



Attachment No 12

Mini-Competition Evaluation Methodology

Freight Capacity Procurement - Invitation to Tender

For information: An explanation of how tenders submitted by Call Off Bidders will be evaluated at Mini-Competition stage.

Terms used but not defined herein shall have the meaning ascribed to them in the Glossary.

1. INTRODUCTION TO THE EVALUATION METHODOLOGY FOR BOTH THE FREIGHT CAPACITY FRAMEWORK AGREEMENT AND MINI-COMPETITIONS

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

- (A) The 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) This second stage is the Mini-Competition evaluation. If a Customer runs a Mini-Competition, and Freight Operator(s) on the Framework decide to tender (thereby becoming Call Off Bidders(s)), their tender(s) will enter the Mini-Competition evaluation process. This process is used to determine the award to one or more Call Off Bidders of a Call Off Agreement 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 into:
 - (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 Bidders' tenders to meet the Customer's services requirements (please see paragraph 3 below); and
 - (ii) Price per quality point evaluation - this evaluation is to assess the value for money of tenders in order to identify the most economically advantageous tender(s) (please see paragraph 5 below).
- (C) The Customer reserves the right to request and undertake further financial capacity assessments during the term 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.
- (D) Customers will undertake the quality and price evaluation per Capacity Option.
- (E) Call Off Bidders may submit more than one tender, e.g. one tender per Capacity Option offered. Tenders will be evaluated individually.

2. MINI-COMPETITIONS

2.1 A Customer may choose to run one Mini-Competition or several Mini-Competitions concurrently. For example, if a Customer is seeking to purchase more than one type of capacity, they may run a Mini-Competition for accompanied capacity and another Mini-Competition for unaccompanied capacity.

2.2 Similarly, a Customer may run several Mini-Competitions for capacity which can only accommodate specific Freight Vehicle types, where doing so would enable a broader total

range of Capacity Options to be bid across the several Mini-Competitions in order to achieve best value for money and alignment with strategic objectives. This could include, for example, greater access to specialist services and a more sustainable overall supplier base.

3. MINI-COMPETITION QUALITY EVALUATION

- 3.1 All Freight Operators on the Framework will be invited to submit tenders in response to any Call Off Request.
- 3.2 Please note that the below evaluation is undertaken at the Mini-Competition stage and not as part of the Freight Capacity Framework Agreement evaluation stage.
- 3.3 Call Off Bidders must submit individual tenders for each Capacity Option offered.
- 3.4 The questions contained within the quality section (called Mini-Competition Quality Evaluation Questionnaire) in the Mini-Competition Evaluation Template (Attachment 13) will enable the Customer to evaluate the capability of the Call Off Bidder to supply the Customer's service requirements.
- 3.5 The overall maximum score available for quality will be 100.
- 3.6 Some responses to the questions in the quality section (called Mini-Competition Quality Evaluation Questionnaire) in the Mini-Competition Evaluation Template (Attachment 13) will be assessed against the grading in the scoring scheme set out in Tab 1 of the Mini-Competition Evaluation Template. The possible scores are 0, 25, 50, 75 and 100. The evaluators may not give in between or partial marks (for example 15 or 61.5).
- 3.7 A minimum score has been set against some of the questions. Any minimum score is indicated in the respective section. Failing to achieve the minimum score to any question with a minimum score will exclude the tender from further participation in the Mini-Competition.
- 3.8 Customers reserve the right to more precisely formulate the quality criteria to meet their specific services requirements in respect of a Mini-Competition, with respect to the areas listed in section 5 of the Specification of Services (Attachment 10). Customers also reserve their right to redistribute up to 10 points in aggregate across the quality weightings in Table 1 below in order to meet any specific services requirements in each Mini-Competition.

Table 1: Mini-Competition quality evaluation criteria

1	Quality Topic	Description of the question	Scoring Scheme for illustration The scoring scheme will be confirmed at Mini-Competition stage	Maximum character count	Scoring	Minimum score required	Weighting (total weighting is equal to 100 points)
1.1	Project team, delivery plan and risk management	Please identify the team you will assign to this project and include their roles and a summary of their expertise. Please provide a realistic detailed delivery plan to set up the Capacity Option by the Capacity Commencement Date. Please explain your approach to risk management, provide the identified risks to the delivery of the contract and potential mitigation plans.	Please refer to the scoring scheme set out in Tab 1 of the Mini-Competition Evaluation Template.	7500	Score	50	7.5
1.2	Crew, infrastructure, services and security (including facilities for border staffing if applicable)	Please demonstrate how you will mobilise crew for the delivery of the Capacity Option. Please provide evidence that the services proposed in this tender will be delivered from the Capacity Commencement Date, e.g. appropriate infrastructure, ancillary services, facilities for border controls will be in place.	Please refer to the scoring scheme set out in Tab 1 of the Mini-Competition Evaluation Template.	5000	Score	50	7.5
1.3	Freight Vehicles traffic restrictions	Please describe any restrictions on Freight Vehicles traffic at, and in the vicinity of, the departure and arrival Terminals. Outline any potential restrictions to Freight Vehicles traffic at, and in the vicinity of, the departure and arrival Terminals and detail their nature. For the purposes of the foregoing "vicinity" means the extent of the	This question will not be scored.	2500	For information only	n/a	n/a

1	Quality Topic	Description of the question	Scoring Scheme for illustration The scoring scheme will be confirmed at Mini-Competition stage	Maximum character count	Scoring	Minimum score required	Weighting (total weighting is equal to 100 points)
		geographical area around the relevant Terminal that would, if affected by traffic restrictions, be likely to have an impact on the flow of Freight Vehicles in and out of the relevant Terminal.					
1.4	Terminal related activities	Please outline the terminal related activities required to provide the Capacity Option. Please demonstrate you hold all of the necessary licences and permits needed in connection with the delivery of the service or how you will obtain them by the Capacity Commencement Date.	Please refer to the scoring scheme set out in Tab 1 of the Mini-Competition Evaluation Template.	5000	Score	0	10
1.5	Call Off Bidders must provide the Standard Terms of Carriage which will apply to the sale of tickets attributable to the Purchased Capacity during the period of the Call Off Agreement.	Please provide the Standard Terms of Carriage which will apply to the sale of tickets attributable to the Purchased Capacity. This question aims to evaluate that the Call Off Bidder's Standard Terms of Carriage that apply to the sale of tickets attributable to the Purchased Capacity during the period of the Call Off Agreement do not impede the Customer's ability to achieve its ticketing objectives in a way that cannot be overcome by the Customer.	The maximum mark of 100 will be given when no adjustment to the Customer's ticketing objectives will be required. 75 will be awarded when only a few minor adjustments will be required. 50 will be awarded when many minor adjustments will be required. 25 will be awarded when major adjustments will be required. 0 mark will be awarded when the Standard Terms of Carriage impede the Customer's ability to achieve its ticketing objectives in a way that cannot be overcome by the Customer or no answer is provided.	n/a	Score	50	10

1	Quality Topic	Description of the question	Scoring Scheme for illustration The scoring scheme will be confirmed at Mini-Competition stage	Maximum character count	Scoring	Minimum score required	Weighting (total weighting is equal to 100 points)
1.6	Capacity available within [X] days / weeks of our preferred Capacity Commencement Date (minimum mobilisation time)	Please indicate how quickly the capacity can be made available in days/weeks.	<p>The maximum mark of 100 will be given to options with a mobilisation time equal or below the one required in the Mini-Competition specification of service. Marks will be allocated to options with a mobilisation time above the one required in the Mini-Competition specification of service based on how far they deviate from the required mobilisation time. For example, the scoring may be:</p> <p>100 marks if the capacity is available before or by [Date X]; 50 marks if it is available within [Y] weeks following that date; and zero mark if it is available on or after [Date X + [Y weeks]].</p>	n/a	Score	0	15

1	Quality Topic	Description of the question	Scoring Scheme for illustration The scoring scheme will be confirmed at Mini-Competition stage	Maximum character count	Scoring	Minimum score required	Weighting (total weighting is equal to 100 points)
1.7	Frequency of capacity delivered	Please provide the details of how much capacity in Lane Metres will be available each day of the week in the 'Route Detail' Tab of the Mini-Competition Evaluation Template.	<p>Tenders with capacity provided every day will score 100.</p> <p>Tenders with capacity provided every other day or every working day will score 75.</p> <p>Tenders with capacity provided mainly on weekends or less than 3 times a week will score 50.</p> <p>Tenders with capacity only provided on weekends will score 25.</p> <p>Tenders with capacity provided less than once a week will score 0.</p> <p>The exact scoring will be provided at Mini-Competition stage. The scoring scheme will be Mini-Competition specific and the Customer will define it based on its service requirements. The desired frequency will get the maximum marks and other options will have a mark proportionate to how far they deviate from the desired frequency.</p>	n/a	Score	0	15

1	Quality Topic	Description of the question	Scoring Scheme for illustration The scoring scheme will be confirmed at Mini-Competition stage	Maximum character count	Scoring	Minimum score required	Weighting (total weighting is equal to 100 points)
1.8	Access to capacity	Please provide details to evidence how you will allow Ticket Holders physical access to their booked capacity. To the extent that a Disruption Event is more likely to have an impact on the geographic area in which you operate, your response must include greater detail on the mitigation plans in place to allow Ticket Holders physical access to their booked capacity.	Please refer to the scoring scheme set out in Tab 1 of the Mini-Competition Evaluation Template.	5000	Score	25	20

1	Quality Topic	Description of the question	Scoring Scheme for illustration The scoring scheme will be confirmed at Mini-Competition stage	Maximum character count	Scoring	Minimum score required	Weighting (total weighting is equal to 100 points)
1.9	Ticket management and sales	<p>Please provide details to evidence how you will manage the sale of tickets attributable to the Purchased Capacity, including in the following ways:</p> <ul style="list-style-type: none"> (i) selling tickets in accordance with the Customer's ticketing requirements (i.e. sale of tickets to Approved Ticket Purchasers for Category 1 Goods including buffer capacity); and (ii) releasing Purchased Capacity to resale and marketing tickets to the market. <p>Your response must explain how quickly you will be able to execute instructions (for example, switch from (i) to (ii) above).</p> <p>Your response must also include how you will reconcile sales of tickets attributable to the Purchased Capacity at the end of the month and accurately report on and calculate the amount to invoice to the Customer (see Clause 8 (<i>Payment terms</i>) of the Template Call Off Terms and Conditions (Attachment 6)).</p>	Please refer to the scoring scheme set out in Tab 1 of the Mini-Competition Evaluation Template.	7500	Score	25	15

4. MINI-COMPETITION PRICE EVALUATION

4.1 Please refer to the Mini-Competition Evaluation Template (Attachment 13) for instructions on how to price the Capacity Option(s).

5. UNIT PRICE EVALUATION

(A) The elements contained within the pricing section of the Mini-Competition Evaluation Template (Attachment 13) are designed to ensure the Customer has a full understanding of the capacity offered so that it can determine the value for money of each Capacity Option proposed.

(B) Call Off Bidders should refer to the Mini-Competition Evaluation Template (Attachment 13) to provide their pricing proposal, which should be completed in accordance with the instructions contained therein.

Tenders submitted in response to a Mini-Competition will be evaluated on a 'price per quality point' ("**PQP**") basis. This means the Call Off Bidder offering the best ratio of high service quality versus Unit Price and early termination fee will rank higher in the Mini-Competition. At its simplest level PQP is calculated as follows:

Price

Quality score

A generic illustration of this approach is as follows:

	Tender A	Tender B
Price	£120	£100
Weighted Quality score	80	55
PQP	$120 / 80 = 1.5$	$100 / 55 = 1.82$

In this example, although Tender B is cheaper than Tender A, Tender A actually represents the better value for money as its price per quality point is lower. Tender A represents better value for money and is, therefore, the Most Economically Advantageous Tender ("**MEAT**").

Quality evaluation to be applied at each Mini-Competition

A maximum of 100 points can be scored on quality divided across the quality questions as indicated in Table 3 above.

Price evaluation to be applied at each Mini-Competition

The combined assessed cost per Lane Metre used to calculate the PQP Score will be the sum of two prices:

- the Unit Price (i.e. price per Lane Metre); and
- the average early termination fee per Lane Metre.

Call Off Bidders should submit an early termination fee for every day of the contract period (which may be identical on parts or the whole contract period)¹ using the template at the Tab called “Early Termination Fee” in the Mini-Competition Evaluation Template (Attachment 13).

Call Off Bidders can state a nil early termination fee at any point of the contract lifecycle, which means there would be no charge for the Customer associated with terminating the contract at that point. For example, there could be no early termination fee at all when there is no set up and/or operating costs associated with terminating the capacity. Another example could be an early termination fee charged for the first half of the contract term but none beyond because set up and/or operating costs have been fully recovered half way through the contract length.

The average early termination fee will be calculated by summing up all daily early termination fees and dividing them by the number of contract days to obtain an average early termination fee across the life of the contract. This average will then be divided by the maximum total length of capacity offered to obtain the average early termination fee by Lane Metre.

As shown in the formula below, both prices will be divided by the weighted quality score to calculate the PQP Score as follows:

$$\frac{\text{Combined assessed cost per Lane Metre}}{\text{Weighted quality score}}$$

The PQP Score will be used to rank the tenders.

¹ For clarity, Bidders will be evaluated on their proposed daily early termination fee for the purposes of calculating a PQP Score, although contractually the actual amount paid by the Customer in the event of an early termination will be as set out in the definition of the ‘Early Termination Sum’ in the Template Call Off Terms and Conditions (Attachment 6).

Worked example

Assuming a requirement for 9 days:

	Tender A	Tender B
Unit Price (per Lane Metre)	£15	£10
Amount of Capacity offered in Lane Metre	80	100
Early termination fee on contract day 1	£0	£50
Early termination fee on contract day 2	£100	£200
Early termination fee on contract day 3	£150	£200
Early termination fee on contract day 4	£200	£200
Early termination fee on contract day 5	£300	£200
Early termination fee on contract day 6	£200	£50
Early termination fee on contract day 7	£100	£0
Early termination fee on contract day 8	£50	£0
Early termination fee on contract day 9	£0	£0
Weighted quality score	75	60

The average early termination fee calculation will be as follows:

Tender A's average early termination fee per Lane Metre = $\frac{£1,100}{9 \text{ days}} = £122.2 / 80$
Lane Metres = £15.275

Tender B's average early termination fee per Lane Metre = $\frac{£900}{9} = £100 / 100$ Lane
Metres = £10

The PQP Score will be calculated as the sum of the Unit Price and the average early termination fee per Lane Metre, divided by the weighted quality score and this will be used to rank tenders in order to identify the most economically advantageous tender(s).

Tender A's PQP Score: $(£15 + £15.275) / 75 = 0.40$

Tender B's PQP Score: $(£10 + £10) / 60 = 0.33$

Tender B will rank first and Tender A will rank second.

Call Off Bidders will not be evaluated on surcharges (e.g. reefer surcharge, dangerous goods surcharge, demurrage surcharge, etc.) but they will be asked to provide them for information at the time of submitting their tender.

6. CLARIFICATIONS

- 6.1 Following submission of tenders in response to any Mini-Competition, the Customer may request a Call Off Bidder to clarify any aspect of tenders submitted by it.
- 6.2 Call Off Bidders will be requested to provide their responses within the timeframe required in the question.

7. MODERATION

- 7.1 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.
- 7.2 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.
- 7.3 Following the moderation meeting, the final scores will be compiled.

8. WEIGHTING

- 8.1 As part of the Mini-Competition evaluation stage, each scored question will be assigned a weighting and this will be indicated in the Mini-Competition Evaluation Template.
- 8.2 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.
- 8.3 The weighted scores for each of the questions in the quality section shall be added to give a total quality score.

9. PQP SCORE

- 9.1 At each Mini-Competition, the PQP Scores will be calculated as described above in paragraph 5 above.

10. RANKING BY PQP SCORES

- 10.1 Each response at Mini-Competition stage will be ranked on the basis of the PQP Score. The lowest PQP Score will rank first and the highest PQP Score will rank last.
- 10.2 In case of a draw, please refer to paragraph 12.3.

11. FULFILLING THE REQUIRED CAPACITY

- 11.1 To fulfil the requirement, the Customer reserves the right to contract with more than one Call Off Bidder and hold multiple Mini-Competitions.

- 11.2 In a scenario where more than one Capacity Option is necessary to fulfil the requirement, the Customer will first contract with the Call Off Bidder who receives the lowest PQP Score for their response, and then the Call Off Bidder who receives the second lowest PQP Score (which may be the same Call Off Bidder who has provided tenders for more than one Capacity Option), as per the ranking by PQP Scores, until the requirement for capacity has been satisfied (subject to achieving the resilience objective as outlined at paragraphs 12.5, 12.6 and 12.7 below).

12. CONTRACT AWARD

- 12.1 The Customer reserves the right to accept partial tenders or to not accept any tenders in relation to this requirement and to decline to enter into any Call Off Agreement at any stage of this procurement activity.
- 12.2 The same Call Off Bidder may be awarded one or more Call Off Agreements (i.e. one contract per Capacity Option).
- 12.3 If the responses of two or more Call Off Bidders obtain the same overall PQP Score, the response with the lowest combined assessed cost per Lane Metre will be considered to have the lowest overall PQP Score. If two or more Call Off Bidders with the same overall PQP Score obtain the same combined assessed cost per Lane Metre, the Call Off Bidder's response with the highest quality score will be considered to have the lowest PQP Score. If two or more Call Off Bidders with the same overall PQP Score obtain the same combined assessed cost per Lane Metre and the same quality score, the Call Off Bidder's response with the lowest Unit Price will be considered to have the lowest PQP Score.
- 12.4 Any contract award will be subject to the relevant Call Off Bidder providing supporting evidence in relation to any of its responses that it has self-certified as meeting the relevant question's requirements. If the Call Off Bidder fails to provide such evidence as confirms, to the Customer's satisfaction, that it meets the relevant question's requirements, its tender will be excluded from the procurement.
- 12.5 The Authority's intention is to deliver a resilient capacity solution. To this end, any subsequent Customer using the Framework may aim to ensure that capacity is delivered through different Terminals (the Customer may specify whether one or both Terminals in the subsequent Capacity Option(s) will need to be different). Therefore, the Customer reserves its right to allocate up to a maximum percentage of its required capacity on the highest-ranking Capacity Option and the remaining percentage between the next highest-ranking Capacity Option(s) so long as they use different Terminals, in order to meet its objective of securing capacity delivered through different Terminals in light of its specific requirements for that particular Mini-Competition.
- 12.6 In such circumstances, the Call Off Bidders will be requested to provide the minimum capacity that they are able to offer for each of their proposed Capacity Option(s). If the minimum capacity offered for the highest ranked Capacity Option exceeds the maximum percentage determined by the Customer of the required capacity, then the Capacity Option may be excluded from the contract award and the Customer will award contracts

to the next highest ranked Capacity Option(s) (provided their minimum acceptable capacity is lower or equal to the maximum percentage determined by the Customer of the required capacity). This rule will not apply if the Customer is unable to fulfil its requirement with the next highest ranked Capacity Option(s) when excluding the highest ranked Capacity Option. In such cases the Customer may decide to award more than the percentage determined by the Customer of the required capacity to the highest ranked Capacity Option.

12.7 Resilience may be required to be delivered through different Terminals but this does not preclude one Freight Operator being awarded more than one Call Off Agreement.

Please find below worked examples of how the resilience model may be applied.

For illustrative purposes, the resilience model is applied to the following hypothetical scenario for Customer requirements for capacity and resilience:

- (i) the Customer requires 10,000 Lane Metres of capacity*
- (ii) the maximum percentage the Customer would seek to contract from a single Capacity Option is 60% of the maximum capacity required by the Customer*
- (iii) the Capacity Options the Customer would seek to contract with should be serviced through different Terminals*

Example 1:

Ranking	Call Off Bidder	Leg	Maximum capacity	Minimum capacity	Percentage of required capacity
1st	Bidder 1	A to B	5,000	2,500	50%
2nd	Bidder 2	D to E	3,000	1,000	30%
3rd	Bidder 1	H to C	4,000	2,000	40%
4th	Bidder 3	F to G	2,500	1,000	25%

In the scenario above, Bidder 1 will be awarded a contract for the Leg A to B for 5,000 Lane Metres. Bidder 2 will also be awarded a contract for the Leg D to E for 3,000 Lane Metres. Bidder 1 will also be awarded one more contract for the Leg H to C for the minimum of 2,000 Lane Metres. The total of the 3 contracts will fulfil the total requirement for 10,000 Lane Metres.

Example 2:

Ranking	Bidder	Leg	Maximum capacity	Minimum capacity	Percentage of required capacity
1st	Bidder 1	A to B	15,000	5,000	150%
2nd	Bidder 2	D to E	3,000	1,000	30%
3rd	Bidder 1	H to C	4,000	2,000	40%
4th	Bidder 3	F to G	2,500	1,000	25%

In the scenario above, Bidder 1 will be awarded a contract for the Leg A to B for 6,000 Lane Metres (60% of the required capacity). Bidder 2 will be awarded a contracts for the Leg D to E for 3,000 Lane Metres. Bidder 1 will not be awarded a contract for the route H to C as the minimum capacity is 2,000 Lane Metres and the remaining capacity required is only for 1,000 Lane Metres. Therefore, Bidder 3 will be awarded a contract for the Leg F to G for 1,000 Lane Metres. The total of the 3 contracts will fulfil the total requirement for 10,000 Lane Metres.

Example 3:

Ranking	Bidder	Leg	Maximum capacity	Minimum capacity	Percentage of required capacity
1st	Bidder 1	A to B	10,000	8,000	100%
2nd	Bidder 2	D to E	1,000	500	10%
3rd	Bidder 1	H to C	1,000	500	10%

In the scenario above, Bidder 1 will be awarded a contract for the Leg A to B for 8,000 Lane Metres (80% of the required capacity) and one more contract for the Leg H to C for 1,000 Lane Metres. Bidder 2 will be awarded a contract for the Leg D to E for 1,000 Lane Metres. The total of the 3 contracts will fulfil the total requirement for 10,000 Lane Metres. In this scenario, Bidder 1 is awarded more than 60% of the total capacity required because otherwise there would not be sufficient capacity offered by other Capacity Options to fulfil the total requirement by either only contracting the first Capacity Option for 60% of the capacity or excluding it entirely.