

Alternative Education Provision (AP) service

Volume 2 – Evaluation Methodology

EVALUATION METHODOLOGY

1 INTRODUCTION

- 1.1 This document sets out the methodology used to evaluate Tenders received and, the process of how bidders will be pre-qualified to be on the framework of AP providers. It reads in conjunction with all other tender documents.
- 1.2 The Council will first review the pricing submitted to ensure the submissions do not exceed the specified ceiling rates, prior to evaluating the Method Statement.
- 1.3 Any submission that exceeds the ceiling rate will be rejected, and the Council will not evaluate the submitted Method Statements. Bidders who do not meet this criteria will be excluded from the tender process.
- 1.4 Once the pricing review and the quality evaluation is complete, bidders who fully meet the council's requirements will be appointed to the AP framework.

2 EVALUATION STAGES

- 2.1 Evaluation will be in stages:

- Stage 1 – Initial Screening Assessment
- Stage 2 – Suitability Assessment
- Stage 3 – Price Review
- Stage 4 – Evaluation of Method Statements

3 INITIAL SCREENING ASSESSMENT

- 3.1 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 Open tender process – either provided in the Public Contracts Regulations 2015 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.

- 3.2 Tenders that do not meet these requirements may be rejected at this stage.

- 3.3 Tenders that pass the initial screening assessment check will be subject to a detailed evaluation in accordance with the criteria and weightings set out in this document.

- 3.4 The Council reserves the right to call for further information or clarification from Tenderers, as appropriate, to assist in its consideration of their Tenders.

SUITABILITY ASSESSMENT

- 4.1 Tenderers will be required to complete the Suitability Assessment questionnaire that is set out in Appendix 1 of this document.
- 4.2 The Suitability Assessment questions have been designed to assess the suitability of Providers to deliver the Authority's contract requirement(s). The Council reserves the right to reject any tender without further consideration in the event that the Tenderer fails at this stage of the evaluation process.
- 4.3 In order to pass the Suitability Assessment bidders must pass the Mandatory Requirements. The Council reserves the right to exclude tenders if a provider has answered 'Yes' to any discretionary questions.
- 4.4 Section 1 (Potential Supplier Information), in the Suitability Assessment questions is for information purposes only and is not evaluated.

Economic and Financial standing – Pass/Fail

- 4.5 The financial assessment will be carried out in three parts. No one part or element thereof will be decisive in the final decisions. All parts covered below will be assessed "in the round" and not on an individual basis. Any "fail" will be considered and may lead to further clarification/assurances being obtained or to the exclusion from the next stage of the process, depending on the severity of the financial risk to the authority identified.
- 4.6 Using the information contained in the last two years' audited accounts (or other information supplied under the Suitability Assessment) a review will be undertaken using the factors listed below. The financial assessment will consist of the following:
 - 4.7 Ratio analysis including:
 - Liquidity i.e. working capital ratios
 - Efficiency tests i.e. debtor and creditor collection period
 - Profitability tests i.e. return on capital employed
 - % of the contract value annually as % of turnover.
 - 4.8 Assessment of movements of liquidity and funds between group companies; information on mergers and acquisitions and ownership tree.
 - 4.9 Review of audited published accounts, and interpretation of any notes that may affect wellbeing of company. Review to include:
 - Charges, judgements, injunctions due to prior failings or other adverse legal findings
 - Going concern
 - Audit qualifications
 - 4.10 Assessment of general background information including:
 - The companies and directors.

- Business type in each of the set of accounts.
 - Prior experience/ current activities.
4. 11 To achieve an overall pass in the financial assessment, potential bidders will need to demonstrate the following:
- A credit score and credit rating of 40:1
 - An acceptable level of financial risk for the authority
4. 12 It should be noted that the authority reserves the right to reassess any potential supplier's financial position at any time up to contract award to confirm that it meets with the requirements of this Suitability Assessment.

5 EVALUATION PANELS

5. 1 Tender Evaluation panels, representing relevant stakeholders, will be convened to evaluate the tender submissions. The panels will score the method statements using the scoring system set out below in Clause 6 Table 2 Evaluation Scoring Metrics.

Review of the Pricing Schedule will be completed prior to the evaluation of the Method Statements (quality element of the tender), which will be evaluated as follows:

Table 1

Method Statement	Combined Weighting
Generic	65%
Lot Specific	35%
Total	100%

6 QUALITY EVALUATION CRITERIA

- 6.1 The quality assessment will be based on the Method Statements received from the Tenderers in response to the Council's requirements as stipulated in the tender documents.

Each Method Statement is weighted according to its importance to the Council's running of the contract. Tenderers are required to submit responses to all Method statement questions and each response will be assessed against the council's requirements.

The 100% weighting for quality has been sub weighted across the elements as contained in the award criteria set out in Table 3 below.

Step 1: The Council's evaluation panel will score your response to each Method Statement question (see Section 6 – Method Statements) with a mark from 0-5, using the table below as guidance.

Table 2: Evaluation Scoring Metrics

Assessment	Score	Interpretation
Excellent response	5	A response which shows how the service can comprehensively be taken to the next level in terms of exceeding our requirements as detailed in the tender documents and service specification and/or offering significant added value to the Council's overall strategic requirements and objectives.
Very Good response	4	A response which shows that the Tenderer demonstrates an understanding of our requirements as detailed in the tender documents and service specification and has a credible methodology to deliver the service alongside a clear process and plan to deliver additional benefits and deliver value.
Good response	3	A response which shows that the Tenderer demonstrates an understanding of our requirements as detailed in the tender documents and service specification has a credible methodology to deliver the service and could evolve into additional benefits.
Satisfactory response	2	A response which is capable of meeting our requirements as detailed in the tender documents and service specification but is unlikely to go beyond this.
Unsatisfactory response	1	Although the Tenderer does demonstrate an understanding of our requirements as detailed in the tender documents and service specification 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.
Cannot be scored	0	No information provided or incapable of being taken forward either because the Tenderer does not demonstrate an understanding of our requirements as detailed in the tender documents and service specification or because the solution is incapable of meeting our requirements.

Step 2: In addition there will be a moderation process to ensure that there is a fair consensus score across all members of the evaluation panel. The moderation process will ensure that scores have consistently been applied.

Step 3: The consensus score of the evaluation panel will then be divided by the maximum score available (5) to the evaluator, and then multiplied by the sub-weightings shown in the Method Statement. This will give your final score for that question.

Step 4: The moderation process will commence with the Generic scores of which bidders are required to meet the minimum threshold of 50%. Bidders that do not meet this threshold will have failed to meet the Councils minimum quality requirement; therefore, will not be appointed to the framework. Only bidders who meet this criteria will have their lot specific scores moderated.

An example of this process is set out as follows:

#	QUESTION X	SUB-WEIGHTING
QX.	Set out your approach to deliver this service	10

Quality weightings formula: $\left(\frac{\text{consensus score}}{\text{maximum score available (5)}} \right) \times \left(\frac{\text{sub-weighting}}{\text{percentage ratio}} \right)$

Example marking for Question X:

TENDERER	CONSENSUS SCORE	MAXIMUM SCORE AVAILABLE	MAXIMUM SUB-WEIGHTED SCORE FOR QX	CALCULATION	MARK AWARDED
Tenderer 1	3	5	10	$\left(\frac{3}{5} \right) \times \left(\frac{10}{100} \times 40 \right)$	2.4
Tenderer 2	2	5	10	$\left(\frac{2}{5} \right) \times \left(\frac{10}{100} \times 40 \right)$	1.6
Tenderer 3	4	5	10	$\left(\frac{4}{5} \right) \times \left(\frac{10}{100} \times 40 \right)$	3.2

Step 4: A final quality score (e.g. out of 30) will be achieved by adding all the weighted scores together.

Table 3 Method Statements

Method Statement: Generic	Sub - Weighting	Minimum Moderated Score	Maximum Word Count
1. Workforce	6%		1000
2. Safeguarding	10%	3	1500
3. Equality and Diversity	10%	3	1500
4. Partnership Working	8%		1000
5. Social Value	15%	3	1500
6. Mobilisation	6%		1000
7. Continuity of Support	10%	3	1500
Total Weighting: Generic	65%		

The Quality threshold for the Generic evaluation is 50%, which equates to a minimum score of 17.5 that bidders need to score for this section.

Method Statement: Lot Specific	Weighting Each Lot	Maximum Word Count
1. Lot 1 – Lot 4 – Service Delivery and Outcomes (Each question will further be sub weighted in the Method Statement according to importance. Tenderers are advised to take these weightings into consideration in responding to each question)	35%	1500
Total weighting: Lot Specific	35%	

- 1 Before submitting the method statements, Tenderers should ensure that they have:
 - (i) Answered all questions in the space provided within the Method Statement Response Template. If it is not clear to which method statement any part of their response relates to, a score may not be awarded.

- (ii) Ensured that they have answered questions within the maximum word limit allocation stated in the method statement. Tenderers may make use of supporting documents (appendices to questions etc.) only where truly relevant and appropriate. Any appendix that is judged to be essentially the continuation of a question, and therefore a circumvention of the word limit, will be rejected and ignored.
 - (iii) Enclosed all relevant documents and clearly referenced them to correspond with the method statement(s) and any sub-section(s) to which they relate.
- 2 The Method Statement scores will form part of the overall quality score, the maximum score for the Method Statement is 100%. This score is subject to having met the pricing schedule criteria set by the Council.
 - 3 Bidders that do not meet at least two of the minimum score of 3 for the specified Generic Questions and/or the 50% threshold, may not be evaluated further nor considered for inclusion in the framework of AP providers.
 - 4 The Council will inform unsuccessful Tenderers of their scores.

8 PRICE REVIEW

- 8.1 The responses provided in the pricing schedule in Appendix 3 will be assessed against the specified ceiling rates.

9 CLARIFICATIONS AND REFERENCES

- 9.1 As part of the tender process the Evaluation Panel may ask bidders for clarifications of their tender.
- 9.2 Some examples of when requests for clarifications may be needed include:
 - When the tender contains inconsistent or contradictory information about the specific aspect of the tender.
 - When the tender is not clear when describing what it is offering.
 - When the tender contains minor mistakes.
- 9.4 No substantial alterations to tenders will be sought or accepted through requests for clarifications. For example such requests will not allow a change in the tendered price (except for the correction of arithmetical errors discovered in the evaluation of the tenders, if applicable).
- 9.5 References may be checked and verified prior to tenderers being appointed to the London Borough of Southwark AP provider framework.
- 9.6 Policies and procedures provided will be reviewed where appropriate prior to final recommendation of award of contract.