



HOME CONDITION REPORT REGISTER & ASSOCIATED SERVICES (DCLG Procurement Ref: 06043)

INSTRUCTIONS TO POTENTIAL SUPPLIERS

	Page 1 of 27
TENANCY DEPOSIT SCHEME	Version 2.0 24-May-06

CONTENTS

1. INTRODUCTION	4
2. THE REQUIREMENT	7
2.1. Background	7
2.2. Scope of Work	8
2.3. Operational Requirement.....	8
2.4. Transition To The New Regulatory Environment	9
3. THE PROCUREMENT PROCESS	14
3.1. General Approach	14
3.2. Procurement Process	14
3.3. Indicative Timetable.....	15
3.4. Potential Supplier Communications	15
4. DRAFT CONTRACT	17
4.1. Purpose of the Document	17
4.2. Supplier Instructions	17
4.3. Contract Mark- up.....	17
5. SUBMISSION OF RESPONSES.....	19
5.1. Format of Response	19
6. EVALUATION	22
6.1 Short-listing Criteria	22
6.2 Contract Award Criteria	23

1. INTRODUCTION

1.1 Purpose of the Document

This document forms part of the Invitation to Submit Outline Proposals (ISOP) and defines the process and timetable for the procurement of a HCR Register & Associated Services, referred to in this document as 'the Services'. It should be read alongside and is intended to assist potential suppliers in their response to the ISOP questionnaire.

The document is structured as follows:

- Section 2 provides information on the procurement process, including:
 - the procurement procedure
 - indicative timetable, and
 - procedures for handling potential supplier enquiries.
- Section 3 provides advice and guidance on submitting responses including:
 - the manner and form in which responses should be submitted, and
 - what constitutes a disqualified/non-compliant bid
- Section 4 sets out the evaluation approach and criteria to be used to assess proposals.

1.2 Important Notices

References to DCLG include the First Secretary of State (the legal entity, as agent for the Crown, behind DCLG) as the context shall require.

1.2.1 Confidentiality and Freedom of Information

The information contained in this document and the SoR, together with any further information provided or made available in connection with any further enquiries (the "Information Provided") must be treated as confidential. Information Provided shall not be copied, reproduced, distributed or otherwise made available to any other party by potential suppliers. Information Provided shall not be used by potential suppliers for any other purposes than that for which it has been provided by DCLG.

All information relating to any candidature for shortlisting or any tender made to DCLG or any contract to which DCLG is party, including information arising under a contract or about its performance, may be accessible under the Freedom of Information Act 2000 (the "FOI Act"). DCLG will be under a legal obligation to disclose such information if requested, unless an exemption applies. DCLG may also be subject to disclosure requirements under other legislation or applicable codes of practice or otherwise as required by law, including by order of a court of competent jurisdiction.

	Page 4 of 27
TENANCY DEPOSIT SCHEME	Version 2.0 24-May-06

COMMERICAL IN CONFIDENCE

Any respondent must, as part of the procurement process, identify to DCLG information which it submits, whether on its own behalf or, in the case of potential consortia, on behalf of others, which it regards as being potentially exempt from disclosure by DCLG under the FOI Act. Such identification may be either specific or by class. The respondent must state the grounds that it believes exist for potentially exempting the information from disclosure, together with detailed reasoning for each such ground advanced. These grounds may be one or more of the following under the FOI Act:

- that the information constitutes a trade secret and is eligible for exemption under section 43;
- that the disclosure of the information would prejudice substantially the commercial interests of any person;
- that the information will be disclosed by the applicant to DCLG **and** that the nature of the information, and the circumstances in which it is imparted, are such as to justify the acceptance by DCLG of an obligation of confidence in respect of it.

Please note that, consistent with the spirit of its obligations under the FOI Act, as a general principle DCLG will seek to prevent, or restrict the scope of, confidentiality obligations sought to be imposed upon it. As such DCLG reserves the right not to accept, in whole or in part, any information marked as confidential or sensitive. Such rejected information would not be available to support any potential supplier's offering. Please note also that receipt by DCLG of any material marked 'confidential' or equivalent must not be taken to mean that DCLG accepts any duty of confidence by virtue of that marking; any assertion to the contrary in documentation submitted to DCLG is liable to result in rejection of the material;

- that the information is personal data or otherwise relates to the private life of any individual which is appropriate for protection; and
- any other exemption set out in the FOI Act.

It should be remembered that even where a respondent has indicated that information should be exempted, DCLG may disclose this information following its own consideration of the situation. DCLG may, in its absolute discretion, consult with the relevant respondent before making a decision on a request for information. The interpretation of the DCLG in relation to any exemption shall be final.

Without prejudice to anything above, by participating in the procurement process, potential suppliers understand and agree, and shall procure that all others whose information is supplied to support their response agree, that DCLG may disclose all information submitted to it to the United Kingdom Parliament or any other department, office or agency of Her Majesty's Government in the United Kingdom, and their Ministers, servants, agents and advisers.

As a potential supplier to the DCLG, you will understandably be concerned about the effect of the FOI Act on information you supply to DCLG. We hope we can reassure

	Page 5 of 27
TENANCY DEPOSIT SCHEME	Version 2.0 24-May-06

COMMERICAL IN CONFIDENCE

you that we are aware of your need to protect information which is commercially sensitive. We will seek to rely on exemptions under the FOI Act where it is appropriate for us to do so.

1.2.2 Disclaimers

DCLG does not make or give, nor does any person in the employment of DCLG, or otherwise engaged by DCLG, have any authority to make or give, any representations or warranty express or implied as to the accuracy of the information contained in this document or the SoR.

Neither the DCLG nor its advisors shall be liable for any loss or damage arising as a result of reliance on, or use of, the Information Provided by any third party. The subject matter of this document and the SoR shall only have any contractual effect when it is covered and contained in the express terms of an executed contract. Any and all liability in relation to this document and the SoR is hereby expressly disclaimed and excluded to the maximum extent permissible by law. The exclusions of liability contained in this section do not exclude liability for death or personal injury caused by DCLG's negligence or the negligence of its advisors and/or to fraud or fraudulent misrepresentation by DCLG or its advisors.

Neither this document nor the SoR is, nor is to be taken as, the giving of investment advice by DCLG or any of its advisors nor is it an invitation or inducement to engage in investment activity for the purposes of submitting a tender in response to DCLG Procurement Ref: 06043 or for any other purpose.

1.2.3 Change in procedures

All dates, time periods and procedures indicated in this document are provisional only and DCLG reserves the right to change these without notice at any time. DCLG reserves the right not to enter into any contract pursuant to Procurement Ref: 06043 and to withdraw from this procurement exercise at any time.

1.2.4 Costs

The potential supplier will be responsible for obtaining all information necessary for the preparation of its response to the SoR and all later submissions as the procurement process proceeds. In addition, the respondent will bear all costs, expenses and liabilities incurred in connection with the preparation of its response to the SoR and all further participation in the procurement process.

DCLG reserves the right not to proceed with the competition at any stage during the procurement process and shall not, in the event of discontinuance, whatever the cause, be liable for any costs incurred, directly or indirectly, by any potential supplier.

	Page 6 of 27
TENANCY DEPOSIT SCHEME	Version 2.0 24-May-06

COMMERICAL IN CONFIDENCE

2. THE REQUIREMENT

2.1. Background

Part 5 of the Housing Act 2004 is expected to be fully in force from 1 June 2007 and from that date, sellers of a residential property in England and Wales or their estate agents must have a Home Information Pack (HIP) when marketing their properties. This pack will be comprised of a number of documents including a Home Condition Report (HCR). Home Inspectors (HIs), who are members of an approved Certification Scheme, will produce HCRs.

The Act requires that where certification schemes exist, the Secretary of State must be satisfied that appropriate provision exists:

- for requiring HCRs to be entered on a register. This register may be owned by, or on behalf of, the Secretary of State.; and
- for the keeping of a public register of the members of the scheme.

The register is necessary to ensure the authenticity of the HCR, so that it can and will be trusted by those entitled to rely on it, i.e. buyers and lenders as well as the seller who procures it. In particular the register:

- ensures that the HCR can be produced only by a registered home inspector
- ensures that HCRs are insured
- ensures that consumers and others can check that the copy HCR provided to them is a true copy of the original
- ensures lenders can rely on the HCR as it will come from a trusted source so that the HCR will be used to underpin valuations in many cases
- enables the certification schemes to monitor the work of their members.

DCLG will prescribe the standards required for the completion of HCRs that will be implemented by multiple, competing Certification Schemes. These will require all Certification Schemes to hold a register of HCRs undertaken by its members, and also to lodge those reports in a central “archive” register. It is that register, and the associated services to enable the searching for HCRs across Certification Schemes, that is being procured through this process.

The department therefore wish to appoint a contractor to provide an IT infrastructure that will support the implementation of the Home Information Pack Scheme in England and Wales on 1st June 2007. Primarily this involves:

- Maintaining an ‘archive’ of reports that provide information on the condition of individual properties and their energy performance
- Providing portal services to enable the identification of Home Inspectors and acquisition of Home Condition Reports from local HCR Registers operated by authorised industry stakeholders.

	Page 7 of 27
TENANCY DEPOSIT SCHEME	Version 2.0 24-May-06

The duration of the initial contract is likely to be in the region of 10 years. The contract is expected to be wholly funded by a fee payable by those who lodge HCRs, for each HCR lodged in the 'archive'. The fee for lodging HCRs is to be set in regulations.

2.2. Scope of Work

The successful contractor will be responsible for the following services:

- Maintaining an 'archive' of reports that provide information on the condition of individual properties and their energy performance and retaining those reports for up to 15 years
- Providing a Home Condition Report Index service to identify location of Home Condition Reports within Local HCR Registers as operated by industry stakeholders authorised by the DCLG
- Providing information on and access to the reports as specified in Regulations and/or the DCLG
- Providing Home Inspector Register Index service to identify Home Inspectors within Local HI Registers as operated by industry stakeholders authorised by the DCLG
- Providing access to the HI index as specified by DCLG
- Providing a central addressing database related service to allowing search and identification of Properties and appropriate Unique Property Reference Number (UPRN) for cross-referencing all Home Condition Reports for the same property
- Governing DCLG owned XML Schema & Messages (which are currently in development) defining the service interfaces, including change management of future amendments
- Providing ongoing capabilities to enable monitoring of HCR content and HI competency, by Certification Schemes
- Providing appropriate information to DCLG such as to enable performance management of contractor and industry stakeholders authorised by the DCLG

The contractor will also be required to administer all aspects of the delivery of the register and services including the development, testing and implementation.

2.3. Operational Requirement

Please refer to the separate document "Statement of Requirements" (SoR).

	Page 8 of 27	
TENANCY DEPOSIT SCHEME	Version 2.0	24-May-06

COMMERICAL IN CONFIDENCE

2.4. Transition To The New Regulatory Environment

2.3.1 Necessary Statutory Instruments

There will be three sets of Statutory Instruments under the 'Negative Procedure' to make provision for the HIP. The timetable for this work is envisaged as follows:

- June 2006: SI prescribing the content of the HIP, exceptions and enforcement and the terms of approval for the Home Inspector certification schemes. At the same time the forms will be published for testing (as part of the dry run), feedback from this will then be used to inform the SI prescribing the forms laid later in the year.
- Early October 2006: SI prescribing details of the HCR register.
- November/December 2006: SI prescribing the forms.

2.3.2 Risks to regulatory timetable

One risk to the regulatory timetable is that SIs subject to negative resolution procedure become law unless there is an objection from the House. The instrument is laid after making, subject to annulment if a motion to annul ('prayer') is passed within 'a certain time'.

The time period is usually 40 days, including the day on which it was laid. No account is taken of any time during which Parliament is dissolved or prorogued, or during which both Houses are adjourned for more than four days such as:

- Whitsun Recess '06 – Fri 26 May – Sun 04 June
- Summer Recess '06 – Wed 26 July – Sun 08 Oct

In the House of Commons any Member may put down a motion (generally an Early Day Motion - EDM) to annul an SI subject to the Negative Procedure: EDMs are motions for which no time has been fixed and, in the vast majority of cases, for which no time is likely to be available. The last time that the Commons annulled an SI was in 1979.

In the House of Lords prayers are usually debated, although rarely put to the vote.

For more information see:

<http://www.parliament.uk/documents/upload/L07.pdf>
<http://www.parliament.uk/documents/upload/p03.pdf>

	Page 9 of 27
TENANCY DEPOSIT SCHEME	Version 2.0 24-May-06

COMMERICAL IN CONFIDENCE

2.3.3 Dry Run

Whilst the Housing Act 2004 was passing through the Parliamentary process, it was agreed that a six-month “Dry Run” of activities would be considered to enable practitioners to test their new systems and processes in advance of commencement of the statutory scheme. However it is desirable that the levels of confidence are built steadily between now and go-live.

To achieve this, an “assurance campaign” has been developed to provide a broader framework around those “dry run” activities. Taken together, they will:

- provide reassurance to stakeholders, Ministers, DCLG and the Programme’s governance structure that the Programme is ready for implementation in the live housing market;
- baseline the current market so that the impact of the Programme can more easily be assessed;
- enable early testing of the likely achievement of the benefits anticipated in the Business Case, and allow expectations to be refined if appropriate;
- enable the Programme to track key success factors, for example the supply of Home Inspectors and the time taken to assemble the components of the HIP.

The assurance approach will identify the operational risks associated with achieving the stated benefits of the programme, and work with stakeholders to identify assurance activities to mitigate those operational risks, through the use of the assurance framework. Results of the assurance activities will be monitored and reported through a monthly confidence assessment report to Programme Board, CSG and other interested parties as defined by the Programme.

The Dry Run, which forms part of the overall Assurance Campaign, aims to provide the industry and the public with the opportunity to experience and operate the full HIPs scheme in advance of its introduction throughout England and Wales on a mandatory basis.

The national voluntary Dry Run will operate in a series of phases, as follows:

Phase 1 – Voluntary Partial HIPs: This phase relates to HIP providers operating in a voluntary environment across England and Wales, offering packs that comprise some of the HIP components that are prescribed in Regulations. At the time of writing, this phase can be considered to have commenced. This phase will provide confidence that components of the HIP (excluding the HCR) can be acquired in a timely manner by HIP providers and will also enable HIP providers and buyers and sellers using HIPs to provide feedback to DCLG regarding their experiences, enabling issues to be identified and improvements to be made that can be reviewed during later phases of the Dry Run.

Phase 2 – Voluntary Full HIPs: This phase will commence once the first Certification Scheme is approved and will enable the testing of HIPs comprising Home Condition Reports. This phase operates across England and Wales and provides the following extensions to the previous phase:

	Page 10 of 27	
TENANCY DEPOSIT SCHEME	Version 2.0	24-May-06

- Home Inspector registration activities
- Home Condition Report completion by Home Inspectors
- Use of Home Condition Reports by buyers and sellers
- Operation of the Certification Scheme complaints scheme
- Use of the technical standards to acquire HCRs
- HIP providers offering the complete HIP in line with Regulations

Building on the first phase, this phase will provide confidence in the ability of HIP providers to compile a complete HIP, including the HCR, and will test buyer and seller comprehension of the HCR. This phase will also test the Certification Scheme processes, in terms of registering Home Inspectors and facilitating lodgement of the HCR. The ability of Home Inspectors to complete the HCR will also be tested in this phase of the Dry Run and information regarding working patterns will further inform projections on the total number of Home Inspectors required.

Phase 3 – Voluntary Tertiary Activity: Whilst Phase 2 continues, the third phase of the Dry Run will enable Lenders and other third parties to test their ability to acquire HCRs from the Entity-level Registers and use them for lending decision.

2.3.4 Early Adopters

In order to monitor the experiences and activities ongoing during the dry run, the programme is developing a network of organisations that are providing voluntary HIP-related services in advance of 1st June 2007. These organisations are called "Early Adopters" and provide regular monthly information to the department on their activities and also meet regularly with the programme to discuss issues etc.

2.3.5 Supply of Home Inspectors

As part of the Assurance Campaign, DCLG is monitoring the supply of Home Inspectors through a number of channels:

- Monthly information returns from Assessment Centres providing details on the numbers of candidates in training
- Monthly meetings with the Awarding Body for the Built Environment (ABBE) to understand the number of Home Inspectors taking the exam and achieving the Diploma

This data is analysed to understand the numbers of Home Inspectors in training, qualified etc but also to understand the geographic spread of Home Inspectors across England and Wales.

2.3.6 Implementation Date

The implementation date was decided before DCLG had fully introduced the common commencement date (CCD) policy. Ministers decided not to introduce mandatory HIPs on either of the CCD because, having listened to views from across the industry, 1 June 2007 represented the best balance between the various interests.

	Page 11 of 27
TENANCY DEPOSIT SCHEME	Version 2.0 24-May-06

COMMERICAL IN CONFIDENCE

2.3.7 Transitional Arrangements

The HIP duties are not retrospective. Under the provisions of the Housing Act 2004, the duty to have a HIP would be triggered by any new marketing activity that takes place after the mandatory introduction of HIPs (1 June 2007). The Act leaves it for regulations to provide an exemption for continued marketing of homes that were already on the market at 1 June 2007. Such an exemption is necessary to avoid an unmanageable spike in HIP demand (particularly HCRs) that the industry could not cope with.

However, if there is an indefinite exemption for properties marketed before the mandatory introduction of HIPs this would create a loophole. Sellers could market their property before 1 June, although they had no intention of selling, and therefore avoid the pack duties when they came to sell their property for real. In fact there is already one company that is advertising this sort of HIP avoidance scheme on the internet. This would undermine the benefit of making the pack mandatory. To prevent this from happening we propose that a date is set after which HIPs are required for all properties on the market, irrespective of whether or not they were put on the market before 1 June 2007.

This matter was considered by all the key stakeholders (The Law Society, RICS, NAEA, CML and Which?) at the HIP Components Project Board in March 2006. All agreed to the policy in principle. However, the NAEA, RICS and CML advised since that the date originally suggested for this cut-off point (1 September) is too soon since most of the properties put on the market immediately before 1 June would still be unsold. This would create a demand for HCRs that could not be met by Home Inspectors.

Based on the number of listings per month for 2004, we have forecast the number of properties that we expect will be on the market on 1 June 2007. We then estimated the number that will still be on the market in the following months. This has enabled us to forecast the number of HIPs that would be needed in any given month, if we were to require that all homes on the market have a HIP. We compared the possible demand for HIPs with our estimate of the number of HCRs that Home Inspectors will be able to produce. Our analysis suggests that it would be prudent to wait until 1 November 2007 before requiring that a pack is provided for homes that were put on the market before 1 June 2007. We would then review this date in the light of the number of home inspectors becoming qualified and the experience of the dry-run

Currently envisaged approach is:

- Until 1 November 2007 there will be no duty to provide a HIP for any home that was on the market before 1 June 2007 provided the property is continuously marketed (ie no gaps of more than 28 days);
- From 1 November 2007 all marketing of homes must be accompanied by a HIP
- The 1 November cut off date be reviewed in the light of the number of home inspectors becoming qualified and the experience of the dry-run

2.3.8 Post Implementation Review

Once the pack is introduced on a mandatory basis there will be a programme of monitoring. This will involve working with various industry groups (including estate

	Page 12 of 27
TENANCY DEPOSIT SCHEME	Version 2.0 24-May-06

COMMERICAL IN CONFIDENCE

agents, mortgage lenders etc) to monitor the residual risks identified at the completion of the dry run. The programme will monitor these risks and implement pre-defined mitigation and contingency actions as required. It is likely that this period will cover three to six months after 1 June 2007.

In 2009, the Department also plans to undertake research into the impact of HIPs on the home buying and selling process, to review progress against baseline research which is being done in 2006 (as discussed in paragraph 31). This research will be used to determine the extent to which the benefits are being realised. The programme has provision to undertake additional research to monitor benefits realisation after 2009.

In particular the 2009 study will show whether HIPs have resulted in:

- a reduction in transaction failures
- a reduction in transaction times
- a reduction in cost and additional surveys or valuations needed by consumers
- a reduction in the costs and improvement in effectiveness for first time buyers
- increased customer satisfaction with the buying and selling process.

An advisory group will be set up to provide feedback to DCLG on any ongoing issues and to help deliver continuous improvements.

	Page 13 of 27	
TENANCY DEPOSIT SCHEME	Version 2.0	24-May-06

COMMERICAL IN CONFIDENCE

3. THE PROCUREMENT PROCESS

The process outlined in sections 3.1 to 3.3 is indicative only and DCLG reserve the right to alter the process in any way as becomes appropriate as the procurement exercise progresses.

3.1. General Approach

Key elements to the DCLG's approach to the procurement are as follows:

- DCLG generally expects to carry out the procurement in line with the EU Negotiated Procedure. Note however that the Services are expected to be a service concession, meaning that, strictly, it falls outside public procurement rules. DCLG reserves the right to depart from the EU Negotiated Procedure to the extent that it deems this necessary or desirable in the context of this procurement. DCLG shall, however, abide by the underpinning EC Treaty principles as it is required to do;
- The Services are expected to be wholly funded by a fee payable by those who lodge Home Condition Reports, for each Home Condition Report lodged in the 'archive'. The fee for lodging Home Condition Reports is to be set in regulations.
- At this stage in the procurement, the DCLG is expecting to select a short-list of potential suppliers to take forward to the negotiation phase. Following this, there will be a best and final offers (BAFO) stage. Potential suppliers will be required to provide an indicative bid price for their proposed solution, but pricing will not form part of the evaluation at this stage.

3.2. Procurement Process

The intended route for this procurement exercise is as follows:

- Following submission of responses by potential suppliers, DCLG will select a short-list using the evaluation criteria set out in Section 6.1 of this document;
- Short-listed suppliers will be taken forward to the negotiation phase;
- Following negotiations, potential suppliers will be invited to submit their best and final offers (BAFO), including pricing details. This invitation will clearly set out the detailed criteria to be used to evaluate the BAFO submissions;
- Following the outcome of the evaluation of the BAFO submissions, the contract will be awarded to the successful potential supplier following a mandatory standstill period prior to contract signature.

	Page 14 of 27
TENANCY DEPOSIT SCHEME	Version 2.0 24-May-06

COMMERICAL IN CONFIDENCE

3.3. Indicative Timetable

Table 1 below sets out the expected timetable for the Services procurement.

Table 1 – Timetable

Date	Action
Wednesday 3 rd May 2006	Issue of DCLG ISOP
Friday 26 th May	Deadline for requests for clarifications from suppliers
Friday 2 nd June, Midday	Deadline for ISOP submissions
Monday 5 th June	Evaluation and short-listing starts
Friday 16 th June	Negotiations with short-listed potential suppliers
Tuesday 25 th July	Deadline for BAFO submissions
Tuesday 1 st August	Selection announced, suppliers debriefed and standstill period starts
Tuesday 15 th August	Contract signature and Implementation of the Services starts

3.4. Potential Supplier Communications

The respondent will be responsible for obtaining all information necessary for the preparation of its response to this Questionnaire and all later submissions as the procurement process proceeds. In addition, the respondent will bear all costs, expenses and liabilities incurred in connection with the preparation of its response to this Questionnaire and all further participation in the procurement process.

Information provided at this stage may be subject to verification at later stages of the procurement process. If any error, omission or misrepresentation is discovered, DCLG reserves the right to disqualify the respondent from further participation in the process no matter what stage in the process has been reached.

DCLG reserves the right not to proceed with the competition at any stage during the procurement process and shall not, in the event of discontinuance, whatever the cause, be liable for any costs incurred, directly or indirectly, by any potential supplier.

The DCLG reserves the right to take up any references provided in responses to this Questionnaire but will do not so without your consent.

	Page 15 of 27
TENANCY DEPOSIT SCHEME	Version 2.0 24-May-06

PLEASE NOTE THAT ALL FINANCIAL £ INFORMATION (E.G. £ TOTALS, £ SUB TOTALS, £ DAY RATES AND OTHER RESOURCE COST ESTIMATES) MUST BE SUBMITTED IN A SEPARATE SEALED ENVELOPE TOGETHER WITH THE ANSWER TO QUESTION 9.8 “FINANCIAL PROPOSAL”.

NON-FINANCIAL LOGISTICAL INFORMATION (E.G. MAN-DAYS, STORAGE CAPACITIES, LEAD TIMES ETC.) SHOULD FORM PART OF THE NON-FINANCIAL REPSONSE.

	Page 16 of 27	
TENANCY DEPOSIT SCHEME	Version 2.0	24-May-06

COMMERICAL IN CONFIDENCE

4. DRAFT CONTRACT

4.1. Purpose of the Document

The statement of requirements will form the basis for the service specification to be included within the contract between the DCLG and the Service Provider.

If appropriate, the contract may also incorporate the Service Provider's method statements which detail the methods by which the Service Provider will deliver the service specification.

The draft contract and schedules (together referred to as the "Contract") will be provided during the week commencing 8 May 2006 in soft copy.

4.2. Supplier Instructions

Potential suppliers are asked to indicate their agreement to the provisions set out in the draft Contract or, if potential suppliers have reservations in respect of any particular provisions, to provide a full mark-up of the draft Contract in accordance with Paragraph 4.3 below.

Any mark-up will in turn form one of the subjects for discussion between the Authority and potential suppliers at the meetings to be held following the submission of outline proposals.

Potential Suppliers will be assessed on their compliance with the instructions set out in this section as well as the extent and nature of their mark-up. The Authority reserves the right to terminate negotiations where Potential Suppliers unreasonably seek to raise contractual issues that have not previously been included in the mark-up submitted as part of the outline proposals.

The Authority reserves the right not to entertain any discussion or negotiation on some or all of the provisions of the Contract and makes no undertaking that any proposed amendments will be accepted.

4.3. Contract Mark- up

Potential Suppliers should:-

- make all changes to the soft copy of the documents;
- not use the tracked change function in Microsoft Word - the changes should be made in 'clean' format;
- include drafting notes and commentary to accompany drafting changes;

	Page 17 of 27
TENANCY DEPOSIT SCHEME	Version 2.0 24-May-06

COMMERICAL IN CONFIDENCE

- refrain from including vague comments such as 'To discuss' or 'Do not agree' or 'Agree in principle' - the potential supplier's preferred drafting should be included in full
- return the revised drafts in soft copy when submitting the remainder of their proposals

	Page 18 of 27
TENANCY DEPOSIT SCHEME	Version 2.0 24-May-06

COMMERICAL IN CONFIDENCE

5. SUBMISSION OF RESPONSES

5.1. Format of Response

The following section details the format in which potential suppliers should submit their responses to the Statement of Requirements.

5.1.1 Contents

Potential suppliers will be required to provide, in writing, a response which contains all of the information requested in the ISOP questionnaire.

All questions must be answered in English, preferably using the same typeface and styles, providing all the necessary supplementary information. If separate sheets are needed, please clearly mark the top of each page with the number of the question to which each answer relates. In addition, please indicate under the relevant question that this has been done.

All questions must be answered as accurately and concisely as possible. Where a question is not relevant to the responder's organisation, this should be indicated, with an explanation.

Potential suppliers should complete the ISOP questionnaire (with the pricing section attached separately as explained below).

Potential suppliers should also provide comments and mark-ups on the draft contract and schedules, which are also attached separately.

No standard promotional or marketing material submitted will be considered as a substitute for a response to any part of the Statement of Requirements. However, where specific supporting documents are submitted as part of a response to any part of the SoR, please mark all enclosures clearly with the name of the organisation to which they relate and with the number of the section/requirement to which the enclosure refers.

Responses shall be returned in suitably sealed packaging that bear no distinguishing marks to identify the sender and marked "HCR Register ISOP Response". The contents should comprise:

1. A signed copy of the response certificate attached at Annex 2 along with their response. Where it is proposed that the solution be delivered by a consortium, special purpose vehicle, joint venture company or prime contractor with sub-contractors, this declaration **must** be signed by **all** organisations who are party to these arrangements.
2. A sealed envelope containing the 'Financial Response'
3. A sealed envelope containing the 'Non-Financial Response'. The non-financial response should not contain any £ or other monetary values (either as totals or as day rates or otherwise). It may contain logistical models, resource plans etc.

	Page 19 of 27
TENANCY DEPOSIT SCHEME	Version 2.0 24-May-06

COMMERCIAL IN CONFIDENCE

Potential suppliers may also be required to undertake a presentation to DCLG to support their response. The presentation will be used by DCLG to gain a better understanding of the response submitted. It will not form part of the evaluation process and will not be an opportunity for potential suppliers to submit further information to form part of their response.

5.1.2 Copies

Potential suppliers should provide the following copies of their response:

- Six bound copies in A4 format plus the completed proforma and marked-up contracts and schedules on disc; **and**
- One electronic copy of the full response, including all annexes, in either Microsoft Word/Excel 97/PDF format, burned to CD. The CD must be clearly labelled with the name of potential supplier, the contents of the CD and the date the CD was created.

5.1.3 Recipient

All responses must arrive no later than 12 o'clock, on Friday 2nd June 2006 and should be sent to:

[REDACTED]

The Department for Communities and Local Government

[REDACTED]

1st Floor/F4

Ashdown House

123 Victoria Street

London

SW1E 6DE

Email: [REDACTED]

5.1.4 Queries

Questions regarding the requirements of this procurement may be addressed to:

[REDACTED]

Using the query sheet contained in Annex A

Telephone enquiries in relation to this procurement will NOT be accepted.

Any questions, the answers to which, in the judgement of the Department, need to be shared with other suppliers who have requested the Invitation to Submit Outline Proposal, must be tabled by e-mail, before close of business Friday 26th May 2006.

	Page 20 of 27
TENANCY DEPOSIT SCHEME	Version 2.0 24-May-06

COMMERICAL IN CONFIDENCE

If the Department considers any question or request for clarification to be of material interest, both the query and the response will be communicated, on a no name basis, to all service providers/suppliers who have responded.

All responses received and any communication from service providers/suppliers will be treated in confidence.

5.1.5 Organisation Contact Point

Suppliers have been asked to include a single point of contact in their organisation for their response to the invitation to submit outline proposal questionnaire. The Department is not responsible for contacting the supplier through any route other than the nominated contact. The supplier must therefore undertake to notify any changes relating to the contact promptly.

5.2 Disqualification/Non-compliant Responses

Potential suppliers may be disqualified at this stage in the procurement exercise if:

- responses are received after the submission deadline; and/or
- the responses do not contain all of the information requested in the Annexes and the ISOP questionnaire.

	Page 21 of 27
TENANCY DEPOSIT SCHEME	Version 2.0 24-May-06

COMMERICAL IN CONFIDENCE

6. EVALUATION

At this stage in the procurement, the DCLG is expecting to select a short-list of potential suppliers to take forward to the negotiation phase. Following this there will be a best and final offers (BAFO) stage.

6.1 Short-listing Criteria

Suppliers who submit Outline Proposals that fully meet DCLG's specified requirements will be taken forward to the negotiation and BAFO stages. Outline Proposals will be assessed under the following headings:

- favourable, complete and compliant responses to ISOP Questionnaire
- appropriateness of technical solution
- evidence of understanding of key commercial principles and drivers
- appropriate business model, outline plan and financial proposals that cover all resources and activities required for:
 - a) preparation and planning,
 - b) design, delivery, implementation and running of the proposed system solution
 - c) dry run
 - d) business as usual
 - e) exit plan

Information previously submitted provided will not be used to exclude short-listed firms but with support in building a complete picture of the organisation bidding for the contract.

All potential suppliers that meet the criteria set out above will be taken through to the negotiation phase.

In responding to the ISOP, potential suppliers should ensure that their proposed scheme meets the minimum requirements of the Service as set out in the SoR.

DCLG will consider additional proposals that build on the minimum requirements to the extent that they offer better value for money and are consistent with legislative and policy requirements. For short-listed suppliers any additional proposals will be discussed as part of the negotiation phase of the procurement. To the extent that these are accepted they will be incorporated in the Service requirements at the BAFO stage.

The SoR sets out the proposed commercial terms for the concession contract – covering both financial and legal components. DCLG expects that, based on these commercial terms, Services will be commercially viable. However, potential suppliers

	Page 22 of 27
TENANCY DEPOSIT SCHEME	Version 2.0 24-May-06

may comment on these terms or suggest alternatives where they believe that these will improve value for money.

Wherever potential suppliers add to the Service minimum requirements or suggest alternatives to the proposed commercial terms they should clearly state that this is the case and explain their reasons for doing so.

Before the ISOP response is passed to the evaluation team, the panel opening the bids will separate out any pricing schedules (including the completed proforma) provided that this is physically possible. It is essential, therefore, that these pricing schedules are not bound into the ISOP response document. The potential supplier can therefore be assured that, in the evaluation of the ISOP responses, pricing information will not be considered as a part of the evaluation; rather it will be used to help develop the requirement during the negotiation phase.

The operational viability of the potential supplier's proposal from a financial perspective will, however, be evaluated.

6.2 Contract Award Criteria

Following negotiation and BAFO, the DCLG expects to appoint a single Services operator. The Contract will be awarded to the supplier that offers the best combination of economy, efficiency and effectiveness in relation to the requirements. Please note, however, that DCLG reserves the right not to proceed with the competition at any stage during the procurement process and to alter the process in any way as becomes appropriate as the procurement progresses.

At the BAFO stage DCLG will set out a fixed set of requirements against which all shortlisted potential suppliers will be asked to put in best and final offers. The Department may, at its discretion, allow defined variant bids at this stage. More detail will be provided at the time that shortlisted potential suppliers are invited to submit their BAFO.

	Page 23 of 27
TENANCY DEPOSIT SCHEME	Version 2.0 24-May-06

ANNEX A – QUERY SHEET

Please see Section 2.3 for details of DCLG’s procedures for responding to queries.

Query sheets should be e-mailed to [REDACTED] and copied to

FAO:

[REDACTED]
Department for Communities and Local
Government
Zone 2/E8, Eland House
Bressenden Place
London
Email: [REDACTED]

Query number

[For DCLG use]

DCLG procurement reference number

06043

Lead Relevant Organisation

Contact person

E-mail

Date

Supplier Ref	Query

	Page 24 of 27
TENANCY DEPOSIT SCHEME	Version 2.0 24-May-06

COMMERICAL IN CONFIDENCE

ANNEX B – RESPONSE CERTIFICATE

This section is to be completed by ALL Relevant Organisations. Each Relevant Organisation MUST sign a separate declaration. (Please see section 3.1 for further details.)

HCR REGISTER & ASSOCIATED SERVICES RESPONSE CERTIFICATE

To: The Department for Communities and Local Government
Ashdown House
123 Victoria Street
London
SW1E 6DE

In this certificate:-

"person" includes any persons and any body of persons corporate or unincorporated; and

"agreement" includes any arrangement whether formal or informal and whether legally binding or not.

The essence of tendering is that DCLG shall receive bona fide competitive tenders from all persons and organisations tendering. In recognition of this principle I/we certify that:-

This is a bona fide tender, intended to be competitive and that I/we have not fixed or adjusted the amount of the tender or the rates quoted by, under or in accordance with any agreement or arrangement with any other person.

I/we also certify that I/we have not done and undertake that I/we shall not do at any time any of the following acts:-

- Communicate to a person other than DCLG, my/our advisers and my/our directors, officers and employees the amount or approximate amount of my/our proposed tender; or
- Enter into an agreement or arrangement with any other person or organisation whereby that other person or organisation shall refrain from tendering or as to the amount of any tender to be submitted; or
- Offer or agree to pay or give or pay or give any sum of money, inducement or valuable consideration, directly or indirectly, to any person for any act or omission (or the procuring of any act or omission) in relation to any other tender or proposed tender for the provision of the services detailed in the Statement of Requirements ("SoR") and/or the contract.

	Page 25 of 27
TENANCY DEPOSIT SCHEME	Version 2.0 24-May-06

COMMERCIAL IN CONFIDENCE

I/we have not canvassed or solicited any officer or employee of DCLG or its advisers in connection with the award of this tender or any other tender or proposed tender for the provision of the services detailed in the SoR and/or the contract and that no person employed by me/us or acting on my/our behalf has done any such act.

I/we further hereby undertake that I/we shall not in future canvass or solicit any member, officer or employee of DCLG or its advisers in connection with the award of this tender or any other tender or proposed tender for the provision of such services and that no person employed by me/us or acting on my/our behalf shall do any such act.

We understand that DCLG will rely upon the representations included in this certificate when evaluating the response and in any subsequent negotiations and may seek its wasted costs from us if we breach these.

I/we also understand it is a criminal offence, potentially punishable by imprisonment, to give or offer any gift or consideration whatsoever as an inducement or reward to any servant of a public body and that such action will empower DCLG to exclude the prime contractor and/or other Relevant Organisation (as the DCLG shall determine in its sole discretion) from further participation in the procurement, no matter what stage has been reached.

I/we agree that by submitting our response to DCLG, I/we thereby assign to DCLG, and shall procure that all other parties whose information is supplied to support such response shall assign to DCLG, with full title guarantee all right title or interest in all intellectual property, whether such right, title or interest shall be present or future, vested or contingent, legal or beneficial, which consists of or includes anything relevant to such response and shall, and shall procure that all other relevant parties (see above) shall, without charge at any time after the date of submission of the response to DCLG, execute and do all such deeds, documents, acts or things as DCLG shall require to vest such intellectual property rights in DCLG and procure the waiver, to the fullest extent possible by law, of any moral rights that exist in relation to such intellectual property.

Further, having examined the Instructions to Potential Suppliers, Statement of Requirements and the draft contract (the "ISOP Documents") and having satisfied ourselves as to all other matters relevant thereto, we confirm our response to DCLG's Invitation to Submit Outline Proposals (ISOP) for a contract with DCLG to provide Services.

We enclose our response, and confirm that this comprises all of the documents required to be submitted in accordance with the matters set out in the ISOP Documents.

We confirm that all negotiations remain "Subject to Contract" and that in submitting our response we have satisfied ourselves as to the accuracy and completeness of the information we require in order to do so (including that contained in the ISOP Documents).

	Page 26 of 27
TENANCY DEPOSIT SCHEME	Version 2.0 24-May-06

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Signed:¹ _____

Name: _____ Title: _____

For and on behalf of: _____

Date: _____

[Name of Relevant Organisation]

The declaration must be signed by an authorised signatory, in his/her own name, and for and on behalf of the Relevant Organisation.

¹ The certificate must be signed by a director or other authorised senior member of each Relevant Organisation, in his/her own name and for and on behalf of the Relevant Organisation.

	Page 27 of 27
TENANCY DEPOSIT SCHEME	Version 2.0 24-May-06

COMMERICAL IN CONFIDENCE