

8 THE BIDDING REQUIREMENTS

8.1 Introduction

8.1.1 The bidding requirements comply with Private Finance Unit mandatory guidance version 2.

8.2 Selection procedure and evaluation criteria

8.2.1 The selection procedure and evaluation criteria will follow that defined in the PITN guidance notes (Version 2) issued on 4 February 2003 by the DoH. The scoring of the Bidders submissions will be based on how well their proposals meet the Trust's expectations in terms of:

- **Approach** how far the project would be run in accordance with the Trusts' values and working philosophy;
- **Deliverables** how far the bidder understands what the Trusts want and is prepared to deliver it;
- **Innovation** to what extent can the Bidder offer solutions which offer the potential for increased capacity, flexibility, efficiency and value for money; and
- **Compliance** acceptance of the standard form contract, standard form payment mechanism and mandatory requirements.

8.2.2 Scoring will be based on a detailed analysis of the responses to each question against a set tariff. Generally, the scores will follow the definitions listed in Table 17. For the compliance issues the scoring will be based on a pass or fail basis. Further information on the evaluation framework is outlined in Appendix D.

Table 17 – Scoring Definitions for the PITN

Scores	Min	Max	Definition
Excellent	9	10	Could not be bettered
Good	7	8	Performs well on all key factors and offers some additional benefits
Adequate	5	6	Passes thresholds on all key factors but offers few additional benefits
Poor	3	4	Fails to meet threshold on some key factors
Very Poor	1	2	Fails to meet threshold on majority of key factors
Unacceptable	0	0	Fails to meet threshold on all key factors

8.2.3 The weightings used for the evaluation process will mirror the mandatory weightings published by the DoH, see Table 18. The Trusts will advise bidders in mid March 2004 of the actual weightings that will be used for the evaluation.

Table 18 – PITN Weightings

PITN Information Request Section	Weighting Range (%)
A. Executive Summary	N/A
B. Project Management Approach	5 – 10
C. Legal Response	10 – 15
D. Financial Response	10 – 15
E. Approach to Design and Construction	25 – 35
F. Approach to Facilities Management	25 – 35
Total Score	100

8.2.4 To support the selection process there will be four multi-disciplinary evaluation teams:

- Design;
- FM services;
- Equipment; and

- Legal and financial.

8.2.5 The team members will be drawn from the three partners, the project's advisors and other key stakeholders, including service providers and users. Bidders will be required to make detailed presentations to these teams on their proposals.

8.2.6 Bidders are reminded that the Trusts reserve the right to vary the selection procedure to support continued competition, avoid unnecessary bidding costs and adhere to subsequent technical or legal guidance. Bidders will be informed, in writing, of the selection procedure prior to each stage of the procurement.

8.3 Outline timetable for bidding process

8.3.1 The Trusts wish to reach Financial Close with the Preferred Bidder by 30 November 2005. The timetable for the bidding process is provided in Table 19. A more detailed Gantt chart is provided in Appendix E. The dates below and in the Gantt chart are indicative at this stage and the Trusts reserve the right to amend them as necessary.

Table 19 – The Planned Procurement Timetable

Task	Target Date
Issue Preliminary Invitation to Negotiate	13 January 2004
Deadline for Submission	13 April 2004
Evaluation and Short List (Up to 2 Bidders)	7 June 2004
Issue Final Invitation to Negotiate	8 June 2004
Deadline for Submission	9 November 2004
Evaluation and Selection of Preferred Bidder (1 Bidder)	4 February 2005
Commercial Contracts Agreed	22 August 2005
Full Business Case Submitted	22 August 2005
Full Planning Consent Obtained (3 months prior to Financial Close)	
Full Business Case Approved	15 November 2005
Due Diligence Complete	11 November 2005
Financial Close Achieved	30 November 2005

8.3.2 The bidding process involves four stages:

Stage 1: the completed Pre-Qualification stage to test the technical and financial capacity and capability of all Candidates responding to the OJEC and PQQ.

Stage 2: for the three Bidders (the 'Qualifying Candidates'), a selection stage based on each Bidders proposals in response to this PITN. This stage allows Bidders to prepare pre-submission ideas and concepts in response to this PITN.

Stage 3: for the two Bidders selected, a Final Invitation to Negotiate (FITN) bid submission and negotiation stage leading to the nomination of the Preferred Bidder.

Stage 4: for the Preferred Bidder, a Contract Finalisation stage intended to lead to Contract Award.

8.3.3 At each stage in the bidding process, the Trusts will notify each Bidder, in writing, as to whether or not the Bidder is being invited to proceed to the next stage.

8.3.4 **Stage 1: The prequalification stage**

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- 8.3.4.1 This stage is now complete. Should a Bidder introduce new consortium members or key sub-contractors, the Trusts will carry out a re-evaluation of the PQQ response and reserve the right to exclude that Bidder from further participation in the procurement process, should those parties. Any such changes must be notified to the Trusts immediately.
- 8.3.5 **Stage 2: The preliminary ITN bid preparation and negotiation stage**
- 8.3.5.1 The PITN stage focuses on initial design development to 1:500 scale and how the Bidders' intend to add value to the Project through healthcare design, construction and the provision of a range of services as set out in section 5.
- 8.3.5.2 During the selection stage, Bidders are invited to inspect existing facilities by appointment. All visits must be arranged as detailed in section 1.11.
- 8.3.5.3 The Trusts have allowed time for Bidders to clarify the procuring Trusts' requirements and discuss views on their developing ideas. These pre-submission discussions are not part of the evaluation process but are designed to help Bidders develop the highest quality PITN submission responses. The arrangements are described in 8.4.
- 8.3.5.4 Following formal submission of the PITN responses Bidders will be invited to make oral and/or written presentations to confirm their interest and provide clarification and/or modification of their PITN response.
- 8.3.5.5 The Trusts will evaluate the Bidders submissions and supporting presentations where appropriate. Subject to receiving satisfactory responses, it is expected that no more than two Bidders will be selected to bid in response to the FITN.
- 8.3.6 **Stage 3: The final ITN bid preparation and negotiation stage**
- 8.3.6.1 Two selected Bidders will be issued with the FITN containing additional information relating to the Trusts' requirements. The FITN will request Bidders to prepare Bids that will be expected to be detailed proposals to form the basis for negotiations between the Trusts and selected Bidders.
- 8.3.6.2 During the period of FITN preparation, the Trusts will hold meetings with Bidders to support the development of the FITN Bids. Following the deadline for submission of Bids, the Trusts reserve the right to hold further meetings with either of the Bidders. These meetings will be to discuss and/or negotiate any issue contained in the Bids, the contractual arrangements or any other relevant matter.
- 8.3.6.3 Following the finalisation of these clarifications and to take into account any amendments made in the post submission discussions negotiations Bidders may be requested to make a "Final Offer".
- 8.3.6.4 Following the evaluation of the Bids and any Final Offers, the Trusts will then nominate the Preferred Bidder based on the most economically advantageous solution considering all aspects of the bid.
- 8.3.6.5 The Trusts reserve the right not to nominate any Preferred Bidder. A Preferred Bidder will not be selected if the Bidder fails to provide a technically acceptable solution with a fixed (and affordable) price on agreed contractual terms that reflects adequate risk transfer and good value for money when compared to the Public Sector Comparator.
- 8.3.7 **Stage 4: The contract finalisation stage**
- 8.3.7.1 Immediately following nomination, the Preferred Bidder will be required to work with the Trusts' staff and their advisors to finalise design detail, service methodology and contract terms.
- 8.3.7.2 The Preferred Bidder will then be required to enter into the Project Agreement with the Trusts, following Full Business Case approval for the final proposals.
- 8.4 The Trusts Bidder interface during the PITN stage**
- 8.4.1 The Trusts Bidder interface will be managed by the Project Team and based on a programme that complies with the project timetable and that has been agreed with the Bidders. The Trusts wish to ensure that the proposals submitted will meet their requirements and will provide an acceptable basis for continuing negotiations.
- 8.4.2 The objective of the programme of meetings is to ensure that:
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- The Trusts support the Bidders to develop a high quality response to the PITN;
 - The most efficient use of Bidders and Trusts' time is achieved;
 - All Bidders have equal access to key stakeholders;
 - Key Stakeholder representation and involvement is maintained; and
 - There is maintenance of a robust audit trail.
- 8.4.3 In this context, four Bidder Support Groups (BSG) have been established that bring together members of the Project Team and the Project advisors. These are:
- Design & Construction;
 - FM;
 - Equipment and ICT; and
 - Legal and Financial.
- 8.4.4 The purpose of the BSG's is to meet all the Bidders individually in a series of structured Pre-Submission meetings, which will have the agenda, set by the Bidder (one week in advance), to answer questions (also raised 1 week in advance) and disseminate information related to the BSG specialist area of expertise.
- 8.4.5 The programme for these BSG meetings will be developed during the initial meeting with each Bidder. An outline of the key meeting dates is provided in Table 20 and on the Gantt chart in Appendix E.

Table 20 – Key PITN Meetings and Dates

Event	Date
Initial Planning Meetings with the Bidders	13 January 2004
First Bidder Design Development Meetings	20, 21 and 22 January 2004
Second Bidder Design Development Meetings	9 to 20 February 2004 (actual dates to be agreed)
Bidders Meet the Clinical Core Group	9 February 2004
First Legal and Financial Bidder Meetings	16 February 2004
First FM and Equipment Bidder Meetings	23 February 2004
Interim Legal and Financial Submission	1 March 2004
Interim FM and Equipment Submission	12 March 2004
Bidders Meet the Clinical Core Group	15 March 2004
Third Bidder Design Development Meetings	15 to 26 March 2004 (actual dates to be agreed)
Second Legal and Financial Bidder Meetings	22 March 2004
Second FM and Equipment Bidder Meetings	23 March 2004
PITN Close	13 April 2004
Bidder Presentations to Invited Audience	21 April 2004
Announcement of the Two Bidders	07 June 2004
Issue FITN	08 June 2004

Design development

- 8.4.6 The focus of the PITN stage will be design development. Therefore, the interface between the Trusts and the Bidders has been defined to ensure Bidders gain an early understanding of the Trusts' requirements and are able to explore their ideas and innovations with the Trusts' clinical staff.
- 8.4.7 During the PITN stage, the Bidder's design team will meet with the Design and Construction BSG on a regular basis to ensure the development of the bidder's proposals is commensurate with the requirements set out in the PITN. The meetings are expected to progress as follows:
- An initial meeting with the BSG covering the introduction and overview of the service philosophies and clinical requirements including clarification of the clinical output

specifications, requests for further information and site visits. It is anticipated this may be an all day meeting.

- A second design meeting with the BSG to discuss the Bidders design strategy, site usage and access arrangements, building form, stacking and the locations of the major components.
- A third design meeting with the BSG to cover the Bidders design proposals for departmental locations, internal communications routes, space allowances and consumerism.

8.4.8 Depending on how Bidders plan to manage the development of their designs, separate meetings could be held for each of the three facilities or the mental health unit. Bidders will also be able to request meetings with the Service Planning Teams or key clinical teams to discuss specific service issues. All meetings will be facilitated by the Design and Construction BSG.

8.4.9 During this initial design development phase, Bidders will be required to meet the Clinical Core Group on two occasions. These meetings will explore the bidders approach to meeting the clinical requirements described in the PITN and any innovative approaches they may wish to take. The meetings will take place on 16 February 2004 and 15 March 2004.

FM, equipment, and legal and financial meetings

8.4.10 Separate meetings will be held to discuss Bidders comments and proposals FM, equipment and the legal and financial issues. The Trusts expect these meetings with the relevant BSG to focus on the following issues during the PITN stage:

- FM
 - Clarification of service and specification issues;
 - Service philosophy and methods of provision;
 - Negotiable and commercial services to be provided beyond the scope of the Reference Bid;
 - Variant Bids;
 - The Retention of Employment model; and
 - TUPE.
- Equipment
 - Propose strategy and scope of service;
 - Equipment responsibilities for Project Co;
 - Managed service options and key principles;
 - Equipment services providers;
 - Funding arrangements;
 - Variant bids; and
 - Interface with investment committee.
- Legal and financial
 - Clarification of issues and Bidders comments on the Payment Mechanism;
 - Clarification of issues and Bidders comments on the key commercial issues affecting bid pricing and financing;
 - Comments, related to the draft Project Agreement in Volume 6;
 - Proposals regarding the method and source of finance;
 - Corporate structure;
 - Capital structure;
 - Organisation/management;
 - Shareholder agreements;
 - Advisors arrangements; and

- Indicative costings.

- 8.4.11 The objective of these meetings will be to minimise the need for clarification following return of Bids. During the PITN stage each Bidder will be expected to present interim FM proposals at an interactive session with Trust project team members. This will also provide an opportunity to explore Variant Bids.
- 8.4.12 Bidders will also be required to make an informal interim submission on legal and financial issues in order that matters can be raised in clarification meetings, as appropriate. The interim submission on legal issues should be limited to comments on the Trusts' approach to the tripartite nature of the Project.
- 8.4.13 PITN Bidders should note that the content of interim submissions and presentations will not form part of the PITN Bid evaluation and is for clarification only.

8.5 Format for responses to the PITN

- 8.5.1 The submissions made by Bidders in response to this PITN must be signed by an authorised representative of each relevant company or organisation. It is the sole responsibility of Bidders to ensure bid submissions are received by the Trusts by the closing date set out in this PITN. Any Bidder failing to meet the closing date may be eliminated from the competition.
- 8.5.2 The responses to the PITN must follow the format and numbering convention defined in Appendix A, Questions for Bidders and be cross-referenced accordingly. The responses are to be provided in hard copy format and by email. The email responses must not be sent until after the deadline for receipt of submissions and must comply with the formats listed in Table 21.

Table 21 – Formats for Electronic Documents

File Type	Software package or standard
All documentation and text based documents	PDF (version 5 or 6) and Microsoft Word (Version 97 or later)
Finance data capture forms and spreadsheets	Microsoft Excel (Version '97 or 2000)
Drawing Files	AutoCAD Release 14 or later (DWG files), also as PDF and / or JPEG graphics files
Other graphic files	JPEG

- 8.5.3 Where documents and drawings are common to both Reference and Variant Bids they need only to be produced with the Reference Bid with the Variant Bids including appropriate cross-referencing to the Reference Bid.
- 8.5.4 Three hard copy documents must be received by the Trusts by 12 Noon on 13 April 2004. The delivery address is:
 Project Director
 Health Investment Plan Project Office
 Edith Cavell Hospital
 Bretton Gate
 Peterborough
 Cambridgeshire PE3 9GZ
- 8.5.5 The packaging for the documents must not include any mark of identifier of the originator, but must include the following, clearly displayed:
 'PITN Documents - not to be opened before 12 Noon, 13 April 2004.'
- 8.5.6 Electronic copies must not be posted on the On-line project management system or sent to the Trusts before the closing date.

8.6 Index date

- 8.6.1 The prices in the Reference and Variant Bids are to be based on an index date of 1 April 2004.

8.7 Bid presentation and clarification

- 8.7.1 Following the submission of bids, the Trusts will require Bidders to make a formal presentation in support of the PITN submission and to offer the opportunity to raise issues of clarification. Any requests for clarification of bids will be made by the Project Director to the Bidders authorised representative. Failure by a Bidder to provide such clarification or further information, or to comply with any reasonable request to attend, or be represented at any meeting, may, at the Trusts' sole discretion, cause that Bidder to be disqualified from the competition.

8.8 Return of certificates

- 8.8.1 The Trusts require Bidders to make certain undertakings if they wish to remain in the competition. These undertakings include signing the following documents, which must be returned to the project office by 12 Noon on 16 February 2004. Copies of the certificates are provided in Appendix F.
- Certificate of Non-Canvassing.
 - Certificate of Non-Collusive Tendering.
 - Certificate of Acceptance of PFU Standard Terms.
 - Confidentiality of undertakings.
 - PQQ Validation Certificate.

8.9 Reference bid requirements

- 8.9.1 The reference bid must be consistent with the provisions of the Standard Form Project Agreement and the requirements set out in the output specifications.

8.10 Variant bids

- 8.10.1 Bidders may submit alternatives to the Reference Bid provided they offer innovative solutions, enhance clinical effectiveness and demonstrate value for money benefits to the Trusts.

8.11 Involvement of Trades Unions and other stakeholders

- 8.11.1 The procurement process will take full account of the guidance on the fair treatment of staff. During the procurement process, Bidders will be expected to meet with staff representatives, particularly those from the FM departments that will transfer to the private sector.
- 8.11.2 Trade Union representatives have been invited to sit on the Project Board and staff organisations have been consulted through the Joint Staff Committee where the project is a standing item on the agenda. The Trusts anticipate a greater involvement during the procurement phase particularly focusing on the issues of TUPE transfers and the implementation of the Retention of Employment model.
- 8.11.3 The representatives will also be given an opportunity to contribute to the bid evaluation process, particularly those aspects related to staff transfers, FM services and management.
- 8.11.4 The Trusts will continue to involve fully all the stakeholders in the development of the project. Bidders' proposals for the design of the facilities, service provision and the management of staff transfers will be reviewed by stakeholder representatives. At the FITN bid evaluation stage, this will include an exhibition of the Bidders proposals. Bidders must be prepared to co-operate with the Trusts to achieve this, meet with stakeholders and adopt an open approach to the project, save where any commercial or competition aspects dictate otherwise.

- 8.11.5 The Trusts will wish to discuss with the Preferred Bidder the drafting of a code of practice for the conduct of industrial relations between the Preferred Bidder and their trade subcontractors and appropriate Trade Unions. The objective of the code of practice will be to ensure the understanding and involvement of all parties in any consultations on site welfare and employment matters. The Preferred Bidder will be expected to ensure all trade sub contractors conform to this code of practice.

8.12 Data library and virtual data room

- 8.12.1 The Trusts have set-up a virtual data room as part of the online project management arrangements. This virtual data room contains digital copies of all tender and Project documents. Access to the virtual data room will not be available until the FITN stage.
- 8.12.2 A separate data library has been set-up within the Project Meeting Room at the Edith Cavell Hospital. The data library includes hard copies of most of the project documents plus Trust publications, data, policies and guidance and general guidance and information published by the NHS and other bodies that may be of interest to Bidders. A full index of the information in the data library is provided in the virtual data room.
- 8.12.3 Access to the data library is by appointment only, which should be arranged through the Project Office at:
Health Investment Plan Project Office
Edith Cavell Hospital
Bretton Gate
Peterborough
Cambridgeshire PE3 9GZ

Telephone 01733 875977
Fax 01733 875001
E-mail amanda.richardson@pbh-tr.nhs.uk
- 8.12.4 Many of the documents in the data library will also be available in the virtual data room. Therefore, copying facilities will be made available to Bidders, by prior arrangement, only for those documents not available on-line and for which the Trusts hold the copyright or have permission to copy.

8.13 Principal points of contact

- 8.13.1 Each Bidder has been allocated a liaison officer who is also a member of the Project Team. This person is the first point of contact for all requests for information and to arrange meetings with Project and Trust staff.
- 8.13.2 All formal written communications must be sent to the following address.
Health Investment Plan Project Office
Edith Cavell Hospital
Bretton Gate
Peterborough
Cambridgeshire PE3 9GZ

8.14 Enquiries and further information

- 8.14.1 During the PITN stage, all requests for information (RFIs) must be sent by email to both of the following:
amanda.richardson@pbh-tr.nhs.uk

and

derek.thomas@pbh-tr.nhs.uk
- 8.14.2 The Trusts will utilise the online document and project management system from the FITN stage of the project. Bidders will be trained in the use and operation of the online document and

project management system when this stage commences. It is anticipated that all general enquiries and requests for information (RFIs) will then be made using this system only.