

SAR Helicopters Industry Event

DfT Procurement

What we will be covering today

- Introductions
- Phase 1 – Stage 2 overview (ITPD)
- Stage 2 – Technical Requirements
- Stage 2 – Commercial Requirements
 - Professional Conduct & General Conditions of Contracts
 - ADAR Training (EFQM)
- Break
- Stage 2 – Financial Requirements
 - Model Instructions training
- Timetable
- Important Notifications
- Q&A

Phase 1 –Stage 2 Overview ITPD

Phase 1 - Stage 2 (High level proposal)

Bidders taken through to stage 2:

Lot 1 – 3 bidders; Lot 2 – 5 bidders; Lot 3 – 5 bidders

- Stage 2 proposals will comprise of the following elements:
 - Technical Requirement (60%)
 - Commercial Requirement (40%)
 - Project Management Plan (20%)
 - General Conditions of Contract (15%)
 - Insurance (Pass/Fail)
 - Professional Conduct (5%)
 - Affordability (Pass/Fail)

Phase 1 stage 2 – overview ITPD

- It is envisaged that a maximum of three top scoring Bidders proposals per Lot will be taken forward into detailed dialogue
- No new documents to be issued at this stage
- Evaluation – in accordance with ITPD part 3 Evaluation Strategy process criteria, weighting and scoring methodology.
- Financial not included in evaluation but mandatory affordability check on a pass/fail basis

Technical requirements

Technical Submission Advice

- Structured approach recommended for technical submissions:
 - **Claim** – statement asserted in response to the technical requirement, which may be assessed as compliant or non-compliant;
 - **Argument** – description of the proposed approach, presented in support of the claim;
 - **Evidence** – Information provided in support of the claim and as evidence for the argument, providing evaluators with confidence level on which to score.
- Provides evaluation team with a confidence factor

Technical Submission Advice

- Try to keep your statements and associated evidence forward looking.
- Be specific and clear as to how the requirement will be fulfilled and avoid detailing multiple options in areas such as cabin configuration.

Technical Submission Advice

- Support all bidding assumptions with appropriate evidence; be clear as to how your basing solution can meet the requirement and if Rotor Flight Manuals are unavailable, other OEM data will be acceptable but should have been subject to bidders' due diligence.
- Try to group your e-Submissions so that the evaluation team can review your responses with greater ease.

Technical Submission Advice

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- Please do not insert variant bids into your submission. The Authority welcomes innovation, but it cannot accept variant bids.
- Please do not assume that the Authority will make a determination on behalf of bidders. This is particularly relevant to aircraft types and basing.

Professional Conduct & General Conditions of Contracts

(No Slides)

ADAR training

Introduction to RADAR

April 30th 2012

Objectives

- introduce you to the EFQM Model and the concepts of RADAR
- explore how (R)ADAR is used to score a bid and what makes a strong bid

4 Generations

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- ❑ Quality Control Product
- ❑ Quality Assurance + Process
- ❑ Quality Management + People
- ❑ Excellence whole system

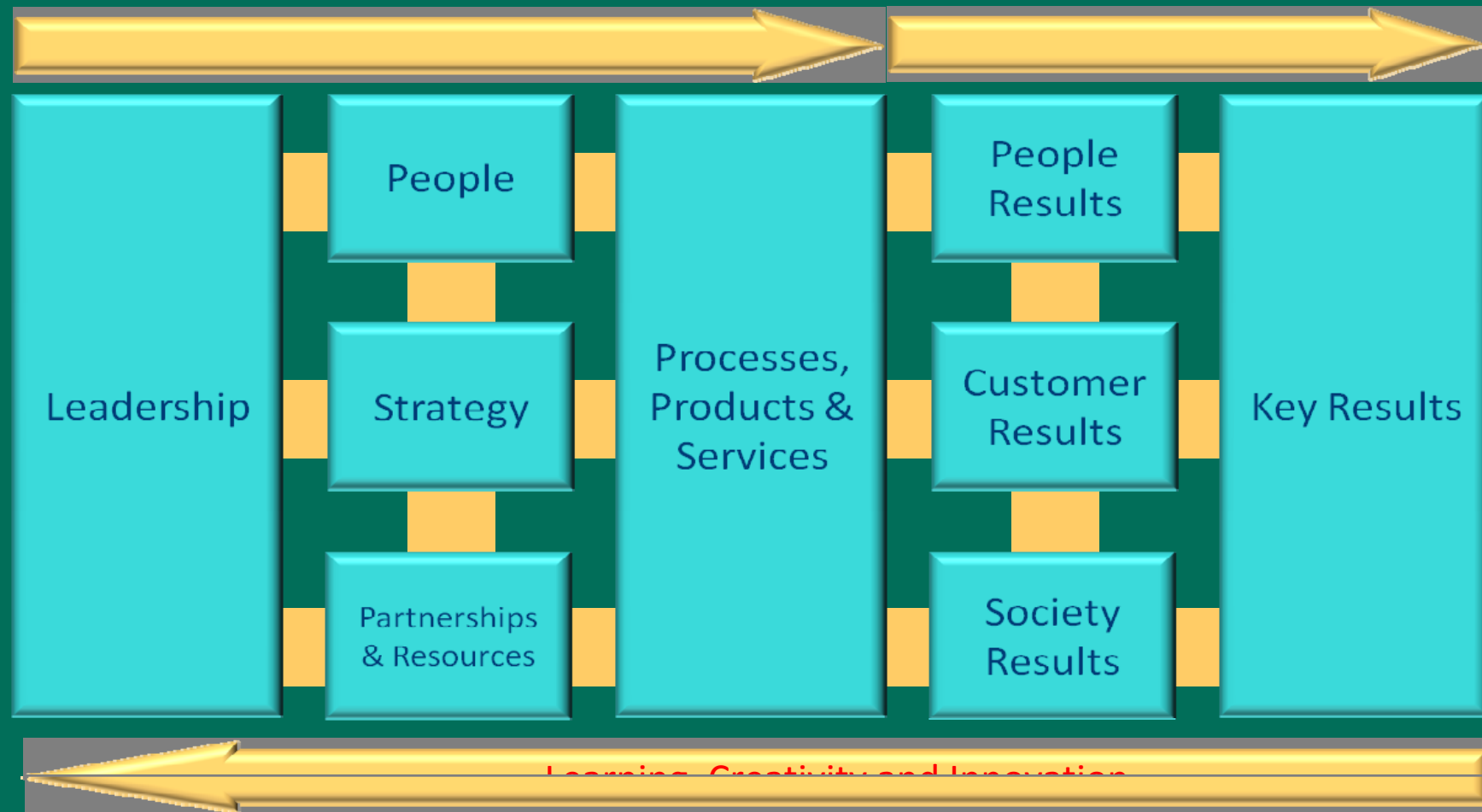
Quality is Relative

Its important to know what good looks like

When we say whole system, what is that?

2010 EFQM Excellence Model

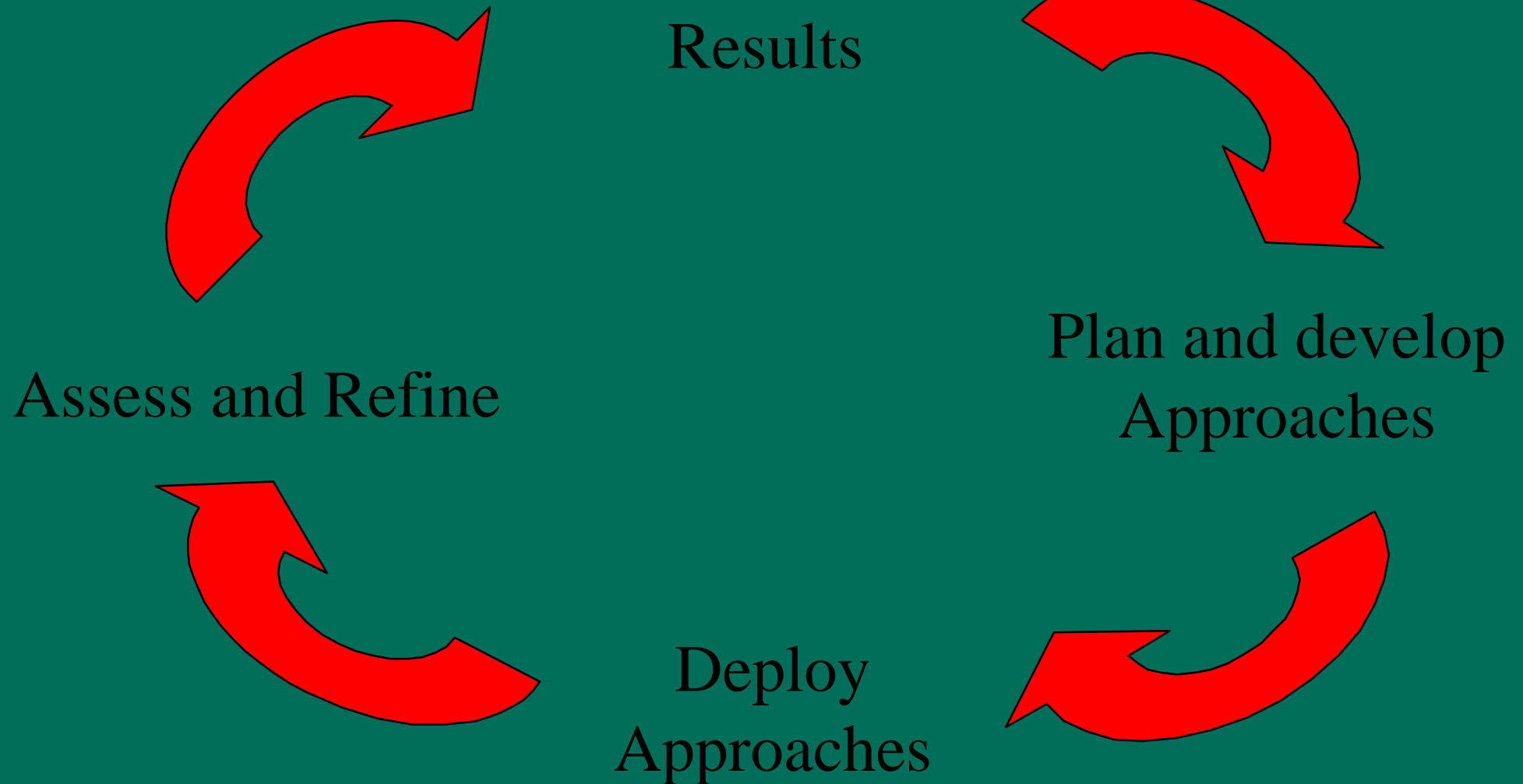
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RADAR – EFQM way

RADAR Logic

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Or.....

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Why are we
doing it?

Check it

Plan it

Do it

Strong bids prove an Approach that is Department for **Transport**

□ Sound

- clear rationale & defined processes
- focuses on stakeholder needs

□ Integrated

- supports policy & strategy
- linked to other approaches as appropriate

Starts with an analysis and understanding of current position and rationale/logic behind decision of the chosen 'bid' Approach

Strong bids prove Deployment will be

❑ Implemented

- in relevant areas

❑ Systematic

- timely, structured way
- with ability to manage changes in the environment if needed

Strong bids prove Assessment and Refinement will

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❑ be Measured

- regular measurement of the efficiency/effectiveness of approach/deployment
- measures chosen for their appropriateness

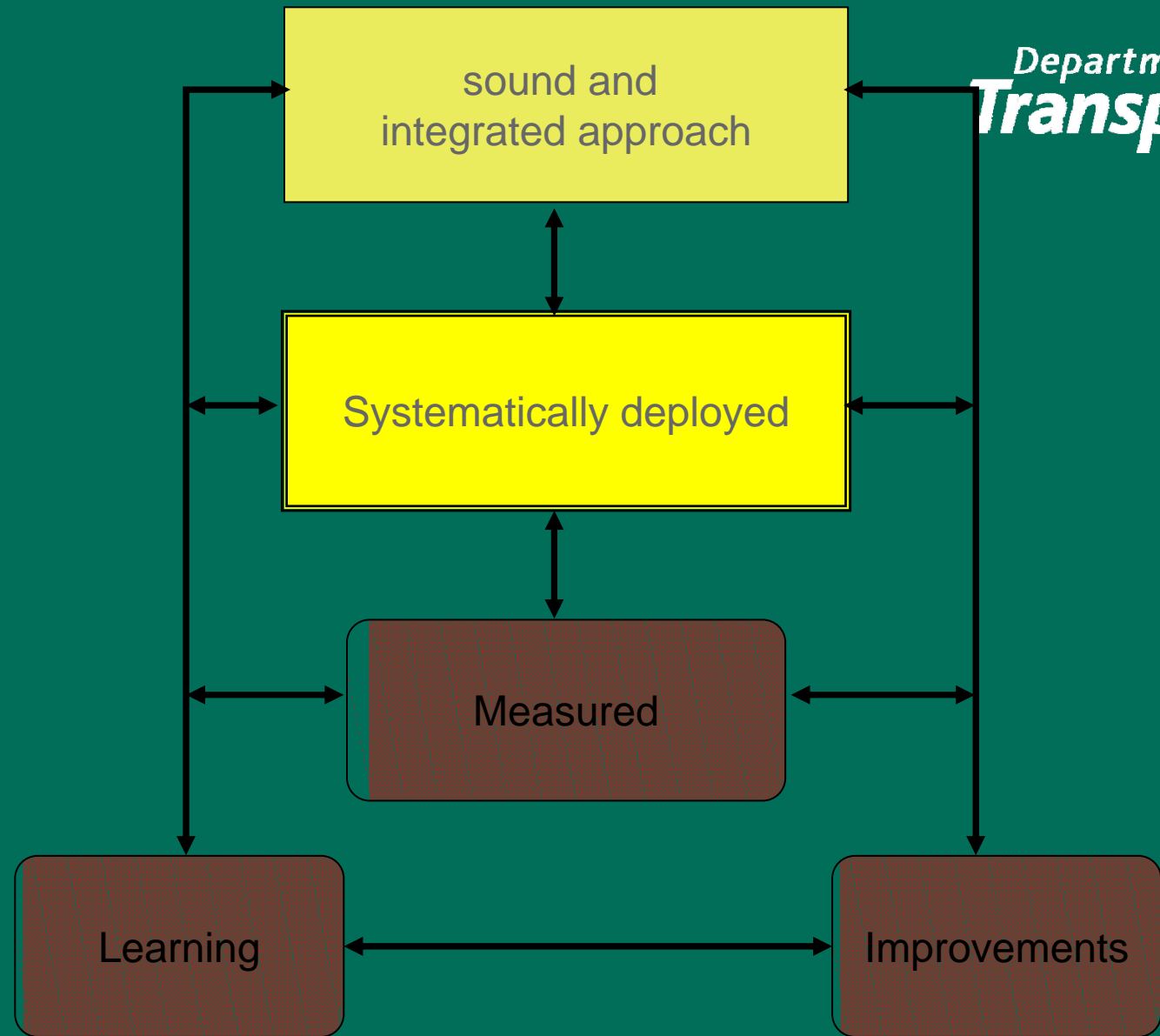
❑ lead to Learning

- to identify internal/external best practice
- and improvement opportunities
- creativity used to generate new or changed approaches

❑ lead to Improvement

- Output from measurement & learning used to identify, prioritise, plan & implement improvements
- Outputs from creativity will be evaluated, prioritised and used

Links
are important



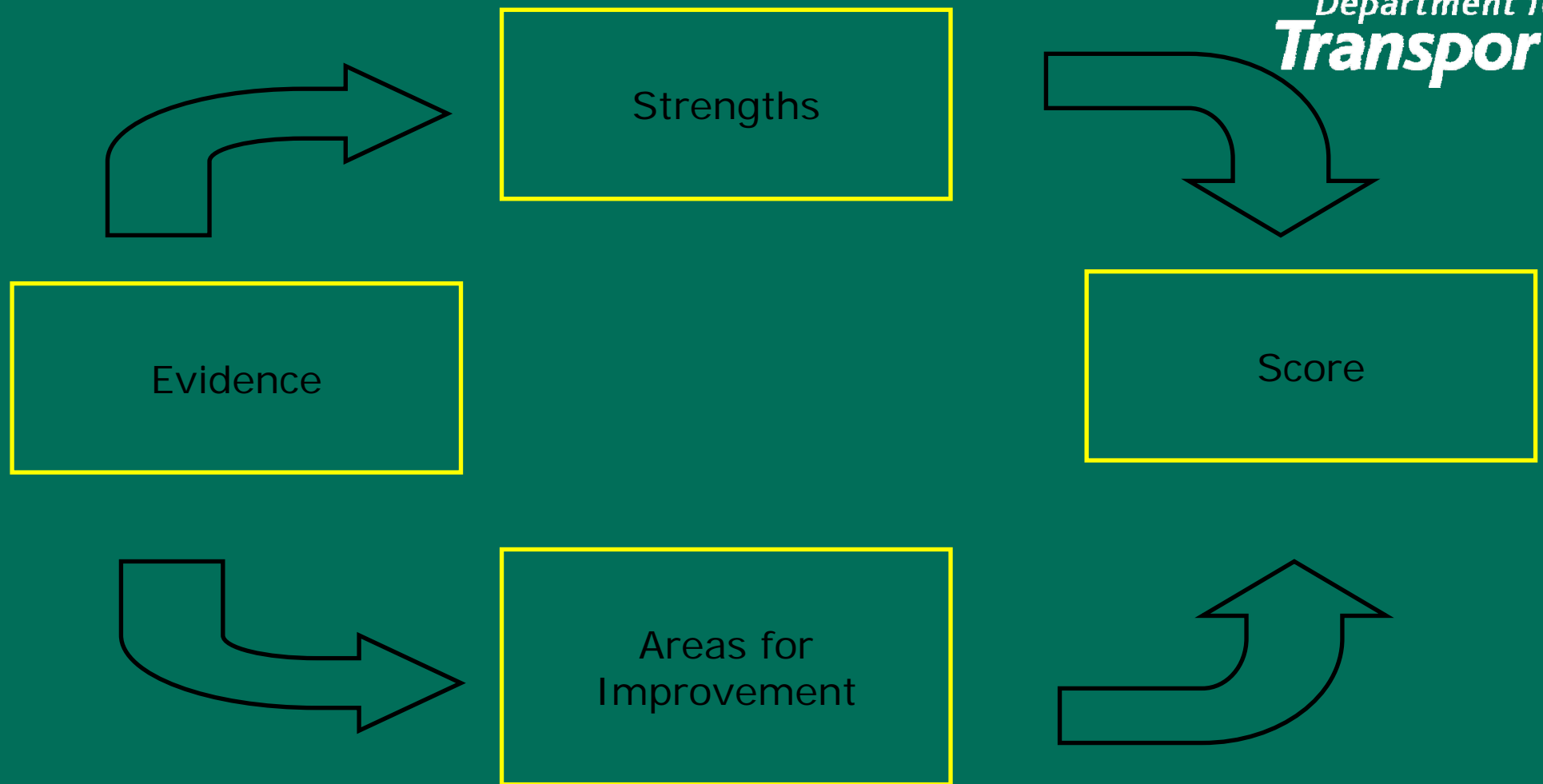
Strong bids have

- Substance
 - technically feasible, logical and impressive
 - will sustain or improve performance
- Structure
 - based around (R)ADAR
 - easy to score
- Style
 - easy to read without dumbing down
 - visible strengths

ADAR (DfT Model)

– inside UK SAR

Category	RADAR response attributes (ADA)	0				25					50		
Approach	Sound -approach has a clear rationale, defined processes, and focuses on stakeholder needs; Integrated -approach supports policy and strategy, and is linked to other approaches as appropriate.	Materially fails to meet the requirements of the ITT in a significant number of areas which may compromise the achievement of DfT's objective for the contract.				Some of the proposed outcomes fail to meet the requirements of the ITT or the bid fails to present adequate evidence that the current position is understood and that the proposed outcomes are therefore appropriate.					Presents evidence of understanding of strengths/weaknesses of existing operation and Using this, the bid demonstrates outcomes to be achieved with evidence that these are aligned with the objectives in the appropriate		
Approach total			0	5	10	15	20	25	30	35	40	45	50
Deployment	Implementable -evidence approach can be implemented, especially where innovation or improvement is proposed; Systematic - approach is deployed in a structured way with the method used for deployment being planned and executed soundly.	Either fails to provide evidence of ability to implement outcomes or fails to present a structured deployment plan such that certainty in the achievement of DfT's objectives for the contract is materially compromised.				Some omissions in the demonstration of ability to implement outcomes, or in the description of resources and delivery timescales.					Presents evidence of ability to implement the outcomes specified in the / The bid describes resources for implementation who is responsible for achieving the outcomes resources (skills/ required, evidence are a		
Deployment total			0	5	10	15	20	25	30	35	40	45	50
Assessment and Refinement	Measurement - regular measurement of the effectiveness of the approach and deployment Learning is used to identify best practice and improvement opportunities; Improvement - Output from measurement and learning is analysed and used to identify, prioritise	Material omissions amongst KPIs or in the consideration of risk and monitoring/contingency plans.				Some omissions amongst KPIs or in the consideration of risk and monitoring/contingency plans.					Presents evidence of appropriate KPIs, for assessment and based on these KPIs the organisation; risks are identified understood; and a contingency plan mitigation pro		



ADAR inside the UK SAR Process

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- Phase 1
 - stage 1 – outline proposal
 - stage 2 – high level proposal
 - Project Mgt Plan (only) scored using ADAR
- Phase 2 – detailed discussions
- Phase 3 – revised proposals
 - Technical Requirement
 - Financial Requirement
 - All Mgt Plans scored using ADAR
- Phase 4 – Final Tender fine tuning
- Phase 5 – Preferred Bidder/Award

ADAR inside the UK SAR Process

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- Phase 1 (stage 2)
 - Project Mgt Plan
- Phase 3
 - Project Management - 20%
 - Quality Management -15%
 - Business Safety Management - 10%
 - Sustainable Development and Environmental Management - 5%
 - Risk and Opportunity Management – 20%
 - Security Management – 5%
 - Business Continuity – 5%
 - Personnel Management – 20%

ADAR Component	Contents	Weighting (%)
Approach	<p>The Bidder's description of the outcomes which will be achieved and why.</p> <p>The linkage to the Department's objectives for the UK SAR Contract should be described as set out in the ITPD.</p>	35
Deployment	<p>How the outcomes proposed by the Bidder will be delivered in addition to describing what resources are required and how they will be deployed.</p>	45
Assessment & Refinement	<p>What key performance indicators the Bidder will measure in order to ensure the delivery of outcomes.</p> <p>How the business is structured and what processes are in place to react if the desired results are not achieved.</p> <p>This component should consider the risks to delivery and how the Bidder would manage and mitigate them, including possible mitigation actions.</p>	20

- ADAR evaluation grid used to score out of 100
 - Approach
 - Deployment
 - Assess/Refine
- % scores then converted to out of 5
 - 0 - 14 = 1
 - 15 – 35 = 2
 - 36 – 60 = 3
 - 61 – 85 = 4
 - 86 – 100 = 5
- These scores then factored using weightings

ADAR Scoring

Bidder scores

- Approach = 50%
- Deployment = 40%
- Assessment & Refinement = 20%

Gets converted to

- Approach = 3
- Deployment = 3
- Assessment & Refinement = 2

Gets factored by the weightings

- Approach = $3 \times 35\% = 1.05$
- Deployment = $3 \times 45\% = 1.35$
- Assessment & Refinement = $2 \times 20\% = 0.4$

Total Score = $1.05 + 1.35 + 0.4 = 2.8$

Example

Part 2

Financial Model

Financial Models - Introduction

The Department has sent the Bidders 2 'template spreadsheets' along with an 'Instructions Document' setting out how the 2 spreadsheets ought to be completed:

- Bidders will complete one set of spreadsheets per Lot (ie if you are bidding for Lots 1, 2 and 3, you will submit 3 sets of spreadsheets)
- Cost Inputs Template Spreadsheet
- Cost Model Template Spreadsheet
- The Spreadsheets are linked – if you follow the instructions and open them together, the Cost Model Template S/sheet will automatically populate as you complete the Cost Inputs Template s/sheet
- We have tried to maintain the broad design that the models for the 'Gap' contract had for ease of reference for Bidders

Cost Inputs

There are two types of inputs

- DfT input assumptions – these are highlighted in green and should not be changed (and we will check they have not been changed when reviewing the models) – failure to comply will be marked in accordance with the professional conduct regime.
 - RPI = 2.7%
 - Aircraft demand assumptions
 - Fuel cost and indexation
- Bidder Assumptions – ‘real costs’, margins, applying indexation to cost categories

Cost Inputs

There are three types of tab

- 'Global Assumptions' – key info concerning dates and demand assumptions across all bases
- Costs set out on a base by base basis
 - NTBI – for unit costs that will be fixed (in 'real' terms) throughout the contract
 - TBI – costs which may vary over time – ie major LCM costs for aircraft
 - 'Pre-operating' costs

Cost Model

- Should populate and calculate price automatically
- Every figure in the Cost Model is sourced from the Cost Inputs
- It calculates Prices by taking costs in 'real terms', and applying indexation assumptions and margins. Both a 'Nominal Price' (the cash price paid to the Bidder) and an NPV will be calculated
- The 'Nominal Price' calculated is a 'predicted' nominal price – in the actual contract, it will vary with actual inflation, demand and fuel costs

Affordability

- For this stage, the only test applied to each bid from a financial standpoint is whether it is affordable or not
- The affordability limits per Lot were set out in the OJEU Notice and are repeated in ITPD Part 3 Section 2.2.6. They are;
 - Lot 1 - £1.8bn
 - Lot 2 - £1.3bn
 - Lot 3 - £3.1bn
- The figure used to compare affordability is the Total Nominal Price

Price Schedule

- The Cost Model Template s/sheet has the Price Schedule as the final tab
- This will form part of the contract
- Monthly Prices are in 'real terms' and actual indexation will be applied to them

Status of the Models

- We have given the Bidders Template Spreadsheets
- When you submit them completed, they become Bidder Models
- Submitted Bidder Models are the Bidder's responsibility – Bidders must ensure the Price calculated reflects their own cost and other assumptions

Programme Timetable

Timetable

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Activity	Date*
Bidder Briefing	30 April 2012
Return of High Level Proposals (Phase 1 Stage 2)	14 Jun 2012
Bidder presentations	TBC
Notify shortlisted bidders	24 Jul 2012
Dialogue meetings (Phase 2 – Boot Camp)	27 Jul 2012 – 7 Sept 2012
Return of Revised Proposals (Phase 3)	17 Oct 2012
Issue Invitation to Submit Final Tenders (ISFT)	23 Nov 2012
Return of final tenders (Phase 4)	14 Dec 2012
Notification of intention to award contract (Phase 5)	11 Mar 2013
Sign contract	22 Mar 2013

*Timetable is provided for guidance only; the Department reserves the right to amend the timetable as it finds necessary.

DfT Procurement

Points to note

Important information:

1. Deadline for submission is Noon Thursday 14 June. Late tenders will not be accepted.
2. Your bid should include all the requirements needed for Stage 2. Set out in Part 2: Invitation to Submit an Outline Solution (Section 3).
3. Ensure your Project Management Plan submission does not exceed 50 sides of A4. Proposals will only be read up to the limit.
4. We can only evaluate what is on the page.
5. Clarification Questions: ensure you use the e-mail address: uksarhelicopters@dft.gsi.gov.uk
6. Cut off point for clarification questions is 17.00hrs on 6 June.

Questions?

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