Attachment No 11
Freight Capacity Framework Evaluation Methodology

Freight Capacity Procurement - Invitation to Tender

For information: An explanation of how Bidders will be evaluated at Framework stage.

Terms used but not defined herein shall have the meaning ascribed to them in the Glossary.
1. **Introduction to the evaluation methodology for the Framework stage**

1.1 Setting up a framework agreement means there will be two evaluation processes in the award of any contract:

(A) At this first stage, the Freight Capacity Framework Agreement evaluation aims to evaluate Bidders on their capability to deliver the services sourced through the Freight Capacity Framework Agreement. Successful Bidders in this evaluation process will secure a place on the Framework.

(B) The second stage is the Mini-Competition evaluation. If a Customer runs a Mini-Competition, and a Freight Operator on the Framework decides to bid (thereby becoming a Call Off Bidder), their tender will enter the Mini-Competition evaluation process. This process is used to determine the award to one or more Call Off Bidders of Call Off Agreement(s) to deliver the required services. Please note that the Customer reserves the right to award no Call Off Agreements following such evaluation. This evaluation will be split as below in order to identify the most economically advantageous tender(s):

   (i) Quality evaluation - the questions contained within the quality section of the Mini-Competition Evaluation Template (Attachment 13) will enable the Customer to evaluate the capability of the Call Off Bidder’s tender to meet the Customer’s requirements;

   (ii) Combined assessed cost per Lane Metre - this is based on pricing and cost data provided by the Call Off Bidder in order to understand total cost to Customer across the range of potential scenarios; and

   (iii) Price per quality point evaluation - this evaluation measures the ratio of the quality score (as per (i)) to the potential cost (as per (ii)), in order to assess the value for money of tenders.

(C) The Customer reserves the right to request and undertake further financial capacity assessments during the life of the Freight Capacity Framework Agreement, and may exclude a Call Off Bidder where they fail the financial capacity assessment as a result of such re-assessment.

2. **Freight Capacity Framework Agreement evaluation**

   **Freight Capacity Framework Agreement Evaluation Questionnaire**

2.1 The selection will be based on the Cabinet Office Standard Selection Questionnaire - included in Attachment 8 - and includes questions on Bidders’ financial and economic standing. It also includes standard grounds for exclusion from the process (known as mandatory and discretionary criteria). It also includes a range of questions, bespoke to this Freight Capacity Framework Agreement, which aim to test Bidders’ technical ability to deliver the services covered by the Freight Capacity Framework Agreement. There are a range of criteria some of which are scored and some of which are Pass/Fail. A minimum score of 50 is required with respect to each of the scored quality criteria in order to be on the Freight Capacity Framework Agreement. Please see Table 1.
2.2 Although Bidders will not be evaluated on specific Capacity Options at the Freight Capacity Framework Agreement evaluation stage, a complete response will be one which includes a catalogue of the Capacity Options that Bidders reasonably expect to provide in future Mini-Competitions, notwithstanding the fact that other Capacity Options can be offered at each Mini-Competition. The template to fill is available in Attachment 14. The responses in the template will also not prevent a Call Off Bidder from adding new Capacity Options or offering only some of the Capacity Options or amending any details submitted in the template as part of any future Mini-Competition.

2.3 The Freight Capacity Framework Agreement evaluation stage (the Freight Capacity Framework Agreement evaluation) will focus on relevant qualitative criteria in line with the Authority’s requirements. For the avoidance of doubt, as Capacity Option requirements will be more precisely formulated at Mini-Competition stage, no specific pricing information is required to be submitted at this stage.

2.4 If the responses to the Freight Capacity Framework Agreement Evaluation Questionnaire provided by the Bidder as part of their response ‘fail’ for any individual question within the questionnaire, this means that the response (in its entirety) will fail to move forward in the evaluation process and the Bidder will be eliminated from further participation in the procurement process. You will not receive any scoring or feedback.

2.5 All the questions in the Freight Capacity Framework Agreement Evaluation Questionnaire are mandatory except where the document states explicitly that a response is not required. If a Bidder does not respond to all questions and fails to provide a satisfactory reason as to why it cannot respond to a particular question it may be excluded from further consideration in this procurement process.

2.6 Once the deadline for responses has passed, the Authority will check each response for completeness of all response documents and response questions listed in the Freight Capacity Framework Agreement Evaluation Questionnaire and compliance with the response instructions set out therein. The Authority reserves the right to exclude non-compliant and/or incomplete responses from further consideration in the procurement process.

2.7 Guidance on how the questions are evaluated is provided in Annex 1 of this document.

2.8 The table below presents the scoring scheme that will be used for every scored question unless stated otherwise.
Table 1
Scoring scheme

<table>
<thead>
<tr>
<th>Score</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>Failed to meet any aspect of the requirements. An unacceptable response with serious reservations.</td>
</tr>
<tr>
<td>25</td>
<td>A poor response with material concerns that the proposal will not meet all requirements.</td>
</tr>
<tr>
<td>50</td>
<td>A satisfactory response that provides sufficient details that the requirements will be met but lacks sufficient detail to warrant a higher mark.</td>
</tr>
<tr>
<td>75</td>
<td>A good response that meets the requirements with robust supporting evidence. Demonstrates good understanding.</td>
</tr>
<tr>
<td>100</td>
<td>An outstanding response that meets the requirements. Indicates an excellent understanding with detailed supporting evidence resulting in a high level of confidence.</td>
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</tbody>
</table>
3. **Freight Capacity Framework Agreement price evaluation**

3.1 Price is not being evaluated at the Freight Capacity Framework Agreement evaluation stage, given that no pricing is requested.

3.2 In any Mini-Competition, each Call Off Bidder will be required to price each Capacity Option offered.

4. **Clarifications**

4.1 Following submission of responses to the Freight Capacity Framework Agreement competition, the Authority may request a Bidder to clarify any aspect of their response.

4.2 Clarification questions will be raised with the Bidder via the e-sourcing portal and they will be requested to provide their responses via the e-sourcing portal within the timeframe required in the question.

5. **Moderation**

5.1 Once all evaluators have scored all the responses and have had an opportunity to take into account any clarification responses received, a moderation meeting will be held.

5.2 An assigned moderator will lead the moderation meeting which will be attended by all relevant evaluators. During that meeting, the evaluators will review and moderate the scores.

5.3 Following the moderation meeting, the final score will be compiled.

6. **Weighting**

6.1 Each scored question will be assigned a weighting and this is indicated in the Freight Capacity Framework Agreement Evaluation Questionnaire in Attachment 8.

6.2 After the responses to each of the questions in the quality section have been marked by the evaluators and moderated as set out above, weighted scores will be calculated for each of the questions. Calculations of weighted scores will be to two decimal places.

6.3 The weighted scores for each of the questions in the quality section shall be added to give a total quality score.
7. **Consolidated score**

7.1 At Freight Capacity Framework Agreement evaluation stage, all the Bidders who have achieved a minimum score of 50 in relation to each scored criterion in section 7 of the Freight Capacity Framework Agreement Evaluation Questionnaire will be ranked from the highest consolidated score to the lowest consolidated score.

7.2 The first 25 Bidders in the ranking will secure a place on the Framework provided that: (a) they did not fail any Pass/Fail questions in section 6 nor any mandatory questions in sections 1-5 and sections 8-9 of the Freight Capacity Framework Agreement Evaluation Questionnaire; and (b) that they provided the Authority with all required documentation and declarations (e.g. acceptance of the terms in the Freight Capacity Framework Agreement and the Template Call Off Terms and Conditions) in accordance with the Freight Capacity Framework Agreement Evaluation Questionnaire. Any Bidder who ranked 26 or lower will not secure a place on the Framework and will not be invited to any Mini-Competition.

7.3 If more than 25 Bidders are ranked in the top 25 rankings due to several Bidders obtaining the same consolidated score, they will all secure a place on the Framework.
### Annex 1

**Guidance for questions in the Freight Capacity Framework Agreement Evaluation Questionnaire**

<table>
<thead>
<tr>
<th>FRAMEWORK AGREEMENT EVALUATION QUESTIONNAIRE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BIDDER INFORMATION</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Section</th>
<th>Assessment guidance</th>
<th>Basis of scoring</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 1: Bidder information</td>
<td>Bidders are required to provide full and accurate information about who they are and their approach to this procurement. Bidders are required to sign the declaration at the end of Section 1 of the Freight Capacity Framework Agreement Evaluation Questionnaire.</td>
<td>1.1, 1.2 and 1.3 - not scored, but the Authority may exclude the Bidder if they fail to provide full and accurate information. Declaration - Pass/Fail Pass = declaration completed and signed and full and accurate information provided. Fail = this may be awarded if the declaration is not completed and signed and/or full and accurate information is not provided.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXCLUSION GROUNDS</th>
</tr>
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</table>

| Section 2: Grounds for mandatory exclusion | If a Bidder answers “Yes” to any of the questions in this section, they are required to provide evidence of ‘self-cleaning’ against the relevant conviction. Please note: The Authority reserves the right to exclude a Bidder at its discretion where it can demonstrate by any appropriate means that the Bidder is in breach of its obligations relating to the non-payment of taxes or social security contributions. | Pass/Fail Pass = A “No” response to all of the questions in this section, or (in the case of any “Yes” response), the Bidder provides evidence to the effect that measures taken by it are sufficient to demonstrate its reliability despite the relevant ground for exclusion and the Authority considers such evidence to be sufficient. Fail = A “Yes” response to any of the questions in this section where the Bidder fails to provide evidence to the effect that measures taken by it are sufficient to demonstrate its reliability despite the relevant ground for exclusion or where the Authority does not consider such evidence to be sufficient. |

| Section 3: Grounds for discretionary exclusion | If a Bidder answers “Yes” to any of the questions in this section, they are required to provide evidence of ‘self-cleaning’ against the relevant conviction. | Pass/Fail Pass = A “No” response to all of the questions in this section, or (in the case of any “Yes” response), the Bidder provides evidence to the effect that measures taken by it are sufficient to demonstrate its reliability despite the relevant ground for exclusion and the Authority considers such evidence to be sufficient. |
Fail = this may be awarded for a “Yes” response to any of the questions in this section where the Bidder fails to provide evidence to the effect that measures taken by it are sufficient to demonstrate its reliability despite the relevant ground for exclusion or where the Authority does not consider such evidence to be sufficient.
### SELECTION QUESTIONS

<table>
<thead>
<tr>
<th>Section 4: Economic and financial standing</th>
<th>Assessment of economic and financial standing (Pass/Fail)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Financial standing</strong></td>
</tr>
<tr>
<td></td>
<td>Please provide a copy of your audited accounts for the last three years, including Profit and Loss Account/Income Statement, Balance Sheet/Statement of Financial Position and Statement of Cash Flow.</td>
</tr>
<tr>
<td></td>
<td>If you are unable to provide this, please provide one of the following:</td>
</tr>
<tr>
<td></td>
<td>1. A statement of the turnover, Profit and Loss Account/Income Statement, Balance Sheet/Statement of Financial Position and Statement of Cash Flow for the most recent year of trading for your organisation; or</td>
</tr>
<tr>
<td></td>
<td>2. Alternative means of demonstrating financial status if any of the above are not available (e.g. forecast of turnover for the current year and a statement of funding provided by the owners and/or the bank, management accounts or alternative means of demonstrating financial status).</td>
</tr>
<tr>
<td></td>
<td>The Authority will undertake a financial appraisal using information provided by individual Bidders in their response and other sources (such as Dun &amp; Bradstreet). Metrics will be calculated and measured against a threshold to determine high, medium and low risk ratings which, along with the additional information referenced below, and Bidders responses to concerns identified, will be used to determine a pass or a fail.</td>
</tr>
<tr>
<td></td>
<td>The Authority will assess eight metrics as part of a review of the overall financial robustness of the Bidder. The Authority reserves the right to carry out further financial checks to satisfy itself of the Bidder’s financial standing and its capability to meet the financial obligations anticipated under the Freight Capacity Framework Agreement and subsequent Mini-Competitions.</td>
</tr>
<tr>
<td></td>
<td>The eight metrics to be assessed are:</td>
</tr>
<tr>
<td></td>
<td>- Metric 1: Turnover Ratio;</td>
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<tr>
<td></td>
<td>- Metric 2: Operating Margin;</td>
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<tr>
<td></td>
<td>- Metric 3: Free Cashflow to Debt Ratio;</td>
</tr>
</tbody>
</table>

The Authority will be awarded a rating of either: low risk, medium risk or high risk in respect of their financial standing, per the following:

- **Low risk**: The financial analysis indicates no concerns or a concern which is considered to pose a potential minor or non-material concern to the Bidder’s ability to meet the commitments and obligations under the Freight Capacity Framework Agreement and subsequent Mini-Competitions;

- **Medium risk**: The financial analysis indicates a concern which is considered to pose a potential moderate concern to the Bidder’s ability to meet the commitments and obligations under the Freight Capacity Framework Agreement and subsequent Mini-Competitions; and

- **High risk**: The financial analysis indicates a concern which means that the Bidder is considered to be financially susceptible to changes in market conditions which currently do or may pose a material risk to the Bidder’s ability to meet the commitments and obligations, which would exclude the Bidder from the procurement process unless concerns around the economic and financial standing identified by the Authority have been addressed to the satisfaction of the Authority.

To achieve an overall pass rating for the economic and financial standing section, a Bidder must:

- (i) achieve a low or medium risk rating; or

- (ii) achieve a high rating and address any concerns to the Authority’s satisfaction.

Bidders with a high risk rating who do not satisfactorily address the Authority’s concerns will be awarded a “fail” for this section.
● Metric 4: Net Pension Deficit to Net Assets Ratio;
● Metric 5: Net Interest Paid Cover;
● Metric 6: Acid Ratio;
● Metric 7: Net Asset Value; and
● Metric 8: Group Exposure Ratio (where appropriate).

Additionally, the following information will be reviewed and subject to trend analysis. The Authority will not seek to assess these against predefined thresholds, but will use this analysis to further understand the overall financial risk rating of the Bidder:

- Gearing;
- Revenue, and revenue growth year on year;
- Asset turnover ratio;
- Net assets position from relevant prior years’ financial statements; and
- Bidders’ summaries of existing contracts that are material and either onerous or where significant payment concerns exist.

The analysis will be conducted by suitably qualified individuals, utilising each Bidder’s submissions and will focus on analysing changes over times. The analysis will be used to identify any further concerns around each Bidder’s financial standing, which will be raised with the Bidder for clarification or the provision of mitigating factors where appropriate.

Individual Bidders will be given a high, medium or low risk rating based upon their financial standing. The evaluation will be qualitative but will be based on underlying quantitative analyses. A high risk rating will result in clarification questions being raised with the Bidder, and sufficient mitigating factors and guarantees will need to be provided to ensure that any concerns regarding the economic and financial standing of the Bidder as identified by the Authority have been addressed, to the satisfaction of the Authority.

The Authority reserves the right to request and undertake a further assessment of updated financial information at the Mini-Competition evaluation stage, and may exclude a Call Off Bidder where the result of such re-assessment is that the Call Off Bidder fails this question.
Bidders’ responses to concerns around financial standing, raised by the Authority will form an integral part of the overall evaluation of each Bidder’s financial standing and so should be comprehensive to avoid further follow ups.

The financial evaluation will consider all of these factors alongside a review of other factors affecting financial standing in a risk based assessment to provide an overall view of the strength and robustness of the Bidder.

**Definitions of metrics to be assessed**

Metric 1: Turnover Ratio

The Turnover Ratio is used to understand how large the contract is compared to the annual revenue of a Bidder. A larger number might suggest that the Bidder can accommodate the contract more easily and be better able financially to accommodate the fixed and variable costs it needs to incur in attempting to deliver the contract.

\[
\text{Turnover Ratio} = \frac{\text{Bidder Annual Revenue}}{\text{Expected Annual Contract Value}}
\]

Metric 2: Operating Margin

Operating Margin is a measure of a Bidder’s profitability. A higher ratio would normally suggest, other things being equal, that the Bidder’s business is more sustainable and able to withstand any change in business and financial circumstances. Conversely, a low or negative ratio may raise concerns over the sustainability of the business and hence the Bidder

\[
\text{Operating Margin} = \frac{\text{Operating Profit}}{\text{Revenue}}
\]

Metric 3: Free Cashflow to Debt Ratio

Free cash flow represents the cash generated from a Bidder’s operations which is available for other purposes after ongoing capital expenditure. A high ratio would normally indicate, other things being equal, that a Bidder is better able to pay back its debt and/or may be able to take on more debt if necessary. Conversely, a low ratio may raise doubts over a Bidder’s ability to service its existing debt.

\[
\text{Free Cash Flow to Net Debt Ratio} = \frac{\text{Free Cash Flow}}{\text{Net Debt}}
\]

- Free Cash Flow = net cash flow from operating activities – capital expenditure
- Capital expenditure = purchase of property, plant & equipment + purchase of intangible assets
- Net Debt = bank overdrafts + interest bearing loans and borrowings + finance leases + deferred consideration – cash and cash equivalents

Metric 4: Net Pension Deficit to Net Assets Ratio
The Net Debt + Net Pension Deficit to EBITDA Ratio measures the scale of a Bidder’s debt and any pension deficit relative to the Bidder’s size. A low ratio would normally indicate, other things being equal, that a Bidder is better able to pay back its debt and pension fund deficit and/or may be able to take on more debt if necessary. Conversely, a high ratio may raise doubts over the sustainability of the Bidder.

Net Debt + Net Pension Deficit to EBITDA ratio = (Net Debt + Net Pension Deficit) / EBITDA

| Net Debt = bank overdrafts + interest bearing loans and borrowings + finance leases + deferred consideration – cash and cash equivalents |
| Net Pension Deficit = retirement benefit obligations – retirement benefit assets |
| EBITDA = operating profit + depreciation + amortisation of intangible assets |

Metric 5: Net Interest Paid Cover
The Net Interest Paid Cover measures how easily a Bidder can pay interest on its debt out of the profits it generates from its operations, and therefore provides a measure of the Bidder’s solvency. A higher number would normally indicate, other things being equal, that the Bidder is better able to service interest on its debt, and/or is more likely to be able to borrow additional money if required. Conversely, a low figure may raise doubts over a Bidder’s ability to service the interest on its existing debt.

Net Interest Paid Cover = Earnings Before Interest and Tax / Net Interest Paid

| EBIT = operating profit |
| Net Interest Paid = interest paid – interest received |
Metric 6: Acid Ratio
The Acid Ratio provides a measure of a Bidder’s ability to meet its short term liabilities. A high ratio would normally suggest, other things being equal, that it can more easily meet its liabilities as they fall due. Conversely, a low ratio may raise doubts over its ability to meet its liabilities as they fall due.

\[
\text{Acid Ratio} = \frac{\text{current Assets} - \text{inventories}}{\text{current liabilities}}
\]

Metric 7: Net Asset Value
The Net Asset Value provides a view of whether a Bidder’s assets exceed its liabilities. Where a Bidder has a negative Net Asset Value this may suggest the business and hence the Bidder is less sustainable in the event of any deterioration in performance.

\[
\text{Net Asset Value} = \text{Net Assets}
\]

Metric 8: Group Exposure Ratio
The test is designed to establish whether a Bidder could withstand a significant adverse event elsewhere within the group of which it is a member. Where Group Exposure represents a high or uncapped percentage of a Bidder’s Gross Assets, this suggests the Bidder is more exposed to the performance or position of other entities within its wider group. Typical exposures arise where a Bidder is a member of a borrowing group the members of which have provided cross guarantees and/or security to the lender.

\[
\text{Group Exposure Ratio} = \frac{\text{Group Exposure}}{\text{Gross Assets}}
\]

- \[
\text{Group Exposure} = \text{balances owed by group undertakings} + \text{contingent liabilities assumed in support of group undertakings}
\]
- \[
\text{Gross Assets} = \text{fixed Assets} + \text{current Assets}
\]

The following thresholds will determine the rating for each metric:

<table>
<thead>
<tr>
<th>Metric</th>
<th>High risk</th>
<th>Medium risk</th>
<th>Low risk</th>
</tr>
</thead>
</table>

13
<table>
<thead>
<tr>
<th></th>
<th>&lt;1.5</th>
<th>1.5 – 2</th>
<th>&gt;2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover Ratio</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Margin</td>
<td>&lt;5%</td>
<td>5% - 10%</td>
<td>&gt;10%</td>
</tr>
<tr>
<td>Free Cashflow to Debt Ratio</td>
<td>&lt;5%</td>
<td>5% - 15%</td>
<td>&gt;15%</td>
</tr>
<tr>
<td>Net Pension Deficit to Net Asset Ratio</td>
<td>&gt;5x</td>
<td>4x – 5x</td>
<td>&lt;4x</td>
</tr>
<tr>
<td>Net Interest Paid Cover</td>
<td>&lt;3x</td>
<td>3x – 4.5x</td>
<td>&gt;4.5x</td>
</tr>
<tr>
<td>Acid Ratio</td>
<td>&lt;0.8x</td>
<td>0.8x – 1x</td>
<td>&gt;1x</td>
</tr>
<tr>
<td>Net Asset Value</td>
<td>&gt;0</td>
<td>&gt;0</td>
<td>&gt;0</td>
</tr>
<tr>
<td>Group Exposure Ratio</td>
<td>&gt;50%</td>
<td>25% - 50%</td>
<td>&lt;25%</td>
</tr>
</tbody>
</table>

*Definitions of financial information to be assessed*

Gearing:

Gearing (long term liabilities, both on and off balance sheet, shareholders’ equity or assets as appropriate) will be calculated for each Bidder. The Authority will not seek to use a gearing threshold, however, a higher gearing ratio may indicate a potentially higher level of risk. In addition, the trend in gearing calculated from the 3 years of financial results available will be reviewed to identify if the level of debt is increasing. If debt is increasing, then a detailed review will be made to ascertain whether the increasing debt is likely to be based on developing/expanding the business or is being...
used to support a poorly performing business.

*Non-current liabilities / Ordinary shareholders funds*

Revenue and revenue growth year on year:
Gives an indication of the size of the business. The Authority does not propose to use a turnover threshold, however, it will seek to consider consistency or growth across the 3 year period to indicate a higher performing organisation.

**Asset turnover ratio:**
This measures the ability of the Bidder to generate sales from its capital employed. The Authority will not seek to apply a minimum threshold however a larger ratio will indicate stronger performance.

\[
\frac{Revenue}{(non-current\ liabilities + total\ equity)}
\]

Net assets position from relevant prior years’ financial statements:
This measures the scale of the business, the Authority does not propose to use a minimum threshold, however, it will seek to consider the trend over the period.

**Assessment of onerous or poorly performing existing contracts:**
Bidders will share a summary of contracts (and their average annual contract value), for which they have made a loss making provision in their latest financial statement, due to their classification as onerous contracts. Bidders are also asked to share a summary of materially relevant contracts, where significant payment concerns exist, in order to understand each Bidders’ dependence on poorly performing contracts.

In addition to the above financial indicators, a review of other information within the financial accounts or disclosed to stock market investors will be performed and will include (but may not be limited to) a consideration of post-balance sheet events, recent acquisitions or disposals, future cash commitments, contingent liabilities, existing onerous contracts, off balance sheet finance and other matters not captured by numerical analysis.

In addition, textline searches may be performed for the past 12 months to check the completeness of and to verify the information disclosed by each Bidder. The textline searches will focus on relevant key words, for example: acquisitions, disposals, debt, gearing, profit warnings, solvency, credit ratings and investor sentiment. Where the
searches reveal facts or events which have not been disclosed or highlighted by the Bidder and which may have a material bearing on the evaluation, clearance may be sought from the Bidder to raise clarification questions.

| Section 5: Parent group company guarantee | Bidders are required to answer questions in this section only if applicable. | This section will not be scored. This is for information only. |
| Section 6: Technical and professional ability | All questions in section 6 aim to assess the Bidder’s technical and professional ability to deliver the services procured via this Framework. | |
| 6.1 Relevant experience and contract examples | This question is Pass/Fail. There is a maximum character count indicated in the question in the Freight Capacity Framework Agreement Evaluation Questionnaire in Attachment 8. | Pass/Fail  
Pass = the Bidder’s response provides sufficient evidence that it has the necessary technical and professional ability in terms of experience to perform the services under the Freight Capacity Framework Agreement.  
Fail = the Bidder’s response does not provide sufficient evidence that it has the necessary technical and professional ability in terms of experience to perform the services under the Freight Capacity Framework Agreement. |
| 6.2 Supply chains with sub-contractor(s) | This question is Pass/Fail. There is a maximum character count indicated in the question in the Freight Capacity Framework Agreement Evaluation Questionnaire in Attachment 8.  
This question only applies where a Bidder intends to rely on sub-contractors. If not, the Bidder should state “N/A” and the response will not be evaluated. | Pass = to the extent the Bidder intends to rely on sub-contractors, the Bidder has provided satisfactory evidence that it has healthy supply chains with its sub-contractors.  
Fail = to the extent the Bidder intends to rely on sub-contractors, the Bidder has failed to provide satisfactory evidence that it has healthy supply chains with its sub-contractors. |
| 6.3 Suitable physical assets | This question is Pass/Fail. There is a maximum character count indicated in the question in the Freight Capacity Framework Agreement Evaluation Questionnaire in Attachment 8. | Pass = the Bidder has suitable existing physical assets or can demonstrate to the satisfaction of the evaluator that operational access to such physical assets can be easily arranged and contracted in order to meet service requirements. The Bidder will need to provide robust supporting evidence, in the case that it does not |
| 6.4 Geography | This question is Pass/Fail. There is a maximum character count indicated in the question in the Freight Capacity Framework Agreement Evaluation Questionnaire in Attachment 8. | Pass = the Freight Capacity is provided between the United Kingdom and the European Economic Area and/or between Great Britain and Northern Ireland or the Bidder has demonstrated to the satisfaction of the evaluator that it is capable of providing such capacity. The Bidder will need to provide robust supporting evidence, in the case that it does not already have existing Freight Capacity provided in the mentioned geographical scope, so as to give the evaluator a high level of confidence in its ability to meet service requirements.  
Fail = no Freight Capacity is provided at the time of submission or the Freight Capacity is provided outside the geographical scope defined above and the Bidder cannot demonstrate to the satisfaction of the evaluator that it is capable of providing such capacity in the mentioned geographical scope. |
| 6.5 Compliance with regulatory authorities | This question is Pass/Fail. There is a maximum character count indicated in the question in the Freight Capacity Framework Agreement Evaluation Questionnaire in Attachment 8. | Pass = the Bidder has not been guilty of any non-compliance with any regulatory authorities within the past three years or has been found guilty of a non-compliance with regulatory authorities and have taken satisfactory measures to remedy the non-compliance(s) in the evaluator’s opinion.  
Fail = the Bidder has been found guilty of one or more non-compliance with regulatory authorities within the past three years and has not evidenced satisfactory measures had been taken to remedy the non-compliance(s) in the evaluator’s opinion. |
### Section 7: Quality evaluation

These questions are scored. They have a minimum score of 50. The weighting of these questions is indicated in the question in the Freight Capacity Framework Agreement Evaluation Questionnaire in Attachment 8. There is a maximum character count indicated in the question in the same.

These questions will be scored according to the scoring scheme in Table 1 of this document.

### Section 8: Modern Slavery Act 2015

Since 1 October 2015, commercial organisations that carry on a business or part of business in the UK, supply goods or services and have an annual turnover of £36 million or more have been required under Section 54 of the Modern Slavery Act 2015 to prepare a slavery and human trafficking statement as defined by the same.

Pass/Fail  
Pass = A “No” response to question 8.1 or a “Yes” reply to both of questions 8.1 and 8.2, or (in the case of any “Yes” response to question 8.1 and a “No” response to 8.2), the Bidder provides evidence of measures taken by it which are sufficient to demonstrate its intended compliance going forward and the Authority considers such evidence to be sufficient.  
Fail = This may be awarded for a “Yes” response to question 8.1 and a “No” response to question 8.2 where the Bidder fails to provide evidence of measures taken by it sufficient to demonstrate its intended compliance going forward or where the Authority does not consider such evidence to be sufficient.

### Section 9: Additional questions 9.1 Insurance

The Bidder is asked to confirm that they have the necessary statutory levels of insurance.

Pass/Fail  
Pass = “Yes” response.  
Fail = This will be awarded for a “No” response.