



# Global Future Cities Programme

## ITS Tender Assessment Process/Criteria

22<sup>nd</sup> February 2022

# Agenda

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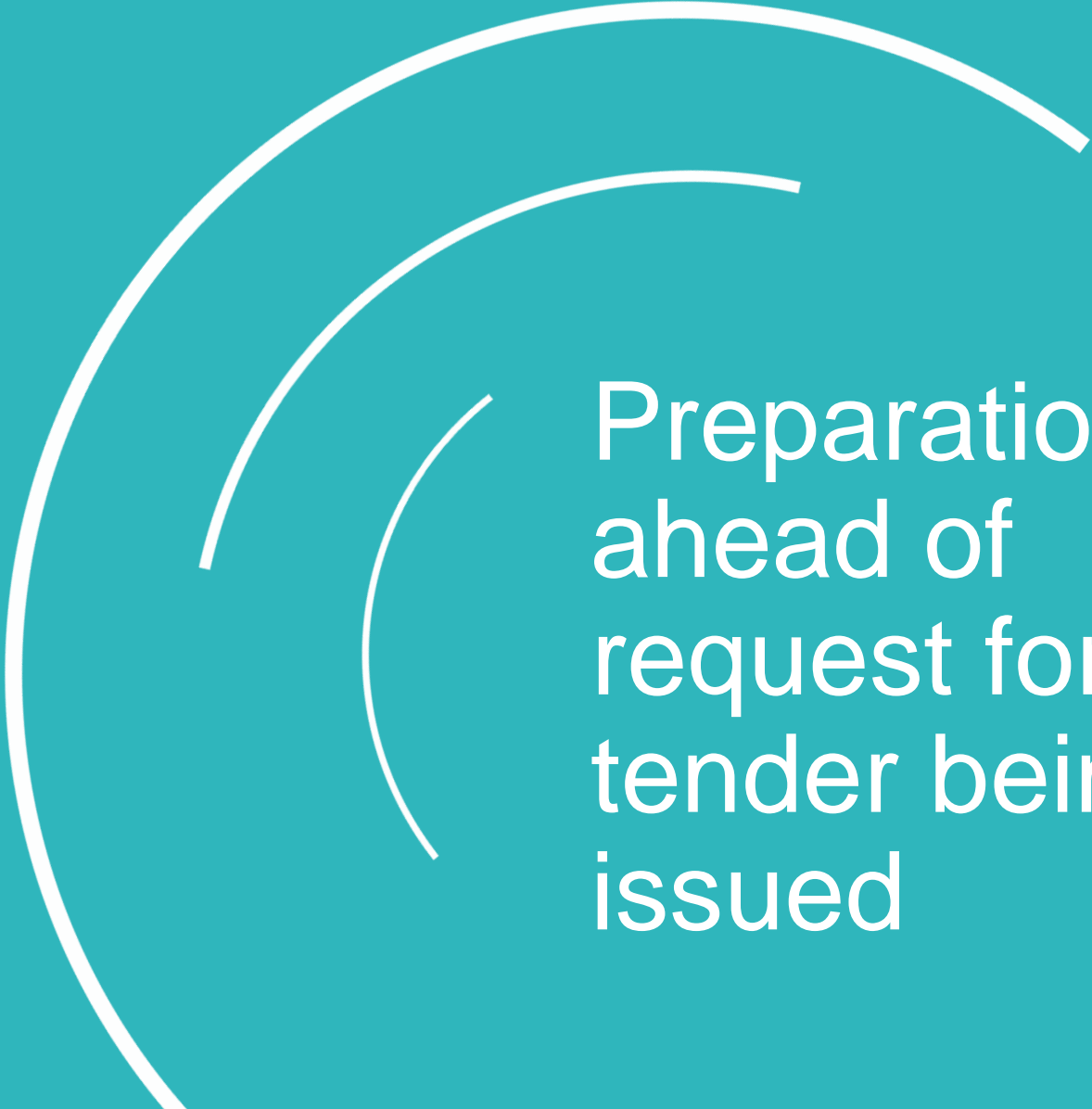
Competitive Dialogue Procurement

6

Questions

## Objective (as a minimum)

Engage a supplier who will deliver the required service to the mutual satisfaction of both parties, but award must be fair (and seen to be fair) by being transparent and auditable



Preparation  
ahead of  
request for  
tender being  
issued

# Preparation Ahead of Request for Tender being Issued

## Supplier Engagement

Purpose is to **maximise interest in procurement** by:

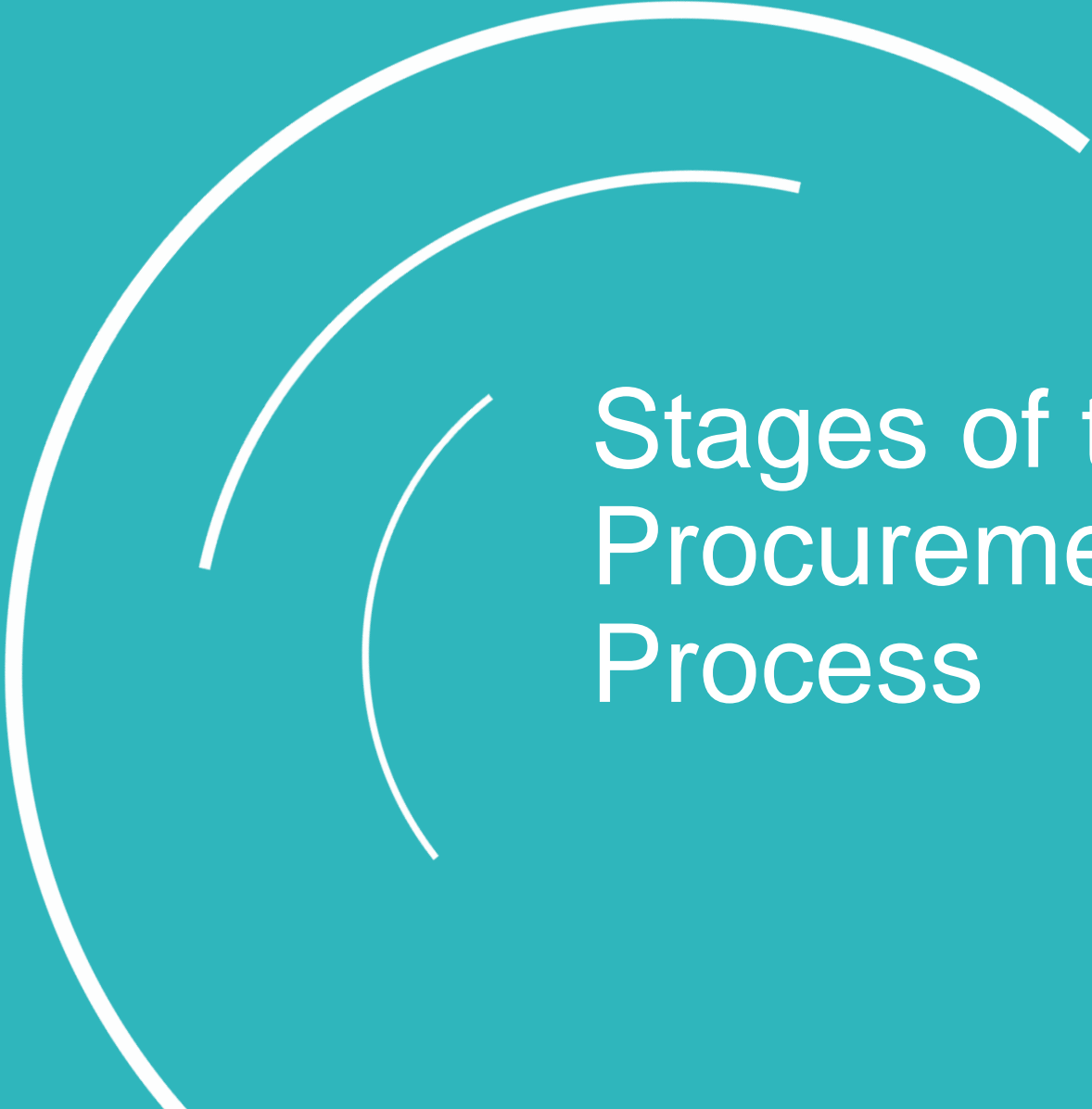
- Highlighting key elements of systems to be procured
- Provide preliminary information on the procurement

Timing of the engagement is key

**Secondary purpose:** Determine supplier reaction to draft technical specification

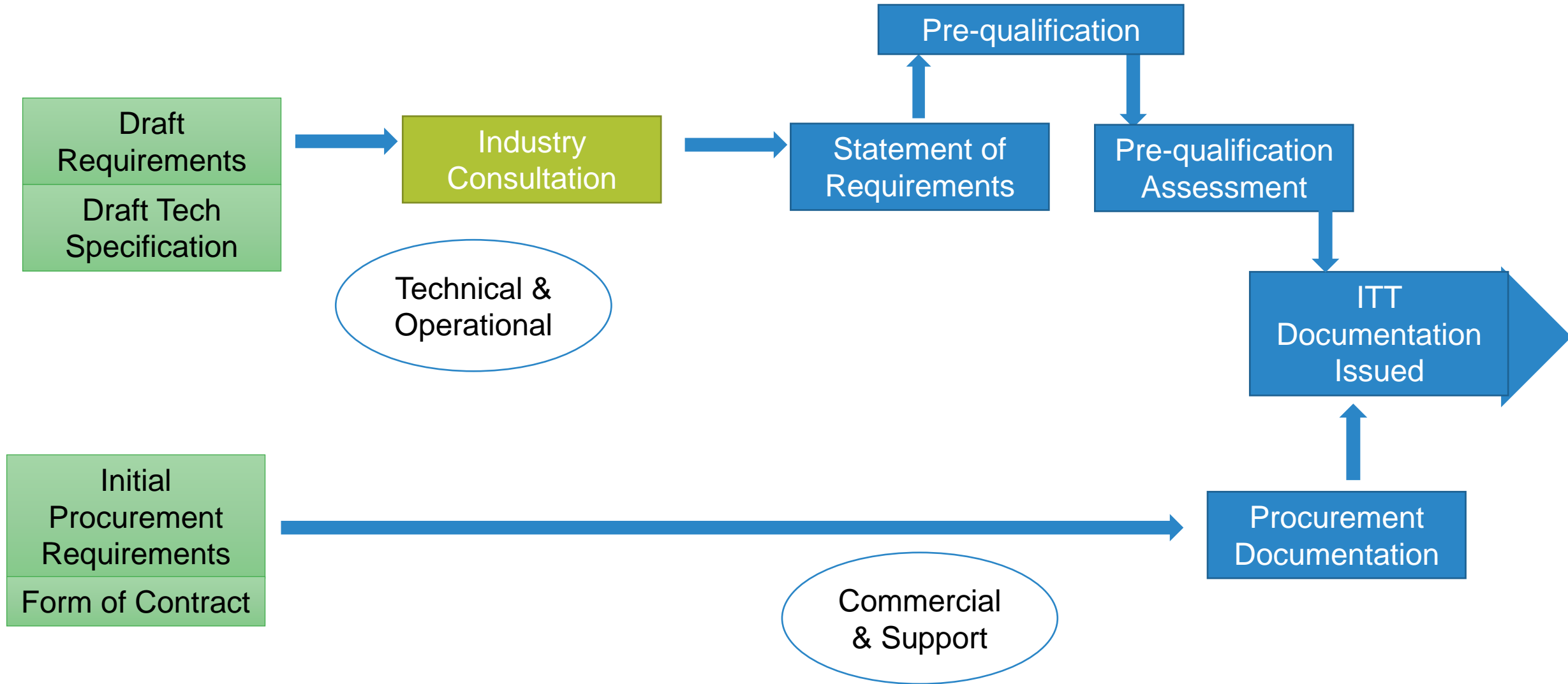
- Identify parts of the specification that are problematic

Must be carefully managed to ensure potential suppliers are not advantaged/disadvantaged by early engagement

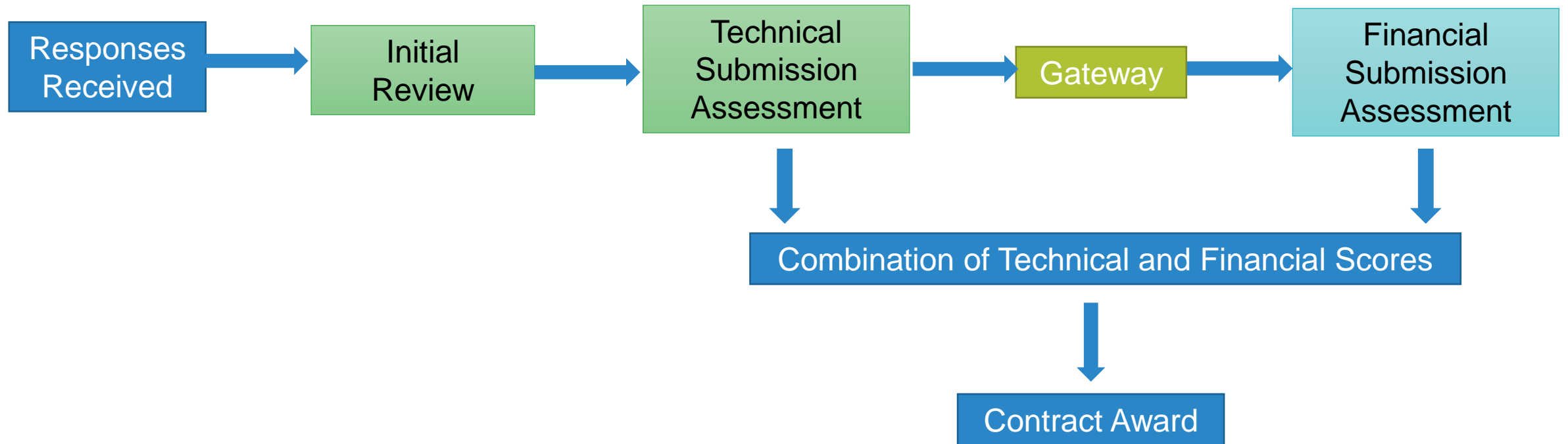


# Stages of the Procurement Process

# Pre Issue Flowchart



# Assessment flowchart





# Stages of the Procurement Process

## Pre-qualification

Key criteria for suppliers to meet before being awarded a contract:

- Proper company registration
- Financial viability
- Statutory insurances and other mandatory requirements

This stage could be used to lower the number of possible suppliers, if there is a large number of them

Determines if the supplier has sufficient experience to execute the contract

Ensure fair competition by defining the assessment process to potential suppliers

# Stages of the Procurement Process

## Invitation to Tender (1 of 3)

The traditional procurement route uses a formal process of the client developing a technical specification

- Defined in terms of mandatory and desirable requirements

# Stages of the Procurement Process

## Invitation to Tender (2 of 3)

Suppliers are to include in their Technical/Quality Submission

1. Must be a **single document** in response to each technical requirement in the Statement of Requirements
2. Must contain a separate answer for each line of the Statement of Requirements, **supported by evidence** showing how the approach proposed was developed from the Supplier's successful delivery of similar work
3. Quality Assessment will **only** be on the **contents of the Quality Submission** and nothing else
4. Proposals made by the Supplier in the Quality Submission are **contractual commitments**

# Stages of the Procurement Process

## Invitation to Tender (3 of 3)

Technical/Quality submission will also detail the suppliers proposal for other elements of the package, for example:

- Programme
- Support
- warranty issues

Subject to the agreement of the Employer, the Quality Submission will become the **Quality Statement in the Contract Data**

- i.e. will be a **contractually binding** document

Supplier to submit the **pricing schedule** in a separate document



# Assessment of the Responses

# Assessment of the Responses

Key Assessment Issue to be defined before procurement is the Quality Price ratio.

E.g Quality 80, Price 20 – looking for a strong Quality response, less worried about price

Or

Quality 10, Price 90 – looking for a minimum level of technical compliance, key is getting the lowest price possible.

# Assessment of the Responses

## Assessment via a series of stages

Suppliers will have to satisfy the requirements of the stage before passing on to the next stage

# Assessment of the Responses

## 1 - Preliminary Examination

Employer examines the tenders

Confirm the Tender has **no deviations** from the Tender documentation requirements

- If the Tenderer's Tender contains departures from the requirements of the Tender Documents, the employer may exclude the Tender from further consideration and not assess the submission further.

This stage is generally **pass/fail**



# Assessment of the Responses

## 2 - Second Stage (Technical/Quality) Evaluation (1 of 4)

The Employer will carry out an **evaluation** of each remaining Tender

- Determine whether the **technical aspects** of the Tender meet the requirements from the Tender Documents (Statement of Requirements)

This uses the evaluation matrix described later

Employer will examine the information supplied by the Tenderers in response to other requirements in the Tender Documents

- Compliance with the requirements – often determined by Pass or Fail

# Assessment of the Responses

## 2 - Second Stage (Technical/Quality) Evaluation (2 of 4)

### Quality Assessment Panel

- Assesses the Quality Submission by awarding marks against each of the responses to the Statement of Requirements (SOR)

## Value of score of compliance with the technical criteria/technical scores

Value of score	Compliance
0	Very weak or absent compliance of functionalities, or there is no confidence in the proposed functionality.
1	Weak - Minimal or limited functionality, or no confidence in functionality proposed.
2	Acceptable - Meets all mandatory requirements, exceeds some. Meets most optional requirements. Answers are acceptable but may show weaknesses/lack of expertise in some areas.
3	Good - Meets and exceeds most requirements. Meets all optional ones. Answers are relevant, precise and show a good understanding of the subject areas.
4	Excellent - Exceeds most Requirements. Relevant and precise answers showing overall expertise. The proposed approach/solution has been tailored specifically to meet the Authority's requirements.


The technical assessment will be carried out against the **SOR** and any additional information the Tenderers supply

- Values of conformity/technical scores for every requirement can be from 0 to 4 (see Table on next slide)

## Value of score of compliance with the technical criteria/technical scores

Assessment Matrix	Assessment Factor range (0-10)	Supplier 1	Supplier 2	Supplier 3	Supplier 4	Supplier 5
		Score (0-4)				
Requirement 1						
Requirement 2						
Requirement 3						
Requirement 4						
Requirement 5						
Factored Score by supplier						

- Scores for the compliance with every requirement (technical scores) are summed up
- The total technical score is the sum of scores according to each section



# Example Assessment- Buying a new car

# Example Assessment

- The statement of requirements for the car developed
- This is then used to create the assessment matrix
- The Assessment Factor is a value indicative of the importance of each requirement
- Other factors could include: engine capacity, drivetrain, and fuel type

# Example Assessment

## Assessment factors

Assessment Matrix	Assessment Factor Range (0-10)
5 Door car preferred	5
Red colour preference	3
Room for cargo preferred	6
Four seats or more	7
Fuel efficient	8

The suppliers Tender submission is then assessed against the statement of requirements

This is scored from 0 – 4, with higher scores indicating better levels of compliance

The two cars submitted in our example are compared against the requirements

Note in this case, fuel efficiency is seen as the most important factor and colour is the least

# Example Assessment

## Basic Principles

To illustrate the tender assessment process, consider this example

A tender is issued for a car, based on a statement of requirements



Supplier 1





Supplier 2



# Example Assessment

## Conformity Scores for Supplier's Tender

Assessment Matrix	Assessment Factor Range (0-10)	 Supplier 1	 Supplier 2
5 Door car	5	4	4
Red colour	3	4	2
Room for cargo	6	2	4
Four seats or more	7	3	4
Fuel efficient	8	4	2

The suppliers individual scores for each factor will then be multiplied by the weighting, the *Assessment Factor*





The final scores are calculated by summing the scores, adjusted for the weightings

For example, the fuel efficiency factor has the highest weighting of 8, so scoring highly here is more advantageous than in the colour category

# Example Assessment

## Conformity Scores for Supplier's Tender

### Weighted Scores

Assessment Matrix	Assessment Factor Range (0-10)	 Supplier 1	 Supplier 2	 Supplier 1	 Supplier 2
Must have wheels	10	4	4	40	40
Red colour preference	3	4	2	12	6
Room for cargo preferred	6	2	4	12	24
Four seats or more	7	3	4	21	28
Fuel efficient	8	4	2	32	16

Assessment 1 is really a pass/fail

In this case, Supplier One's total score is 77 and Supplier Two's total score is 74

Therefore, **Supplier One would win on the quality scoring**



# Returning to Assessment of Responses

# Assessment of the Responses

## 3 – Third Stage (Financial) Evaluation

To score the Financial Submission, the Financial Assessment Panel derives an assessment price for each supplier from the totals on the Price List

Tender clarification questions about the Financial Submission may be issued to suppliers

- This allows clarification of any ambiguous aspects

# Assessment of the Responses

## 3 – Third Stage (Financial) Evaluation

Usually the finance score is generated relative to a baseline.

This baseline can be baselined against:

- Zero
- An estimate defined by the employer
- The lowest tender received

There are advantages and disadvantages to all of the above.

# Assessment of the Responses

## 3 – Final Evaluation (Technical and Financial) (1 of 2)

Quality score and the financial score will be combined

- The **total combined score** will be expressed to one decimal place

The **preferred bidder** will be the Supplier with highest combined score

Employer's evaluation of Tenders will take into account technical factors, in addition to cost factors

# Assessment of the Responses

## 3 – Final Evaluation (Technical and Financial)

Evaluated Tender Score (B) calculated for each responsive tender:

$$B \equiv \frac{C_{low}}{C} X + \frac{T}{T_{high}} (1 - X)$$

C	=	Evaluated Tender Price
C <sub>low</sub>	=	Lowest of all evaluated Tender prices
T	=	Total Technical Score awarded to the Tender
T <sub>high</sub>	=	Highest Technical Score achieved by the Tender among all responsive
X	=	Weight for the Price as specified

# Assessment of the Responses

## 4 – Award

Inform all Suppliers which Quotation Submission the Employer proposes to accept (if any)

Contract is updated with any agreed amendments

Contract prepared for signature





# Assessment Documentation

# Assessment Documentation

## 1 - Procedures

Ensure the procurement process is **fair** to all potential suppliers

Ensure the procurement process complies with **legal requirement**

Document / review / approve - all procedures

# Assessment Documentation

## 2 – Assessment team members

Assessment team should remain the same during procurement

Ensure access to specialists during the process

- E.g. Legal Support

# Assessment Documentation

## 3 – Assessment Model

**Assessment model** will always represent a **simplified view** of the overall programme

Minimise effect of simplification on the quality/technical and financial assessment models

- Reduce the risk to suppliers gain commercial advantage

If a supplier is identified as having an advantage, include these effects in the **risk model**

# Assessment Documentation

## 3 – Reports

At each stage there should be an approved process define prior to the competition, and

A report on the way the process was carried out any deviations and the results.