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Request For Quotation

**Economic Needs Assessment and Employment Land Review**

**Cherwell Local Plan Review 2040**

Project Number I-1343

Closing date for return of RFQ

12 Noon, 21 May 2021

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**PART A - GENERAL INFORMATION**

#### 1. DEFINITION OF TERMS

|  |  |  |
| --- | --- | --- |
|  | Bid | means a Bidder’s response to this RFQ |
|  | Bidder | means the entity responding to this Request for Quotation. |
|  | Bidder’s Representative | means the Bidder’s representative who will coordinate all communications with the Council’s Representative in relation to this Request for Quotation. |
|  | Council | Means Cherwell District Council |
|  | Council’s Representative | means Chris Thom, the Council’s representative who will coordinate all communications with the Bidder in relation to this Request for Quotation. |
|  | Portal | means the e-tendering system accessed via the South East Business Portal. |
|  | Request for Quotation  (RFQ) | means this document and all its appendices which have been sent to all Bidders. |
|  | Services | means the goods, works and/or services sought by the Council in accordance with the provisions of this Request for Quotation. |
|  | Specification | means the description of the Services contained in Appendix 1 to this Request for Quotation. |

2. BACKGROUND TO THE PROCUREMENT

2.1 **INTRODUCTION**

Cherwell District Council is commissioning consultants to undertake an Assessment of Economic Needs and Employment Land Review for Cherwell District to inform the preparation of the Cherwell Local Plan Review 2040.

2.2 **BACKGROUND**

The Cherwell Local Plan 2011-2031 was adopted by the Council on 20 July 2015. Along with the Partial Review to meet Oxfords unmet housing needs, it provides the strategic planning policy framework for the District to 2031. The Local Plan focuses growth at Banbury and Bicester where strategic employment and mixed-use sites provide for 200 hectares of employment land. The Local Plan was prepared to support economic growth as required by national planning policy and the creation and maintenance of a broad, diverse and resilient economy was a fundamental objective. Sites are allocated mainly for a mix of B use classes and there is a criteria-based policy (Policy SLE1). The Local Plan identifies that a small-scale review of the Green Belt will be undertaken to accommodate employment needs at Kidlington. There are no allocations for employment in the rural areas in the 2015 Plan except for provision for some employment at the former RAF Upper Heyford. Policy SLE1 allows for limited development in rural areas unless there are exceptional circumstances. The Local Plan states work for Local Plan Part 2 will consider where further, smaller allocations need to be made in the urban and rural areas. (The Council will now produce the Local Plan Review to 2040 rather than producing a Part 2 Local Plan).

The Plan’s commitment in paragraph B.95 to address Cherwell’s apportionment of Oxford’s unmet housing needs was fulfilled with the adoption of the Cherwell Local Plan Partial Review on 7 September 2020.

In its March 2020 Local Development Scheme (LDS) the Council set out a timetable for reviewing the Local Plan through the preparation of the Cherwell Local Plan Review 2040 and the preparation of a joint spatial plan with the Oxfordshire authorities - the Oxfordshire Plan 2050.

The Oxfordshire Plan will provide the strategic planning framework and evidence base to support sustainable growth across the County to 2050. It will set out the overall development requirement and identify broad areas for growth across the County. The district-wide Cherwell Local Plan Review 2040 will then establish detailed planning policies and site allocations. As work progresses on the strategic and local plans the scope of the Oxfordshire Plan may be refined.

In preparing the Local Plan Review 2040 we will need to respond to the Oxfordshire Plan’s evidence and policies as they emerge and gather information and evidence to inform local policies on matters including climate change, green infrastructure, transport, housing, health and well-being challenges, town centres and retail and economic development. It will include identification and delivery of strategic and non-strategic development sites for housing, employment, open space and recreation, travelling communities and other land uses. It will also replace the remaining saved policies of the 1996 Cherwell Local Plan.

The first stage in the preparation of the Cherwell Local Plan Review 2040 was the publication, for public consultation, of a Community Involvement Paper in July 2020. This was accompanied by a ‘Call for Sites’ and a Sustainability Appraisal Scoping Report prepared by the Council’s Planning Policy Team.

The issues consultation paper identifies as one of its themes - Theme 1: Maintaining and Developing a Sustainable Local Economy and discusses several key issues relating to the economy:

* It identifies how the Oxfordshire Local Industrial Strategy (LIS) (2019) produced by the Local Enterprise Partnership (LEP) sets out an ambitious plan to build on Oxfordshire’s strong foundations and world-leading assets, to deliver transformative growth which is clean and sustainable and delivers prosperity for all communities across the county.
* It explains how much has been achieved from the Local Plan’s delivery focused policies and the allocation of employment land with a significant proportion of the allocated sites in the Local Plan coming forward. Employment land allocated in the Plan at Banbury is almost built out and at Bicester development is underway or complete on most sites. The Council needs to review its existing allocations and sites and examine if further employment land is needed.
* It identifies how the Council recognises the valuable sectors and companies that are already in the District and that it will be important to sustain an environment that can help them to grow and attract new companies in a range of sectors. The maintenance and development of a diverse and resilient economy will be required to support a range of jobs for local people; and
* How the issues identified can be addressed including positive policies for economic growth and productivity building on our strengths, countering any weaknesses and addressing the challenges of the future, including the direct and indirect implications of the COVID-19 pandemic.

2.3 Bidders are invited to quote for the provision of the Services described at Appendix 1 Specification in respect of advancing and complementing the employment evidence base. Further information is provided in the contract.

Based on the current Local Plan timetable, it is anticipated that the project work will commence inearly June 2021 for a term of approximately 24 months (subject to the Examination timetable).

2.3.1 The Council may extend for up to 12 months in aggregate.

**3. INSTRUCTONS FOR COMPLETION AND RETURN OF RFQ**

1. Please use the question and answer section of the Portal from where you downloaded this document to ask any question(s) regarding this document and/or the RFQ process.
2. The documentation to be returned to the Council is listed as Sections A, B, C, D and E of this RFQ. Failure to submit all documentation may result in your Bid being discounted.
3. Additional attachments should be clearly labelled in relation to the Section and question. In addition, please indicate under the relevant question that this has been done.
4. Bids must be in English.
5. If you reproduce the RFQ, the paragraph numbering, content or wording of the questions must not be changed in any way.
6. Where a question is not relevant to your organisation, you should respond “Not Applicable”.
7. Please do not supply general marketing, promotional or similar material in response to a question, unless such material is specifically requested, or the material supplied is particularly relevant to the question. In either event, the material should be marked clearly to show your name, the number of the question to which it relates and, if appropriate, the page number or the section of the material which is relevant.
8. The Council may require you to clarify any part of your Bid or to supply additional information if it considers this appropriate.
9. Where this RFQ refers to UK legislation, qualifications, codes or similar matters you should, if you are established outside the UK, base your response on the equivalent legislation, qualifications or codes that apply in the relevant domestic jurisdiction.
10. If you are a member of a group of companies (e.g. sister organisation, subsidiary etc.), the Bid should be completed on behalf of your organisation only and not on behalf of the group as a whole (except where group information is specifically requested).
11. The Council will not accept a Bidder’s terms of business in lieu of or in addition to the conditions included at Appendix 2. By submitting a Bid, Bidders are agreeing to be bound by the conditions at Appendix 2 without further negotiation or amendment should their Bid be accepted, unless changes are agreed by the Council and such changes notified to all Bidders prior to Bid submission.
12. Please return an electronic copy of your Bid including any supporting material via the Portal from where you downloaded this RFQ. Please allow sufficient time to upload all documents to the Portal before the deadline.
13. Failure to submit your Bid by the closing time and date may result in your Bid not being evaluated.
14. Bids must remain valid and open for acceptance for three months from the closing date for return of the RFQ.

###### 4. AWARD CRITERIA

4.1 Each Bid received will be evaluated against a range of scored and mandatory

criteria.

4.2 Phase 1

Each Bid will be evaluated against a range of mandatory criteria as set out in Table 1:

Table 1 Scored criteria for this RFQ and respective weightings:

|  |  |  |
| --- | --- | --- |
| Question ID | Question | Weighting % |
| A1 | Bidder Information | Information Only |
| A2 | Mandatory Rejection Criteria | Pass/Fail |
| A3 | Discretionary Rejection Criteria | Pass/Fail |
| A4.1 | Insurance | Pass/Fail |
| A4.2 | Equality & Diversity | Pass/Fail |
| A4.3 | Safeguarding | N/A |
| A4.4 | Health & Safety | N/A |
| A4.5 | Data Protection/GDPR | Pass/Fail |
| A4.6 | Environmental Management | Pass/Fail |
| A5 | Technical Ability | Information Only |

Where a Bidder answers Yes to questions 4.2.2, 4.3.2, 4.4.4, 4.5.3 and 4.6.1, a Pass will be subject to evidence of investigation and/or corrective action implemented to satisfaction of the Council officers.

4.3 **Phase 2**

Bidders must pass Phase 1 for their Bid to be evaluated at Phase 2.

The scored criteria using the mechanism for scoring set out in Tables 2 and 3

Respectively and the mechanism for scoring Price set out in Table 4.

**Table 2 Scored criteria for this RFQ and respective weightings:**

|  |  |  |  |
| --- | --- | --- | --- |
| **Criteria** | **Weighting (%)** | **Sub-Criteria** | **Weighting (%)** |
| Quality | 60% | MS1:Method Statement | 40% |
| MS2: Operational Delivery | 20% |
| Price | 40% | Price Breakdown | 40% |

**Table 2a Quality Sub-Criteria**

|  |  |  |
| --- | --- | --- |
| **Quality Sub-****Criteria** | | **Weighting**  **60%** |
| MS 1 | Local planning context relevant to Cherwell | 5% |
|  | Methodology, deliverables and timescales | 25% |
|  | Programme & Project Management | 10% |
|  | **Operational Delivery** |  |
| MS2 | Staff resources and technical skills | 10% |
|  | * Experience of similar work * Conflict of interest. | 10% |

**Please note that if there are any mandatory requirements in the Specification which are not met, the Council will treat your Bid as non-compliant.**

Table 3a and 3b Scoring mechanism for the scored criteria of this RFQ:

Table 3a Scoring mechanism for Method Statement [see Table 2a and Appendix 1]:

|  |  |  |
| --- | --- | --- |
| **Comment** | **Judgement** | **Marks available** |
| Meets the expectations as to requirements fully and exceeds the standard in some or all aspects. | Excellent | 5 |
| Meets the expectations as to requirements fully but does not exceed them. | Good | 4 |
| Meets the expectations as to requirements in the majority of aspects but not all. | Satisfactory | 3 |
| Meets some of the expectations as to requirements but fails to meet the majority. | Unsatisfactory | 2 |
| Significantly fails to meet the requirements as to experience | Poor | 1 |
| Does not meet the expectations as to requirements at all | Failed | 0 |

Table 4 Scoring mechanism for Price

Bidders’ price scores will be calculated based upon the lowest price submitted by Bidders.

The Bidder with the lowest price will be awarded the full score of 40%, with the remaining Bidders gaining a pro-rated score in relation to how much higher their prices are when compared to the lowest price.

In the example below price is weighted as 60%:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Tenderer | Price | (price - lowest price) / lowest price = % above lowest price | 100% - % above lowest price | Score  Maximum points x (100% - % above lowest price) |
| 1 | £100 | (£100 - £100) / £100 = 0.00% | 100% - 0.00% = 100.00% | 60 x 100% = 60.00 |
| 2 | £125 | (£125 - £100) / £100 = 25.00% | 100% - 25.00% = 75.00% | 60 x 75% = 45.00 |
| 3 | £150 | (£150 - £100) / £100 = 50.00% | 100% - 50.00% = 50.00% | 60 x 50% = 30.00 |
| 4 | £175 | (£175 - £100) / £100 = 75.00% | 100% - 75.00% = 25.00% | 60 x 25% = 15.00 |
| 5 | £200 | (£200 - £100) / £100 = 100.00% | 100% - 100.00% = 0.00% | 60 x 0% = 0.00 |

4.4 **Phase 3**

The Bidder identified as the Most Economically Advantageous Bid will be evaluated at Phase 3.

The Council will carry out assessment using three ratings models available via Procurement Catalyst. The potential service provider will be classified as financially stable if a pass rating is achieved on two or more of the models. The minimum pass ratings for each model is outlined in Table 5:

Table 5 Scoring mechanism for Financial Standing

|  |  |
| --- | --- |
| **Assessment** | **Minimum Pass Threshold** |
| ModeFinance – MORE Credit Risk | B |
| Zanders – FALCON Global Credit Risk | 4 |
| VADIS – VadRisk | 6 |

Minimum Turnover

4.4 The Council reserves the right to:

4.4.1 waive or change the requirements of this RFQ from time to time without prior (or any) notice;

4.4.2 withdraw this RFQ at any time, or to re-invite Bids on the same or any alternative basis;

4.4.3 choose not to award any contract as a result of the current procurement process, or to award the contract in part.

4.5 The Council will not be liable for any bid costs, expenditure, work or effort incurred by a Bidder in proceeding with or participating in this RFQ process including if the process is terminated or amended by the Council.

**5. ADDITIONAL INFORMATION**

5.1 Freedom of Information

5.1.1 All information provided by you in your response to this RFQ will remain confidential and will not be disclosed to any other party except where required for official audit purposes or to the extent that the Council considers that disclosure is required pursuant to the Freedom of Information Act 2000 or any other applicable legislation, legal requirement or code of practice.

5.2 Confidentiality

5.2.1 By receiving this RFQ you agree to keep confidential the information contained in the RFQ or made available in connection with further enquiries and questions. Such information may be made available to your employees and professional advisers for the purpose only of responding to this RFQ.

5.3 Material Changes

5.3.1 At any time before the award of the contract, the Council reserves the right to disqualify any organisation whose circumstances change to the extent that it ceases to meet the selection criteria or makes a material change in respect of its Bid unless substantial justification can be provided to the satisfaction of the Council. Where a Bidder becomes aware after having submitted a Bid of a change in circumstances or information supplied, it should notify the Council of this as soon as possible.

* 1. Armed Forces Covenant

5.4.1 The council is committed to the Armed Forces Covenant and encourages its Providers and Contractors to also add their support. Sign up is not mandatory and does not form part of any tender evaluation. Information can be accessed via:

<https://www.gov.uk/government/collections/armed-forces-covenant-supporting-information>

**6. INDICATIVE RFQ TIMETABLE**

The deadline for the return of the RFQ is as set out here unless otherwise notified by the Council. All other dates are indicative only and subject to change.

|  |  |
| --- | --- |
| **Activity** | **Date** |
| Advert placed on e-tendering Portal | Tuesday 4 May 2021 |
| Final date for submission of RFQ questions | Tuesday 11 May 2021 |
| Time period in which questions will be answered | Wednesday 12 May 2021 |
| RFQ closing time and date | Friday 21 May 2021 |
| Interview (if required) | Friday 28 May 2021 |
| Notification of award outcome to Bidders | Tuesday 1 June 2021 |
| Contract Start Date | Monday 7 June 2021 |

**Appendix 1 - Specification**

**PROJECT BRIEF/SCOPE**

The Council requires consultants to undertake an assessment of the future employment needs for the District to inform the Cherwell Local Plan Review 2040. The study will be a comprehensive point of reference for the Local Plan review using a robust, recognised methodology to generate assumptions around employment needs and translating this into likely floorspace requirements.

The study will advise on any specific locational advantages for key employment sectors across Cherwell, in addition to reviewing the existing supply of allocated employment sites to understand if they remain fit for purpose to 2040.

The Council will be carrying out a separate HELAA. Consultants may be retained to provide specific advice in respect of market suitability of potential sites.

Using a robust methodology in respect of the assessment of need, the study will provide a consolidated evidence base for Cherwell providing a, robust assessment of the District’s future employment needs and likely economic activity over the plan period for different uses classes including separate figures for B2 and B8 uses and E(g) use classes, including large scale logistics. The report will provide an overall District (employment) need figure including disaggregation for Banbury and Bicester, Kidlington and the rural areas to 2040 based on alternative economic scenarios.

In reaching an informed recommendation, the study will need to review existing and historic trends, seek to provide guidance on future trends and, advise on spatial choices for the local plan. This is likely to include:

* A market and socio-economic assessment of the local economy in the context of the wider economy identifying changes in employment trends.
* Sectoral and employment forecasts and projections, identifying the number and type of jobs required over the Plan period.
* A property market review exploring the potential of current industrial areas/business parks and understand vacancies and churn in the local market.
* An examination of the relationship between housing and jobs and how this may affect the location of new employment development.
* A review of delivery of existing employment and mixed-use allocations in the Councils Local Plans and consideration of how this will inform future need.
* Consider the potential for clustering of sectors and industries informed by existing co-location of businesses.
* Consider and advise on the locational requirements of all the main sectors and types of employment development, including large scale logistics.
* Advise on a sustainable locational strategy for meeting strategic and local employment needs for a range of unit sizes, considering factors such as accessibility and broadband availability.
* Provide an up-to-date assessment of employment densities for proposed sites and the amount of jobs allocations would be expected to deliver.
* An assessment of the impact of other economic activity (use class E) across the district including retail, leisure and tourism as part of its assessment of economic activity. The Council is commissioning a separate ‘Town Centre and Retail Study’ and work on tourism needs.
* Commentary on the impacts of the Covid-19 and how it may impact on employment land requirements including changes to working patterns and floor space demand.
* Take account of the findings relating to tourism in the local economy and advise on what form of tourism development could be accommodated in the District to support economic growth.

In addition, the study should help inform the preferred policy position for the local plan including:

* Clear recommendations as to how the Local Plan Review 2040 can support sustainable economic growth in Cherwell District considering the recent changes to the use classes order (and widening of permitted development rights)[[1]](#footnote-1).
* An assessment of how development in new locations would affect the delivery of existing allocated sites (in Local Plan Part 1 and the Partial Review).
* A consideration of past delivery on Council’s strategic allocations and future projections and advice on whether allocated sites can contribute towards the identified employment requirements to 2040. (Separate work will be undertaken by the Council on the detailed assessment of each site in the context of paragraph 120 of the NPPF); and
* Provide a broad assessment of sites based on set criteria to inform the Council’s HEELA and to enable the Council to determine if sites should be allocated in the Plan.

The methodology should include at least one workshop(s) with agents, businesses and stakeholders and summarise and explain the outcome and how it has informed the recommendations in the study.

The Council recognises that this work will need to be undertaken in phases. The methodology should set out how consultee responses to the following stages of preparation will be incorporated into the study:

* Options Paper
* Draft Plan (preferred options and site applications)

Hourly rates should be provided for specialist assistance at the examination in public. However, this will **not** form part of the evidence base commission.

**Process and Procedures**

The Council is working to a challenging timeframe. An initial draft of the Options Paper is due to be prepared and considered by members in September. The project team should be able to mobilise quickly to provide historic analysis and a sectoral overview within 4 weeks of appointment.

The Study will span across three stages of plan making. Documents should be finalised and received by the Council to inform the associated stage.

* A phase 1 study produced to inform and accompany the Council’s Options paper (September 2021). This should contain baseline:
* Local Context and Economic Assessment
* Forecasting and Projections
* Market Review
* Consideration of locational requirements
* Other necessary information in this specification to assist the Council in the formation of its Options Paper
* An interim final draft study containing additional spatial and site requirements produced to inform and accompany the draft Plan stage (Spring 2022). This should contain the remaining requirements of the commission and any revisions to the phase 1 report.
* A final study produced addressing representations made to the draft Plan and revisions required. (Autumn 2022).

The study must be capable of withstanding scrutiny and formal Examination. The proposed methodology must be based on the National Planning Policy Framework and the National Planning Practice Guidance (Economic Assessment of Needs), and references therein.

The Council will require that the consultant considers all relevant European Directives, regulations, government policy/guidance, best practice and research. It is anticipated that up to 2 meetings will be required (excluding the workshop with agents and stakeholders). Further arrangements for progress reports will be agreed at the inception meeting.

The most recent data sources should be used. CDC officers can help with information sources, but the consultant will be expected to locate, analyse and present the information. Maps, figures and diagrams are encouraged and should be used where appropriate. The methodology should be explained, and the report written so that it is easy to understand. Any limitations and difficulties encountered should be explained.

**Format of Outputs**

* Draft reports – electronic copy
* Final draft reports including an executive summary – electronic copy
* Final reports including an executive summary – 2 hard copies of each and an electronic copy, in addition to any GIS outputs from the work.

The reports should be presented in a clear, transparent and readily usable format aimed at providing logical and sequenced understanding as to how conclusions have been reached with supporting appendices as required. Accompanying tables and map-based information should be clearly cross-referenced.

Alongside the final reports, all GIS extents will need to be provided in an appropriate format. The data will need to be returned in ESRI shape file format for use with ArcMap. The Council will hold copyright of both printed and electronic material produced. Any use of the Authority’s Ordnance Survey mapping, or data derived from it will be subject to the signing of a Contractor’s Licence.

**Schedule 2**

**Finance**

**1. General**

For the performance of the Services, the Service Provider shall be paid the Contract Price as set out in this Schedule 2.

**PAYMENT PROCEDURES AND PROMPT PAYMENT DISCOUNTS**

Unless otherwise agreed, the contract for the study will be paid as follows:

10% of the price payable at agreement of the commission and the remainder of the fee payable as set out in the following table:

|  |  |  |
| --- | --- | --- |
| **Plan Stage** | **Report Stage** | **% of total remaining cost** |
| Options Paper | Phase 1 report for Options stage | 20% |
| Draft Plan | Interim report for draft Plan stage | 40% |
| Regulation 19 Pre-Submission Plan | Final report | 40% |

Payments will be split at each stage between draft and final documents. At each stage 25% will be paid upon receipt of the draft document with the remaining 75% paid upon receipt of an acceptable final document.

Payment of the price payable by the Council for the Goods/Services and any VAT shall be due within 30 days of the date of the contractor’s invoice.

**Appendix 2 - Contract Conditions**

The conditions governing any contract awarded under this RFQ are set out in Appendix 2 Contract Conditions.

**Please Note: Appendix 2 Contract Conditions will be published prior to the conclusion of the RFQ Response period.**

PART B – REQUEST FOR QUOTATION

SECTION A MANDATORY CRITERIA (PHASE 1)

**A1 BIDDER INFORMATION**

**A2 MANDATORY REJECTION CRITERIA**

You will be excluded from the procurement process if you have been the subject of a binding legal decision which found a breach of legal obligations to pay tax or social security obligations (except where this is disproportionate e.g. only minor amounts involved).

If you have answered “yes” on the non-payment of taxes or social security contributions, and have not paid or entered into a binding arrangement to pay the full amount, you may still avoid exclusion if only minor tax or social security contributions are unpaid or if you have not yet had time to fulfil your obligations since learning of the exact amount due. If your organisation is in that position, please provide details. You may contact the Council for advice before completing this form.

**A3 DISCRETIONARY REJECTION CRITERIA**

The Council may exclude any Bidder who answers ‘Yes’. Where there is any indication that a conflict of interest exists or may arise then it is the responsibility of the Bidder to inform the Council, detailing the conflict. Provided that it has been carried out in a transparent manner, routine pre-market engagement carried out by the Council should not represent a conflict of interest for the Bidder.

**A4 MANDATORY CRITERIA**

Suppliers who self-certify that they meet the requirements to these additional questions will be required to provide evidence of this if they are successful at contract award stage.

**SECTION B SERVICE QUESTIONS (PHASE 2)**

In order to progress to Phase 2 of the evaluation process, Bidders must pass Phase 1 – Mandatory Criteria (Section A).

**SECTION C PRICING SCHEDULE (PHASE 2)**

In order to progress to Phase 2 of the evaluation process, Bidders must pass Phase 1 – Mandatory Criteria.

**Please complete separate attachment titled Section 3 Pricing Schedule**

**COMPLETING THE PRICING DOCUMENT**

You should identify all potential cost components anticipated in your delivery of the Services described in Appendix 1 Specification. No additional costs will be considered by the Council unless these are clearly stated in your Pricing Schedule response.

All prices should exclude VAT.

**SECTION D ECONOMIC & FINANCIAL STANDING (PHASE 3)**

In order to progress to Phase 3 of the evaluation process, Bidders must pass Phase 1 – Mandatory Criteria, and be identified as the Most Economically Advantageous Tender at Phase 2.

Bidder’s financial stability will be assessed using Procurement Catalyst reports.

**Documentation should be ready to submit from Friday 14 May** **2021. Where Bidders are not able to provide the information set out in a or b, the value of the contract(s) awarded may be limited.**

**GUIDANCE**

1. **Introduction**
   1. The Council will assess the potential service provider’s finances as follows; -

For above threshold tenders the test will include an assessment of the finances as per section 3 and an assessment via Catalyst as per section 4.

For below threshold tenders the assessment will be via Catalyst as per section 4. If the potential service provider fails section 4 the assessment in section 3 will be conducted.

1. **Financial Submission Documents**
   1. There is no requirement to submit financial documents with your Tender return. The potential service provider will be asked to submit their latest 2 years audited or signed accounts[[2]](#footnote-2). These must include both a statement of income & expenditure and balance sheet and be provided as a separate set of accounts for each year. See also paragraph 2.3.
   2. Where it is not possible to submit the documents stated in paragraph 2.1 an income and expenditure account shall be submitted for the two most recent financial years and be provided as a separate set of accounts for each year1. These must either be signed by the potential service provider 's accountant or accompanied by the tax return to validate the figures. See also paragraph 2.3.
   3. Where the most recent financial year end for the documents specified in paragraphs 2.1 or 2.2 is greater than 6 months prior to submission, either an interim set of accounts (which reduces the period to less than 6 months) or a statement (which either confirms no significant change or states significant changes to the finances) signed by your Financial Director, Accountant or Company Director must also be submitted. For example, if the most recent accounts submitted have a year-end date of 31 March 2016 and the submission date is after 30 September 2016 this would be required.
   4. If the potential service provider has not been operating for long enough to have 2 sets of financial statements, the requirements are set out in section 5 below relating to new companies.
   5. When assessing charitable or not for profit organisations an allowance will be made in the tests, particularly the profitability test. It is therefore important that this status is made clear in any submissions.
   6. The Council may also seek further evidence of the financial viability of the organisation to inform a risk assessment to determine whether the Council can be sufficiently satisfied of financial standing. The Council’s determination of financial viability within these thresholds will be final and failure to satisfy the Council of sound financial standing will disqualify the potential service provider.
   7. The Council will, when undertaking the assessment in section 3 and 4 below, check for any indicators that suggest there are any potential breaches of obligation to pay taxes as part of the due diligence of the potential provider’s bid.
2. **Financial Accounts Evaluation**

3.1. Accounts will be assessed using the below criteria for the potential service provider.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Criteria** | **Sub-Criteria** | **Weighting** | **Pass Mark** | **Ratios** |
| Ratio Analysis | Profitability | 30% | 15/30 | Gross & Net profit to Turnover |
| Liquidity | 30% | 15/30 | Interest Cover & Gearing |
| Gearing | 30% | 15/30 | Current Ratio & Quick Ratio |
| Turnover | | 10% | 5/10 | Contract Percentage of Turnover |
| **Total** | | **100%** | **50/100** |  |

3.2.The potential service provider must score the minimum pass mark for each test in the table above and meet the criteria to pass Procurement Catalyst assessment in section 4 below. Where a company fails any of the sub criteria or the Procurement Catalyst assessment the Council will carry out further analysis and may request further information to assure itself that the additional risk this poses is acceptable.

1. **Procurement Catalyst Evaluation**

4.1.The Council will carry out assessment using three ratings models available via Procurement Catalyst:

* ModeFinance – MORE Credit Risk
* Zanders – FALCON Global Credit Risk
* VADIS – VadRisk

4.2.The potential service provider will be classified as financially stable if a pass rating is achieved on two or more of the models. The minimum pass ratings for each model is outlined below:

* ModeFinance – B
* Zanders – 4
* VADIS – 6
  1. A potential service provider not achieving a pass rating on two or more of the models due to fail ratings or unavailable ratings will be subject to the assessment in section 3.
  2. Please note that this company check is not a credit check search and will have no impact on your credit rating. The Council reserves the right to carry out company checks on your company throughout the life of this contract.

1. **New Organisations**
   1. For organisations with less than 2 years’ accounts available, the financial submission documentation is:

* As much of the financial documentation set out under section 2 above as possible.
* Business plans and projections for the length of the contract.
  1. Where a new company is created as a result of a merger the financial submission documentation is:
* As much of the financial documentation set out under section 2 above as possible.
* Accounts for the remainder of the prior two years for all businesses which were involved in the merger, along with an explanation of significant accounting or operational changes.
  1. Based on the documents submitted testing will be carried out and an analysis of the risk level to the Council considered.

1. **Parent Company Guarantee** 
   1. If a company wishes to rely on the accounts of their parent company, the above requirements and tests will apply to the parent company’s accounts.
   2. A letter from the parent company stating that they are willing to provide a parent company guarantee must also be submitted.
   3. The parent company accounts will only be assessed where the Council deems this to be appropriate. The Council will normally rely on the accounts of the company itself.
   4. Where a company fails to pass these tests on their own accounts they may be offered the opportunity to submit parent company accounts.

**SECTION E FORM OF QUOTATION**

**Please complete section c pricing schedule which forms part of the response pack which is enclosed separately from this document**

1. The Council is commissioning a Town Centre’s Strategy and retail review. Successful consultants are invited to explain how they will approach town centre matters to avoid duplication or double counting or Class E commercial space. [↑](#footnote-ref-1)
2. Financial accounts and supporting information should wherever possible be provided in English and GBP Sterling. Where this is not possible, the Council will use an exchange rate where necessary as part of the assessment of financial standing. The source of the exchange rate will usually be www.xe.com and the rate used can be notified to the potential service provider by the Council at the time the assessment is made. [↑](#footnote-ref-2)