall be used when deriving the aggregate of the financial information (e.g. gross profit) for the purposes of calculating the financial metrics of a Consortium.

### 3.3. SQ Question 4.2 - Stage 2: Financial Metrics and Assigned Weightings for Assessment of Minimum Financial Scoring Threshold (Profitability, Gearing, Liquidity)

**Table 1 Scoring of Financial Metrics**

Financial Metric	Weighting	Minimum Financial Scoring Threshold
Profitability ratios	30%	
Gearing ratios	40%	
Liquidity ratios	30%	
<b>Sub-Total</b>	<b>100%</b>	<b>50%</b>

The financial metric and the relevant assessment of each metric are explained in more detail below.

### Profitability (30%)

The following profitability ratios will be calculated for each Bidder (e.g. Single Bidder or each Consortium) respectively using information provided in the statutory accounts:

- Gross profit, to give a gross profit margin; and
- Profit on ordinary activities before tax, to give a net profit margin.

Scoring is calculated as follows:

Gross Profit		Net Profit	
Margin (%)	Score	Margin (%)	Score
<1%	0	<0.5%	0
=>1 < 2%	1	=>0.5 < 1.0%	1
=>2 < 3%	2	=>1.0 < 1.5%	2
=>3 < 4%	3	=>1.5 < 2.0%	3
=>4 < 5%	4	=>2.0 < 2.5%	4
=>5 < 6%	5	=>2.5 < 3.0%	5
=>6 < 7%	6	=>3.0 < 3.5%	6
=>7 < 8%	7	=>3.5 < 4.0%	7
=>8 < 9%	8	=>4.0 < 4.5%	8
=>9 < 10%	9	=>4.5 < 5.0%	9
=>10%	10	=>5%	10

For each profitability ratio for the three years being reviewed, the score awarded will be calculated on the basis of the aggregate of the relevant weighted profitability ratio for each year, as follows:

- the most recent year's accounts - 50%,
- the second most recent year - 30%, and
- the third most recent year accounts - 20%.

The total score is then pro-rated for 50% of the overall score for each ratio and then prorated for the section score.

### Worked Example:

Year	Gross Profit %	Weighting	Weighted Gross Profit	Score
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2017	8%	50%	4.00%	
2016	10%	30%	3.00%	
2015	9%	20%	1.80%	
<b>Weighted Gross Profit for Scoring</b>			<b>8.80%</b>	<b>8</b>

Year	Net Profit %	Weighting	Weighted Net Profit	Score
2017	5%	50%	2.50%	
2016	6%	30%	1.80%	
2015	6%	20%	1.20%	
<b>Weighted Net Profit for Scoring</b>			<b>5.50%</b>	<b>10</b>

*The total score (Gross Profit + Net Profit)/2 = 9*

*(Calculated by the average of the two scores for Gross and Net Profit)*

*The overall prorated score for Profitability = (9/10 x 30%) = 27% (out of 30%)*

#### **Gearing (40%)**

The following gearing ratios will be calculated for each Bidder (e.g. Single Bidder or each Consortium) respectively using information provided in the statutory accounts:

- Interest cover (operating profit/interest payable and similar charges),
- Financial gearing (debt/debt plus equity), and
- Free cash flow to net debt ratio (free cash flow / net debt).



The scoring framework is as follows:

Interest Cover	
Ratio	Score
$\leq 0$	0
$\Rightarrow 0.0 < 0.5$	1
$\Rightarrow 0.5 < 1.0$	2
$\Rightarrow 1.0 < 1.5$	3
$\Rightarrow 1.5 < 2.0$	4
$\Rightarrow 2.0 < 2.5$	5
$\Rightarrow 2.5 < 3.0$	6
$\Rightarrow 3.0 < 3.5$	7
$\Rightarrow 3.5 < 4.0$	8
$\Rightarrow 4.0 < 4.5$	9
$\Rightarrow 4.5$	10
Free Cash Flow to Net Debt	
Ratio	Score
$\leq 0\%$	0
$\Rightarrow 0\% < 1.5\%$	1
$\Rightarrow 1.5\% < 3.0\%$	2
$\Rightarrow 3.0\% < 4.5\%$	3
$\Rightarrow 4.5\% < 6.0\%$	4
$\Rightarrow 6.0\% < 7.5\%$	5
$\Rightarrow 7.5\% < 9.0\%$	6
$\Rightarrow 9.0\% < 10.5\%$	7
$\Rightarrow 12.0\% < 13.5\%$	8
$\Rightarrow 13.5\% < 15.0\%$	9
$\Rightarrow 15\%$	10

Financial Gearing	
%	Score
100%	0
$\Rightarrow 90\% < 100\%$	1
$\Rightarrow 80\% < 90\%$	2
$\Rightarrow 70\% < 80\%$	3
$\Rightarrow 60\% < 70\%$	4
$\Rightarrow 50\% < 60\%$	5
$\Rightarrow 40\% < 50\%$	6
$\Rightarrow 30\% < 40\%$	7
$\Rightarrow 20\% < 30\%$	8
$\Rightarrow 10\% < 20\%$	9
$\leq 10\%$	10

For each gearing ratio for the three years being reviewed, the score awarded will be calculated on the basis of the aggregate of the relevant gearing ratio percentage for each year.

- the most recent year's accounts - 50%,
- the second most recent year - 30%, and
- the third most recent year accounts - 20%.

The total score is then pro-rated for 1/3 of the overall score for each ratio and then prorated for the section score.

**Worked Example:**

Year	Interest Cover	Weighting	Weighted Interest Cover	Score
2017	3.1	50%	1.55	
2016	2.7	30%	0.81	
2015	2.5	20%	0.50	
<b>Weighted Interest Cover for Scoring</b>			<b>2.86</b>	<b>6</b>

Year	Gearing %	Weighting	Weighted Gearing	Score
2017	50%	50%	25.0%	
2016	60%	30%	18.0%	
2015	55%	20%	11.0%	
<b>Weighted Gearing % for Scoring</b>			<b>54.0%</b>	<b>5</b>

Year	FCF to Net Debt	Weighting	Weighted FCF to Net Debt	Score
2017	2%	50%	1.0%	
2016	3%	30%	0.9%	
2015	2%	20%	0.4%	
<b>Weighted FCF to Net Debt % for Scoring</b>			<b>2.3%</b>	<b>2</b>

*The total score (Interest Cover + Gearing + FCF to Net Debt)/3 = 4.3*

*(Calculated by the average of the scores for Interest Cover, Gearing and FCF to Net Debt).*

*The overall prorated score for Gearing = (4.3/10 x 40%) = 17.3% (out of 40%)*

### 3.3.1. Liquidity (30%)

The following liquidity ratios will be calculated for each Bidder (e.g. Single Bidder or each Consortium) respectively using information provided in the statutory accounts:

- Current ratio (current assets/current liabilities); and
- Quick ratio (current assets less stock/current liabilities).

The scoring framework is as follows:

Current Ratio	
Ratio	Score
< 0.2	0
=>0.2 < 0.4	1
=>0.4 < 0.6	2
=>0.6 < 0.8	3
=>0.8 < 1.0	4
=>1.0 < 1.2	5
=>1.2 < 1.4	6
=>1.4 < 1.6	7
=>1.6 < 1.8	8
=>1.8 < 2.0	9
=>2.0	10

Quick ratio	
Ratio	Score
< 0.1	0
=>0.1 < 0.2	1
=>0.2 < 0.3	2
=>0.3 < 0.4	3
=>0.4 < 0.5	4
=>0.5 < 0.6	5
=>0.6 < 0.7	6
=>0.7 < 0.8	7
=>0.8 < 0.9	8
=>0.9 < 1.0	9
=>1.0	10

For each liquidity ratio for the three years being reviewed, the score awarded will be calculated on the basis of the aggregate of the relevant liquidity ratio percentage for each year, as follows:

- the most recent year's accounts - 50%,
- the second most recent year - 30%, and
- the third most recent year accounts - 20%.

The total score is then pro-rated for 50% of the overall score for each ratio and then prorated for the section score.

**Worked Example:**

Year	Current Ratio	Weighting	Weighted Current Ratio	Score
2017	1.4	50%	0.70	
2016	1.3	30%	0.39	
2015	1.5	20%	0.30	
<b>Weighted Current Ratio for Scoring</b>			<b>1.39</b>	<b>6</b>
Year	Quick Ratio	Weighting	Weighted Quick Ratio	Score
2017	1.2	50%	0.60	
2016	1.0	30%	0.30	
2015	1.1	20%	0.22	
<b>Weighted Quick Ratio for Scoring</b>			<b>1.12</b>	<b>10</b>

*The total score (Current Ratio + Quick Ratio)/2 = 8*

*(Calculated by the average of the two scores for Current Ratio and Quick Ratio)*

*The overall prorated score for Liquidity = (8/10 x 30%) = 24% (out of 30%)*

**3.3.2. Total Score**

The scores derived for each of the three indicators are then added together to derive a total score for the Single Bidder or each Consortium (as applicable).

The Single Bidder or Consortium must achieve a combined score of no less than 50% out of 100% in relation to the three indicators of profitability, gearing and liquidity as shown in the table below in order to meet the Minimum Financial Scoring Threshold.

**Worked Example:**

Indicator	Score
Profitability Ratio	27.0%
Gearing Ratio	17.3%
Liquidity Ratio	24.0%
<b>Combined Score across profitability, gearing and liquidity</b>	<b>68.3%</b>
Minimum required threshold	50.00%
<b>Conclusion</b> Bidder meets Minimum Financial Scoring Threshold	

3.4. SQ Question 4.3 - Adjustments to be disclosed in accordance with International Accounting Standard (IAS) 10

Bidders are required to quantify the adjusting event or disclose the nature of the non-adjusting event, including any events that indicate that the going concern assumption is not appropriate. The Authority reserves the right to request unaudited accounts and/or a statement signed by the statutory Director responsible for financial matters confirming that there are no known significant material adverse changes in the financial position of the organisation.

3.5. SQ Question 4.5 - Assessment of Risk of Failure and Credit Rating

3.5.1. Dun & Bradstreet Failure Score

In order to assess the likelihood that a Bidder will, in the next 12 months, seek legal relief from its creditors or cease business operations without paying all its creditors in full (i.e. risk of failure over the next 12 months), defined as a Failure Score, Bidders are required to provide a copy of a Dun & Bradstreet report (obtained within the six weeks' prior to the SQ Response Deadline) that provides a Failure Score for the Bidder. Other credit rating agency reports will be accepted as long as these include an equivalent indicator to the Failure Score (a measure of the organisation's risk of failure in the next 12 months).

The Authority reserves the right to exclude any Bidder that does not achieve a Failure Score of 11 (or higher). In exercising this discretion, the Authority will take into account whether the Bidder can demonstrate:

- its liabilities can be serviced as they fall due;
- that there are mitigating circumstances;
- that the risk of failure of the Bidder will not affect the Bidder's ability to undertake a contract of this nature and scale; and
- the risk of failure has not and is not expected to have a significant effect on the financial or trading position of the Bidder.

Where, in the opinion of the Authority, the Bidder has failed to adequately demonstrate one of the above factors, the Bidder will be excluded from the Procurement.

3.5.2. Credit Scores

Where available, Bidders are required to submit their latest credit ratings issued by Moody's, Fitch or Standard & Poor's with their response to the SQ. The purpose of a credit rating score is to highlight any issues that are not brought to the attention of the Authority by the Bidder's responses to the SQ and any supporting documents. This is for information purposes only but may be used to inform discussions in the next stage of the Procurement.

3.6. Ongoing Financial Risk Assessment

The Authority reserves the right to re-perform the assessment of economic and financial standing at any time during the Procurement, including but not limited to ISFT and at Contract Award, to ensure a Single Bidder or Consortium meet the minimum requirements set out in the SQ Documents.

Bidders may be required to submit updated information and/or provide statements signed by the statutory Director responsible for financial matters confirming that there have been no material adverse events that would have a detrimental impact of the financial position of the Bidder since the last published financial statements and/or the SQ Response was submitted.

### 3.7. SQ Questions 4.6 and 4.7 - Parent Companies and Guarantors

Where a Single Bidder or Consortia Member is relying on the financial and economic standing of a Guarantor in accordance with question 4.6 and/or 4.7 of the SQ for the purposes of submitting an SQ Response, the Authority reserves the right to seek a guarantee from the Guarantor on terms acceptable to the Authority. A failure to provide such a guarantee will cause the Bidder to be excluded from the Procurement.

#### 3.7.1. Single Bidders

Where a Single Bidder requires the assessment of economic and financial standing to be undertaken on a Guarantor (which may be a parent company, another group member or a third party) then that Guarantor must be prepared to guarantee the obligations of the Single Bidder.

Without the demonstration of commitment by the Guarantor to provide a guarantee in relation to the obligations of the Single Bidder, the Single Bidder is not entitled to rely on the economic and financial standing of the Guarantor to meet the requirements set out in this SQ.

Bidders must provide written confirmation as to which entity will be the Guarantor and that the Guarantor will provide a guarantee in a form acceptable to the Authority. Where a Single Bidder requires the financial assessment to be undertaken in relation to a Guarantor, the Bidder must provide the relevant financial information and confirmation requested in Question 4.1, 4.2, 4.3, 4.4 and 4.5 of the SQ in relation to such Guarantor with the submission of the SQ response.

#### 3.7.2. Consortia

Without prejudice to the requirement to provide a joint and several guarantees as set out above, where a Consortium Member requires the assessment of economic and financial standing to be undertaken on a Guarantor, then that Guarantor must be prepared to guarantee the obligations of that Consortium Member.

Without the demonstration of commitment to provide a guarantee in relation to the obligations of an organisation, the Consortia is not entitled to rely on the economic and financial standing of the Guarantor to meet the requirements set out in this SQ.

Bidders must provide written confirmation as to which organisation will be acting as Guarantor to which Consortium Member and that the Guarantor will provide a guarantee in a form acceptable to the Authority. The Bidder must provide the relevant financial information and confirmation requested in Question 4.1, 4.2, 4.3, 4.4 and 4.5 of the SQ in relation to such Guarantor with the submission of the SQ response.

Further, in accordance with government guidance (Assessing and Monitoring the Economic and Financial Standing of Suppliers – July 2019), where Consortium bids are received, the Authority shall be seeking 'joint and several' liability from the Consortium Members (and/or Guarantors of the Consortium Members if applicable) in relation to the Consortium's investment and participation in City Leap with the Authority. Bidders that are Consortiums are required to confirm in accordance with question 4.7 of the SQ their commitment to guarantee their obligations and/or commitments on a "joint and several" liability basis.

#### **4. SQ SECTION 6 ASSESSMENT – TECHNICAL AND PROFESSIONAL ABILITY**

##### **Evaluation of Section 6.1(a)**

For section 6.1(a) of the SQ, the following system will be used:

- a. In relation to each Requirement (being the requirements set out in section 4.1), the Authority's evaluators will award scores from the range available (0, 20, 40, 60, 80, 100) – see table on following page. This evaluation will take into account the extent to which the Positive Indicators have been met by the SQ Response.
- b. Positive Indicators represent features that the Authority expects to see in a highly scoring response, and so the evaluation will take into account the extent to which such Positive Indicators have been demonstrated in the response.

For the avoidance of doubt, the Positive Indicators are indicative only and, while the existence (or otherwise) of Positive Indicators in a specific response will be taken into account in the evaluation, this is not the only factor that will determine the score ultimately awarded.

- c. The score achieved by each Bidder for each Requirement will be multiplied by the weighting assigned to that Requirement to provide a weighted score. For example:
  - a bid that scores 80 marks in a Requirement with a weighting of 25% will achieve a weighted score of 20, whereas a bid that scores 100 marks in a Requirement with a weighting of 25% will achieve a score of 25; and
  - a bid that scores 80 marks in a Requirement with a weighting of 20% will achieve a weighted score of 16, whereas a bid that scores 100 marks in a Requirement with a weighting of 20% will score 20.
- d. The weighted scores achieved by each Bidder for each of the five Requirements in Section 6.1(a) will be added together to arrive at the total weighted score for that Bidder.
- e. Bidders will then be ranked in the order of their total weighted score, from the highest to the lowest.
- f. The maximum weighted score available for Section 6.1(a) is 100.



Assessment	Score	Reason to award this score based on evidence provided against the Requirement
Unacceptable	0	Taking into account the Positive Indicators for the Requirement, the response does not comply and/or insufficient information provided to demonstrate that the Bidder has adequate technical and professional capability to meet the Requirement.
Major Reservations	20	Taking into account the Positive Indicators for the Requirement, the evaluators have major reservations as to whether the Bidder has demonstrated adequate technical and professional capability to meet the Requirement.  And/or  Little or no evidence provided to support the response.
Minor Reservations	40	Taking into account the Positive Indicators for the Requirement, the evaluators have some minor reservations as to whether the Bidder has demonstrated adequate technical and professional capability to meet the Requirement.  And  Some evidence provided to support the response.
Satisfactory	60	Taking into account the Positive Indicators for the Requirement, the response demonstrates that the Bidder has adequate technical and professional capability to meet the Requirement.  And  Adequate evidence provided to support the response.
Good	80	Taking into account the Positive Indicators for the Requirement, the response demonstrates that the Bidder has above average technical and professional capability to meet the Requirement.  And  Good evidence provided to support the response.
Excellent	100	Taking into account the Positive Indicators for the Requirement, the response demonstrates that the Bidder has exceptional technical and professional capability to meet the Requirement.  And  Comprehensive evidence provided to support the response.

#### 4.1. Requirements and Positive Indicators for SQ Section 6.1(a)

Bidder's responses to the Requirements set out in section 6.1(a) will be assessed against the Positive Indicators set out below.

Requirement	Positive Indicators	Weighting and word count
<p><b>1. Partnership Working</b></p> <p>Please provide examples of your experience of working successfully in partnership with one or more other organisations, where low carbon energy infrastructure has been delivered at scale (greater than £25m) in an urban environment.</p>	<p>Your response will be evaluated on the extent to which, in describing the examples/ experience required, the response addresses and demonstrates evidence of:</p> <ul style="list-style-type: none"> <li>• Successfully working in partnership with a Local Authority or other public body;</li> <li>• Successfully being part of a joint venture partnership (including by providing details of each parties' contributions);</li> <li>• Delivery of substantial low carbon energy infrastructure projects over a sustained period as part of a successful partnership;</li> <li>• Processes for and examples of amicable dispute resolution during the partnership;</li> <li>• Appropriate sharing of risk and reward amongst the members of the partnership;</li> <li>• Addressing issues specific to public bodies, e.g. managing political considerations, consultation with a broad range of internal and external stakeholders and transparency of decision-making; and</li> <li>• Extensive utilisation and maintenance of healthy local supply chains in the delivery of low carbon energy infrastructure projects.</li> </ul> <p>If a Bidder cannot demonstrate working in partnership, e.g. a joint venture, with a Local Authority or other public body, the Bidder should demonstrate that they have worked successfully in partnership, as opposed to a supplier/customer relationship, to deliver low carbon energy infrastructure (though they may not score as highly).</p> <p>It should be noted that experience of successfully working in genuine partnership (as opposed to a supplier/customer relationship) with the public sector is most highly valued in terms of demonstrating the Bidder's technical and professional capability for this Requirement, but examples of working successfully in partnership in the context of a contractual relationship are acceptable (though they may not score as highly).</p>	<p>30% weighting</p> <p>3,000 max word count</p>

Requirement	Positive Indicators	Weighting and word count
<p><b>2. Sourcing Funding</b></p> <p>Please provide examples of your experience of:</p> <ul style="list-style-type: none"> <li>• Providing or sourcing alternative forms of finance (greater than £25m) for investment in a broad range of low carbon energy infrastructure projects.</li> <li>• Developing a mechanism or commercial model that has facilitated the sourcing or delivery of capital for substantial investment (greater than £25m) in a broad range of low carbon energy infrastructure projects.</li> </ul>	<p>Your response will be evaluated on the extent to which it demonstrates and evidences the following:</p> <ul style="list-style-type: none"> <li>• A clear understanding of the role of alternative sources of capital necessary to successfully deliver a range of low carbon energy infrastructure projects</li> <li>• Experience of successfully financing a range of successful low carbon energy infrastructure projects.</li> <li>• Experience of developing viable commercial models that have successfully attracted alternative sources of funding to build out a pipeline of low carbon energy infrastructure projects.</li> <li>• Experience of raising finance, including but not limited to: equity, debt, institutional funding, grant funding, public sector funding, crowd funding, infrastructure funds, venture capital and project finance.</li> </ul>	<p>20% weighting</p> <p>2,000 max word count</p>
<p><b>3. Smart energy infrastructure</b></p> <p>Please provide examples of your experience of delivering and investing (greater than £5m of capital investment in individual projects) either directly or indirectly, e.g. via an investment fund or an equity stake in a third party company, in a range of smart, interconnected low carbon energy infrastructure projects.</p>	<p>Your response will be evaluated on the extent to which, in describing your examples/ experience and track record of delivering and investment in smart, interconnected low carbon energy infrastructure, it addresses and demonstrates the following:</p> <ul style="list-style-type: none"> <li>• successful demonstration of innovative, interconnected smart energy technologies and propositions, e.g. smart grids, flexibility/balancing services across multiple assets, local energy tariffs, ideally beyond pilot projects and which are scalable;</li> <li>• extensive experience of delivering a wide range of innovative smart low carbon energy infrastructure projects and technologies;</li> <li>• extensive experience of funding and/or investing in a wide range of innovative smart low carbon energy infrastructure projects and technologies (greater than £5m in individual projects) that have not been reliant on grant or public sector funding.</li> </ul>	<p>20% weighting</p> <p>2,000 max word count</p>

Requirement	Positive Indicators	Weighting and word count
<p><b>4 Delivering Social Value</b></p> <p>Please provide examples of your creation and delivery of substantial and innovative social value outcomes as part of your delivery of low carbon energy infrastructure projects.</p>	<p>Your response will be evaluated on the extent to which, in describing examples/experience of delivering substantial and innovative social value as part of delivering low carbon energy infrastructure projects, it addresses and demonstrates examples where:</p> <ul style="list-style-type: none"> <li>• you delivered significant additional and non-additional social value; please note, examples of additional social value are likely to provide the Authority with greater confidence that the Bidder has adequate technical and professional capability to meet the Requirement;</li> <li>• you (rather than another party) came up with ideas for innovative social value outcomes that were implemented.</li> </ul> <p>Below are non-exhaustive examples of additional and non-additional social value that might arise from a low carbon energy infrastructure project:</p> <p>Non-additional: carbon emission reductions arising directly from the installed infrastructure, s106 Requirements in relation to delivery of an energy project, social value, e.g. community benefit funds/green infrastructure/non-targeted apprenticeships, that you were obligated to provide.</p> <p>Additional: i.e. not part of the core contract requirements, apprenticeships for targeted groups, local engagement, community benefit funds/green infrastructure/climate adaptation measures/educational opportunities, etc., that you were not obligated to provide.</p> <p>Bidders should refer to the Authority's <a href="#">Social Value Policy for further guidance</a></p>	<p>15% weighting</p> <p>1,500 max word count</p>

Requirement	Positive Indicators	Weighting and word count
<p><b>5. Working with the Third Sector</b></p> <p>Please provide examples of your experience of where you engaged and worked with local third sector partners to deliver low carbon infrastructure projects led by you.</p>	<p>Your response will be evaluated on the extent to which, in describing examples of your experience of engaging with local third sector partners to deliver low carbon energy infrastructure, it addresses and demonstrates evidence of:</p> <ul style="list-style-type: none"> <li>• successful communication and engagement strategies, including effective methods of engaging hard-to-reach groups and citizens of all characteristics;</li> <li>• local third sector partners have played a substantive role, i.e. above and beyond community engagement activities, in the delivery of low carbon energy infrastructure projects led by you;</li> <li>• local third sector partners have provided capital investment into and/or have taken ownership of low carbon energy infrastructure projects led by you.</li> </ul> <p>Note that examples where the Bidder was the primary funder of the project and was not obligated to engage with local third sector partners are likely to provide the Authority with greater confidence that the Bidder has adequate technical and professional capability to meet the Requirement.</p>	<p>15% weighting</p> <p>1,500 max word count</p>

## ANNEX A - OVERVIEW OF SCORING CATEGORIES FOR SQ QUESTIONS

A summary of the questions contained in the SQ, their categorisation (for information, pass/fail, scored) and where scored the information on weightings (multipliers) to be applied by the Authority are as set out in the following table below.

Section	Description	Threshold and Weighting (where applicable)
1	Potential Supplier Information	<p><b>Pass</b> - If Bidder submits complete information.</p> <p><b>Fail</b> - If Bidder does not submit complete information or where the information provided is not fit for purpose.</p>
2	Grounds for mandatory exclusion	<p><b>Pass</b> – If Bidder’s response is No to all of the questions in 2.1 – 2.3.</p> <p><b>Fail</b> – If Bidder’s response is Yes to any of the questions in 2.1 – 2.3.</p>
3	Grounds for discretionary exclusion	<p><b>Pass</b> - If Bidder’s response is No to all of the questions in 3.1 – 3.2; or where answer is Yes to one or more of the questions in 3.1 - 3.2, in the Authority’s opinion evidence is provided that the Bidder has taken self-cleaning and/or other comparable measures to demonstrate the reliability of the organisation despite the existence of a relevant ground for exclusion.</p> <p><b>Fail</b> - If Bidder’s response is Yes to any of the questions in 3.1 – 3.2 or where answer is Yes, in the Authority’s opinion evidence is not provided that Bidder has taken self-cleaning and/or other comparable measures to demonstrate the reliability of the organisation despite the existence of a relevant ground for exclusion.</p>
4	Economic and Financial Standing	<p><b>Pass</b> – if Bidder meets:</p> <ul style="list-style-type: none"> <li>the Minimum Net Assets Threshold of £150m; and</li> <li>the Minimum Financial Scoring Threshold of 50%; and</li> <li>a Dun &amp; Bradstreet Failure Score (or equivalent) of 11 (or higher), or</li> <li>the Bidder’s Failure Score is below 11 (or equivalent) but the Bidder has demonstrated (including in relation to any credit support arrangements) (i) that its liabilities can be serviced as they fall due, (ii) that there are mitigating circumstances, (iii) that the risk of failure of the Bidder will not affect the Bidder's ability to undertake a contract of this nature and scale, and (iv) that the risk of failure has not and is not expected to have a significant effect on the financial or trading position of the Bidder.</li> </ul> <p><b>Fail</b> - If Bidder fails to meet:</p> <ul style="list-style-type: none"> <li>the Minimum Net Assets Threshold of £150m; and / or</li> <li>the Minimum Financial Scoring Threshold of 50%; and / or</li> <li>a Dun &amp; Bradstreet Failure Score (or equivalent) of less than 11 and the Bidder has not demonstrated (including in relation to any credit support arrangements) (i) that its liabilities can be serviced as they fall due, (ii) that there are mitigating circumstances, (iii) that the risk of failure of the Bidder will not affect the Bidder's ability to undertake a contract of this nature and scale, and (iv) that the risk of failure has not and is not expected to have a</li> </ul>

Section	Description	Threshold and Weighting (where applicable)
		<p>significant effect on the financial or trading position of the Bidder.</p> <ul style="list-style-type: none"> <li>and the Authority decides, at its sole discretion, to exclude the bidder from the next stage of the Procurement.</li> </ul>
5	Not used	N/A
6	<p>6.1(a) Technical and Professional ability</p> <p>6.1(b) Contract reference</p>	<p>Scored in accordance with stated methodology.</p> <p>Weighting: Requirement 1: 30%</p> <p>Requirement 2: 20%</p> <p>Requirement 3: 20%</p> <p>Requirement 4: 15%</p> <p>Requirement 5: 15%</p> <p>Threshold: Minimum score of "20" for each Requirement to be achieved in order to be invited to participate in the next stage of the Procurement.</p> <p><b>Pass</b> – References for each example of your previous experience given in response to question 6.1(a).</p> <p><b>Fail</b> – failure to provide references for each example of your previous experience given in response to question 6.1(a).</p>
7	Modern Slavery Act	<p><b>Pass</b> – If Bidder's response is Yes and evidences compliance with the annual reporting requirements contained within Section 54 of the Modern Slavery Act, or otherwise provides an explanation for non-compliance which is acceptable to the Authority.</p> <p><b>Fail</b> – If Bidder's response is No and/or it does not evidence compliance with the annual reporting requirements contained within Section 54 of the Modern Slavery Act or provide an acceptable explanation for non-compliance.</p>
8	<p>8.1 Insurance</p> <p>8.2 Skills and Apprentices</p> <p>8.3 Social Value</p>	<p><b>Pass</b> – If Bidder's response evidences it already has, or will obtain, prior to the commencement of the provision of the Services, the levels of insurance cover indicated in Section 8.1 of SQ.</p> <p><b>Fail</b> – If Bidder's response does not evidence that it currently has or will obtain, prior to the commencement of the provision of the Services, the levels of insurance cover indicated in Section 8.1 of SQ.</p> <p><b>Pass</b> – Bidder's response is Yes to all the questions in 8.2 (a – c) and can provide evidence as required.</p> <p><b>Fail</b> – Bidder's response is No in any of the questions in 8.2 (a – c) and/or where answered Yes, cannot provide evidence where required.</p> <p><b>Pass</b> – Bidder's response shows evidence of a process in place to ensure that its supply chain supports social value and can provide evidence if requested.</p> <p><b>Fail</b> – Bidder's response does not show evidence of a process in place to ensure that its supply chain supports social value and/or cannot provide evidence where requested.</p>