

**INVITATION TO QUOTE**

**Able to Pay Retrofit Finance Loan Fund – Establishing a full business case for delivery.**

Contract reference number: C1161

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Procurement Lead – **Greg Derrick**

**INTRODUCTION TO NET ZERO HUBS**

**Local Net Zero Hub Programme England**

The Department for Energy Security & Net ZeroLocal Net Zero programme (previously the Local Energy Programme) supports local authorities and communities in England to play a leading role in decarbonisation and clean growth.

The programme was announced in 2017 as part of the Clean Growth Strategy. Funding was provided for the creation and support for five Local Net Zero Hubs (previously known as the Local Energy Hubs). The Hubs were established to promote best practice and support local authorities to develop net zero projects up to the point of commercial investment.

The new Memorandum of Understanding between Department of Energy and the SW Net Zero Hub (2023) provides five overarching core objectives:

1. Attract commercial investment and help LAs and other local public sector bodies to develop investment models which accelerate progress to net zero.
2. Continue to increase the number, quality, and scale of local Net Zero projects being delivered across the region in line with national targets and strategies, including supporting the early-stage development and delivery of projects.
3. Collaborate with BEIS to develop and support Net Zero elements to wider programmes and initiatives delivered across England, including the Transport Decarbonisation Plan and Levelling Up
4. Support a national knowledge transfer programme to improve information sharing, training, and evaluation.
5. Raise local awareness of opportunities for and benefits of local Net Zero investment.

**South West Local Net Zero Hub**

The South West Local Net Zero Hub (SWNZH) is one of five Local Net Zero Hubs operational in England.  SW Local Net Zero Hub is made up of seven Local Enterprise Partnership (LEPs) areas with approx. 40 Local Authorities of which most have declared Climate Emergencies to attain Net Zero by 2030.  The seven LEPs provide the strategic direction and governance for the SWNZH. The Accountable Body for and organisation hosting the SWNZH is the West of England Combined Authority.   Hence this tender competition is being run by staff representing the SWNZH within the Combined Authority.

**SECTION 1 – THE REQUIREMENT**

**Project Summary:**

The UK Government has declared its climate emergency and pledges to be carbon neutral by 2050. Many Councils in the South West region have also declared climate emergencies but have set more ambitious targets, with many aiming to reach carbon neutrality by 2030.

The Able to Pay (ATP) retrofit market is of key significance in delivering the ambitions of the regions carbon reduction agenda as it is imperative that more focus is dedicated to the decarbonisation of heat and building energy efficiency through the retrofit of the UK and South West housing stock.

The decarbonization of the UKs housing stock is of strategic significance accounting for approx. 35% of all energy use and 20% of total CO2 emissions. If the UK/South West are to deliver their targets of a 68% emissions reduction by 2030, and net zero by 2050, household emissions need to be addressed. To reduce the emissions from heat there is a need to drastically increase heating from renewable resources and to reduce the heat losses from buildings once this heat has been delivered. To do this a large % of house types have to be more thermally secure than at present to allow for the efficient use of heat pumps (HP) in the heating of these properties. Regen have publicly stated that 190,000 heat pumps are required to be installed in the HoSW by 2030 alone. The market is commonly seen as being divided into those buildings identified for direct funding support from the UK government (HUG and LAD programmes for example) and often in the social/fuel poor housing market and the privately owned housing that at present receives no direct funding support from the UK Government. The latter market often referred to as the Able to Pay or Willing to Pay market has been a focus of several funded projects through the SWNZH (Delivery models, Archetypes, Regional retrofit and Heat Pump Supply Chain and Skills analysis research) aimed at encouraging and de risking this market with the overall aim of de risking and identifying and quantifying the basic elements and tenets of retrofit to encourage home owners to begin the journey to decarbonise their homes through their own private funds/ borrowed funds.

The following proposal builds upon the first Lendology project delivered by VIA Analytics Limited (‘VIA’) - Review of Able to Pay Loan Fund proposition (this document is attached in the with the tender) - in 2022 that sort to test the proposal of developing a joint public/private loan fund for the Able to Pay market in the SW region. The initial scope was meant to test the validity and high-level outcomes of what a joint public/private fund that was available to the Able to Pay market may look like. To do this with the funding available at the time guiding assumptions were defined at the outset.

* £100m fund.
* Financed through a combination of public and private capital.
* Operate on a loan fund basis for 10 years lending plus 5 years run off;
* Secure that lending through a title restriction placed on the property in question
* Offer a low or even nil interest rate solution to the ATP market.

Although the research was conservatory framed in the above assumptions. The work carried out by VIA, met a set of aims and subsequent conclusions for and from the research. These included requirements for VIA to:

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* Assess if the proposal is possible – with reference to market experience (sectoral and regulatory / commercial environment) and any comparable initiatives.
* Identify the basis on which a viable proposal could be developed – including high level financial implications and next work steps.

The work was delivered through a process of:

* Review of existing materials in relation to the proposed Fund, in particular the
* Lendology / Consortium proposal document (2021);
* Review of comparable initiatives and delivery models.
* Assessment – albeit specifically not legal advice at this early stage – of key legal
* and structural considerations and issues.
* Illustrative modelling of market, household, carbon, and financial impacts and
* implications; and

The conclusions from VIA’s work was that:

* Comparator initiatives exist – either standalone loans or mortgage linked.
* Loans are typically secured in some way, rarely interest free.
* Initiatives are often linked to a defined list of eligible measures (technologies) – although that list is variable and broad.
* In practice, it appears that loans will typically be in the £10k - £15k range, repaid over 10-15 years to maximise affordability (and assumed at an interest rate of c 4%)
* £100m represents a small proportion of the identified opportunity – should be considered a pilot project but given the scale of overall opportunity (and assuming access to good market intelligence) there should be scope to focus attention on relatively ‘easy wins’
* Route to market / supply chain requires analysis and a robust strategy – a framework / platform for the engagement of quality suppliers at scale is critical.
* The proposed Fund would represent a considerable step up in scale for Lendology, which should be reflected in continuing to develop financial illustrations – particularly in relation to staffing and marketing costs.
* Early-stage financial illustrations underpin the expectation of a requirement for Government subsidy (across Central and local government, allocation tbc) in order to underpin Fund Manager operations and a sufficient return to attract private capital.
* That subsidy requirement is estimated in the region of £45m over 10 years.
* Initial cost benefit analysis suggests a (strong) cost benefit cost ratio (‘BCR’) of 2.4:1 associated with a public sector investment on that scale.

These encouraging conclusions, coupled with the positive economic/carbon outputs from the market for the region led to a submission to the Department for Energy Security & Net Zero for additional funding to continue to the 2nd stage in the research – this tender opportunity.

This tender seeks to develop a full business case for the The Able to Pay Retrofit Finance Loan Fund, directly funded from the Department of Energy Security & Net Zero (£130,000) aims to build substantially upon the works carried out under the initial research with the ultimate output being a Full Business Case (‘FBC’) report in HM Treasury Green Book format that will be used to seek Public and private funding to establish the first Able to Pay loan fund in England.

A complimentary and crucial element will also be carried out in conjunction with the Full Business Case in researching the legal elements and framework of the fund that will directly impact the delivery and construction of the fund. This will be funded directly by the SWNZH budget.

In addition to this proposal the SWNZH are working closely with the West of England Combined Authority’s Retrofit Accelerator programme (currently the only active funded programme that we are aware of). Through this and collaboration, it is planned that elements and findings from this project will be applied directly to the programme role out under the Retrofit Accelerator. This will allow for direct testing of the outputs of this work before final submission. The Combined Authority approved provision of funding for retrofit finance packages in March 2023 (Appendix 1): https://westofengland-ca.moderngov.co.uk/documents/s6818/Climate%20and%20Ecological%20Strategy%20and%20Action%20Plan%202023.pdf

This research will also review if other regional Local Authorities are undertaking similar works in the Able to Pay market and will engage and add support during this process.

Housing Retrofit

The UK has some 28 million homes, the vast majority of which need improving by having retrofit work carried out. (Construction Leadership Council). Retrofit is primarily divided into two distinct markets, the fuel poor / social housing and the Able to Pay market. On July 7th 2020, the Chancellor announced major funding plans of up to £3bn for schemes that shall further reduce carbon emissions (including the ‘home upgrade grant’ & ‘green building grant’) by improving the heat efficiency of social and fuel poor homes. This leaves the Able to Pay market currently under funded and supported in the UK and Devon.

**Background**

With over 25 million privately owned homes across the UK, and the average cost of “retrofitting” a traditional UK property being between £40,000 - £60,000, many homeowners find the idea of reducing their emissions appealing but the funding of those measures challenging. Measures, support, and incentives are being put in place nationally to mitigate carbon emissions for new builds, council housing and housing associations’ stock, and each of these areas bring the benefits of scale to showcase the value of making the changes.

The issue of the challenge faced by homeowners in the financing of these projects to retrofit their properties is widely recognised and accepted as a significant barrier in the pursuance of many LAs decarbonization goals.

The role of our financial system is also increasingly recognised as essential in facilitating those solutions, while also helping to create a more inclusive and sustainable global economy. [REPORT (greenfinanceinstitute.co.uk)](https://www.greenfinanceinstitute.co.uk/wp-content/uploads/2020/06/Financing-energy-efficient-buildings-the-path-to-retrofit-at-scale.pdf)

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[GREEN MORTGAGES (greenfinanceinstitute.co.uk)](https://www.greenfinanceinstitute.co.uk/wp-content/uploads/2021/05/GREEN-FINANCE-GREEN-MORTGAGES.pdf)

The overall challenge is to develop affordable finance models to start to build the supply chains required to make the measures more mainstream and affordable.

Lendolgy Consortium



Lendology was created out of a need for Councils to reduce the amount of grant payments to private homeowners. Rather than simply remove grant support, councils invested capital with Lendology and replaced a number of grants with loans, so that the funds could be recycled. Over the past 15 years Lendology has provided over £16,000,000 of loans with over £9,000,000 repaid and used by others to make essential home repairs and improvements. The Consortium Group members consists of Housing Managers where the majority are already working in partnership with Lendology an FCA regulated lender (those with a \* in the table above are not currently working in a formal partnership with Lendology).

Whilst it may seem possible for individuals to access relatively cheap funding through mortgage companies at this time, there are a number of areas that have been identified as being blockers to this funding source:

1. Re-mortgage set-up costs – average costs are between £1,000 to £3,0000 simply for making the changes required to increase a mortgage.
2. Interest Rate changes – whilst the rate is currently at best 2% it isn’t fixed for more than 5 years so costs can increase rapidly if the bank rates go up.
3. If they can’t keep up with their repayments, they could find themselves being re-possessed, so the idea of increasing the mortgage to some homeowners is not seen as an option.
4. Loan to Value Rates – each mortgage company will only lend to clients where the value of the property is sufficiently high enough compared to the value of the mortgage. This means that some individuals would not be able to increase their mortgage even if they wanted to.
5. Administration burden – a significant amount of legal paperwork and costs are generally enough to put even some of the most committed people off borrowing.
6. Finding suitable quality advice from a reputable source has been limited.

Even with historically low interest rates, and significant numbers of homeowners across the region there is little or no evidence of individuals increasing their mortgages to finance these measures now or in the future

**Detailed Description of Commission:**

“Review of Able to Pay Loan Fund proposition” has verified the initial stages of a proposal for a substantial loan-based fund, accessible to homeowners to support the installation of energy efficiency and renewable heating upgrades. This proposed second phase of research will look to establish a full business case for seeking public and private financial support based on:

1. The scale of opportunity
2. Regional focus
3. Measure/ house type/ tenure/homeowner profile focus
4. The parameters of lending terms (min/ max lend, cost of finance, min/ max loan term, security required)

**Assumptions/Considerations**

Assumptions for this project are in line with those made in the preceding study. These assumptions are purely stated as an initial guide and will be open for discussion with the appointed bidder:

* Fund size: £100million+
* Geographical area: SWNZH SW region – as a minimum the contractually committed LA partners to the Lendology programme would also be considered.
* Private Sector engagement: The SWNZH is engaging with the Green Finance Institute to find a willing and supportive private sector finance provider to engage with and support this research. Bidders who can provide this engagement and access to a private finance provider will also be considered.
* Local Authority engagement: whilst conducting the research, engagement is expected with local and national government to understand risk, constraints, and opportunities in establishing the fund. Special note should be made of the current Retrofit Accelerator Programme in the West of England Combined Authority, although other programmes may also exist in the region.
* Green Book compliant: The establishment of this proposed fund would require significant support from local and national government. To that end all the following sections and related outputs and overall business case of this report should be based on Green Book terms and methodologies.

1. *Scope*

**Part One: Full Business Case**

1. Asses current and emerging markets in retrofit finance. The original SWNZH report (“Review of Able to Pay Loan Fund proposition” ) undertook a thorough review of the then current models in retrofit finance, a brief update of this will be required in terms of:
   1. Developments over the last 12/18 months in green finance and in particular those of the Green Finance Institute (GFI) and UK Investment Bank (UKIB) particularly regarding retrofit finance, green mortgages etc. and any other emerging projects or programmes in the English regions.
   2. Review financial models from other sectors that could be applied to Able-to-Pay retrofit finance.
2. To research fully and define the required (legal) governance of the proposed fund in terms of current financial legislation and policy. Set out and assess options for delivery.
   1. Research and propose legal structures to manage and distribute funds on behalf of the LAs and private sector funders.
   2. Clearly set out the legislative and regulatory requirements on a fund (and fund manager) of the type proposed.
   3. Clearly set out the options for appropriate legal and governance structures, as well as procurement and contracting strategy.
   4. Identify and detail risks associated with the project and propose required mitigations.
   5. All findings to be summarized in the business case, in partnership with findings of legal elements of this scope set out below in part two.
3. Conduct a detailed review of current national and regional issues affecting the proposed market, with a particular focus on the homeowner/ decision-maker. The purpose of this review is to gain the substantive evidence that will be required in refining the proposed evidence-based assumptions that will support the financial modelling aspects of this research and the full business case rationale. This section should assimilate desk top research from multiple sources, including SWNZH research, and make clear justifiable and evidence-based recommendations, that include but are not limited to the following:
   1. Retrofit technology/ measures: identify and describe known retrofit measures, cost, time to install etc.
   2. Consumer demand and factors that may impact this demand.
   3. Current scale of supply chain in terms of key technological elements.
   4. Technology bundling and pricing. How could technology options be bundled and how would this affect pricing in the market place?
   5. Analysis of current and future energy market and pricing scenarios.
   6. Geographical analysis of housing types and archetypes to ascertain current scale of the market.
   7. Market analysis of current ‘hotspots’ for the able-to-pay market.
   8. Access to market – evidence-based solutions and rationale to market access solutions (via established current regional organisations including but not limited to community groups) in how to identify and engage with the target property owners.

(N.B. Utilise evidence base established in the recently published Regional Retrofit and Heat Pump Skills research report from SWNZH to make assessment of rates of delivery)

1. Clearly define the overall strategic rationale and purpose of the loan fund setting out clearly the proposed outcomes and outputs including, adhere to the Value For Money case in line with Green Book analysis principle (https://www.gov.uk/government/publications/green-book-supplementary-guidance-value-for-money):
   1. Background desktop study of the retrofit and more succinctly the Able-to-Pay market in the UK/Europe.
   2. Undertake a regional assessment of opportunity in terms of scale.
   3. Undertake a regional assessment in terms of carbon savings.
   4. Undertake a regional assessment in terms of economic impact.
   5. Clearly tabulate and define risks, inhibitors, and constraint on fund delivery. This may also include options appraisals of actions to de-risk these constraints. For example, retrofit/ heat pump supply chain.
   6. Develop detailed strategic objectives.
2. Conduct full financial modelling and financial case of possible scenario and/ or comparative modelling offering differing scenarios with conclusive evidence-based outcomes. This should include at minimum:
3. Fund manager cost base.
4. Integration of market review findings (measures, marketing, uptake).
5. Analysis of/ sensitivity analysis on quantum and pricing of loans.
6. Full review and appraisal of loan fund structural options.
7. Loan fund run-off strategy and financial implications.
8. Full unencumbered (no hidden code etc) access to financial model with accessible interface to be delivered.
9. Funding: The primary outcome of this study is not only to test the validity and practicality of the proposed fund but also to understand the appeal of the proposal from the perspective of national and local government and, most importantly, the ability of this proposal to attract significant financial investment from private sector funding sources. To that aim this study wishes to understand:
   1. Private finance:

* The current willingness of the private sector to ‘move’ into this market.
* Barriers to the private finance for actively operating in this space.
* Potential solutions to the identified barriers and extent of engagement needed from additional actors.
* The risks and outputs, including financial returns and required attestation and validation for use of funds.
* The options and strategy for attracting private financial revenue.
  1. Public finance
* Engage in partnership and steer from SWNZH, government departments, UKIB, combined authorities and tier one council structures to ascertain the willingness (need) to financially support this proposal.
* The risks and outputs, including financial returns and KPIs metrics.
* The options and strategy for attracting public sector revenue.

1. To assess and develop a **full business case** – based on H.M. Treasury’s Green Book format and building upon Review of Able to Pay Loan Fund proposition. This will include financial modelling detailing appropriate financial models (static fund vs revolving fund) with detailed explanation and rationale of chosen model for delivery including justified and evidenced assumptions, rates, and costs associated with the fund including but not limited to:
   1. Details and proposed budget financial models based on the outcomes of 1 & 2 above with budget figures of proposed interest rates, lending arrangements, terms and costs associated with the management, and distribution of the proposed fund.
   2. Detail the number of possible outcomes/ retrofit measures that would result from the distribution and lending of the fund and the associated carbon reductions appropriate time periods.
   3. Detail a full commentary on the governance of the proposed fund, identifying operational issues especially in light of findings in Review of Able to Pay Loan Fund proposition report e.g., average loan size in this market.
   4. Define options and propose an implementation strategy with options for pilot and regional /national roll out with time lines (if favourable).
2. To synthesise the researched evidence and above outputs into suitable for both private, public, and community audiences:
3. Clear evidence-based and factual report that is accessible to a wide range of stakeholders most of which have limited financial background.
4. Power point slide decks that can be assimilated to present to differing audiences.
5. Separate summary document bringing together salient facts and findings of the study.

**Part Two: Legal Frame work**

1. The scope of legal work will be to provide written advice on but not limited to:

1. The structuring for the fund – the advice will look at the key available options and identify the appropriate legal structure for the fund of funds e.g., company limited by guarantee, limited partnership, or limited liability partnership.
2. Financial Services and Markets Act regulatory advice.
3. Consumer credit regulation advice.
4. All relevant tax considerations; and
5. any other relevant structural considerations to be detailed in bid.

**Expected outcomes.**

The SWNZH and Department for Energy Security & Net Zero wish to fully understand:

1. The overall viability and validity of the fund as a possible financial solution to stimulate and support households who wish to retrofit their homes as an alternative to current market options, i.e., mortgage providers.
2. Full unencumbered (no hidden code etc) access to all developed financial model (s) with accessible interface to be delivered in Excel format.
3. Mapping to be provided in GIS format.
4. To provide full Green Book business case and full financial modelling of the proposed fund and associated parameters of lending etc.
5. To detail sufficient evidence to allow engagement with local and national government and private sector to establish such a fund either at regional or national scale.
6. Please note that this research is intended for a wide variety of stakeholders, not least engagement with government, and care should be given to the accessibility of the final report. It is expected that a deck aimed at achieving these criteria should accompany the final report as well as the use of other media both visual and audio would be recommended to aid the use and communication of the outcomes of this research. All reports to be provided in Word and PDF format.

**Reporting and Timescales**

* **Week One**: Kick off meeting with SWNZH project team to discuss parameters, assumptions, costings, and deliverables.
* **Week Six:** Review on progress and findings to date with presentation
* **Week Twelve:** Delivery and presentation of briefing paper for discussion with first draft findings to project group
* **Week Fourteen:** Deliver final Draft Report
* **Week Sixteen:** Final Report and presentation to SWNZH and partners

Please note that regular weekly project meetings may be expected with SWNZH project lead

**SECTION 2 – INSTRUCTIONS TO QUOTE.**

2.1 **E-Quote System**

The Authority uses ProContract as its e-procurement system. Assistance in relation to the e-procurement system is available to suppliers via the Supplier Help Icon within the system. Supplier Guidance documents are also available to view and download.

**Suppliers must ensure that they have the most up to date Invitation to Tender document by registering on the e-tendering system at** [**www.supplyingthesouthwest.org**](http://www.supplyingthesouthwest.com)**.uk and expressing an interest. This will enable suppliers to view the latest documents and see any comments and discussions on those documents.**

If you are still unable to resolve your issue in using the system you should send an e-mail to [ProContractsuppliers@Proactis.com](mailto:ProContractsuppliers@Proactis.com) explaining the nature of your query.

2.2 **Register Intent or opt out**

Once the Quote Information has been viewed suppliers will be able to click on “Register Intent” which will inform the Authority of your intention to respond to this opportunity.

If a supplier does not wish to, or is unable to submit a Quote and not interested in proceeding, then they are required to click on “Opt Out” to decline the opportunity.

2.3 **Preparation of Quote**

Suppliers must obtain for themselves all information necessary for the preparation of their Quote response and all costs, expenses and liabilities incurred by the supplier in connection with the preparation and submission of the Quote shall be borne by the supplier, whether or not their offer is successful.

Information supplied to the supplier by Authority staff or contained in Authority publications is supplied only for general guidance in the preparation of the Quote. It shall remain the property of the Authority and shall be used only for the purpose of this procurement exercise.

Suppliers must satisfy themselves as to the accuracy of any such information and no responsibility is accepted by the Authority for any loss or damage of whatever kind and howsoever caused arising from the use by suppliers of such information.

2.4 **Price Schedule/s**

The Authority requires suppliers to complete and upload Price Schedule(s) where requested to do so within the e-procurement system.

All prices shall be in Pounds Sterling.

2.5 **Other Documents or Supporting Evidence**

If instructed to do so within the e-procurement system, the supplier must complete and upload other documentation that may be provided with this Invitation to Quote, or upload evidence to support their submission.

Documentation: Do not include any macro enabled spreadsheets or embedded documents. Acceptable file formats are: *txt, rtf, mpp, vsd, dwg, rar, msg, ics, html, gif, jpg, png, jpeg, tiff, tif, zip, pdf, doc, xls, ppt, docx, xlsx, pptx, mp3, mov, m4a, swf, wmv, mpg, mpeg, avi, wav, odt, odp, ods, numbers and pages*. If you are uploading multiple documents, it is recommended that you zip them using WinZipor WinRAR

Quotes must not be qualified or conditional. Only Quotes submitted without qualification will be accepted for consideration. If a Quote is excluded from consideration, the supplier will be notified.

2.6 **Submission deadline**

Suppliers are required to submit their Quote within the e-procurement system by **6 March 2022** and should allow sufficient time to complete questions and upload documentation where requested to do so. Quotes received after the closing date will not be considered and will result in the Authority rejecting the Quote as a Fail / Non-compliant Quote. Emailed or hard copy Tenders will not be accepted.

The Authority is under no obligation to consider partial or late submissions.

If the Authority issues an amendment to the original Quote and if it regards that amendment as significant, an extension of the closing date may, at the discretion of the Authority, be given to all Organisations.

The Authority expressly reserves the right to require a supplier to provide additional information supplementing or clarifying any of the information provided in response to the requests set out in the Quote. However, the Authority is not obliged to make such requests.

Suppliers shall accept and acknowledge that by issuing this ITQ the Authority shall not be bound to accept any Quote and reserves the right not to conclude a Contract for some or all of the services for which Quotes are invited.

2.7 **Quote Validity**

The Quote should remain open for acceptance for a period of 60 days. A Quote valid for a shorter period may be rejected.

2.8 **Communication**

All contact and communication during this procurement should be submitted in writing through the e-procurement system including any clarification questions in sufficient time before the closing date, to enable to the Authority to respond to all suppliers. It is not acceptable for suppliers to seek clarifications via telephone or e-mail outside of the e-procurement system.

2.9 **Confidentiality**

The supplier must keep confidential and will not disclose to any third parties any information contained within their bid. They shall not release details other than on an ‘In Confidence’ basis to those whom they need to consult for the purpose of preparing the Quote response, such as professional advisors or joint bidders.

The Quote shall not be canvassed for acceptance or discussed with the media, any other Organisation, member/officer of Bath & North East Somerset Authority, or their representatives. Any supplier trying to exert any undue influence during the tender process could be excluded from the process.

2.10 **Disclaimer**

Neither the Authority, [nor any relevant Other Contracting Bodies], nor their advisors, respective directors, officers, members, partners, employees, other staff or agents:

* make any representation or warranty (express or implied) as to the accuracy, reasonableness or completeness of the ITQ; or
* accepts any responsibility for the information contained in the ITQ or for their fairness, accuracy or completeness of that information nor shall any of then be liable for any loss or damage (other than in respect of fraudulent misrepresentation) arising as a result of reliance on such information or any subsequent communication.

Any resulting Contract shall be governed by English law.

2.11 **Freedom of Information Act**

Suppliers should note that the Authority is subject to the ‘Freedom of Information Act 2000’. Suppliers are requested to state which part, if any, of the information supplied with their Quote is confidential or commercially sensitive or should not be disclosed in response to a request for information and why. Suppliers’ statements will be considered however the Authority is unable to give any guarantee that the information in question will not be disclosed.

2.12 **Transparency**

Suppliers and those organisations who bid should be aware that if they are awarded a contract, the resulting contract between the supplier and the Authority will be published under the government transparency policy. To view details of what we MUST publish, see the Local Government Transparency Code 2015 at [Local Government Transparency code 2015](file:///S:\Corporate%20Procurement%20Team\Procurement\Transparency%20Code%202014\Local%20Government%20Transparency%20code%202015.pdf)

The Authority is required to publish details of all expenditure over £500 made to its suppliers and all contracts and framework agreements over £5000.

Details will be published on the Authority’s website and the government’s transparency website (Data.gov.uk) and Contracts Finder.

2.13 **Procurement Timetable**

The indicative timetable for this procurement is set out below. This is intended as a guide and, whilst the Authority does not intend to depart from the timetable, it reserves the right to do so at any time.

|  |  |
| --- | --- |
| **Date or Target Date** | **Activity** |
| 25th May 2023 | Tender Invitation issued on ProContract |
| 23rd June 2023 | Closing date and time for receipt of Quotes |
| 23rd June – 6th July | Evaluation of the tender responses by panel |
| 11th July 2023 | Award decision made, and award letter issued |
| 25th July 2023 | Commencement Date of Contract |
| TBC | Project meeting and first draft of findings |
| TBC | Project meeting and final draft of findings |
| TBC | Delivery of final report and presentation to SWNZH and other invited groups |

2.14 **Required documents**

Within this process suppliers have been provided with the following documentation. Where indicated these are required to be completed and uploaded within the e-procurement system.

|  |  |
| --- | --- |
| **DOCUMENT TITLE** | **COMPLETE AND UPLOAD** |
| Section 1 – The Requirement including Specification | 🗶 |
| Section 2 – Instructions to Suppliers | 🗶 |
| Section 3 – Questionnaire | ✓ |
| Section 4 – Pricing Schedule | ✓ |
| Section 5 – Evaluation and Award | 🗶 |
| Appendix 1 – Non-Collusion Certificate | ✓ |
| Appendix 2 - Terms and Conditions of Contract | 🗶 |

Please Note: The completion and electronic return of all the documents ticked above is mandatory

**SECTION 3 - QUESTIONNAIRE**

The purpose of the Questionnaire is to enable the Authority to assess supplier suitability for providing goods and services.

**Notes for completion**

i. Please ensure that all questions are completed in full, and in the format requested. Failure to do so may result in your submission being disqualified. If it does not apply to you, please state clearly ‘N/A’.

ii Should you need to provide additional Appendices in response to the questions, these should be numbered clearly and listed as part of your declaration.

iii. Please return a completed version of this document with your Quote submission using the e-procurement system.

**Verification of Information Provided**

iv. Whilst reserving the right to request information at any time throughout the procurement process, the Authority may enable the Supplier to self-certify that there are no mandatory/ discretionary grounds for excluding their organisation. The Authority will request evidence from the winning Contractor only after the final Quote evaluation decision.

**Sub-contracting arrangements**

v. The Supplier should advise in a separate appendix the names of sub-contractors, the percentage of work being delivered by each sub-contractor and the key contract deliverables each sub-contractor will be responsible for.

**Confidentiality**

vi. The Authority reserves the right to contact the named customer contact in section 6 regarding the contracts included in section 6. The named customer contact does not owe the Authority any duty of care or have any legal liability, except for any deceitful or maliciously false statements of fact.

vii. The Authority 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 Public Contract Regulations.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Supplier details** | **Answer** | | | |
| Full name and address of the Supplier |  | | | |
| Registered company/charity number |  | | | |
| Registered VAT number |  | | | |
| Name of parent company |  | | | |
| Please mark ‘X’ in the relevant box to indicate your trading status | i) a public limited company | ▢ Yes | | |
| ii) a limited company | ▢ Yes | | |
| iii) a limited liability partnership | ▢ Yes | | |
| iv) other partnership | ▢ Yes | | |
| v) sole trader | ▢ Yes | | |
| vi) other (please specify) | ▢ Yes | | |
| Please mark ‘X’ in the relevant boxes to indicate whether any of the following classifications apply to you | i)Voluntary, Community and Social Enterprise (VCSE) | ▢ Yes | | |
| ii) Small or Medium Enterprise (SME) [[1]](#footnote-2) | ▢ Yes | | |
| iii) Sheltered workshop | ▢ Yes | | |
| iv) Public service mutual | ▢ Yes | | |
| **Bidding model** | | | |  |
| **Please mark ‘X’ in the relevant box to indicate whether you are;** | | | |  |
| a)      Bidding as a Prime Contractor and will deliver 100% of the key contract deliverables yourself | | | ▢ Yes |  |
| b)      Bidding as a Prime Contractor and will use third parties to deliver some of the services | | | ▢ Yes |  |

|  |  |
| --- | --- |
| **Contact details** | |
| Supplier contact details for enquiries | |
| Name |  |
| Postal address |  |
| Phone |  |
| Mobile |  |
| E-mail |  |

|  |
| --- |
| **Technical and Professional Ability** |
| Please submit a proposal detailing how you will meet the specification and deliver the expected outcomes. Also detail how this will be achieved, answering the following questions: | | |
| | **No.** | **Question** | **Evaluation Criteria** | **Weighting** | | --- | --- | --- | --- | | **1** | **Relevant expertise and experience** | Knowledge of regulatory and commercial environment of financial markets/modelling/ financial and legal governance; including fund management  Advanced data analysis capability and communication of data through easy-to-understand format easily accessible to a wide audience  Deep understanding of the current retrofit markets and the associated technologies, building types etc  Knowledge and understanding of the wider retrofit market, constraints, and opportunities including homeowner demand.  Knowledge and experience of Green Book based assessments and business case development.  Existing or easily accessible relationships/experience with financial markets (desirable)  Experience of working with Local Authorities (particularly SW region) and understanding of their roles, governance, and responsibilities. | 50% | | **2** | **Methodology:** Please detail your proposed methodology for completing the work by the indicated deadlines (including key meetings and milestones). | Clearly defined methods and processes that meet required deadlines and milestones | 30% | | **3** | **Project Plan:** Please provide an indicative timeline/project plan for completing the work by the indicated deadline. | Detailed Project Plan including:   * milestones * staff allocation including days allocated across team members and associated costings. * information on your intended approach to engaging required parties to complete the study. * An indication of presentation of the final Plan | 20% | | | |

**SECTION 4 – PRICING SCHEDULE**

**Pricing**

Suppliers must complete the price schedule below.

All charges/prices must be in pounds sterling and should be exclusive of VAT but include all costs. All pricing information will form the basis of any resulting Contract.

|  |  |
| --- | --- |
| **Report and presentation as detailed this invitation to tender Document.** | **Price** |
|
| Part One (full business case): Budget £90,000 - £130,000 | £ |
| Part Two (legal framework): Budget £15,000 - £30,000 | £ |
|  |  |
| Total |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **Role** | **Day Rate** | **Total Days** | **Total (Rate x Days)** |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

**SECTION 5 – EVALUATION AND AWARD**

5.1 **Evaluation**

Quotes will be evaluated to find the most suitable supplier who can meet the Specification and provide competitiveness of price. The award will be based on the evaluation criteria as outlined in the table below.

Upon acceptance of the Quote, the Contract shall be formed and become binding on both parties. Suppliers must not undertake work without written notification that they have been awarded a Contract and are required to start work.

Suppliers should note that the Authority reserves the right to terminate this procedure without any decision to award and will not be liable for any costs incurred by suppliers in developing their quote.

Suppliers should also note that, should they be successful the Authority reserves the right to terminate the Contract, if at any time it is discovered that the supplier made any material misrepresentation and/or have not notified to the Authority about any material changes in relation to the information provided in the Quote.

|  |  |  |
| --- | --- | --- |
| **AWARD CRITERIA & WEIGHTINGS** | | |
| **Price** | **30%** | **Total Price on the pricing schedule.** |
| **Quality** | **70%** | **Question 1** (Relevant expertise and experience) **– 50%**  **Question 2** (Methodology) **– 30%**  **Question 3** (Project plan) **– 20%** |

**All the individual questions are mandatory therefore Bidders are required to submit a response. Failure to complete the questions will result in a Fail as Evaluators will not be able to evaluate fully the submitted Tender.**

**Pass / Fail:** Where sections or questions have the criteria as a Pass or Fail, it will be clearly stated as such. Section or questions scored as a Fail will result in the Tender not proceeding to full evaluation.

**Quality Scoring**

Where responses to questions are to be scored, the following scores are applied by Evaluators to a Bidder’s submitted responses.

The scores are awarded dependent on the level of evidence provided to each question. A score of 3 represents an acceptable level of evidence.

0 – No response and/or evidence is unacceptable or non-existent, or there is a failure to properly address any issue. The Authority does not have any confidence in the Bidder’s experience, capacity and ability to meet its requirements.

1 – The response and/or the evidence are deficient (or not relevant) in the majority of areas and the Authority has a low level of confidence in the Bidder’s experience, capacity and capability to meet its requirements.

2 – Large portions of the response are not satisfactory and/or are not supported by a satisfactory level of evidence and the Authority has limited confidence in the Bidder’s experience, capacity and capability to meet its requirements.

3 – The response is satisfactory and supported by an acceptable standard of relevant evidence but with some reservations/issues not addressed. The Authority is satisfied with the Bidder’s experience, capacity and capability to meet its requirements.

4 – The response is comprehensive and supported by a good standard of relevant evidence and provides the Authority with a good standard of confidence in the Bidder’s experience, capacity and capability to meet its requirements.

5 – The standard of the response is very high and the relevance of the response and the supporting evidence is very comprehensive and provides the Authority with a very high level of confidence in the Bidder’s experience, capacity and capability to meet the Authority’s requirements.

**Applying weightings to scores**

The weighting for the overall tender between quality and price is listed in the table above. The quality and price criteria are given sub-weightings (also listed above).

The total score will depend on the number of questions for that criterion. So if there are 20 questions for Contract Management, for example, then the maximum marks will be 100 (20 x 5) because each question is scored out of 5.

The weighted score is the total score represented as a percentage of the sub-weighting. So if the sub-weighting for Contract Management was 20%, then scoring 100 would achieve the full 20%. 50 would achieve 10% out of 20% etc.

All sub-criteria weighted scores are added together to achieve a total weighted score out of the main quality weighting.

See the attached blank score sheet for further details.

**Price Evaluations:** The scoring is carried out within an Excel spread sheet outside of the e-tender system.

All price bids are compared against the lowest bid to reach the percentage difference from the lowest bid.

Example with price weighting 40%, the calculation is:

(40\* lowest price)/bid price

The lowest price bid would receive the full 40 points.

The price weighting applicable to this tender is in the table above.

5.2 **Recommendation**

An evaluation will be produced by the panel and recommendation made to award to the winning Contractor.

5.3 **Contract Award**

The approval of the award will be made by the appropriate Authority representative.

**SECTION 6 - APPENDICES**

**Appendices**

1. Non-Collusion Certificate
2. Terms and Conditions of Contract

**APPENDIX 1**

**NON-COLLUSION CERTIFICATE**

I, the undersigned, in submitting the accompanying Quote to

(Name of Client)………………………………………………

………………………………………………………………………………………………

in relation to (details of Quote and reference)……………………………............

……………………………………………………………………………………………….

certify on behalf of (name of supplier)………………………………………………

that, with the exception of any information attached hereto (see \* below):

1) this Quote is made in good faith, and is intended to be genuinely competitive;

2) the amount of this Quote has been arrived at independently, and has not been fixed, adjusted or influenced by any agreement or arrangement with any other undertaking, and has not been communicated to any competitor;

3) we have not entered into any agreement or arrangement with any competitor or potential competitor in relation to this Quote;

4) I have read and I understand the contents of this Certificate, and I understand that knowingly making a false declaration on this form may result in legal action being taken against me.

In this certificate, the word ‘competitor’ includes any undertaking who has been requested to submit a Quote or who is qualified to submit a Quote in response to this request for Quote, and the words ‘any agreement or arrangement’ include any such transaction, whether or not legally binding, formal or informal, written or oral.

\* Information is/is not attached hereto (delete as appropriate)

SIGNED:....................................................

FOR AND ON BEHALF OF:........................................

DATE:.........................................

**APPENDIX 2 – Terms and Conditions.**

**CONTRACT FOR THE PROVISION OF SERVICE(S) TO**

**WEST OF ENGLAND COMBINED AUTHORITY**

**TITLE OF SERVICE: Able to Pay Retrofit Finance Loan Fund – Establishing a full business case for delivery**

**PARTIES: (1) West of England Combined Authority**

**70 Redcliffe Street**

**Bristol**

**BS1 6AL**

**(2) To be decided.**

1. DEFINITIONS

In these conditions defined terms have capital initials.

1.1 “Business Day” means any day other than a Saturday, Sunday or a public or bank holiday in England and Wales.

1.2 “Authority” means the Authority issuing and named on the Purchase Order.

1.3 “Authority Representative” means the person issuing the Purchase Order on behalf of the Authority or subsequently advised in writing by the Authority.

1.4 “Clause” means the clause referred to under these Conditions of Contract for the Supply of Goods and/or Services.

1.5 “Defect” means a part of the Goods and/or services that are not in accordance with the Purchase Order.

1.6 “Delivery” is when the Supplier has done all of the work the Purchase Order requires it to do.

1.7 “Delivery Date” is the date stated in the Purchase Order for Delivery or, where the Purchase Order requires Delivery within a stated period, the date when the period has elapsed following the date of the Purchase Order.

1.8 “Delivery Address” means the place or places stated in the Purchase Order for provision of the Goods and/or Services.

1.9 “Force Majeure” means any unforeseeable circumstance preventing either Party from performing any or all of its obligations under this Purchase Order which arises from or is attributable to acts or events beyond the control of the Party so prevented including, without limitation, acts of war, civil war, strikes, lockouts (but for the avoidance of doubt excluding strikes, lockouts or other industrial disputes which have their origin within the employees of the Party so prevented or by any default on the part of the Party’s suppliers or subcontractors) riot, civil commotion, compliance with any Applicable Law or governmental order, rule, regulation or direction that was not in force at the time the Purchase Order was placed, nuclear and radioactive explosion and contamination from any nuclear utility or nuclear weapon and the effects of which a Party could not have avoided and could not have been overcome by the use of reasonable diligence.

1.10 “Goods and/or Services” means the Goods and/or Services including works described in the Purchase Order and ‘Goods’ or ‘Services’ shall be construed accordingly.

1.11 “Guarantee Period” means a period of eighteen months following Delivery or, in respect of work to remedy a Defect, eighteen months following the remedy or as stated in the Purchase Order or in any Authority agreement under which the Purchase Order is issued.

1.12 ”Intellectual Property Rights” means rights in any patent, copyright, registered or unregistered design, trade mark and any application for any of the foregoing, any rights in respect of confidential information and any other intellectual property right.

1.13 “Order Value” means the price of the Goods and/or Services as stated in the Purchase Order.

1.14 “Party” or “Parties” means the Authority and/or the Supplier.

1.15 “Provide the Goods and/or Services” or “Providing the Goods and/or Services” means to do the work necessary to discharge the Supplier’s obligations under the Purchase Order.

1.16 ”Purchase Order” means a contract made between the Authority and the Supplier for the provision of Goods and/or Services stated in the ‘Purchase Order’ and includes the Purchase Order Conditions, the Specification and any documents to which they refer.

1.17 “Purchase Order Conditions” are these Conditions of Contract for the Supply of Goods and/or Services.

1.18 “Specification” means the drawings, patterns, specification, samples (if any) and the description of the Goods and/or Services contained or referred to in the Purchase Order.

1.19 “Supplier” means the person, firm, Authority or other organisation with whom the Purchase Order is made, including its subcontractors, suppliers or persons engaged to provide the Goods and/or Services.

1.20 The headings in these Purchase Order Conditions shall not affect the interpretation thereof.

1.21 Words in the singular also mean the plural and vice versa.

1. SUPPLIER’S OBLIGATIONS
   1. The Supplier shall:-
      1. Provide the Goods and/or Services in accordance with the requirements, dates and periods shown in the Purchase Order;
      2. achieve Delivery of Goods and/or Services by the Delivery Date;
      3. ensure that the quantity and description of the Goods and/or Services will be as set out in the Purchase Order;
      4. comply with the Authority’s written instructions and reasonable directions relating to the Goods and/or Services or otherwise to the Purchase Order;
      5. mark any consignment of Goods with the Supplier’s name and address, the Purchase Order number and the Delivery Address shown in the Purchase Order and include a packing note with a description of the Goods and the weight, number or volume of the Goods;
      6. be deemed to have made all necessary enquiries and ascertained the technical, logistic and operational requirements for Providing the Goods and/or Services at the Delivery Address prior to Delivery;
      7. warrant that it has full clear and unencumbered title to all Goods provided under the Purchase Order;
      8. unless otherwise stated in the Purchase Order, submit any design it undertakes to the Authority for acceptance, which will not be unreasonably delayed by the Authority, prior to proceeding further with Providing the Goods and/or Services.
   2. The Supplier acknowledges that precise conformity of the Goods and/or Services with the Purchase Order is of the essence of the contract and the Authority will be entitled to reject the Goods and/or Services or terminate the Purchase Order if the Goods and/or Services are not in conformance with the Purchase Order.
2. HEALTH AND SAFETY
   1. Where the Purchase Order requires the Supplier to provide Services at the Delivery Address, the Supplier shall:-
      1. ensure that a competent supervisor is in attendance for the duration of the Services;
      2. ensure that a safe system of work (including risk assessments and method statements) has been submitted to the Authority Representative for agreement prior to the commencement of the Services;
      3. ensure that all operatives under its control are competent and have received a site specific induction which include the Authority’s site rules and procedures;
      4. ensure suitable and sufficient welfare and first aid arrangements are in place prior to commencement of the Services;
      5. provide the Authority Representative with emergency arrangements and contacts prior to commencement of the Services;
      6. report all incidents to the Authority Representative in accordance with the relevant Authority procedure, a copy of which will be provided on request;
      7. inform the Authority Representative of any changes in method of working or changes in design which must be agreed with a revised safe system of work recorded and communicated accordingly.
3. CONFIDENTIALITY
   1. The Supplier shall keep confidential and shall not disclose or reproduce any information or data (including without limitation personal data) processed, collected, obtained, created or developed by the Supplier for the Authority or otherwise made available to the Supplier by the Authority in connection with the Purchase Order or which otherwise becomes known to the Supplier through the Supplier’s performance of the Purchase Order. The Supplier shall not mention the Authority’s name in connection with the Purchase Order or disclose the existence of the Purchase Order in any publicity material or other similar communication without prior written consent of the Authority’s Communications Department.
   2. The Supplier is only permitted to use confidential information and data described in Clause 4.1 internally for the purpose of providing the Goods and/or Services and shall disclose it only to its employees, consultants or professional advisors who have a need to know the same for this purpose. The Supplier shall procure that any person receiving confidential information shall observe the provisions of this Clause 4.0 (Confidentiality).
   3. The Supplier shall ensure it complies with the Data Protection Act 1998 and shall use appropriate technical and organisational measures to protect confidential information and data against unauthorised or unlawful processing and against accidental loss, destruction, damage, theft, use and/or disclosure. The Supplier shall indemnify the Authority against all liabilities, claims, damages, costs, expenses or proceedings whatsoever incurred by the Authority as a result of the Supplier breaching any provision of this Clause 4.
4. FREEDOM OF INFORMATION

5.1 The Contractor acknowledges that the Authority is subject to the requirements of the Code of Practice on Government Information, FOIA and the Environmental Information Regulations and shall assist and cooperate with the Authority to enable the Authority to comply with its Information disclosure obligations.

6. PROTECTION OF PUBLIC FUNDS

6.1 The Contractor acknowledges that the Authority is under a duty to protect the public funds it administers and that it may use information provided by the Contractor for the purpose of prevention and detection of fraud. The Authority may be obliged to share this information with bodies responsible for auditing or administering public funds, for example, the National Fraud Initiative.

1. QUALITY AND MARKING
   1. The Goods and/or Services shall be of satisfactory quality and fit for the purpose for which they are required and shall meet the quality, description and performance stated or referred to in the Purchase Order and shall be equal in all respects to submitted and accepted designs, samples and patterns.
   2. The Goods and/or Services shall comply with all applicable standards, regulations and other legal requirements and with the Specification.
   3. The Supplier shall maintain and observe quality control and supplier quality assurance standards in accordance with the requirements of the Authority, its customs, relevant EU Standards and statutory and regulatory bodies;
   4. Goods shall be suitably and sufficiently marked and labelled with information and advice necessary to instruct and warn of any hazards to health and/or safety.
   5. Services will be carried out with all reasonable skill, care and diligence, utilising appropriate equipment and materials and following good industry practice.
2. INTERPRETATION OF SPECIFICATIONS
   1. Any discrepancies or difference between the Parties as to the intent or meaning of anything within the Purchase Order shall be subject to the decision of the Authority which shall be binding on both Parties.
   2. The Supplier shall provide all labour, designs, patterns, implements, carriage and all minor details whether or not described in the Specification or shown on the drawings, but which may be necessary in order to provide the Goods and/or Services.
3. INTELLECTUAL PROPERTY
   1. Each Party keeps ownership of its own Existing IPRs.
   2. The Supplier gives the Buyer a non-exclusive, perpetual, royalty-free, irrevocable, transferable worldwide licence to use, change and sub-license the Supplier’s Existing IPR to enable it to both: receive and use the Deliverables and make use of the deliverables provided by a Replacement Supplier

Any New IPR created under a Contract is owned by the Buyer. The Buyer gives the Supplier a licence to use any Existing IPRs and New IPRs for the purpose of fulfilling its obligations during the Contract Period.

Where a Party acquires ownership of IPRs incorrectly under this Contract it must do everything reasonably necessary to complete a transfer assigning them in writing to the other Party on request and at its own cost.

Neither Party has the right to use the other Party’s IPRs, including any use of the other Party’s names, logos or trademarks, except as provided in Clause 9 or otherwise agreed in writing.

If there is an IPR Claim, the Supplier indemnifies CCS and each Buyer against all losses, damages, costs or expenses (including professional fees and fines) incurred as a result.

9If an IPR Claim is made or anticipated the Supplier must at its own expense and the Buyer’s sole option, either:

obtain for CCS and the Buyer the rights in Clause 9.1 and 9.2 without infringing any third party IPR

replace or modify the relevant item with substitutes that don’t infringe IPR without adversely affecting the functionality or performance of the Deliverables

1. COMMUNICATION AND NOTICES
   1. Each instruction, submission, notification, reply and other communication which the Purchase Order requires is communicated in English and in a form which can be read, copied and recorded.
   2. Notices from the Supplier in relation to Clause 20.0 (Termination and Cancellation) and Clause 21.0 (Force Majeure) shall be sent by recorded delivery post, addressed to the Authority, at the Authority’s registered address and a copy sent immediately to the Authority Representative by either email or fax and followed up with a signed copy by first class post. Notices relating to other matters shall be sent to the Authority Representative by first class post or email. Unless stated otherwise, notices from the Authority to the Supplier shall be sent by first class post to the other Party’s last known place of abode or principal place of business or registered office or by email. Notices posted by either Party shall be deemed to have been received three Business Days after the date of posting.
2. VARIATIONS
   1. The Authority Representative may instruct written variations to the Purchase Order changing the Goods and/or Services, the Delivery Date and the Delivery Address giving reasonable notice to the Supplier where possible. The Supplier shall comply with such instructions.
   2. The Order Value shall be amended by the value of variations. Variations shall be valued by the Authority with reference to the Order Value and any prices within it or, if no suitable prices exist, at reasonable market rates or the Authority may invite the Supplier to provide a quotation for the cost of the variation.
   3. Should the Authority prevent the Supplier from meeting the Delivery Date, by virtue of a variation or for any other cause, the Authority shall make a suitable adjustment to the Delivery Date and notify the Supplier accordingly.
   4. No variation to the Purchase Order shall have effect unless it has been agreed and confirmed in writing by the Authority Representative.
3. PAYMENT
   1. Unless otherwise stated in the Purchase Order, the Supplier shall send to the Authority, following Delivery, a detailed priced invoice for the Order Value, stating the Purchase Order number and item numbers.
   2. The Authority shall pay the Order Value to the Supplier in the manner stated in the Purchase Order or if no manner is stated, following Delivery and against the Supplier’s correctly submitted invoice. Unless otherwise stated in the Purchase Order, payment will be made within 30 days from the date of an undisputed invoice.
   3. Payment by the Authority to the Supplier will be made by Bank Automated Cleaning System (BACS) transfer
   4. Unless otherwise stated in the Purchase Order, the Order Value and any prices forming part of it are exclusive of Value Added Tax.
4. RECOVERY OF SUMS DUE AND SET OFF
   1. The Authority may set off any sum of money or obligation due to the Supplier under this Purchase Order or any other order against any sum of money or obligation owed by the Supplier to the Authority under this Purchase Order or any other order or other agreement between the Parties.
   2. Where no sum of money or obligation is due to the Supplier under this Purchase Order or any other order the Authority may invoice the Supplier for any sum of money or obligation owed by the Supplier to the Authority under this Purchase Order or any other order or other agreement between the Parties.
5. INSPECTION AND TESTING
   1. The Supplier shall carefully inspect and test the Goods and/or Services for compliance with the Specification. The Supplier shall, if requested by the Authority, give the Authority reasonable notice of such tests and allow the Authority to witness the tests. If requested, the Supplier shall supply the Authority with certificates of inspections and tests.
   2. The Authority may inspect and test the Goods and/or Services during manufacture, processing, transit, storage or installation and the Supplier shall provide facilities as may reasonably be required by the Authority.
   3. Where site tests are required by the Specification they shall be carried out after installation and at least seven day’s notice in writing shall be given to the Authority Representative inviting a delegate of the Authority to witness the tests. Where any site test is failed, any necessary adjustments shall be carried out by the Supplier and the tests shall be repeated in the presence of the Authority delegate at a time agreed with the Authority.
   4. The Authority may use other suppliers to carry out the necessary adjustments and/or modifications if the site tests are not repeated and passed in a reasonable time. The Authority may recover the additional cost of using such other suppliers from the Supplier.
   5. Upon request by the Authority, the Supplier shall, at the Supplier’s sole expense, grant the Authority and/or any of the Authority’s nominated sub-contractors free and unrestricted access to the Supplier's premises and records as the Authority may reasonably require without limitation for the purposes of inspection of storage, plant, equipment, transport, data, accounts and other records and assets relating to the Goods and/or Services for the purposes of verifying the Supplier's compliance or ability to comply with its obligations under the Purchase Order.  Such records shall be maintained for a minimum of 6 (six) years following the performance of the obligation under the terms of the Purchase Order.
6. DELAY AND DAMAGES
   1. The Authority may recover from the Supplier all additional cost, loss and expense reasonably incurred by the Authority which is properly attributable to the Supplier’s failure to meet the Delivery Date (save where Clause 15.3 applies) or its breach of the Purchase Order or arises from termination of the Purchase Order pursuant to Clause 20.3 including, without limitation, all additional costs incurred by the Authority in obtaining the Goods and/or Services (or any part of them) in substitution from an alternative supplier.
   2. Failure by the Supplier to provide the Goods and/or Services within the required time will constitute a breach of contract under Clause 20.1.1 of the Purchase Order Conditions.
   3. Where liquidated damages for delay are stated in the Purchase Order to be applicable and an amount payable in respect of liquidated damages is included, in the event that the Supplier fails to meet the Delivery Date, the Supplier shall pay to the Authority the liquidated damages at the rate stated in the Purchase Order for the period from the Delivery Date until Delivery.
7. SUPPLIER’S RESPONSIBILITY FOR THE GOODS AND/OR SERVICES
   1. Until Delivery, risk in the Goods and/or Services shall rest with the Supplier.
   2. Unless otherwise agreed in writing all tools, patterns, drawings, designs and other documents or equipment supplied by, or on behalf of, the Authority shall be and remain the property of the Authority and the Supplier shall be responsible for their safe custody and return upon request of the Authority or immediately upon termination. They shall not be disposed of by the Supplier to any third party or used except for the purpose of Providing the Goods and/or Services.
   3. Property in the Goods shall pass to the Authority when they are delivered to the Delivery Address and the Goods are found by the Authority to be in accordance with the Purchase Order.
   4. In the Provision of Goods and/or Services the Parties do not intend on creating any relationship of employer and employee or otherwise between the Supplier personnel and the Authority. The Supplier shall at all times remain responsible for effecting all statutory deductions, insurances and accruals in respect of the Suppliers’ personnel.
8. DEFECTS
   1. Defects arising prior to the end of the Guarantee Period shall be remedied by the Supplier at the Supplier’s cost in accordance with the Authority’s reasonable instructions, or if not instructed, as soon as reasonably practicable and in any event within one month of notification of Defect. The Authority may elect whether the remedy is achieved by repair, replacement or rework.
   2. Other than at the Authority’s discretion, defective Goods will only be returned to the Supplier once replacement Goods have been provided. Goods returned shall be sent carriage forward to the Supplier at the risk and cost of the Supplier. Repair or replacement Goods shall themselves be subject to the provisions of the Guarantee Period.
   3. If the Supplier fails to remedy a Defect in accordance with this Clause 16, the Authority may, having given written notice to the Supplier, assess the cost of having the Defect remedied by another supplier and recover the reasonable costs incurred from the Supplier.
   4. The Parties may agree that a Defect will not be remedied in return for a reduction in the Order Value. A variation shall be made confirming the agreement and the reduction to the Order Value.
9. ASSIGNMENT
   1. The Authority may assign or transfer the Purchase Order or any part of it at will.
   2. The Supplier may not sub-contract, assign or transfer the Purchase Order or any part of it without the consent in writing of the Authority. Such consent shall not relieve the Supplier from any liability or obligation under the Purchase Order. The Supplier acknowledges and agrees that the Authority may reasonably withhold its consent to such a proposal if it, acting in good faith, considers that the Suppliers proposal to sub-contract, assign or transfer its obligations under this Purchase Order is to such number of sub-contractors, or to such a degree or in such a manner as might jeopardise the efficient or effective performance of the Suppliers obligations or delivery of the Goods and/or Services.
10. INDEMNITY AND INSURANCE
    1. Unless otherwise stated in the Purchase Order, the Supplier shall effect and maintain insurance for:
       1. Public liability insurance in respect of loss of or damage to property, including property owned by the Authority, (other than the Goods and/or Services) and for bodily injury to or death of a person (other than an employee of the Supplier) arising from or in connection with the provision of the Goods and/or Services. The minimum limit of indemnity shall be £5,000,000 for any one occurrence and unlimited as to the number of occurrences and the insurance shall be maintained until the end of the Guarantee Period.
       2. Employer’s liability insurance in respect of death of or bodily injury to employees of the Supplier arising out of and in the course of their employment in connection with the Purchase Order. The minimum level of indemnity shall be £5,000,000 and the insurance shall be provided until the end of the Guarantee Period.
       3. Professional indemnity insurance covering the liability of the Supplier in respect of the design and specification of the Goods and/or Services where liability on the part of the Supplier for design and specification of the Goods and/or Services applies under the Purchase Order. The minimum level of indemnity shall be £5,000,000 each and every claim and shall be provided until 6 years after Delivery.
    2. The Supplier shall ensure that the interests of the Authority are indemnified under the insurances to be effected and maintained by the Supplier under Clause 19.1 in the following manner:
       1. Under the provisions of an indemnity to principals clause in respect of public liability and employer’s liability insurance
       2. As an additional insured in respect of property damage insurance
    3. The insurances shall be affected with well- established insurance companies or underwriters of repute (i.e. with a Standard and Poor’s rating of A- or above). When required by the Authority, the Supplier shall supply to the Authority documentary evidence that the Insurances required under Clause 18 have been taken out and are being maintained.
    4. The Supplier shall be liable for and shall indemnify the Authority against any expense, liability, loss, claim, damages, costs or proceedings arising under any statute or at common law in respect of personal injury to or the death of any person arising out of or caused by the Provision of the Goods and/or Service, except to the extent that the same is due to any negligence or default on the part of the Authority or of any person for whom the Authority is responsible (including other contractors and their servants or agents employed by the Authority).
    5. The Supplier shall be liable for, and shall indemnify the Authority against, any expense, liability, loss, claim, damages, costs or proceedings in respect of any injury or damage to any property real or personal (including injury or damage to property of the Authority) insofar as such injury or damage arises out of or is caused by the carrying out of the Provision of Goods and/or Services by the Supplier and to the extent that the same is due to any act, omission, negligence, breach of statutory duty or default of the Supplier, its servants or agents or any of the Supplier’s sub-contractors or their servants or agents.
    6. Nothing in any Authority agreement or Purchase Order excludes or limits the liability of a Party for death or personal injury caused by its own negligence, for fraudulent misrepresentation by it, for fraud or for any matter for which it would be illegal for that Party to exclude or to attempt to exclude its liability.
    7. The Supplier shall indemnify, and keep indemnified, the Authority against any expense, liability, loss, claim, costs or proceedings the Authority may suffer or incur as a result of any claims made against it in respect of TUPE, National Insurance contributions, income tax and other statutory charges arising out of any Supplier personnel being found or considered to be an employee of the Authority.
    8. Save in respect of the provisions of Clause 19.6, the Authority’s liability to the Supplier under or in connection with the Purchase Order, or any Authority agreement with the Supplier under which the Purchase Order is made, howsoever arising including, without limitation, negligence, breach of contract or breach of statutory duty shall be limited to the Order Value.
11. TERMINATION AND CANCELLATION
    1. The Authority may terminate the Purchase Order immediately in whole or in part, by giving written notice to the Supplier if the Supplier has failed, or in the opinion of the Authority is likely to fail to:-
       1. provide all or part of the Goods and/or Services or remedy a Defect (in whole or in part) upon being required to do so in writing by the Authority; and/or
       2. achieve Delivery by the Delivery Date; and/or
       3. comply with an instruction of the Authority relating to the Goods and/or Services or otherwise relating to the Purchase Order

19.2 Either Party shall be entitled to terminate this Purchase Order immediately by giving written notice to the other if:-

19.2.1 an encumbrancer takes possession or a receiver is appointed over any of the property or assets of the other Party;

19.2.2 the other Party makes any composition or voluntary arrangement with its creditors or enters into administration or a moratorium comes into force in respect of the other party (within the meaning of the Insolvency Act 1986);

19.2.3 the other Party goes into liquidation (except for the purposes of an amalgamation, reconstruction or other reorganisation and so that the Authority resulting from the reorganisation effectively agrees to be bound by or to assume the obligations imposed on the other party under this Purchase Order);

19.2.4 an insolvency practitioner has been appointed by the other Party; or

19.2.5 the other Party ceases or threatens to cease to carry on business.

19.3 If the Authority terminates the Purchase Order or cancels any part of it, under Sub-Clauses 20.1 and 20.2 above, the Authority may recover from the Supplier the forecast additional cost to the Authority of procuring the Goods and/or Services from an alternative supplier.

19.4 The Authority may terminate the Purchase Order immediately by written notice or cancel any part of it for any other reason in which case, subject to Clause 21.7, the Authority shall pay the Supplier his reasonable and substantiated costs incurred up to the date of termination or cancellation in order to provide the Goods and/or Services in whole or part as the case may be.

19.5 The conditions of contract that expressly or by implication have effect after termination of the Purchase Order including, without limitation, Clause 4 (Confidentiality), Clause 10 (Communication and Notices), Clause 13 (Recovery of Sums Due and Set Off), Clause 17 (Defects), Clause 18 (Assignment), Clause 19 (Indemnity and Insurance) and Clause 23 (Waiver) will continue to be enforceable notwithstanding termination.

1. FORCE MAJEURE
   1. Subject to Clause 21.4, neither Party shall be liable for any failure to perform, or delay in performing, an obligation (other than indemnity obligations) if and to the extent that the failure or delay is caused by Force Majeure.
   2. Where the Supplier is unable to perform it obligations by reason of Force Majeure the Supplier shall immediately notify the Authority Representative in writing of its wish to claim relief under Clause 21.1 and provide an estimate of its duration, details of the obligations which are affected by Force Majeure and the way in which and the extent to which the Party considers that the performance of its obligations is likely to be affected.
   3. Where the Supplier is unable to provide the Goods and/or Services by reason of Force Majeure the Authority shall assess the information provided under Clause 21.2 and either alter the Delivery Date accordingly, or cancel any part of or terminate the Purchase Order.
   4. For the period of the Force Majeure each Party shall:

19.4.1 take all reasonable steps available to minimise the effects of the Force Majeure on the performance of its obligations and to resume full performance of the Purchase Order without reasonably avoidable delay;

19.4.2 permit, and use all reasonable efforts to facilitate, any efforts that the other Party may make to obtain alternative supplies or services;

19.4.3 update the information provided in the notice under Clause 21.2 at least once a week throughout the period during which the performance of its obligations is affected.

* 1. For the avoidance of doubt, if the Supplier is relieved from performing any obligation affected by Force Majeure it shall not be entitled to payment for the performance of that obligation in respect of the period for which relief is obtained.
  2. If the Party claiming relief under Clause 21.1 is prevented by the Force Majeure from wholly or substantially performing its obligations under the Purchase Order for a period of more than 1 month either Party may terminate the Purchase Order by written notice to the other Party.
  3. Clause 20.4 does not apply if the Authority terminates or cancels any part of the Purchase Order under Clause 21.3, Clause 21.6 or Clause 4 (Severance).

1. BONA FIDES OF WORKPEOPLE
   1. The Supplier shall, if required, provide accreditations and permits for the labour and staff it uses, with a form of authority acceptable to the Authority for each person whom it requires to have access to the Authority’s property and shall keep a record of all forms provided. Forms and passes shall be surrendered as soon as access is no longer required.
   2. The Authority shall be entitled, at its discretion, to request that an individual under the control of the Supplier be removed from its property and, in the event of any such request the Supplier shall forthwith remove such individual and arrange for their replacement, if required, to provide the Goods and/or Services.
   3. The Supplier shall at all times ensure its business and supply chains meet their obligations under the Modern Slavery Act 2015, and shall demonstrate the steps it takes to monitor compliance at the request of the Authority.
2. WAIVER
   1. No failure or delay by a Party to exercise any right or remedy provided under this Purchase Order or by law shall constitute a waiver of that or any other right or remedy, nor shall it preclude or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall preclude or restrict the further exercise of that or any other right or remedy.
3. RIGHTS OF THIRD PARTIES
   1. Neither the Authority nor Supplier confers or purports to confer on any Third Party any benefit or right to enforce any term of the Purchase Order under the Contracts (Rights of Third Parties) Act 1999.
4. SEVERANCE
   1. If a provision of the Purchase Order is held to be illegal, invalid or unenforceable, in whole or in part the provision will be severed from this Purchase Order and rendered ineffective and the Parties intend that the legality, validity and enforceability of the remainder of the Purchase Order shall not be affected.
   2. In the case of any discrepancy or ambiguity or conflict between any of the documents forming the Purchase Order, the order of precedence shall follow:
      * the Purchase Order
      * the Purchase Order Conditions
      * the Specification

**25. ANTI-CORRUPTION**

25.1 The Authority may terminate the Purchase Order forthwith by giving notice in writing to the Supplier and recover from the Supplier the amount of any loss resulting from such termination if the Supplier shall have offered or given or agreed to give any person any gift or consideration of any kind as an inducement or reward for doing or forbearing to do or for having done or forborne to do any action in relation to the obtaining or execution of the Purchase Order or any other contract with the Authority or for showing or forbearing to show favour or disfavour to any person in relation to the Purchase Order or any other contract with the Authority or if the like acts shall have been done by any person employed by the Supplier or acting on its behalf (whether with or without the knowledge of the Supplier) or if in relation to any contract with the Authority the Supplier or any person employed by the Supplier or acting on its behalf shall have committed any offence under the Bribery Act 2010.

25.2 Any clause in the Purchase Order limiting the Supplier's liability does not apply to this Clause 25 (Anti-Corruption).

**26. ENTIRE AGREEMENT**

26.1 The Purchase Order, and any Authority agreement with the Supplier under which the Purchase Order is made, is the entire agreement between the Parties and supersedes all prior proposals, promises, agreements, arrangements, representation, misrepresentation, understandings and misunderstandings between the Parties and relating to its subject matter (whether oral or in writing). For the avoidance of doubt these Purchase Order Conditions shall prevail over the Supplier’s terms and conditions which, whether or not notified to the Authority on any invoice, other document or otherwise, shall not form part of the Purchase Order. The terms of the Purchase Order may only be varied in accordance with Clause 11 (Variations).

26.2 Each Party acknowledges that in entering into the Purchase Order it does not rely on any representation, warranty, collateral contract or other assurance of any person (whether a Party to the Purchase Order or not) that is not set out in the Purchase Order or the documents referred to in it. Subject to Clause 28.2, each Party waives all rights and remedies which, but for this Clause 26, might otherwise be available to it in respect of any such representation, warranty, collateral contract or other assurance. The only remedy available to any Party in respect of any representation, warranty, collateral contract or other assurance that is set out in this Purchase Order (or any document referred to in it) is for breach of contract under the terms of the Purchase Order. Nothing in the Purchase Order shall, however, limit or exclude any liability for fraud.

**27. DISPUTE RESOLUTION**

27.1 Any dispute arising out of or in respect of the Purchase Order may be referred in writing by either Party to a dispute resolution committee comprising the Authority Representative and the Supplier Representative. Failing resolution of the dispute by the dispute resolution committee within a period of 10 (ten) Business Days of the reference to them the dispute may immediately be referred in writing by either Party for determination to the Authority’s procurement team and Supplier sales manager who shall seek to reach agreement of the dispute within 1 (one) calendar month.

**28. LAW AND JURISDICTION**

28.1 Each party irrevocably submits to the exclusive jurisdiction of the English and Welsh Courts in relation to all matters arising out of or in connection with the Purchase Order which shall be governed by the laws of England and Wales.

28.2 For the avoidance of doubt, nothing in the Purchase Order shall relieve the Supplier and its sub-contractors and agents of their statutory or common law responsibilities or obligations in relation to the Goods and/or Services (or any part of it).

Signed on behalf of the supplier:

Name:

Job title:

Signature:

Date:

Signed on behalf of the West of England Combined Authority

Name:

Job title:

Signature:

Date:

1. [↑](#footnote-ref-2)