

Request for Quotation

Title	SEMLEP Getting Building Fund - Financial Due Diligence
Procurement Process No.	PR2023
Issue of Specification	Friday 24 July 2020
Closing date	Wednesday 12 August 2020 at 5pm

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 and our Local Industrial Strategy published in 2019. We are currently working across SSEMLEP and in the Oxford Cambridge Arc on COVID19 recovery. More information can be found on our website www.semlep.com.

We have a large number of partners including 12 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: a growth hub.

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. The Getting Building Fund will broadly fit within this Framework.

Background information

Getting Building Fund was launched by HM Government on 1 July 2020 following from the Prime Minister's speech in Dudley focussed on a construction led economic recovery to COVID19. In June Government had requested submissions from LEPs for 'shovel ready' schemes and on 1

July announced allocations. SEMLEP received a £27.3m allocation. On 17 July a final submission was made to Government of 12 projects totalling £27.3m of contribution.

To make this submission, SEMLEP were assisted by Hatch Regeneris undertake an initial stage appraisal. They will also carry out a second stage due diligence of the projects. Government expect the majority of spend in 2020/21 with all projects practically complete by January 2022 and financially complete by March 2022. Due diligence will need to be undertaken at pace in August and September with approvals and funding agreements in place not later than November 2020.

For clarity, the Hatch Regeneris:

- a) have undertaken a first stage appraisal and prioritisation to facilitate the development of a project list for submission to Government.
- b) are undertaking a second due diligence stage to allow the LEP to move to a funding agreement with projects.

2 of the projects have had some financial due diligence undertaken as part of the 2019 bidding round.

The whole process and both stages need to be compliant with the published 2020/21 SEMLEP Assurance Framework and HM Treasury Green Book and the requirements of our accountable body, Luton Borough Council.

The projects include a range of infrastructure, 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, as well as the deliverability.

Requirements

- a) We require consultants with the knowledge, experience and technical expertise of carrying out financial due diligence of private businesses and third sector organisations delivering capital projects.
- b) We do not expect the consultants to meet with the private businesses and third sector organisations but teleconferences (using MS Teams, Zoom etc) may be required as well as email contact to seek and question information provided.
- c) We ask the consultants to work with reference to Hatch Regeneris who will be carrying out the wider project due diligence to ensure a coherent process. SEMLEP will make the introduction to Hatch Regeneris.
- d) We require a final report on each case to be available as agreed with SEMLEP but possibly for the SEMLEP Board on 30 September or alternatively to a Special Meeting in October. A report may be made to the Growth Fund Task Group on late September/October. You may be required to present the report to the Growth Fund Task Group meeting or at the SEMLEP Board that will make the final decisions but we will confirm that in advance.
- e) The requirements of the financial due diligence are as follows:
 - 1. Review of historical, current and future projections of the company

2. Review of profitability, solvency and liquidity
 3. Understanding the working capital requirements of the company
 4. Establish if there is sufficient working capital to deliver the project and withstand issues if it did not go to plan, eg delays or changes to payment terms
 5. Review of current funding and loan arrangements, including inter-company, and renewal dates
 6. Review of existing covenants from lenders and check for breaches
 7. Review of company's credit report, check for defaults, CCJ's and overall credit worthiness within the market place, including calculation of a Z-score to assess risk of bankruptcy
 8. Review of any outstanding disputes with statutory bodies (e.g. HMRC) and of any significant pending litigation involving the company.
 9. Review of the ability of the company to deliver the project in the timescales stated given the risk profile.
- f) We do not expect consultants to explore the technical ability to deliver the project but to advise on the financial ability to fund the scheme over the proposed timeframe.
- g) We ask that consultants flag any state aid issues with any suggested resolutions where possible but we do not expect legal advice within the contract – this is commissioned separately by SEMLEP.

Budget

SEMLEP has an approved budget of up to £10,000 for this work in 2020/21 exclusive of VAT and expenses. We are seeking competitively priced bids that offer high quality and value for public money.

Procurement Timescales

<i>Issue the open tender</i>	<i>24 July 2020</i>
<i>Closing date for receive the quotes – 5pm</i>	<i>12 August 2020</i>
<i>Compliance Check / Short listing of bidders</i>	<i>w/c 17 August 2020</i>
<i>Interview – Time TBC (will be during the morning)</i>	<i>19/20 August 2020</i>
<i>Appointment of successful supplier</i>	<i>24 August 2020</i>
<i>Award of contract</i>	<i>24 August 2020</i>
<i>Inception Meeting</i>	<i>25 August 2020</i>
<i>Completion of reports</i>	<i>TBC</i>
<i>Completion of work</i>	<i>30 November 2020</i>

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 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 4 to 7 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	Weighting (%)
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: Please provide details of how you would provide the service based on the “Requirements of the Brief”. Outline what is to be delivered and how it 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%
Quality of delivery: Provide details about the quality of delivery team indicating key members of the team that will be working on the project and relevant experience	Exceptional, covered thoroughly, have provided a satisfactory information of the key members that will be involved on the project delivery and their relevant experience compared to the requirements of the	Average. Has provided adequate / fair information regarding the key members that will be involved on the project delivery and their relevant experience compared to	Poor, have not provided satisfactory information 0-3	20%

	brief. Has provided very good response, covered the structure of proposal and 8-10	the requirements of the brief 4 - 7		
Methodology, overall quality of submission: Outline what will be delivered; 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	15%
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 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 exclusive 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.