

London Borough of Southwark Southwark Works: Employment Support Service Framework

Section 6 – Evaluation Methodology

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Part 1 – Overview

1. Introduction

- 1.1. This document provides information on how the council will assess tenders submitted by tenderers in relation to the appointment to the Southwark Works Framework and the award of the initial call-off contracts. It includes a step by step description of the method the council will use and it is therefore recommended that tenderers read this information carefully and respond to each criterion accordingly.
- 1.2. The council will conduct a qualitative and output evaluation of the Tenders received. In the current economic climate it is even more important that the council achieves the best possible value for money.
- 1.3. Appointment to framework lots and the award of contracts will be based on an overall “value for money” score comprised of weighted scores for “Quality” and “Outputs” at a ratio of 80:20.
- 1.4. The council has set up a Tender Evaluation Panel (TEP) to undertake a comprehensive, systematic and consistent evaluation of each Tender received in relation to this procurement. This panel consists of Council officers with a good knowledge of the services to be provided and the market context.
- 1.5. Responses to the ITT for the framework appointment and the call-off contracts will be incorporated into the contracts to evidence how services will be provided.

2. Evaluation process

- 2.1. At the time of the procurement of the framework, tenderers for Lots 1-9 (all lots) are invited to simultaneously submit bids for the appointment to framework lots and for initial call-off contracts. Tenders for the appointment to the Southwark Works Framework will be evaluated first. If a supplier does not pass the tender stage to be appointed to a framework lot, their bid for an initial call-off contract for that framework lot will be rejected.
- 2.2. The evaluation criteria for the framework appointment and for the initial call-off contract award are set out in Parts 2 and 3 of this document. The same quality and output scoring methodologies will be used for the framework appointment and the call-off contract awards.
- 2.3. Tenderers must use the “Framework Appointment Tender Response Document” (Section 8) relevant to the lot to construct their tender submission for appointment to the framework and the “Call-Off Contract Tender Response Document” (Section 9) relevant to the lot to construct their submission for an initial call-off contract. If a tenderer is submitting a bid for more than one Framework lot and Call off contract, they must submit 1 of each document per lot bid for.
- 2.4. The list of response documents is set out in the Conditions of Tendering (Section 2, paragraph 7.4).
- 2.5. Where suppliers are bidding for appointment to a framework lot and for a call-off contract at the same time, the pricing and outputs given by suppliers in the “Framework Appointment Tender Response Document” (Section 8) and the “Call-Off Contract Tender Response Document” (Section 9) must be the same. If the information is not the same the council reserves the right to reject the tender. Section 5 – Pricing Schedule will apply to both framework appointment and call off contract award.
- 2.6. Each lot has a maximum number of Suppliers that can be appointed, as set out in Section 4 – Specification (paragraph 2.4). Following the evaluation of bids for the appointment to a framework lot, the highest ranking Tenderers will be appointed, according to the maximum number of Suppliers that can be appointed to that lot.
- 2.7. Bids for a call-off contract from the Tenderers who have passed the tender stage for appointment to a framework lot will then be considered. The Tenderer who ranks highest in the evaluation for a call-off contract from each lot will be awarded a contract. Where more than one contract is to be awarded per lot, Section 4 – Specification (paragraph 2.4), the highest ranking Tenderers will be awarded call-off contracts accordingly.
- 2.8. The council reserves the right to hold clarification meetings with tenderers (please note, indicative dates for these meetings are 25th and 26th April 2023). Scores may be adjusted up or down following these meetings.

3. Future call-off contracts

- 3.1. Following the establishment of the framework, bids for any future call-off contracts will be evaluated based on the criteria set out in Part 3 of this document. At such a time, a tender response document and pricing schedule will be provided to any appointed framework providers who wish to bid.

Part 2 – Framework Appointment: Evaluation Methodology

4. Quality evaluation

- 4.1. As part of Tenderers' bids for appointment to a framework lot, they will need to produce method statements as set out in the Framework Appointment Tender Response Document (Section 8). The method statement questions relate to key elements and priorities of the Service.
- 4.2. The criteria for the quality evaluation for appointment to framework lots are shown in the tables below and vary by lot. Quality criteria are given an overall score out of 100 and an 80% weighting will be applied to the final quality score.

Table 1: Framework Appointment - Quality Evaluation Criteria

Criteria	Sub Criteria	Minimum score	Maximum score	Sub-Criteria Weighting	Total weighting
1) Outreach, needs assessment and client journey	Client engagement	0	5	20	20
2) Service delivery	Approach to employment support and client journey	0	5	20	45
	Working with a network of providers	0	5	15	
	Customer service	0	5	15	
3) Service planning	Staffing	0	5	20	35
	Risks	0	5	15	

- 4.3. Each question will initially be scored between 0 and 5. The quality scoring methodology is outlined in the table below.

Table 2: Quality Scoring Methodology

Score	Descriptions
0	Cannot be scored No submission was made or response given did not address the question or part thereof.
1	Unsatisfactory Although the Supplier does demonstrate an understanding of our requirements there are some major risks or omissions in relation to the proposed solution to deliver the service and we would not be confident of our requirements being met.
2	Satisfactory A response which is capable of meeting our requirements but is unlikely to go beyond this.
3	Good A response which shows that the Supplier demonstrates an understanding of our requirements, has a credible methodology to deliver the service and could evolve into additional benefits.

4	Very Good A response which shows that the Supplier demonstrates an understanding of our requirements, has a credible methodology to deliver the service alongside a clear process and plan to deliver additional benefits and deliver value.
5	Excellent A response which shows how the service can comprehensively be taken to the next level in terms of exceeding our requirements and/or offering significant added value to the Council's overall strategic requirements and objectives.

- 4.4. The response to each question will be scored and then the sub-weighting applied to give a score for quality. All criteria are important but some are considered more critical than others. Each question / sub-criterion carries a weighting based on its importance to the service. Once the score out of 100 has been evaluated, an overall weighting out of 80% will be applied.
- 4.5. The scores achieved for "Quality" will be based on the weightings shown in Table 1 above. For example, in Table 1, sub-criteria / question 1 has a weighting of 20, so if the Tenderer achieves an initial evaluation score of 3 for this question, the weighted score would be $3/5 \times 20 = 12$. Further examples are provided in the table below:

Table 3: Scoring Examples

Evaluation score	Weighting	Weighted score
3 (out of 5)	10	6 ($3/5 \times 10$)
4 (out of 5)	15	12 ($4/5 \times 15$)
5 (out of 5)	20	20 ($5/5 \times 20$)

- 4.6. The weighted scores for each question are then added together to give a total score for quality. This method ensures that questions with higher weightings contribute more to the total than those with lower weightings.
- 4.7. There is a possibility that during the verification process uncertainties may arise in what Tenderers have stated in their submissions. The evaluation process has a built-in opportunity to attend to uncertainties, through a process of clarification where required.

5. Output evaluation

5.1. Output evaluation criteria

5.1.1. **Lots 1-8:** the output evaluation will be carried out using the following information:

- Tender pricing
- Core Outputs 2a & 2b – combined total of the “Number of clients starting a job” and “Number of clients starting an apprenticeship” (Paragraph 4, Table 3 of the Specification)
- Core Output 4 – Number of clients progressing into a better role (Paragraph 4, Table 3 of the Specification)

5.1.2. **Lot 9:** the output evaluation will be carried out using the following information:

- Tender pricing
- Core Output 1 – Number of clients registered with the project (Paragraph 4, Table 3 of the Specification)
- Core Output 4 – Number of clients progressing into a better role (Paragraph 4, Table 3 of the Specification)

5.1.3. Tenderers are required to complete the Breakdown of Costs tables in Section 5 – Pricing Schedule. The maximum annual budget for contracts awarded under each lot is set out in Table 1 Section 4 - Specification). All bids priced in excess of this amount and / or do not meet minimum core outputs will be rejected.

5.1.4. Paragraph 14 of the Specification (Section 4) sets out the minimum requirements for Core Outputs 2 and 4¹ for individual contracts in each lot.

5.1.5. The pricing and outputs provided by bidders will be used to calculate ‘value for money’ scores which will be used to score bids. The output evaluation will make up 20 marks of the overall “value for money” score.

5.1.6. The weighting for outputs has been sub-weighted across three elements as shown in the tables below.

Table 4a: Lots 1-8 - Framework Appointment - Output Evaluation Criteria

	Work Element	Section to be completed	Weighting %
1	Sustainability of tender price	Section 5 – Pricing Schedule – all tables	10
2	Value for money score – job and apprenticeship outputs (Core Output 2)	Section 5 – Pricing Schedule Table 6 and Section 8a – Framework Appointment Tender Response Document Table 7	5
3	Value for money score – progression within work (Core Output 4)	Section 5 – Pricing Schedule Table 6 and Section 8a/8b – Framework Appointment Tender Response Document Table 7	5
	Total		20

¹ For Lot 9, Core Outputs 1 and 4 will be evaluated, as set out in paragraph 14.9 of the Specification

Table 4b: Lot 9 - Framework Appointment - Output Evaluation Criteria

	Work Element	Section to be completed in Framework Appointment Tender Response Document (Lot 9)	Weighting %
1	Sustainability of tender price	Section 5 – Pricing Schedule – all tables	10
2	Value for money score – registration outputs (Core Output 1)	Section 5 – Pricing Schedule Table 6 and Section 8b – Framework Appointment Tender Response Document Table 7	5
3	Value for money score – progression within work (Core Output 4)	Section 5 – Pricing Schedule Table 6 and Section 8b – Framework Appointment Tender Response Document Table 7	5
	Total		20

5.2. Sustainability of tender price

- 5.2.1. The Council will score the sustainability of prices by assessing the breakdown of costs completed in the Pricing Schedule (Section 5, all tables). This will be scored in the following way with the weighting of 10:

Table 5: Scoring Methodology - Sustainability of Price

Score	Weighting	Definition
0	2	Failure to provide any breakdown.
1	2	Low confidence in the breakdown provided through reviewing the cost breakdown and benchmarking this with other tenders.
2	2	Medium level of confidence in the breakdown provided through reviewing the cost breakdown and benchmarking this with other tenders
3	2	High level of confidence in the breakdown provided through reviewing the cost breakdown and benchmarking this with other tenders.

5.3. Job / apprenticeship output unit cost evaluation (Core Output 2a and 2b)²

- 5.3.1. The job / apprenticeship unit cost will be ascertained using the total of Core Output 2a, "Number of clients starting a job" and Core Output 2b "Number of clients starting an apprenticeship". The unit cost will be calculated by dividing the total two year tender price ("Total 2 year breakdown of cost", Table 6, Pricing Schedule) by the two year total Core Output 2a and 2b (Project total, Table 7, Framework Appointment Tender Response Document).
- 5.3.2. Following this, the value for money per job / apprenticeship start will be scored out of five as follows:

$$\text{Score out of 5} = \frac{\text{Lowest unit cost per job / apprenticeship start}}{\text{Tendered unit cost per job / apprenticeship start}} \times 5$$

- 5.3.3. The Tender submission with the lowest unit cost per job/apprenticeship start will receive a score out of 5 using the above calculation.

For example, suppose a range of tenders have been submitted and the lowest quoted unit cost across all tenders is £100 per job/apprenticeship start, the calculation for that tenderer's score would be as follows:

$$\frac{\pounds 100}{\pounds 100} = 1 \times 5 = 5$$

If another tenderer had quoted a unit cost of £200 per job/apprenticeship start, that tenderer would receive an output evaluation score of 3.5:

$$\frac{\pounds 100}{\pounds 200} = 0.5 \times 5 = 2.5$$

5.4. Progression unit cost evaluation

- 5.4.1. Similarly, the progression unit cost will be ascertained using Core Output 4, "Number of clients progressing into a better role". The unit cost will be calculated by dividing the total two year tender price ("Total project cost", Table 6, Pricing Schedule) by the two year total Core Output 4 (Project total, Table 7, Framework Appointment Tender Response Document).

The value for money per progression output will be scored out of five as follows:

$$\text{Score out of 5} = \frac{\text{Lowest price per progression}}{\text{Tendered price per progression}} \times 5$$

- 5.4.2. The Tender submission with the lowest unit cost per progression output will receive a score out of 7 using the above calculation.

For example, suppose a range of tenders have been submitted and the lowest quoted unit cost across all tenders is £100 per progression output, the calculation for that tenderer's score would be as follows:

$$\frac{\pounds 100}{\pounds 100} = 1 \times 5 = 5$$

² For Lot 9, the number of registrations (Core Output 1) will be evaluated instead of job and apprenticeship starts. The same calculation will be used.

£100

If another tenderer had quoted a unit cost of £200 per progression output, that tenderer would receive an output evaluation score of 2.5:

$$\frac{\text{£100}}{\text{£200}} = 0.5 \times 5 = \mathbf{2.5}$$

- 5.5. The overall score will be calculated by adding the quality and output score together. The Tenderers with the highest scores, according to the maximum number of suppliers that can be appointed to each framework lot, will be accepted as having made the best value for money submissions and subsequently recommended for appointment to the framework lots.

Part 3 –Call-Off Contract: Evaluation Methodology³

6. Quality evaluation

- 6.1. As part of Tenderers' bids for call-off contracts, they will need to produce method statements as set out in in the Call-Off Contract Tender Response Document (Section 9). The method statement questions relate to key elements and priorities of the Service.
- 6.2. The criteria for the quality evaluation for call-off contracts are shown in the table below. Quality criteria are given an overall score out of 100 and an 80% weighting will be applied to the final quality score.

Table 6: Call-off Contracts – Quality Evaluation Criteria

Criteria	Sub Criteria	Minimum score	Maximum score	Sub-Criteria Weighting	Total weighting
1) Outreach, needs assessment and client journey	1.1 Needs assessments and action planning	0	5	15	15
2) Service delivery	2.1 Delivering outcomes	0	5	15	30
	2.2 Sustaining and progressing in work	0	5	15	
3) Service planning	3.1 Milestones and mobilisation plan	0	5	10	30
	3.2 Outputs	0	5	20	
4) Measuring impact	4.1 CRM system	0	5	10	25
	4.2 Measuring wider impact	0	5	15	
					100

³ Call off contract submissions will only be evaluated for tenderers who have been appointed the Framework.

- 6.3. Each question will initially be scored between 0 and 5. The quality scoring methodology is outlined in Table 2 above.
- 6.4. The response to each question will be scored and then the sub-weighting applied to give a score for quality. All criteria are important but some are considered more critical than others. Each question / sub-criterion carries a weighting based on its importance to the service. Once the score out of 100 has been evaluated, an overall weighting out of 80% will be calculated.

The scores achieved for “Quality” will be based on the weightings shown in Table 6 above. For example, in Table 6, sub-criteria / question 1 has a weighting of 15, so if the Tenderer achieves an initial evaluation score of 3 for this question, the weighted score would be $3/5 \times 15 = 9$. Further examples are provided in Table 3 above.

- 6.5. The weighted scores for each question are then added together to give a total score for quality. This method ensures that questions with higher weightings contribute more to the total than those with lower weightings.
- 6.6. There is a possibility that during the verification process uncertainties may arise in what Tenderers have stated in their submissions. The evaluation process has a built-in opportunity to attend to uncertainties, through a process of clarification where required.

7. Output evaluation

7.1. Output evaluation criteria

7.1.1. **Lots 1-8:** the output evaluation will be carried out using the following information:

- Tender pricing
- Core Outputs 2a & 2b – combined total of the “Number of clients starting a job” and “Number of clients starting an apprenticeship” (Paragraph 4, Table 3 of the Specification)
- Core Output 4 – Number of clients progressing into a better role (Paragraph 4, Table 3 of the Specification)

7.1.2. **Lot 9:** the output evaluation will be carried out using the following information:

- Tender pricing
- Core Output 1 – Number of clients registered with the project (Paragraph 4, Table 3 of the Specification)
- Core Output 4 – Number of clients progressing into a better role (Paragraph 4, Table 3 of the Specification)

7.1.3. Tenderers are required to complete the Breakdown of Costs tables in Section 5 – Pricing Schedule. The maximum annual budget for contracts awarded under each lot is set out in Table 1 Section 4 - Specification). All bids priced in excess of this amount and / or do not meet minimum core outputs will be rejected.

7.1.4. Paragraph 14 of the Specification (Section 4) sets out the minimum requirements for Core Outputs 2 and 4 for individual contracts in each lot.⁴

7.1.5. The pricing and outputs provided by bidders will be used to calculate ‘value for money’ scores which will be used to score bids. The output evaluation will make up 20 marks of the overall “value for money” score.

7.1.6. The weighting for outputs has been sub-weighted across three elements as shown in the tables below.

Table 7a: Lots 1-8 - Call-Off Contract Output Evaluation Criteria

	Work Element	Section to be completed	Weighting %
1	Sustainability of tender price	Section 5 – Pricing Schedule – all tables	10
2	Value for money score – job and apprenticeship outputs (Core Output 2)	Section 5 – Pricing Schedule Table 6 and Section 8a – Framework Appointment Tender Response Document Table 7	5
3	Value for money score – progression within work (Core Output 4)	Section 5 – Pricing Schedule Table 6 and Section 8a – Framework Appointment Tender	5

⁴ For Lot 9, Core Outputs 1 and 4 will be evaluated, as set out in paragraph 14.9 of the Specification

		Response Document Table 7	
	Total		20

Table 7b: Lot 9 - Call-Off Contract Output Evaluation Criteria

	Work Element	Section to be completed in Framework Appointment Tender Response Document (Lot 9)	Weighting %
1	Sustainability of tender price	Section 5 – Pricing Schedule – all tables	10
2	Value for money score – registration outputs (Core Output 1)	Section 5 – Pricing Schedule Table 6 and Section 8b – Framework Appointment Tender Response Document Table 7	5
3	Value for money score – progression within work (Core Output 4)	Section 5 – Pricing Schedule Table 6 and Section 8b – Framework Appointment Tender Response Document Table 7	5
	Total		20

7.2. Sustainability of tender price

- 7.2.1. The Council will score the sustainability of prices by assessing the breakdown of costs completed in Section 5 – Pricing Schedule, all tables. This will be scored as shown in Table 5 above.
- 7.2.2. When assessing confidence, the panel will consider the viability of costs set out in the pricing schedule.

7.3. Job / apprenticeship output unit cost evaluation (Core Output 2a and 2b)

- 7.3.1. The job / apprenticeship unit cost will be ascertained using Core Output 2a and 2b, “Number of clients starting a job” and “Number of clients starting an apprenticeship”. The unit cost will be calculated by dividing the total two year tender price (“Total 2 year breakdown of cost”, Table 6, Pricing Schedule) by the two year total Core Output 2a and 2b (Project total, Table 7, Framework Appointment Tender Response Document)⁵.
- 7.3.2. Following this, the value for money per job / apprenticeship start will be scored out of five as follows:

⁵ For Lot 9, Core Output 1 will be used for this calculation, as set out in Table 7b of this document

$$\text{Score out of 5} = \frac{\text{Lowest unit cost per job / apprenticeship start}}{\text{Tendered unit cost per job / apprenticeship start}} \times 5$$

- 7.3.3. The Tender submission with the lowest unit cost per job/apprenticeship start will receive a score out of 5 using the above calculation.

For example, suppose a range of tenders have been submitted and the lowest quoted unit cost across all tenders is £100 per job/apprenticeship start, the calculation for that tenderer's score would be as follows:

$$\frac{\pounds 100}{\pounds 100} = 1 \times 5 = 5$$

If another tenderer had quoted a unit cost of £200 per job/apprenticeship start, that tenderer would receive an output evaluation score of 2.5:

$$\frac{\pounds 100}{\pounds 200} = 0.5 \times 5 = 2.5$$

7.4. Progression unit cost evaluation

- 7.4.1. Similarly, the progression unit cost will be ascertained using Core Output 4, "Number of clients progressing into a better role". The unit cost will be calculated by dividing the total two year tender price ("Total 2 year breakdown of cost", Table 6, Pricing Schedule) by the two year total Core Output 4 (Project total, Table 7, Framework Appointment Tender Response Document).

The value for money per progression output will be scored out of five as follows:

$$\text{Score out of 5} = \frac{\text{Lowest price per progression}}{\text{Tendered price per progression}} \times 5$$

- 7.4.2. The Tender submission with the lowest unit cost per progression output will receive a score out of 5 using the above calculation.

For example, suppose a range of tenders have been submitted and the lowest quoted unit cost across all tenders is £100 per progression output, the calculation for that tenderer's score would be as follows:

$$\frac{\pounds 100}{\pounds 100} = 1 \times 5 = 5$$

If another tenderer had quoted a unit cost of £200 per progression output, that tenderer would receive an output evaluation score of 2.5:

$$\frac{\pounds 100}{\pounds 200} = 0.5 \times 5 = 2.5$$

- 7.5. The overall score will be calculated by adding the quality and output score together. The Tenderer(s) with the highest score(s) will be accepted as having made the best value for money submissions and subsequently recommended for contract award.
- 7.6. When awarding call-off contracts, the authority reserves the right to review the supplier's financial position to ensure that turnover is not less than the total value of contracts awarded across the framework.

Part 4 – Conditions

8. Compliance check

- 8.1. Tenders will be subject to an initial compliance check to confirm that:
- Tenders have been submitted on time, are completed correctly and meet the requirements of the Invitation to Tender.
 - Tenders are sufficiently complete to enable them to be evaluated in accordance with this Section.
 - The Tenderer has not contravened any of the terms and conditions of the Restricted Procedure or the tender process – either provided in the Public Contracts Regulations 2015 (as amended) and/or the Invitation to Tender.
 - The Tenderer has confirmed the acceptance of the terms and conditions of the contract.
 - The Tender is capable of acceptance.
- 8.2. Tenders that do not meet these requirements may be rejected at this stage.
- 8.3. Tenders that pass the initial compliance check will be subject to a detailed evaluation in accordance with the criteria and weightings set out in this document.
- 8.4. The Council reserves the right to call for further information or clarification from Tenderers, as appropriate, to assist in its consideration of their Tenders.

9. Verification process

- 9.1. A Tenderer's evaluation score will be based on the tenderer's written tender submission. This may be clarified (and its veracity and accuracy verified) by the following methods:
- Clarification meetings / presentations
 - Responses to clarifications questions raised by the council
 - Written feedback from referees
- 9.2. Tenderers will not be able to address any omissions in their tender submission during any clarification process. There must be a clear distinction between clarifications and omissions; this process is not about providing an opportunity to address something that has not been included in a tender, as this would be unfair to other Tenderers.
- 9.3. The initial score will be based on the evaluators' review of the tenderers' tender submission and be updated based on further clarification. The final scores may differ from the initial scores to reflect the full evaluation process undertaken by the panel. Overall scores will be calculated to ascertain the tenderer's overall percentage score.
- 9.4. The evaluation panel shall conduct a "consensus scoring process" where moderation of the scores awarded during the exercise will take place. The moderation process shall give regard to any variance in scores between the evaluators. A consensus score will be agreed by the evaluators for each of the evaluation criteria/sub-criteria.

10. Quality evaluation threshold

- 10.1. The Council is keen to ensure that submissions received are of a consistently good level across all areas. Therefore tenderers are required to achieve a minimum quality score for every question/sub-criterion.
- 10.2. In this respect the Council reserves the right to reject any Tender that fails to achieve an un-weighted score of 2 (Satisfactory) for any question.

11. Abnormally low tenders

- 11.1. The Council will scrutinise very carefully any tender that contains a unit price which appears very low (having regard, amongst other things, to the prices submitted in the other tender submissions received). The Council reserves the right to reject any tender submission that is abnormally low.