



Government Procurement  
Service

**INVITATION TO TENDER**

**FOR**

**SUPPORT PROVISION UNDER THE CABINET OFFICE MUTUALS  
SUPPORT PROGRAMME – CLEVELAND FIRE BRIGADE**

**REFERENCE NUMBER: RM975**

**Support Provision under the Mutuels Support Programme  
Invitation to Tender**

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**CONTENTS**

|     |   |    |
|-----|---|----|
| 1.  | DEFINITIONS.....  | 3  |
| 2.  | INTRODUCTION TO THIS PROCUREMENT .....                        | 4  |
| 3.  | TERMS OF PARTICIPATION.....                                   | 4  |
| 4.  | INTRODUCTION TO THE MUTUALS SUPPORT PROGRAMME.....            | 4  |
| 5.  | BACKGROUND TO THE REQUIREMENT .....                           | 5  |
| 6.  | OBJECTIVES OF THE SERVICES .....                              | 6  |
| 7.  | OVER-ARCHING SERVICE REQUIREMENTS.....                        | 6  |
| 8.  | CORE PROJECT-SPECIFIC SERVICE REQUIREMENTS .....              | 7  |
| 9.  | FURTHER PROJECT SPECIFIC DELIVERABLES AND REQUIREMENTS .....  | 10 |
| 10. | KNOWLEDGE SHARING DELIVERABLES AND SERVICE REQUIREMENTS ..... | 10 |
| 11. | CONTRACT MONITORING .....                                     | 11 |
| 12. | CONTRACT CONDITIONS AND TERM.....                             | 11 |
| 13. | RESPONSE REQUIRED.....  | 12 |
| 14. | COMMERCIAL PROPOSALS .....                                    | 12 |
| 15. | EVALUATION CRITERIA .....                                     | 13 |
| 16. | PROCUREMENT TIMETABLE.....                                    | 13 |
| 17. | QUESTIONS AND CLARIFICATIONS.....                             | 14 |
|     | ANNEX A.....  | 15 |
| 1.  | TERMS OF PARTICIPATION.....                                   | 15 |
|     | ANNEX B.....  | 17 |
| 1.  | MONITORING ARRANGEMENTS .....                                 | 17 |
| 2.  | "IN CONTRACT" MANAGEMENT TEMPLATE .....                       | 17 |
| 3.  | CONTRACT COMPLETION EVALUATION TEMPLATES.....                 | 18 |
|     | ANNEX C.....  | 23 |
| 1.  | RESPONSE REQUIRED.....  | 23 |
| 2.  | DEFINITIONS OF SME AND VCSE .....                             | 26 |
|     | ANNEX D.....  | 27 |
| 1.  | ASSESSMENT OF TENDERS .....                                   | 27 |
| 2.  | QUALITY CRITERION .....                                       | 27 |
| 3.  | COMMERCIAL CRITERION (IF USED) .....                          | 27 |
| 4.  | PERSONNEL CRITERION.....                                      | 27 |
|     | ANNEX E.....  | 29 |

## Support Provision under the Mutuals Support Programme Invitation to Tender

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### 1. DEFINITIONS

**“Contract”** means the agreement between the Supplier and the Customer achieved via this Procurement based on the Terms and Conditions of Contract set out in Annex C;

**“Customer”** means the Cabinet Office.

**“Deliverable”** means the items that must be delivered to the Customer, by the required time (where specified), and meeting any criteria defined under this Contract

**“eSourcing Portal”** means the Emptoris portal, which is now used by Government Procurement Service for all Requests for Quote (RfI) and further competitions.

**“Final Clarification Period”** means the time period given to Potential Suppliers to seek clarification on the final Invitation to Tender;

**“Government Procurement Service”** means a trading fund of the Cabinet Office whose offices are located at 9<sup>th</sup> Floor, The Capital, Old Hall Street, Liverpool, L3 9PP;

**“Initial Clarification Period”** means the period between the issue of the draft requirement and the issue of the final Invitation to Tender allowing Potential Suppliers to seek any required clarification.

**“Invitation to Tender”** or **“ITT”** means this invitation to tender document and all related documents published by the Government Procurement Service for this Procurement;

**“Knowledge Sharing Deliverables”** or **“KSDs”** mean the Deliverables described at paragraph 10 required for the purpose of maximising the transfer of knowledge from this Contract to other developing potential public service mutuals, and who are facing similar challenges.

**“Mutuals Information Service”** means the Cabinet Office Mutuals Information Service website, accessible at <http://mutuals.cabinetoffice.gov.uk/>;

**“Parent Body”** means the parent body in which the Potential PSM is currently hosted, and which is described in full at paragraph 5.

**“Potential Supplier”** means any person that submits a Tender in response to the Invitation to Tender;

**“Potential PSM”** means the potential Public Service Mutual which is receiving assistance under this Contract, and which is described in full at paragraph 5.

**“Procurement”** means the process used to establish a Contract that facilitates the provision of the Services;

**“Public Service Mutual”** means an organisation which has left the public sector but continues to deliver public services, and which in which employee control plays a significant role in its operation;

**“Services”** means the services provided to the Customer and Beneficiary via the Contract;

**“Successful Submission”** means that in the reasonable opinion of the Customer, Deliverables submitted by the Supplier are fit for purpose, submitted on time and otherwise meet all the criteria defined under this Contract;

## Support Provision under the Mutuals Support Programme Invitation to Tender

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**“Service Provider”** means the person or organisation which submits the successful tender, and with whom the Customer concludes the Contract;

**“Tender Submission Deadline”** means the time and date set out in paragraph 16 for the latest uploading of Tenders; and

**“Tender”** means the Potential Supplier’s formal offer in response to the Invitation to Tender.

### **2. INTRODUCTION TO THIS PROCUREMENT**

2.1 This Procurement is being managed by the Government Procurement Service on behalf of the Cabinet Office (the “Customer”).

### **3. TERMS OF PARTICIPATION**

3.1 In participating in this Procurement, Potential Suppliers agree to the Terms of Participation set out at Annex A.

### **4. INTRODUCTION TO THE MUTUALS SUPPORT PROGRAMME**

4.1 The Mutuals Support Programme (MSP) delivers help and support for proposed and existing Public Service Mutuals.

4.2 The Customer:

4.2.1 Procures generic, tailored and bespoke professional advice and support for proposed and existing Public Service Mutuals (such as is being procured within this Procurement).

4.2.2 Retains intellectual property to share the advice and support given, so that other proposed and existing Public Service Mutuals can benefit.

4.3 This programme builds on the Mutuals Information Service (MIS), which was launched on 5 December 2011. The MIS is a web-portal and phone line based triage and case management service for public sector workers interested in setting up Public Service Mutuals, and for existing fledgling Public Service Mutuals interested in going for growth. The MIS refers the cases and issues with the greatest potential to catalyse new Public Service Mutuals to the Customer who (where appropriate) will procure and manage individual professional advice contracts.

4.4 Specific objectives of the MSP are:

4.4.1 To provide proposed and existing Public Service Mutuals with the support they need (which cannot be accessed through other sources) to enable them to become viable businesses.

4.4.2 To share (via a resource library), as much as possible, the professional advice and support commissioned to avoid duplication, grow the knowledge base and reduce cost.

4.4.3 Maintain flexibility to enable the MSP to be demand led.

4.5 The proposed outcomes for the MSP are:

4.5.1 Outcome 1: Proposed and existing Public Service Mutuals have the information and advice required to develop into successful enterprises.

4.5.2 Outcome 2: A resource library of advice and support is developed to support others, avoid duplication and reduce cost.

**Support Provision under the Mutuals Support Programme  
Invitation to Tender**

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4.5.3 Outcome 3: Customer has detailed evidence and information to inform future policy work.

**5. BACKGROUND TO THE REQUIREMENT**

- 5.1 This opportunity is specifically for technical support to Cleveland Fire Brigade. The Customer requires the Service Provider to provide advice, support and guidance to the development of a potential Public Service Mutual.
- 5.2 Cleveland Fire Brigade (the “Parent Body”) is seeking to separate out its commissioning and provider functions and spin out the provider services from the retained commissioning function (effectively Cleveland Fire Authority), to establish themselves as a staff led social enterprise (the “Potential PSM”). Cleveland is the first Fire and Rescue Service in England to assess whether it is feasible to spin out and establish a Public Service Mutual in this sector.
- 5.3 The Fire Authority approved an expression of interest to pursue the development of the Potential PSM in March 2011.
- 5.4 As an interim measure, the Parent Body set up a Community Interest Company (the “CIC”) (as a company limited by guarantee, wholly owned by the Parent Body) to take advantage of commercial opportunities presenting locally and to begin to develop their commercial skills. The CIC has secured contracts worth £120k as of March 2012 and is waiting to hear the outcomes of further contracts valued at £1m per annum for 5 years. The working assumption is that the CIC will operate in parallel to the development of the broader Potential PSM. The intention is to amalgamate the existing brigade business and the CIC business into the eventual Potential PSM.
- 5.5 The development of this Potential PSM will be breaking new ground, seeking to deliver fire services back to the public sector which have always previously been delivered ‘in house’. This raises novel technical, legal and workforce issues that will need to be resolved, which creates a complex set of challenges impacting on the development and delivery of this transformation.
- 5.6 Significant work has been completed to deliver the information which underpins the high level business plan (see separate enclosure; this document is provided in strict confidence and should be handled accordingly) and support to co-ordinate the transformation from in-house provider to a Public Service Mutual is already in place. Technical expertise in the areas of legal, procurement, financial and employee engagement support is now required to supplement the existing business support with the overall aim of developing the detailed full business plan and associated initial transition plan by October 2012 and then to support the commencing of the implementation of the initial transition plan and its ongoing development into a detailed transition plan between November to March 2013.
- 5.7 Proposed timeline to ‘go live’:
- From May 2012 – October 2012; development of detailed business plan and initial transition plan
  - November 2012 – March 2013; implementation of initial transition plan and its ongoing development into a detailed transition plan
  - April 2013- March 2014; implement and test detailed transition plan whilst running in shadow form (still in house)

## Support Provision under the Mutuals Support Programme Invitation to Tender

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- April 2014; Go live as independent organisation

5.8 The key motivators for the Potential PSM to establish as a social enterprise include:

- Social focus
  - Driving better and more sustainable community safety services
  - Safeguarding current and future employment opportunities
- Commercial focus
  - Enhancing innovation and different thinking
  - Attracting alternative income and investment
- Freedom & Flexibility
  - Becoming financially independent and self-sufficient
- Sharing success
  - Improving staff engagement

*“We believe a social enterprise will enable us to supplement current range of services through new stakeholder frameworks built upon commissioning and contracting principles. In addition, the social enterprise will be a vehicle for extending the range of services into new markets through the use of our skills, knowledge and assets.” (CLEVELAND FIRE BRIGADE)*

## 6. OBJECTIVES OF THE SERVICES

6.1 The Service Provider will be required to provide support in five key areas to enable the development, assurance and subsequent Parent Body and Potential PSM scrutiny of a full five year business plan for the Potential PSM:

- 6.1.1 Specialist Financial and Legal Business Planning;
- 6.1.2 Legal Form and Governance;
- 6.1.3 Staff Engagement;
- 6.1.4 Independent Due Diligence; and
- 6.1.5 Developing the Draft/Initial Transition Plan

6.2 Further information on the key activities and Deliverables required for each of these key areas can be found below.

## 7. OVER-ARCHING SERVICE REQUIREMENTS

7.1 The Service Provider will, at all times, perform the Services in accordance with the objectives stated above.

7.2 By its nature, the Potential PSM is currently in the public sector, hosted within the Parent Body organisation (and depending on the stage of development, will remain under different levels of control exercised by the Parent Body). Although the Parent

## Support Provision under the Mutuals Support Programme Invitation to Tender

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Body has committed to supporting the Potential PSM, in some cases, tensions may arise between the interests of the Parent Body and the Potential PSM. The Service Provider is contracted to provide assistance to the Potential PSM, and will therefore conduct itself, and position its advice accordingly. In the event of problems arising in respect of these tensions, the Service Provider will notify the Customer.

- 7.3 The Service Provider will, at all times, ensure that it manages actual and perceived conflicts of interest in relation to the provision of the Services.
  - 7.4 The Service Provider will ensure that, as Deliverables are developed and ultimately delivered, the Potential PSM fully understand how to use and apply them, including ensuring the Potential PSM is able to effectively reuse and/or adapt the Deliverables for future use (where applicable).
  - 7.5 The Service Provider will ensure that learning and skills are embedded in the Potential PSM (where applicable; for example, this is potentially more relevant to advisory services in areas such as business planning, communications and engagement where the Potential PSM will need to develop relevant skills and understanding, to be able to benefit from the support in the medium-term; conversely with advisory services such as legal services and due diligence, it may be adequate for the Potential PSM to simply understand the advice, without necessarily having acquired any substantive new skills or capability).
  - 7.6 The Service Provider will (alongside all other technical support advisors) be required to provide a senior team member to attend a weekly meeting (via phone or in person) to:
    - 7.6.1 Support the strategic design and delivery of the programme,
    - 7.6.2 Ensure the advisory activities are coordinated across the programme and duplication of effort is prevented.
    - 7.6.3 Support and contribute to the collective development of an overall opinion which is able to fully take into consideration the diverse range of the mutualisation project outputs, including identifying potential interconnections between the legal, financial, engagement and broader business planning as appropriate to the advisor's speciality
    - 7.6.4 Understand the complexity and novelty of this project and ensure all advice and support is grounded in this understanding
  - 7.7 Reports in the written form will be required to underpin verbal advice where relevant and requested by the Potential PSM.
- 8. CORE PROJECT-SPECIFIC SERVICE REQUIREMENTS**
- 8.1 The Services will predominantly be performed at the Parent Body headquarters in Hartlepool.
  - 8.2 The Potential PSM is highly unlikely to be able to work with the Service Provider for more than 1 day per week (maximum).
  - 8.3 Unless otherwise stated, the Service Provider must complete all Core Project Specific Service Requirements, including the Successful Submission of all corresponding Deliverables before the commencement of October 2012.

*Specialist Financial and Legal Business Planning*

**Support Provision under the Mutuals Support Programme  
Invitation to Tender**

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- 8.4 The Service Provider will be required to work with the Potential PSM's finance team to develop and model the financial and legal aspects of the 5 year full business plan (Key Milestone 1). Activities and Deliverables required as a minimum in this area include:
- 8.4.1 Support the Potential PSM to model growth assumptions into financial plan;
  - 8.4.2 Provide advice on the overall financial provisions the Potential PSM will need to have in place to sustain itself as a going concern;
  - 8.4.3 develop a range of financial scenarios the Potential PSM could face linked to planned growth strategy and cost behaviour;
  - 8.4.4 Provide a view on the potential VAT and tax implications associated with the planned service provision and its impact on financial viability;
  - 8.4.5 Model pensions liabilities (as provided by the independent actuarial advisors) into the financial model;
  - 8.4.6 Provide advice on the VAT and tax implications of the various lease and ownership arrangements in relation to physical assets;
  - 8.4.7 Provide assurance that business insurance costs are represented appropriately within the financial plan;
  - 8.4.8 Provide legal advice required to ensure liabilities are identified which the Potential PSM will need to cover through indemnities and the resulting insurance policies; and
  - 8.4.9 provide a legal view on the comparability and fairness of the presenting pension options.
- 8.5 The Service Provider will also be required to provide advice on the applicability of TUPE and provide advice on any necessary subsequent implications and actions to be taken (Key Milestone 2).
- 8.6 The Service Provider will provide a legal view on issues relating to securing a lease for equipment and fleet from the Parent Body (to include assessment of state aid issues) (Key Milestone 3). This should include:
- 8.6.1 Advice on relevant legal issues; and
  - 8.6.2 Advice on the nature of the lease agreement and specific clauses that might need to be included in the agreement (it should be noted that the CIC already has a lease agreement in place with the Parent Body which will likely act as the foundation for a lease between the Potential PSM and the Parent Body).
- 8.7 It is anticipated that this work is likely to represent approximately 30% of the overall package.

*Legal Form and Governance*

- 8.8 The Service Provider will be required to work with the Potential PSM to identify the optimal legal and governance model for them and create the necessary documentation to put it in place. Activities and Deliverables required in this area include as a minimum:



**Support Provision under the Mutuals Support Programme  
Invitation to Tender**

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- 8.8.1 Provide a checklist of what information is required to assess which legal form is the best fit (*this will then be collected by the Potential PSM*);
  - 8.8.2 Work with the Executive Leadership Team (ELT) to define which legal form would be of best fit, for example by facilitating a development session with them;
  - 8.8.3 Provide a formal legal view (in the form of a short report) on best fit model, how that model provides the required safeguards and what actions need to be taken to put the model in place and register the company, including how to operationalise the governance model, such as approach to putting the Board in place and its composition etc (Key Milestone 4); and
  - 8.8.4 Work in partnership with the engagement, communication and marketing team to ensure the staff and community engagement model of choice is reflected in the governance structures adopted by the Potential PSM (Key Milestone 5).
- 8.9 It is anticipated that this work is likely to represent approximately 30% of the overall package.

*Staff Engagement*

- 8.10 The Service Provider will be required to work with the Executive Leadership Team (ELT) to design a strategy to engage staff in the development of the Potential PSM, including governance models. Prior to the Contract commencement date, the Potential PSM will have held a workshop with the ELT to begin to develop initial thinking around how an employee owned model would work and what would need to be different. Activities and Deliverables required in this area include as a minimum:
- 8.10.1 Provide Executive Leadership Team (ELT) with a baseline assessment of how the organisation currently engages with its workforce and the challenges it might face in moving to an employee-led governance model;
  - 8.10.2 Support ELT to engage with the workforce to determine their level of support for the proposed change to a new business model (this may require attending the meetings with stakeholders and/or supporting ELT with the development of key messages);
  - 8.10.3 Support the development and implementation of the staff engagement strategy (Key Milestone 6);
  - 8.10.4 Develop tools for on-going staff engagement, enabling staff views to be fed back to the management team in a continuous loop (Key Milestone 7); and
  - 8.10.5 Support the drafting of the full business plan by providing the information on the employee ownership model of choice to the drafting team (Key Milestone 8).
- 8.11 Provide advice and support to the ELT in engaging with the unions regarding the potential impact on current union involvement and representation models (Key Milestone 9).
- 8.12 It is anticipated that this work is likely to represent approximately 20% of the overall package.

*Independent Due Diligence*

**Support Provision under the Mutuals Support Programme  
Invitation to Tender**

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- 8.13 Provide the ELT with *independent* due diligence on key aspects of the draft version of the full business plan, to equip the ELT with the necessary assurance prior to it considering the draft overall full business case for approval (Key Milestone 10). Activities and Deliverables required in this area include as a minimum:
- 8.13.1 Provide due diligence on the employee ownership elements of the draft version of the full business plan;
  - 8.13.2 Provide legal due diligence on the relevant elements of the draft version of the full business plan; and
  - 8.13.3 Provide financial due diligence on the draft version of the 5 year financial plan and other relevant elements of the overall draft full business plan.
- 8.14 The independence of this due diligence may be achieved by any reasonable mechanism that *demonstrably* and *effectively* manages actual and perceived conflicts of interest and confidentiality of information between the teams (e.g. robust “Chinese walls” etc.)
- 8.15 It is anticipated that this work is likely to represent approximately 10% of the overall package.

*Draft/Initial Transition Plan*

- 8.16 Develop initial transition plan covering the period November 2012 to March 2014, including headline details of the key activities needed to transition to the agreed operating model, as well as key dependencies, risks and mitigating actions (Key Milestone 11).
- 8.17 It is anticipated that this work is likely to represent approximately 10% of the overall package.

**9. FURTHER PROJECT SPECIFIC DELIVERABLES AND REQUIREMENTS**

- 9.1 If and to the extent the Service Provider is directed to do so in writing by the Customer, the Service Provider will additionally support the Potential PSM during the period November 2012 to March 2013, to enable it to commence the implementation of the initial transition plan and to support the initial transition plan’s ongoing iterative development into a detailed transition plan.
- 9.2 The core Service Provider team should remain broadly constant across the Core Project-Specific and Further Project Specific Requirements.

**10. KNOWLEDGE SHARING DELIVERABLES AND SERVICE REQUIREMENTS**

- 10.1 The Customer wishes to maximise the transfer of knowledge from this Contract to others developing potential Public Service Mutuals who are facing similar challenges. The Service Provider will therefore develop and submit to the Customer, Deliverables that fulfil this requirement (together the “Knowledge Sharing Deliverables” or “KSDs”; Key Milestone 12), to include as a minimum:
- 10.1.1 a Deliverable that summarises ‘lessons learnt’ during the support, including key challenges and how they were overcome; and
  - 10.1.2 if utilised during the course of the support, all toolkits and/ or other reusable resources, along with all relevant instructions for use.

**Support Provision under the Mutuals Support Programme  
Invitation to Tender**

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- 10.2 The Service Provider may propose additional KSDs to further the knowledge transfer requirement set out above, but that would not otherwise have been developed in the ordinary course of the provision of the support. For the avoidance of doubt, any additional KSDs will be considered to fall within the initial maximum budget for the Core Project Specific Service Requirements and KSDs as set out in paragraph 14 below.
- 10.3 The Service Provider will design and develop the KSDs with due regard to the following constraints and requirements:
- 10.3.1 The KSDs are likely to be published via the Mutuals Information Service website; the file format and nature of the KSDs should therefore be in a format that is appropriate to this medium;
- 10.3.2 Where relevant to the KSD, (such as in the 'lessons learnt' KSD described above), ordinarily these should not be anonymised. However, the Parent Body's and/or Potential PSM's reasonable requests with regard to the handling of sensitive information should be accommodated.
- 10.3.3 KSDs with wider general reusability, such as toolkits and/or other reusable resources, may present no value in referring to the specific Parent Body and/or Potential PSM or their circumstances. These should be provided "ready to use", and should include appropriate supporting materials, such as guidance notes; and
- 10.3.4 The KSDs should demonstrate innovative approaches to knowledge-sharing, preferably going beyond simple text reports, where appropriate.
- 10.4 All KSDs will be submitted by the Service Provider to the Customer prior to the termination, or expiry, of the Contract.

**11. CONTRACT MONITORING**

- 11.1 The Service Provider must comply with the monitoring arrangements set out in Annex B.

**12. CONTRACT CONDITIONS AND TERM**

- 12.1 The Contract shall be based on the model form of call-off contract as appended to the Government Procurement Service Multi-Disciplinary Consultancy Framework, and as amended to accommodate: (i) a Customer right to terminate for convenience; (ii) a mechanism for calculating payment owed to the Service Provider in respect of partially completed Deliverables and/or Milestones if (i) is exercised; and (iii) a specific set of third-party rights being granted to the Potential PSM (see Annex E).
- 12.2 Unless otherwise specified, the Service Provider must be available to commence work immediately following Contract award.
- 12.3 The Contract will expire automatically on the earlier of: Successful Submission of the Contract Deliverables; or 31 October 2013, (the "Longstop Date"); unless:
- 12.3.1 it is extended by the Customer serving written notice requiring the Service Provider to perform the Further Requirements described at paragraph 9; and/or
- 12.3.2 exceptionally, the Longstop Date is amended by the Customer serving written notice to enable the Supplier to fulfil its obligations under the Contract, which have not been fulfilled in accordance with the original timetable due to unavoidable delays.

**Support Provision under the Mutuals Support Programme  
Invitation to Tender**

**13. RESPONSE REQUIRED**

13.1 Annex C provides an overview of the requirements of a Tender response.

**14. COMMERCIAL PROPOSALS**

*Core Project Specific Service Requirements and KSDs*

14.1 The maximum available budget for the performance of the Core Project Specific Service Requirements and for the KSDs is £100,000 (exclusive of VAT, but inclusive of all expenses and disbursements).

14.2 The Customer is keen to derive maximum benefit from this Contract so that Government can show that it is really achieving value for money, by seeking the best service within the available budget. Therefore, the Customer wishes Potential Suppliers to demonstrate how they can maximise value for money from the investment. Please note that the Customer is not expecting any Potential Supplier to work for free nor is it seeking commercially unviable pricing proposals. Potential Suppliers are therefore not expected to submit Tenders under this price cap, but should instead focus on maximising the quality (and amount) of resource which they will commit for this fixed price cap.

14.3 Potential Suppliers should additionally set out the daily rates for each grade of staff employed within the proposed fixed price. Given its high-profile, and the potential benefits from advising in the context of a high-profile novel initiative, the Customer wishes to see competitive rates.

14.4 The payment profile will be in accordance with the following table, upon the successful (in the reasonable opinion of the Customer) completion of the relevant Key Milestone, including the Successful Submission of any corresponding Deliverable(s):

| <b>Key Milestone</b> | <b>Payment (as % of fixed price)</b> |
|----------------------|--------------------------------------|
| 1                    | 18                                   |
| 2                    | 4                                    |
| 3                    | 5                                    |
| 4                    | 14                                   |
| 5                    | 14                                   |
| 6                    | 5                                    |
| 7                    | 5                                    |
| 8                    | 5                                    |
| 9                    | 5                                    |
| 10                   | 8                                    |
| 11                   | 8                                    |
| 12 (all KSDs)        | 9                                    |

14.5 Please note that while the overall initial budget is fixed, limited flexibility may be available within this payment profile, should this otherwise prevent a Potential

**Support Provision under the Mutuals Support Programme  
Invitation to Tender**

Supplier participating. Please note also that the above stated payment profile is simply a mechanism for staging payments to the completion of useful milestones and activities; it is not intended to be a steer as to the Customer or Potential PSM's preferred allocation of budget or resource.

*Further Project Specific Requirements*

- 14.6 Potential Suppliers are invited to propose fixed prices for three levels or grades of support package that it can offer during this period, and must, as part of its Tender response, at each level or grade of package, provide a headline scope of the activities, Deliverables, outputs and outcomes that it will provide. Proposals should include relevant KSDs for each level or grade of support package. Support to the Further Project Specific Requirements (including the corresponding KSDs) shall be additional to the initial maximum budget.
- 14.7 Potential Suppliers are encouraged to share in the risk, by committing to as many Deliverables as reasonably possible or to **explicitly defined** flexibility in resource commitments above and beyond a fixed price calculated based on a time-charge rate for "X days per week", and such commitments will be appropriately rewarded within the Tender evaluation.
- 14.8 For the avoidance of doubt, any requirements above the maximum available initial budget shall only be performed at the written direction of the Customer (and are subject to its internal approvals and scrutiny processes).
- 14.9 The three levels/grades of support package that should be included within the Tender are:
- 14.9.1 Level 1: Approximately 1 day of support per week;
  - 14.9.2 Level 2: Approximately 2 days of support per week; and
  - 14.9.3 Level 3: Approximately 3 days of support per week.
- 14.10 The payment profile for the tendered fixed price for any of the levels of support package shall be agreed with reference to the proposed activities and Deliverables.

**15. EVALUATION CRITERIA**

- 15.1 The criteria against which Tenders will be evaluated is set out at Annex D.

**16. PROCUREMENT TIMETABLE**

- 16.1 The timetable for this Procurement is set out in the table below, however please note that this timetable may be changed by the Government Procurement Service at any time.

| <b>Milestone</b>   | <b>Date</b>      |
|--|------------------|
| RFI issued   | 01 June 2012     |
| Market engagement period starts  | 01 June 2012     |
| Deadline for receipt of requests for clarification on the draft requirement (" <b>Initial Clarifications Deadline</b> ") | 13 June 2012 9am |
| Invitation to Quote issued   | 14 June 2012     |
| Deadline for receipt of final outstanding requests for clarification (" <b>Final Clarifications Deadline</b> ")          | 20 June 2012 5pm |

**Support Provision under the Mutuals Support Programme  
Invitation to Tender**

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| Deadline for the publication of responses to Final Clarification questions  | 23 June 2012           |
| Deadline for submission of a Tender (" <b>Tender Submission Deadline</b> ") | 26 June 2012<br>3:30pm |
| Notify Potential Supplier of Procurement outcome                            | 29 June 2012           |
| Contract awarded  | 29 June 2012           |

**17. QUESTIONS AND CLARIFICATIONS**

- 17.1 Potential Suppliers may raise questions or seek clarification regarding any aspect of this Procurement at any time prior to the Tender Clarification Deadline. Questions must be submitted via the Emptoris system.
- 17.2 Potential Suppliers will be able to seek clarification on both the Request for Information period and the final Invitation to Tender during the periods.
- 17.3 Government Procurement Service will not enter into exclusive discussions regarding the requirements of this Procurement with Potential Suppliers.
- 17.4 To ensure that all Potential Suppliers have equal access to information regarding this Procurement, the Government Procurement Service will publish all its responses to questions raised by Potential Suppliers on an anonymous basis.
- 17.5 Responses will be published in a Questions and Answers document to all companies who expressed an interest and were subsequently invited to tender.

**Support Provision under the Mutuals Support Programme  
Invitation to Tender**

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**ANNEX A**

**1. TERMS OF PARTICIPATION**

- 1.1 In submitting a Tender, you agree to accept the provisions of this Annex A.
- 1.2 The Government Procurement Service will run a fair and transparent competitive tendering process, and welcomes submissions from all types of organisations, including but not limited to small and medium-sized enterprises, third sector organisations, supported and black and minority-ethnic and women-owned businesses.
- 1.3 Where successful, you agree to be bound to deliver the Services in accordance with the Terms and Conditions of Contract set out at Annex C.
- 1.4 Neither the Government Procurement Service or the Customer will have any liability for cost or expense that Potential Suppliers may incur as a direct or indirect consequence of tendering for the provision of the Services.
- 1.5 Neither the Government Procurement Service or the Customer binds itself to accept the lowest or any Tender.
- 1.6 Nothing in this Invitation to Tender or any other communication made between (i) the Government Procurement Service or the Customer and (ii) any other party is to be taken as constituting a contract, agreement or representation between the Customer and any other party (save for the award of Contract made in writing by the Government Procurement Service), nor as constituting a contract, agreement or representation that any Contract will be offered in accordance with this Invitation to Tender or at all.
- 1.7 It is intended that selection of the Supplier will take place in accordance with the provisions of this ITT but the Government Procurement Service and / or the Customer reserves the right to terminate, amend or vary the procurement process by notice to all participants in writing.
- 1.8 All information supplied to you by the Government Procurement Service and / or the Customer, either in writing or orally, must be treated in confidence and not disclosed to any third party unless and until the information is legitimately in the public domain. You may be asked to complete a non disclosure agreement.
- 1.9 The Freedom of Information Act 2000, the Code of Practice on Government Information, and the Environmental Information Regulations 2004 (“the FOIA”) apply to this Procurement and the Contract. You should be aware of the Government Procurement Service and the Customer’s obligations and responsibilities under FOIA to disclose, on written request, certain recorded information held. Information provided by you in connection with this Procurement, or with any Contract that may be awarded as a result, may therefore have to be disclosed in response to such a request, unless one of the statutory exemptions under the FOIA applies. If you wish to designate information supplied as part of your Tender as confidential, you must provide clear and specific detail as to the precise elements which are confidential, but this alone may not prevent disclosure if in the Government Procurement Service’s reasonable opinion publication is required by applicable legislation.
- 1.10 Any attempt by you or your appointed advisers, to inappropriately influence the contract award process in any way will result in your Tender being disqualified. Any direct or indirect canvassing by you or your appointed advisers, in relation to this

**Support Provision under the Mutuals Support Programme  
Invitation to Tender**

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Procurement or any attempt to obtain information from any of the employees or agents of the Government Procurement Service or the Customer concerning another tendering organisation, may result in disqualification at the discretion of the Government Procurement Service.

- 1.11 In submitting a response to this ITT, should you be successful, you agree, without limitation, to the Customer sharing the content of your Tender with the Parent Body and/or Potential PSM (as deemed appropriate by the Customer).



**Support Provision under the Mutuals Support Programme  
Invitation to Tender**

**ANNEX B**

**1. MONITORING ARRANGEMENTS**

1.1 During the Term of the Contract, the Service Provider and lead for the Potential PSM will be required to jointly complete an "In Contract" Management Template (an example of which is set out at paragraph 2). The estimated due date(s) for completed "In Contract" Management Template(s) is as follows:

1.1.1 Approximately every 6 weeks

The final dates will be decided with reference to the overall project plan etc.

1.2 Following the completion of the Contract, the Service Provider will be required to complete a Contract Completion Evaluation Template (an example of which is set out at paragraph 3).

**2. "IN CONTRACT" MANAGEMENT TEMPLATE**

|   |   |
|---|---|
| <i>To be completed by the Service Provider:</i>   |   |
| <b>Are you meeting the milestones as laid out in the project plan?</b>  | Yes/No: please comment  |
| <i>To be completed jointly by the Service Provider and the Potential PSM:</i>   |   |
| <b>How confident are you that you will achieve the Deliverables expected by this Contract within agreed timescales?</b> |   |
| <i>(please select)</i>  | <b>Very confident 5      4      3      2      1      Not at all confident</b> |
| <b>Please comment :</b> <i>(approx 200 words)</i>   |   |
| <b>Please outline the top 3 risks which have surfaced and how these have been managed</b>                               |   |

**Support Provision under the Mutuals Support Programme  
Invitation to Tender**

|  |   |
|--|---|
| RISK 1:  | MANAGEMENT STRATEGY 1:                          |
| RISK 2:  | MANAGEMENT STRATEGY 2:                          |
| RISK 3:  | MANAGEMENT STRATEGY 3:                          |
| <b>How confident are you this project will result in the successful creation of a public service mutual?</b><br><i>(please select)</i> <b>Very confident 5      4      3      2      1      Not at all confident</b> |   |
| <b>Please comment:</b> <i>(approx 200 words)</i>   |   |
| Signature:      Lead Contact – Potential PSM   | Signature:      Lead Contact - Service Provider |

**3. CONTRACT COMPLETION EVALUATION TEMPLATES**

*To be completed by the Service Provider only:*

**How successful was the relationship you built up with the Potential PSM?** Successful should be interpreted as including not only the extent to which Deliverables were met, but also the extent to which the mutually agreed ways of working contributed positively towards the outcomes; and the level and extent of engagement and participation from the Potential PSM.

*(please select)*      **Very successful 5      4      3      2      1      Not at all successful**

**Please comment:** *(approx 300 words)*

**Support Provision under the Mutuals Support Programme  
Invitation to Tender**

---

**What is your assessment of the Potential PSM's readiness to establish a public service mutual?**

*(please select)*      **Totally ready**   **5**      **4**      **3**      **2**      **1**      **Not at all ready**

**Please comment:** *(approx 300 words)*

**Support Provision under the Mutuals Support Programme  
Invitation to Tender**

Where applicable, in respect of *each* sub-contractor which you identified in your Tender, please confirm the final amount payable under this Contract. Where there is significant (>20%) variance from the estimates provided in the Tender, please also provide a short (max 100 words) statement as to the reasons:

Where applicable, in respect of payments made to sub-contractors, please confirm the percentage (by value) of payments made, which were made in compliance with the 30 day sub-contractor payment obligation (as set out in the terms and conditions of contract). Where this performance falls below 80%, please also provide a short (max 100 words) statement as to the reasons:

Signed on behalf of the Service Provider:

*To be completed by the Potential PSM only:*

**How successfully did the Service Provider work in partnership with you, including working flexibly, and ensuring that you fully understood the advice and support being offered?**

(please select)    **Very successful**    5    4    3    2    1    **Not at all successful**

**Support Provision under the Mutuals Support Programme  
Invitation to Tender**

**Please comment:** *(approx 300 words)*

**With specific reference to the agreed Deliverables, how successfully did the Service Provider equip you with the corresponding knowledge, skills and capability to ensure that you can build on this agreed package of support, including in the future adapting and re-using any tools delivered?**

*(please select)*    **Very successful**    **5**    **4**    **3**    **2**    **1**    **Not at all successful**

**Please comment:** *(approx 300 words)*

**Support Provision under the Mutuals Support Programme  
Invitation to Tender**

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|  |
|--|
|  |
| Signed on behalf of the Potential PSM: |

**Support Provision under the Mutuals Support Programme  
Invitation to Tender**

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**ANNEX C**

**1. RESPONSE REQUIRED**

1.1 Potential Suppliers are requested to provide written submissions addressing the following:

1.2 Background Information:

1.2.1 Basic Supplier and Supply Chain Information: Potential Suppliers should provide a statement confirming:

1.2.1.1 Name, telephone number and email address for a single point of contact for their tender.

1.2.1.2 whether the Services shall be provided entirely by themselves, or whether they shall be acting as a prime contractor with a proportion of the Services delivered by third-parties.

1.2.1.3 whether the Potential Supplier is an SME and/or VCSE organisation as defined in paragraph 2 of this Annex D.

1.2.1.4 where applicable, whether any sub-contractors identified above are SME and/or VCSE organisations as defined in paragraph 2 of this Annex D.

1.2.1.5 where applicable, the estimated value or proportion of the price which will be paid to *each* sub-contractor.

For the avoidance of doubt, the nature of the responses to these questions shall not impact a tender's evaluation outcome; the information will be used to track our reach into and impact on different sectors of the market.

1.3 Compliance Check

1.3.1 Conflicts of interest: Potential Suppliers must disclose the results of their conflict of interests check. In the event of an actual or perceived conflict, they must set out the measures that are, and will be put in place to manage this conflict to the satisfaction of the Customer.

1.3.2 Compliance with Requirements: Potential Suppliers should provide a statement confirming that they will meet the requirements of this ITT, including any timetable requirements and any Deliverables.

1.3.3 Fixed Price for Core Project Specific Requirements and KSDs: Potential Suppliers should provide a statement confirming that the fixed price that they are quoting for this element of the Services does not exceed the stated cap. Potential Suppliers must also provide a breakdown of their costs in relation to this fixed price.

1.3.4 Fixed Prices for each level or grade of support to the Further Project Specific Requirements: Potential Suppliers should provide their fixed prices for each level or grade of support to this element of the Services, along with a breakdown of the costs in relation to each fixed price.

**(Pass / Fail Questions)**

*Over-arching Requirements*

**Support Provision under the Mutuals Support Programme  
Invitation to Tender**

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1.4 Section A

1.4.1 Understanding of and approaches to working in partnership with the Potential PSM, including (but not limited to):

1.4.1.1 Ways of working

1.4.1.2 approach and commitment to being flexible; and

1.4.1.3 approach to:

- (a) ensuring that, as Deliverables are developed and ultimately delivered, the Potential PSM fully understands the work, including ensuring the Potential PSM is able to effectively reuse and/or adapt the Deliverables for future use (where applicable).
- (b) ensuring that learning and skills are embedded in the Potential PSM (where applicable; for example, likely significantly more relevant to support services in areas such as business planning, communications and engagement and less relevant to services such as legal advice and due diligence etc.).

**(Quality Criterion; Weighting = x1)**

*Core Project Specific Service Requirements*

1.5 Section B

1.5.1 Understanding of and approach to the *core project-specific service requirements*, including a project plan, compliance with which shall be measured as a key indicator of success.

**(Quality Criterion = x2)**

*Further Project Specific Service Requirements*

1.6 Section C

1.6.1 Understanding of and approach to the *further project-specific service requirements*, including a head-line project plan, compliance with which shall be measured as a key indicator of success.

1.6.2 Level of risk-sharing, for example, through extent of commitment to specific Deliverables and/or extent of explicitly defined flexibility in resource commitments above and beyond a fixed price calculated based on a time-charge rate for "X days per week".

**(Quality Criterion = x2)**

*KSDs*

1.7 Section D

1.7.1 Format and content of KSDs, to include any accompanying materials, such as toolkits etc.

**(Quality Criterion; Weighting = x1)**

*Team Structure and Experience*

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**Support Provision under the Mutuals Support Programme  
Invitation to Tender**

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1.8 Section E

1.8.1 Team structure and experience to include

- 1.8.1.1 An explanation of why each individual is being proposed, a statement as to their grade / seniority, and a summary of their role within the team;
- 1.8.1.2 A single A4 side CV (maximum) for each;
- 1.8.1.3 An organogram of the team (including estimated number of days work to be completed by each member); and
- 1.8.1.4 Brief details of any supporting individuals whose experience is relevant to the project, or teams within your company whose skills you would access during the appointment. We do not wish to receive full CVs for every supporting individual, but a summary of the expertise your company can provide.

**(Personnel Criterion; Weighting = x2)**

1.9 Commercial Proposals for the Further Project Specific Service Requirements

- 1.9.1 Your total fixed price at each level or grade of support package (Level1; Level2 and Level 3 as set out in paragraph 14.9, and accompanying price breakdown provided as part of the response to the Compliance Check and Background will be assessed under this criterion, relative to other Potential Suppliers.
- 1.9.2 Due to the exciting and groundbreaking nature of this project, the Customer expects to see significant discounts from the normal framework rates.

**(Commercial Criterion; Weighting = x1)**

- 1.10 The responses to Sections A, B, C and D must not exceed 30 pages. Responses under the Background Information and Compliance Check and Section E should be included as a separate annex and will not count towards the page limit.

**Support Provision under the Mutuals Support Programme  
 Invitation to Tender**

**2. DEFINITIONS OF SME AND VCSE**

| Definitions                             |                 |                |    |                     |
|---|-----------------|----------------|----|---------------------|
| Small & Medium-sized Enterprises (SMEs) |                 |                |    |                     |
| Enterprise category                     | Headcount (FTE) | Turnover       | or | Balance sheet total |
| medium-sized                            | < 250           | ≤ € 50 million |    | ≤ € 43 m            |
| small                                   | < 50            | ≤ € 10 million |    | ≤ € 10 m            |
| micro                                   | < 10            | ≤ € 2 million  |    | ≤ € 2 m             |

**NB.** These ceilings apply to the figures for individual firms only. A firm which is part of larger grouping may need to include employee/turnover/balance sheet data from that grouping too. Further guidance can be found at:  
[http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/sme-definition/index\\_en.htm](http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/sme-definition/index_en.htm)

| Voluntary, Community and Social Enterprise Sector organisations (VCSEs)   |
|---|
| <p>The VCSE sector comprises of “Non-governmental organisations that are value-driven and which principally reinvest their surpluses to further social, environmental or cultural objectives”. This includes a diverse range of organisations, however these can broadly be categorised as:</p> <p><b>Charities</b> - organisations which are established for exclusively charitable purposes in accordance with the law of England and Wales. Most charities with an annual income of over £5,000 have to register with the Charity Commission (PP&amp;ST has details of the Charities register for you to check);</p> <p><b>Voluntary and Community organisations</b> - independent organisations, which are established for purposes that add value to the community as a whole, or a significant section of the community, and which are not permitted by their constitution to make a profit for private distribution. Voluntary organisations do not include local government or other statutory authorities;</p> <p><b>Social Enterprises</b> – businesses with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or community, rather than being driven by the need to maximise profit for shareholders and owners.</p> <p><b>NB</b> There is some overlap between these categories – some voluntary and community organisations are also charities, and some organisations are classified as both a charity and a social enterprise.</p> |

**Support Provision under the Mutuals Support Programme  
Invitation to Tender**

**ANNEX D**

**1. ASSESSMENT OF TENDERS**

- 1.1 Each criterion will be assessed as a whole in accordance with the relevant scoring mechanism below. To receive higher marks, you should ensure that you provide all of the evidence requested.
- 1.2 All Potential Suppliers must score at least a mark of 1 against every scored requirement.

**2. QUALITY CRITERION**

| <b>Mark</b> | <b>Definition</b>  |
|-------------|--|
| 0           | Very Poor. Major deficiencies in evidence of Potential Supplier's solution.  |
| 1           | Satisfactory. Potential Supplier's solution with regard to all elements of the requirement is evidenced to a reasonable level <i>but includes some minor deficiencies or limitations</i> . The <i>majority</i> of the response is therefore acceptable.        |
| 2           | Good. Potential Supplier's solution with regard to all elements of the requirement is evidenced to an acceptable level <i>and does not include any identifiable deficiencies or limitations</i> . The <i>entirety</i> of the response is therefore acceptable. |
| 3           | Excellent. Very good knowledge and understanding of the requirements, perhaps demonstrating unique insights or clear added value. Potential Supplier's solution across all elements of the requirement would suggest an excellent match for the project.       |

**3. COMMERCIAL CRITERION (if used)**

| <b>Mark</b> | <b>Definition</b>  |
|-------------|--|
| 0           | Unacceptable. Proposal does not meet core value for money or budgetary requirements and / or unacceptably high day rates. Overall represents poor value for money.     |
| 1 - 2       | Proposal complies with core value for money or budgetary requirements and offers acceptable day rates. Tenders will be scored within this band relative to each other. |
| 3           | Proposal exceeds core value for money and / or budgetary requirements and offers acceptable day rates. No notable deficiencies.  |

**4. PERSONNEL CRITERION**

| <b>Mark</b> | <b>Definition</b>   |
|-------------|---|
| 0           | Very Poor. Major deficiencies in evidence of relevant skills, knowledge and / or expertise. |

**Support Provision under the Mutuals Support Programme  
Invitation to Tender**

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| <b>Mark</b> | <b>Definition</b>  |
|-------------|--|
| 1           | Satisfactory. Skills, knowledge and expertise with regard to all elements of the requirement are evidenced to a reasonable level <i>but includes minor deficiencies or limitations</i> . Majority of the response is therefore acceptable.             |
| 2           | Good. Skills, knowledge and expertise with regard to all elements of the requirement are evidenced to an acceptable level <i>and does not include any identifiable deficiencies or limitations</i> . Entirety of the response is therefore acceptable. |
| 3           | Excellent. Proposed personnel bring unique insight and/or added value to the solution. The skills, knowledge and expertise with regard to all elements of the requirement would suggest an excellent match for the project.                            |

**Support Provision under the Mutuals Support Programme  
Invitation to Tender**

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**ANNEX E**

See separate enclosure.