

Open Tender Specification

Title	LGF 2018 Bidding round - Appraisal and Due Diligence
Description	Tender for a contract for Stage 1 Project Appraisal and Stage 2 Due Diligence appraisal support for Local Growth Fund projects related to a 2018 bidding round
Procurement Process No.	PR2004
Issue of Specification	22 June 2018
Closing date	30 July 2018

About us

The South East Midlands Local Enterprise Partnership (SEMLEP) was set up in May 2011 as one of 38 Local Enterprise Partnerships (LEPs) in England. As private public partnerships leading economic growth, LEPs play a central role in determining local economic priorities and undertaking activities that drive innovation, growth and the creation of local jobs. Our [Strategic Economic Plan](#) was refreshed in 2017. More information can be found on our website www.semlep.com.

We have a large number of partners including 14 local authorities, local businesses, business organisations and many other private and public organisations. In addition to the work that SEMLEP carries out we also have a business support arm which is called Velocity www.velocitybusinesssupport.com.

SEMLEP is formed as a company limited by guarantee and is overseen by the Ministry of Housing, Communities and Local Government with Department for Business, Energy and Industrial Strategy.

Overview

We are bound by our [Assurance Framework](#) which sets out how SEMLEP is governed and manages public funds. It ensures that we comply with the best practice of the public sector, in how SEMLEP makes decisions and manages its finances. The Assurance Framework sets the requirements for our Local Growth Fund project management, appraisal, and prioritisation and approval process in 2 stages with independent advice.

Background information

In 2018 we are aiming to develop a pipeline of projects for delivery in 2019/21 to replace any projects in our current approved programme that may not be able to go ahead. This bidding round will run from July-October 2018 with a view to initial approvals before Christmas and then full approvals by April 2019.

The final decision on the bidding round will be made by the SEMLEP Board on 16 July following a recommendation for action at the Growth Fund Task Group on 22 June. If the Board decide not to proceed the procurement opportunity will be withdrawn.

We are seeking to set up a contract for preliminary advice to applicants, the first stage appraisal and second stage due diligence of local growth fund projects. For clarity, the appraisals that will be required are:

- a) after an initial bidding round to undertake a first stage appraisal and prioritisation to facilitate the development of a project list for initial board approval
- b) a second due diligence stage to allow the LEP to move to a funding agreement with projects where projects have been approved initially when funding is available.

The whole process and both stages would need to be compliant with the published 2018 SEMLEP Assurance Framework and HM Treasury Green Book.

The projects may include a range of infrastructure, housing, skills or other economic development capital projects with public and private sector partners. The requirements of each appraisal are in part set by the size of the project and Local Growth Fund contribution.

We are estimating up to 40-70 first stage appraisals and 10-20 second stage appraisals between October 2018 and April 2019 but this may vary. We are not anticipating any full WEBTAG appraisals. We are assuming the majority will be of LGF contributions of less than £5M but there may be 1-2 business case appraisals for projects with more than £5M of LGF. We ask tenderers to bid based on the range and also with a day rate for additional appraisal work.

SEMLEP LGF Programme

With the merger with NEP and the combination of the 3 rounds of the growth Deal, SEMLEP has a combined LGF programme across the LEP worth £265M.

We have 35 approved schemes and by the end of July will have approved 3 more substantive schemes following our successful Skills Capital Fund bidding round in 2017.

In 2018 we are aiming to develop a pipeline of projects for delivery in 2019/21 to replace any projects in our current approved programme that may not be able to go ahead.

Requirements

1. We are seeking consultancy support to carry out pre-application support, the appraisals and due diligence and to ensure that the process set out in the Assurance framework is carried out fully and compliantly.
2. We require consultants with the knowledge, experience and technical expertise of carrying out HM Treasury Green Book appraisal of capital projects.

Stage 1 appraisals – LGF 2018

3. The consultants are required to undertake an independent appraisal of project proposals submitted by our partners for the bidding round of the Local Growth Fund based on our proforma.
4. Familiarity with the Local Growth Fund and some experience of supporting LEPs in delivering their Strategic Economic Plans is essential.
5. Awareness of the HM Treasury Green Book and national LEP assurance requirements and how that needs to influence the SEMLEP appraisal and prioritisation process is also an essential requirement of the commission.
6. The consultants will be required to receive the submissions from partners on a refreshed proforma similar to those used in earlier rounds. This will be available online. The draft is downloadable [here](#).
7. We intend to close the bidding round in early October.
8. During September, we require consultants to advise applicants prior to bid submission. This should lead to higher quality application submissions and clear advice where an application is unlikely to be successful. This should take the form of telephone support and up to 3 days of face to face time with applicants at engagement meetings across the SEMLEP area.

9. A prioritisation and appraisal framework should be developed in advance of the bidding round and to advise bidders of the criteria against which the applications will be evaluated and scored.
10. After the bidding round has closed we would seek some constructive feedback and questions on individual project proposals to partner organisations via e-mail, telephone and/or face to face to address any matters arising and ensure a complete appraisal with the full facts.
11. The consultants will be required to produce a draft report outlining the results of the appraisal and prioritisation with an initial set of recommendations for the SEMLEP Growth Fund Task Group to consider on 2 November 2018 with a final report on the appraisal and prioritisation in late November. This will be with a view to Board approval in December 2018.
12. The consultants may be required to attend certain meetings of SEMLEP Board, Leaders Group and Growth Fund Task Group with the draft and final report.
13. The report should contain the current appraised position of each project to advise the applicant of the position of their individual project and in preparation for the due diligence stage for those projects advancing to stage 2.

Stage 2 due diligence

14. From January 2019, this will involve an initial meeting with each project, identification of further information required to ensure that the project has reached the standards set for the award of a funding agreement in the assurance framework.
15. It will include the detailed appraisal of further and existing information and a final report to recommend approval of a funding agreement. These meetings will be held with or on behalf of the Programme and Assurance Manager. You should estimate to meet once with each project for the purposes of the tender with all other correspondence being undertaken by telephone.
16. You should assume that the majority LGF contributions will be of less than £5M and so the relevant level of due diligence with a refreshed proforma should be assumed rather than a business case. Please assume not more than 1-2 business case appraisals for due diligence and price these separately.

17. By 31 March 2019, a final due diligence report on stage 2 appraisals will be sought pulling together the current position of each project and to advise on funding agreement proposals. A final report will be made to the Growth Fund Task Group at in March/April 2019 and you may be required to present the report to the meeting or at the Board that will make the final decisions.

Timescales

<i>Issue the open tender and go live on Contracts Finder</i>	<i>22 June 2018</i>
<i>Closing date for receive the quotes – 9:00 am</i>	<i>30 July 2018</i>
<i>Compliance Check / Short listing of bidders</i>	<i>w/c 30 July 2018</i>
<i>Interview – Time TBC (will be during the morning)</i>	<i>7 August 2018</i>
<i>Appointment of successful supplier</i>	<i>9 August 2018</i>
<i>Award of contract</i>	<i>10 August 2018</i>
<i>Inception Meeting</i>	<i>TBC</i>
<i>Completion of work</i>	<i>30 April 2019</i>

Budget

SEMLEP has an approved budget of up to £150,000 for this work in 2018/19 inclusive of VAT and expenses. We are seeking competitively priced bids that offer high quality and value for public money. This budget is only available for the maximum range of stage 1 and 2 appraisals and will be significantly lower for fewer appraisals.

In Section 9 of the Application form, there are tables for each scenario stated in the brief. For each scenario please include the project management, applicant engagement and SEMLEP governance meetings that would need to be included in that work.

- a) 20 stage 1 appraisals
- b) 40 stage 1 appraisals
- c) 70 stage 1 appraisals
- d) 10 stage 2 due diligence appraisals
- e) 20 stage 2 due diligence appraisals

- f) 1 stage 2 business case appraisal
- g) Your day rate for additional work

Submission Requirements

Please submit electronically any relevant supporting information related to this brief with SEMLEP's Request for Quotation Application form to procurement@semlep.com and judith.barker@semlep.com by **9:00 am on Monday 30th July 2018** with the name and reference number of the tender in the subject header.

Please note we do not want hard copies to be sent in the post. Given timescales we would be looking for concise submissions.

Our tender evaluation panel will assess received applications as per the selection and award criteria stated below.

Selection and award criteria

The tender application has a two-stage process: Part A and Part B. The first stage will assess Part A in accordance with the Selection Criteria that assess the ability of the tenderer to perform a contract based on qualitative information related to the economic and financial standing of the applicant, suitability, equalities and insurance. If the application passes stage one that is Part A, it will be assessed under the Award Criteria "Part B", stage two.

Stage One - Selection Criteria

Section 3 to 5 of the application form is Part A. Questions 1, 3, 5, 6 and 7 are pass / reject. If you fail any of these questions, your application will be rejected.

Stage Two - Award Criteria

If your application passes on "Part A" it will progress to "Part B" that is the Award Criteria. The applications will be scored under the Award Criteria set out below:

SECTION 4 : AWARD CRITERIA EVALUATION

Criteria	Score	Score	Score	Score	Weighing (%)	Weighted Score
Price: It is necessary to illustrate the value for money in the proposal and how your proposal will deliver the best value per £ of public funds.	Exceptional, covered thoroughly, prices are very good and better than other suppliers. Score 8-10	Average. Brief covered adequately, Prices are reasonable. Score 4-7	Bidder meets or does not meet requirements of brief. Score 0-3		30%	
Ability to deliver the required service quality and within timescales: Outlines what is to be delivered and how will be delivered.	Exceptional, covered thoroughly, Score 8-10	Average. Brief covered adequately, Score 4-7	Bidder meets or does not meet requirements of brief. Score 0-3		30%	
Overall quality of submission: Give clarity of offer and structure of proposal.	Exceptional, covered thoroughly, have provided a very good response, covered the structure of proposal and have provided 2 referees. Score 8-10	Average. Brief covered adequately, haven't provided 2 referees or have not provide a good structure proposal. Score 4-7	Bidder meets or does not meet requirements of brief. Score 0-3		20%	
Quality of delivery: Provide details about the quality of delivery indicating key	Exceptional, covered thoroughly, have provided a satisfactory information of the key members that	Average. Has provided adequate / fair information regarding the key members that will be	Poor, have not provided satisfactory information 0-3		15%	

members of the team that will be working on the project and relevant experience	will be involved on the project delivery and their relevant experience compared to the requirements of the brief. Has provided very good response, covered the structure of proposal and 8-10	involved on the project delivery and their relevant experience compared to the requirements of the brief 4 - 7				
Social Value: The proposal needs to show the social value of the contract and how your business contributes to the society and community in which you operate.	Exceptional, covered thoroughly, providing apprenticeship and placements, helping local charities and other community work. Score 8-10	Average. Brief covered adequately, Do community and charity work but do not provide apprenticeship / placements or vice versa. Score 4-7	Does not meet requirements of brief. Score 0-3		5%	
			Total		100%	

Please note:

The Quotation response must include:

- SEMLEP's Open Tender Application Form fully completed
- All prices quoted shall be fixed and firm and shall apply for the full duration of the contract.
- Following that period, any requests for the price changes must be accompanied by a written summary and supported by evidence to justify the proposed price change.
- No quantity or continuity is guaranteed to successful suppliers and this should be taken into account when completing the price schedule.
- All costs are deemed to include expenses and any other on-cost.
- All prices quoted shall be inclusive of Value Added Tax (VAT)
- The quotation response must be on SEMLEP's Request for Quotation Application Form
- Any queries regarding completion of the response please email procurement@semlep.com or contact us on 01234 436100
- Please send your completed forms and any supporting information electronically to procurement@semlep.com with the name of the tender in the subject header. Please note we **do not** want hard copies to be sent in the post.
- We only accept submissions in Word or PDF of less than 10mb
- All tender submissions may be subject a credit check.
- All the questions received will be answered and published at SEMLEP website under the recruitment and procurement page.
- SEMLEP's Terms and Conditions are attached.

SUMMARY OF INELIGIBILITY CONDITIONS

- a) is bankrupt or is being wound up, where his affairs are being administered by the court, where he has entered into an arrangement with creditors, where he has suspended business activities or is in any analogous situation arising from a similar procedure under national laws and regulations;
- b) is the subject of proceedings for a declaration of bankruptcy, for an order for compulsory winding up or administration by the court or of an arrangement with creditors or of any other similar proceedings under national laws and regulations;
- c) has been convicted by a judgment which has the force of *res judicata* in accordance with the legal provisions of the country of any offence concerning his professional conduct;
- d) has been guilty of grave professional misconduct proven by any means which the contracting authorities can demonstrate;

- e) has not fulfilled obligations relating to the payment of social security contributions in accordance with the legal provisions of the country in which he is established or with those of the country of the contracting authority;
- f) has not fulfilled obligations relating to the payment of taxes in accordance with the legal provisions of the country in which he is established or with those of the country of the contracting authority;
- g) is guilty of serious misrepresentation in supplying the information required under this Section or has not supplied such information;
- h) has been the subject of a conviction for participation in a criminal organisation, as defined in Article 2(1) of Council Joint Action 98/733/JHA;
- i) has been the subject of a conviction for corruption, as defined in Article 3 of the Council Act of 26 May 1972 and Article 3(1) of Council Joint Action 98/742/JHA3 respectively;
- j) has been the subject of a conviction for fraud within the meaning of Article 1 of the Convention relating to the protection of the financial interests of the European Communities;
- k) has been the subject of a conviction for money laundering, as defined in Article 1 of Council Directive 91/308/EEC of 10.6.1991 on prevention of the use of the financial system for the purpose of money laundering. Statement confirming that items (a) to (k) do not apply.

Please remember to email this response to procurement@semlep.com before the deadline specified in Timescales.

END OF REQUEST FOR QUOTATION BRIEF