

**INSTRUCTIONS TO TENDERERS**

**PENSION ADMINISTRATION SOFTWARE SOLUTION**

**Tender Reference (OJEU): 2014/S 213-377623**

**Tender Return Date: 24 March 2015**

## 1. Contract Duration

It is the intention of the Scottish Public Pensions Agency (SPPA) that this contract is awarded in September 2015. The actual Contract Award date will be the 'Effective Date'. The implementation period will commence at the 'Effective Date' and the 'Go-Live' Date i.e. System Go-Live, will be no later than **19 March 2017**. There will be the option to extend the contract for up to two (2) additional twenty four (24) month periods, at the sole discretion of the Scottish Ministers acting through the SPPA.

## 2. Tender Return Date

The closing date and time for submission of tender responses is **Tuesday 24 March 2015 at 12 noon**.

Tenderers should begin to complete their response before the deadline date, as completing answers and uploading documents can be very time consuming. SPPA does not have access to responses until after the submission date. Please allow sufficient time prior to the submission deadline to complete the tender.

## 3. Late Tenders

The Scottish Ministers may not undertake to consider tenders received after that time. No extensions of time will be granted if technology does not allow you to submit your tender by the due date and time, unless it is a fault that is subsequently identified as a failure of the PCS system.

## 4. Tender Costs

Tenderers must bear all costs incurred in the preparation and submission of tender documents, preparation and attendance at presentations and any other associated costs with the entire tendering process. Additionally, it is the responsibility of the Tenderer to obtain for themselves at their own expense any additional information necessary for the preparation of their tender.

## 5. Confidentiality & Freedom of Information

All information supplied by the Scottish Ministers in connection with the Invitation to Tender (ITT) shall be treated as confidential by Tenderers, except that such information may be disclosed for the purpose of obtaining sureties and quotations necessary for the preparation and submission of the tender.

All information submitted to the Scottish Ministers may need to be disclosed and/or published by the Scottish Ministers. Without prejudice to the foregoing generality, the Scottish Ministers may disclose information in compliance with the Freedom of Information (Scotland) Act 2002, (the decisions of the Scottish Ministers in the interpretation thereof shall be final and conclusive in any dispute, difference or question arising in respect of disclosure under its terms), any other law, or, as a consequence of judicial order, or order by any court or tribunal with the authority to order disclosure.

Furthermore, the Scottish Ministers may also disclose all information submitted to them to the Scottish or United Kingdom Parliament or any other department, office or agency of Her Majesty's Government in Scotland or the United Kingdom and their servants or agents. When disclosing such information to either the Scottish Parliament or the United Kingdom Parliament it is recognised and agreed by both parties that the Scottish Ministers shall if they see fit disclose such information, but are unable to impose any restrictions upon the information that they provide to Members of the Scottish Parliament or Members of the United Kingdom Parliament; such disclosure shall not be treated as a breach of this agreement.

Accordingly, if you consider that any of the information included in your tender document is commercially confidential please provide details in Schedule 7 – Contractor Sensitive Information, explaining (in broad terms) what harm might result from disclosure and/or publication. It should be remembered though that, even where you have indicated that information is commercially sensitive, the Scottish Ministers may disclose this information where they see fit. Receipt by the Scottish Ministers of any material marked “confidential” or equivalent should not be taken to mean that the Scottish Ministers accept any duty of confidence by virtue of that marking.

Tenderers are advised that their tender submissions may be reproduced by the Scottish Ministers and that no further indication or request will be made. Such reproduction will be for use by the Scottish Ministers solely in connection with this procurement exercise.

Scottish Ministers may publish, on the Scottish Government website, the names and contact details of companies who have been issued with an Invitation to Tender.

## 6. Submission of Tenders

Tenderers will be required to use the secure tender Post-box in Public Contracts Scotland (PCS) to submit their tender responses. The tender Post-box is an online submission facility which allows buyer organisations to receive tender responses from suppliers electronically in a secure environment. Tender responses are submitted through the portal and held in the secure Post-box until the deadline for responses has expired. Nominated members of the buyer organisation then unlock the Post-box to access the submissions.

There is a detailed Post-box Supplier User Guide on PCS. This can be located from the opening screen in PCS through ***‘Help & Support’*** then ***‘User Guides’*** and under the heading ***‘Suppliers’*** the ***‘Post-box Suppliers User Guide’***.

It is possible for Suppliers to attach zipped folders when submitting a tender. Please note that each individual zipped folder must be below 10 MB and Suppliers have a maximum of 30 MB per submission. If your submission is likely to be over the 30 MB limit, you can dispatch your response in PCS and the option to ***‘Respond Again’*** is then available. Another Post-box submission can then be created with another 30 MB limit. There is no limit on how many times a Supplier can submit a Post-box.

Please note that information and detail which forms part of general company literature or promotional brochures, etc. will not form part of the evaluation process. Marketing material should not be included.

If you are unable to submit a tender using the PCS, you are requested to advise the contact detailed in the Contract Notice on PCS and Invitation to Tender, no later than 7 calendar days prior to the tender submission deadline.

Any tender that is not in accordance with all the requirements herein and in the Invitation to Tender documentation may not be considered.

The Scottish Ministers shall not be liable for the loss, damage or destruction of files submitted via the PCS system, howsoever caused. Corruption or issues regarding readability of files submitted via the PCS system will not be discovered by the Scottish Ministers until after the tender submission deadline.

Tenderers are responsible for ensuring that they have completed the tender fully and accurately and that prices quoted are arithmetically correct for the units stated. It is the responsibility of all Tenderers

to ensure that their tender is received in **full and not later** than the appointed time. The Scottish Ministers may undertake not to consider tenders received after that time.

The Scottish Ministers are not bound to accept the lowest priced or any tender.

## **7. Questions During Tendering Period**

Prior to return of tender submissions, Tenderers may submit questions relating to the Invitation to Tender via the 'Questions and Answers' area in PCS. The closing date for raising questions is **Monday 9 March 2015**. Responses to all questions will be posted for all Tenderers as soon as possible after receipt and at the latest by close of business on **Monday 16 March 2015**.

## **8. Language & Currency**

Tenders must be submitted in the English Language and priced in pounds sterling (£) exclusive of VAT.

## **9. Statement of Requirements**

The Statement of Requirements (SoR) details the requirements of the Contract, partly on a mandatory and partly on an output basis.

In your response to the SoR, you must ensure that you respond to every question listed and in the order they are presented. Please ensure you apply the correct question reference in your response. Failure to respond or incorrectly respond due to numbering could significantly affect your evaluation.

Each section covers a number of sub-sections, all of which will be evaluated as part of the Invitation to Tender ITT evaluation. In addition to the scored and weighted sections, there are a number of mandatory questions which form part of the SoR and must be met as part of the ITT evaluation.

Please note that the Contract Terms and Conditions contain a Schedule of Definitions. The SoR also contains a list of Technical Definitions.

Unless otherwise stated, any costs of providing the specific requirements in the SoR will be assumed to be included in the Pricing Schedule only.

## **10. Quality - Mandatory Requirements – Your Response**

Tenderers must respond to all Mandatory Requirements. Failure to complete or answer Mandatory Requirements may result in your tender response being eliminated.

The Mandatory Requirements require a "Yes" or "No" answer. The SPPA recognise that a tenderer may be required to carry out some limited development to their solution to meet the Mandatory Requirement. In this instance the Tenderer should select "Yes" and also select "Development Required" and provide details of the proposed development. Any required developments should be incorporated into the "Development Plan".

The relationship between the Tenderer's Development Plan and Implementation Plan should be clear.

## 11. Quality - Output Requirements (weighted and scored questions) – Your Response

When responding to the Output Requirements you are required to:

- describe how a requirement will be met; an unsupported statement will not be accepted;
- expand on the requirements if you feel there is an omission in the requirements that would be of significant advantage to us.

Any attachments you include as part of your response must contain the appropriate question reference number as indicated, both at the beginning of the text and in the attached document file name [e.g. 170]. Failure to do so may mean the attachment may not be taken into consideration as part of your response.

## 12. Evaluation of Tender Submissions

Evaluations of the proposals will be undertaken by SPPA to determine the ‘Most Economically Advantageous Tender’. The evaluation criteria will include emphasis on quality as well as price. The aim of the evaluation is to select the tender which represents the best long term value for money. The analysis will ensure that Tenderers have met the criteria set down in the SoR and other Tender Documentation.

All tender responses will first be checked for completeness and accuracy by SPPA.

Only information provided as a direct response to the ITT will be evaluated. Tenderers should not embed URLs in response to any questions, as these will not be evaluated. Information to be considered as part of the evaluation process should be uploaded to the secure Post-box in Public Contracts Scotland. Information and detail which forms part of general company literature or promotional brochures, etc. will not form part of the evaluation process. Marketing material should not be included.

Different sections of tender responses may be evaluated by different panel members. In answering a question, Tenderers should not refer to answers given elsewhere in the tender but should repeat information where it is felt necessary to fully answer a question. The Price (Commercial) evaluation will be undertaken separately from the evaluation of the Quality requirements by a different panel.

## 13. Tender Evaluation Process

The evaluation will be conducted in three steps as follows:

The **first step** will be to check that a Tender is compliant, in that it has been submitted in accordance with these Instructions to Tenderers. This step will include a check that all the Mandatory Questions have been answered. Any tenderer failing to comply with these instructions may be eliminated from the procurement.

The **second step** will be an evaluation of each response to the Quality (output) requirements in the SoR and the commercial (price) evaluation.

The **third step** will be a presentation by the tenderers. SPPA has identified a number of topics which the Tenderer must cover in their presentation. This information can be found in Section 2.10 of the SoR. SPPA will also use the presentation to clarify any issues identified during the evaluation of a bidder’s submission. The presentations are scheduled to be held during the period **8 – 19 June 2015**, however the SPPA reserves the right to change these dates.

The Authority reserves the right to conduct clarification in writing or via meetings, audits or site visits with Tenderers to clarify aspects of their bid. The Authority also reserves the right to revise the scores, either up or down, which were applied to a tenderer's submission during the second step of the evaluation process, if the presentation and/or process of clarification provides evidence which has a direct impact on the allocated scores.

#### 14. Quality Evaluation

The overall award criteria will be based on 70% Quality and 30% Price.

The evaluation panel will score the Tenderers responses against the pre-determined scoring and weighting criteria.

Each section contains a number of questions with a combined score of 100. Questions have different weightings to reflect their importance. Each section is weighted to a combined total of 100%. Unless explicitly stated otherwise in the ITT, evaluators will award a score as per the criteria detailed below:

0 Unacceptable	Response is not considered relevant. The response is unconvincing, flawed or otherwise unacceptable. Response fails to demonstrate an understanding of the requirement.
1 Poor	Response is partially relevant and poor. The response sufficiently addresses some of the required output but contains insufficient/limited detail or explanation. The response demonstrates only limited understanding of the requirement. The answer contains ambiguities or deficiencies which could not be tolerated.
2 Acceptable	Response is completely relevant and acceptable. The response meets the majority of the requirement although may lack detail in certain areas. The response demonstrates an overall understanding of the requirement.
3 Good	Response is completely relevant and good. The response meets the requirement and is sufficiently detailed to demonstrate a good understanding of the requirement. The proposal may require further development but is considered credible in all areas.
4 Excellent	Response is completely relevant and excellent overall. The response meets or exceeds the requirement. The proposal is comprehensive, unambiguous and demonstrates a good understanding of the requirement. The proposal is well thought out, highly credible and may offer added value or innovation.

The total percentage weighting allocated to the Quality criteria is 70%. This is broken down as follows:

Section	Individual Weighting	Overall Section Weighting
<b>1. Technical Requirements</b>		10%
Infrastructure	15%	
Authentication, Data Security & Third Party Connections	15%	
Audit Requirements	15%	

Standards Back-Up, Disaster Recovery & Business Continuity System Administration Maintenance and Support Product Development Data Quality and Management	Mandatory 15% 5% 10% 10% 15%	
<b>2. Pension Administration Functionality</b> General Administration Requirements Calculations Bulk Calculation Requirements Data Interfacing & Data Input [Member data] Pensioner / Dependant Functionality Reporting Functionality Casework & Document Management Training Migration Presentation	15% 15% 10% 10% 10% 5% 10% 5% 10% 10%	55%
<b>3. Digital Services</b> Core Requirements Member Web Portal Employer Web Portal Growth – Digital Agency	10% 40% 40% 10%	20%
<b>4. Development &amp; Implementation Plan and Cost Reduction Initiatives</b> Development & Implementation Plan Cost Reduction Initiatives	95% 5%	15%
<b>5. General</b> Terms and Conditions of Contract Sustainability Performance Management	Mandatory For Information Mandatory	Mandatory

The weightings for each individual question are identified next to the question. A full summary of all the question weightings is attached to this document as Annex A.

The marks awarded will be based on the evidence submitted in the tender submissions, including any relevant attachments. Each evaluator will evaluate every submission in isolation of the other evaluators. Each evaluator will award a mark for each question between 0 and 4, in accordance with the methodology detailed in paragraph 15 of this document. Once each evaluator has independently evaluated each of the tender submissions, a Moderation Meeting will be held with all the evaluators. This meeting takes place to ensure that the questions and answers have been understood in the same way by the different evaluators.

The mean average of all evaluators' scores, for each question, will be used for the calculations.

Annex B provides an example of the Quality scoring methodology.

## 15. Total Price (Commercial) Evaluation

The total percentage weighting allocated to price is 30% and the evaluation will be carried out separately from the quality evaluation by a different panel of evaluators.

The price weighting is broken down as follows:

Total Price	25%
Rate Card	5%

All pricing relating to your proposal must be identified in the Pricing Schedule. Prices that appear elsewhere in your tender submission, which are not in the Pricing Schedule, will be presumed to be waived.

The Total Price evaluation and the Time & Materials Rate Card evaluation will be calculated based on each Tenderers price in relation to the lowest price.

Evaluation Example for Total Price with a weighting of 25%

Supplier	Price	Score
AA	1,200,000	20.83
BB	1,000,000	25.00
CC	1,300,000	19.23
DD	1,400,000	17.86
EE	1,450,000	17.24
FF	1,500,000	16.67
GG	1,900,500	13.15

Formula:  $x$ =lowest tenderer price;  $y$ =tenderer price;  $a$ =weighting ; Score  $= (x/y) \times A$

Therefore for Supplier FF in above example:  $x=1,000,000$ ;  $y=1,500,000$ ;  $a=25$ ;  
 Score  $= (1000000/1500000) \times 25 = 16.67$

## 16. Total Score & Award

Tenderers quality (technical) score and price (commercial) score are then combined to give a total score to each Tenderer.

## 17. Tender Evaluation Panel

The panel will comprise of representatives from the SPPA. Representatives from the Scottish Government may also participate.

## 18. Mandatory Standstill Period

A mandatory Standstill Period will be undertaken between notification of the preferred bidder and the Contract Award.



## **19. Accuracy of Material**

We have taken all reasonable care to ensure that the information contained in the ITT is true and accurate in all material aspects. However, we do not accept any responsibility for the information contained herein or in any other document or its accuracy or completeness and such persons shall not be liable for any loss or damage arising as a result of such information, or any subsequent communication. Only the express terms of any written contract, as and when it is executed, shall have any contractual effect in connection with those matters to which this documentation relates.

## **20. Period of Offer Validity**

Tenders shall remain valid and open for acceptance for 9 months after the tender submission deadline.

In exceptional circumstances, the Authority's point of contact may request that the Tenderer extend the validity period for a specified additional period. Except for manifest error or as may otherwise expressly be agreed by both the Authority and the Tenderer, the contents of submitted Tenders will be deemed to be binding upon the Tenderer and open for acceptance by the Authority for the duration of the validity period. The Tenderer is therefore cautioned to verify its proposal before submission to the Authority, since it is the Tenderer's responsibility to ensure that a full appreciation, understanding and comprehension of the Services required, stated or implicit has been achieved prior to Tender submission. No claims will be accepted for items that arise from the Tenderer's failure to meet these requirements.

## **22. Terms and Conditions**

The successful supplier is required to abide by the Terms and Conditions of Contract (including the Schedules) issued with this ITT. All Tenderers must confirm their agreement in Section 5.1 of the SoR. In the absence of a written statement from the Authority to the contrary, if a Tenderer selects not to abide with the Terms and Conditions of Contract, the tender may be rejected as a non-compliant bid. Tenderers may state any reasons for choosing 'No', limited and reasonable changes may be considered. Ambiguous, general statements or comments like "to be discussed later..." are not acceptable.

## **23. List of Abbreviations**

A full list of abbreviations used in the SoR is available in Annex C.

**Question Weightings**

Section	Question Number	Weighting	Section	Question Number	Weighting	Section	Question Number	Weighting	Section	Question Number	Weighting
1.1	1	20%	1.9	54	5%	2.4	107	4%	2.7	160	2%
	2	20%		55	5%		108	4%		161	2%
	3	15%		56	N/A		109	4%		162	2%
	4	N/A		57	5%		110	4%		163	2%
	5	15%	2.1	58	15%		111	3%		164	2%
	6	15%		59	15%		112	5%		165	5%
	7	N/A		60	15%		113	5%		166	5%
	8	15%		61	5%		114	5%		167	4%
	9	N/A		62	5%		115	5%		168	3%
	10	N/A		63	10%		116	5%		169	3%
1.2	11	35%		64	10%		117	5%		170	2%
	12	25%		65	10%		118	3%		171	2%
	13	15%		66	5%		119	3%		172	2%
	14	10%		67	5%	2.5	120	8%		173	2%
	15	5%		68	5%		121	8%		174	2%
	16	5%	2.2	69	9%		112	8%		175	3%
	17	5%		70	10%		123	8%		176	3%
1.3	18	70%		71	10%		124	1%		177	3%
	19	30%		72	10%		125	8%		178	2%
1.4	20	N/A		73	10%		126	8%		179	3%
1.5	21	30%		74	10%		127	8%		180	2%
	22	15%		75	4%		128	8%		181	2%
	23	10%		76	4%		129	3%		182	2%
	24	20%		77	4%		130	8%		183	2%
	25	15%		78	2%		131	8%		184	2%
	26	10%		79	4%		132	6%		185	2%
	27	N/A		80	2%		133	8%	2.8	186	30%
1.6	28	100%		81	2%		134	2%		187	10%
1.7	29	20%		82	2%	2.6	135	5%		188	10%
	30	15%		83	2%		136	8%		189	20%
	31	15%		84	4%		137	10%		190	15%
	32	10%		85	4%		138	5%		191	15%
	33	40%		86	2%		139	8%	2.9	192	50%
1.8	34	N/A		87	2%		140	10%		193	25%
	35	N/A		88	3%		141	5%		194	25%
	36	N/A	2.3	89	20%		142	5%	3.1	195	100%
	37	10%		90	20%		143	8%	3.2	196	40%
	38	N/A		91	20%		144	8%		197	60%
	39	N/A		92	20%		145	8%	3.3	198	40%
	40	10%		93	10%		146	10%		199	60%
	41	10%		94	10%		147	5%	3.4	200	25%
	42	50%	2.4	95	4%		148	5%		201	25%
	43	10%		96	4%	2.7	149	5%		202	25%
	44	10%		97	4%		150	5%		203	25%
1.9	45	10%		98	4%		151	5%	4.1	204	55%
	46	10%		99	2%		152	5%		205	25%
	47	10%		100	3%		153	2%		206	15%
	48	10%		101	4%		154	2%		207	5%
	49	20%		102	4%		155	2%	4.2	208	100%
	50	10%		103	4%		156	2%	5.2	209	N/A
	51	5%		104	4%		157	2%		210	N/A
	52	5%		105	4%		158	2%		211	N/A
	53	5%		106	4%		159	2%			

**Quality Scoring Methodology**

An example of the scoring methodology is detailed below.

1. The ITT consists of two weighted elements:

- Price 30%
- Quality 70%

2. Within the Quality element there are a number of sections and sub-sections which are also weighted:

- Technical 10%
- Operational 55%
- Digital Services 20%
- Development & Implementation Plan & Cost Reduction Initiatives 15%

3. Each section is then split into further sub-sections. As an example, the Digital Services section is broken down as follows:

- Core Requirements 10%
- Member web portal 40%
- Employer web portal 40%
- Growth 10%

3.1 Each sub-section contains a number of questions, which are weighted and scored on the following scale:

- 0 = 0.00
- 1 = 0.25
- 2 = 0.50
- 3 = 0.75
- 4 = 1.00

Core requirements

Question	Weighting	Supplier score	Weighted score
1	60 %	2	30
2	10 %	1	2.5
3	30 %	4	30
<b>score</b>			<b>62.5</b>

Member web portal

Question	Weighting	Supplier score	Weighted score
1	60 %	2	30
2	10 %	2	5
3	30 %	2	15
<b>score</b>			<b>50</b>

Employer web portal

Question	Weighting	Supplier score	Weighted score
1	80 %	4	80
2	10 %	2	5
3	10 %	3	7.5
<b>score</b>			<b>92.5</b>

Growth

Question	Weighting	Supplier score	Weighted score
1	30 %	1	7.5
2	30 %	1	7.5
3	40 %	4	40
<b>score</b>			<b>55</b>

3.2. These scores are then combined within the Digital Services Sub-Section.

Digital Services – Sub-Section score

Sub section	Weighting	Score	Weighted score
Core Requirements	10 %	62.5	6.3
Member web portal	40 %	50	20
Employer web portal	40 %	92.5	37
Growth	10 %	55	5.5
<b>Score</b>			<b>68.8</b>

3.3. The Digital Services sub-section weighted score is then identified.

**Quality – Digital Services sub-section score:**

Quality section	Weighting	Score	Weighted score
Digital services	20%	68.8	13.8%

3.4. The final overall SoR score relating to digital services would then be as follows:

Quality section		Quality weighting	Weighted score
Digital services	13.8	70%	9.66%

**List of Abbreviations**

Term	Description
AA	Annual Allowance
API	Annual Pensions Increase
BACS	Banks Automated Clearing System
BC	Business Continuity
CARE	Career Average Revalued Earnings
CETV	Cash Equivalent Transfer Value
CPI	Consumer Price Index
CSV	Comma-Separated Values
DMZ	Demilitarised Zone
DOB	Date of Birth
DR	Disaster Recovery
DWP	Department for Work and Pensions
ERRBO	Early Retirement Reduction Buy Out
EUR	Euro
FPS	Firefighters' Pension Scheme
FSL	Final Salary Linking
GAC	Grant Aided Colleges
GBP	Pounds Sterling
GMP	Guaranteed Minimum Pension
GTC	General Teaching Council
GUI	Graphical User Interface
HMRC	HM Revenue and Customs
ICT	Information and Communication Technology
ID	Identification
KPI	Key Performance Indicators
LDAP	Lightweight Directory Access Protocol
LIA	Leaver Index Adjustment
LTA	Life Time Allowance
LTO	Linear Tape-Open
MHO	Mental Health Officer
MLI	Market Level Indicator
MPS	Manual of Protective Security
MS	Microsoft
NFPS	New Firefighters' Pension Scheme
NHS	National Health Service
NHSSSS	National Health Service Superannuation Scheme (Scotland)
NIM	National Insurance Modification
NINO	National Insurance Number
NPA	Normal Pension Age
NPPS	New Police Pension Scheme
NSR	New Superannuation Record
OSIAF	Open Scotland Information Age Framework
PPS	Police Pension Scheme
PAYE	Pay As You Earn
PETV	Pensioner Equivalent Transfer Value

PI	Pensions Increase
PSO	Pension Sharing Order
QA	Quality Assurance
QROPS	Qualified Recognised Overseas Pension Scheme
RPI	Retail Price Index
RTI	Real Time Information
SB	Superannuation Number
SC	Special Class Members
SCOTS	Scottish Government IT Infrastructure
SEAS	Scottish Government Accounting System
SG	Scottish Government
SLAB	Scottish Legal Aid Board Pension Scheme
SME	Small and Medium Enterprises
SPPA	Scottish Public Pensions Agency
SPPS	Scottish Parliament Pension Scheme
SQL	Structured Query Language
STSS	Scottish Teachers Superannuation Scheme
SWAN	Scottish Wide Area Network
TPR	The Pensions Regulator
TSS	Teachers Superannuation Scheme
UAF	Uniform Accrual Formula
VERA	Voluntary Early Retirement with Actuarial Reduction
VM	Virtual Machine
VPN	Virtual Private Network