

DOCUMENT: SQ EVALUATION CRITERIA

**Hastings Borough Council, Rother District Council and Wealden District Council
WASTE COLLECTION, RECYCLING, STREET & BEACH CLEANING AND ASSOCIATED
SERVICES CONTRACT**

ESPH 225 Selection Questionnaire (SQ)

- 1 Introduction
 - 1.1 The questionnaire titled 'ESPH225 Selection Questionnaire (SQ)' and declaration should be completed electronically on the SE Shared Services Portal and returned as part of the main tender return along with the selection information requested in the Invitation to Tender.
- 2 Potential Supplier Information and Exclusion Grounds: Part 1 and Part 2.
 - 2.1 The standard Selection Questionnaire is a self-declaration, made by you (the potential Supplier), that you do not meet any of the grounds for exclusion. If there are grounds for exclusion, there is an opportunity to explain the background and any measures you have taken to rectify the situation (we call this self-cleaning).
 - 2.2 A completed declaration of Part 1 and Part 2 provides a formal statement that the organisation making the declaration has not breached any of the exclusions grounds. Consequently, we require all the organisations that you will rely on to meet the selection criteria to provide a completed Part 1 and Part 2. For example, these could be parent companies, affiliates, associates, or essential sub-contractors, if they are relied upon to meet the selection criteria. This means that where you are joining in a group of organisations, including joint ventures and partnerships, each organisation in that group must complete one of these self-declarations. Sub-contractors that you rely on to meet the selection criteria must also complete a self-declaration (although sub-contractors that are not relied upon do not need to complete the self-declaration).
- 3 Supplier Selection Questions: Part 3
 - 3.1 If you are bidding on behalf of a group (consortium) or you intend to use sub-contractors, you should complete all of the selection questions on behalf of the consortium and/or any sub-contractors.
 - 3.2 If the relevant documentary evidence referred to in the Selection Questionnaire is not provided upon request and without delay we reserve the right to amend the contract award decision and award to the next compliant Supplier.
- 4 Consequences of Misrepresentation
 - 4.1 If you seriously misrepresent any factual information in filling in the Selection Questionnaire, and so induce an authority to enter into a contract, there may be significant consequences. You may be excluded from the procurement procedure, and from bidding for other contracts for three years. If a contract has been entered into you may be sued for damages and the contract may be rescinded. If fraud, or fraudulent intent, can be proved, you or your responsible officers may be prosecuted and convicted of the offence of fraud by false representation, and you must be excluded from further procurements for five years.

5 SQ Evaluation Methodology

5.1 Parts two and three of the selection questionnaire are essentially the minimum standards the Partnership requires an appointed contractor(s) to meet or exceed, and so are of a pass/fail nature. The Partnership does reserve the right to consider each case on its merits and assess the risks and implications involved in proceeding.

Selection Questionnaire (SQ) Evaluation Criteria

Section number	Scoring	Criteria
Part 1: Potential supplier Information		
1.1	Pass/Fail	<p>Pass: The Supplier has answered all questions and sub-questions in 1.1 to 1.3 or stated not applicable;</p> <p>Fail: The Supplier has not answered all the questions and sub-questions in 1.1 to 1.3</p>
1.2		
1.3		
Part 2: Exclusion Grounds		
Section 2: Grounds for mandatory exclusion		
2.1(a)	Pass/Fail	<p>Pass: The Supplier has answered all questions and where relevant have included evidence of “self-cleaningⁱ” in 2.2 which is acceptable to the Partnership against the relevant grounds for exclusion.</p> <p>Fail: The Supplier has failed to answer all questions or failed to provide evidence of “self-cleaning” in 2.2, which is acceptable to the Partnership against the relevant grounds for exclusion.</p>
2.1(b)	Pass/Fail	<p>Pass: The Supplier has answered NO to all questions in 2.1(a); or the Supplier has answered NO to some and YES to one or more and have provided further documentation which is acceptable to the Partnership against the relevant grounds for exclusion.</p> <p>Fail: The Supplier has answered YES to some or all the questions and failed to provide further documentation which is acceptable to the Partnership against the relevant grounds for exclusion.</p>
2.2	Pass/Fail	<p>Pass: The Supplier has answered NO to all questions in 2.1(a); or the Supplier has answered NO to some and YES to one or more and have included evidence of “self-cleaning” which is acceptable to the Partnership against the relevant grounds for exclusion.</p> <p>Fail: The Supplier has answered YES to some or all the questions and failed to provide evidence of “self-cleaning”, which is acceptable to the Partnership against the relevant grounds for exclusion.</p>
2.3	Pass/Fail	<p>Pass: the Supplier has ticked "no" in response to this question.</p> <p>Fail: the Supplier has ticked "yes" and has not provided further details and/or has not confirmed that it has paid or has entered into a binding arrangement with a view to paying, the outstanding sum including where applicable any accrued interest and/or fines.</p>

Section 3: Grounds for discretionary exclusion

3.1	Pass/Fail	<p>Pass: The Supplier has answered all questions and, in relation to any question for which the Supplier answered "yes", has supplied evidence in 3.2 of self-cleaning which is acceptable to the Partnership</p> <p>Fail: The Supplier has failed to answer all questions and/or in relation to any question for which the Supplier answered "yes" has failed to supply evidence in 3.2 of self-cleaning which is acceptable to the Partnership</p>
3.2	Pass/Fail	<p>Pass: The Supplier has answered NO to all questions in 3.1; or the Supplier has answered NO to some and YES to one or more and have included evidence of "self-cleaning" which is acceptable to the Partnership against the relevant grounds for exclusion.</p> <p>Fail: The Supplier has answered YES to some or all the questions in 3.1 and failed to provide evidence of "self-cleaning", which is acceptable to the Partnership against the relevant grounds for exclusion.</p>

Part 3: Selection Questions

Section 4: Economic and Financial Standing

4.1	Pass/Fail	<p>Pass: The Supplier has provided one of the requested documents in order to demonstrate its economic/financial standing</p> <p>Fail: The Supplier has failed to provide one of the requested documents in order to demonstrate its economic/financial standing</p>
4.2	Pass/Fail	<p>Pass: The Supplier has answered 'yes' and has included evidence to self-certify that it meets the minimum level of economic and financial standing:</p> <ol style="list-style-type: none"> 1. The Supplier is required to have a minimum annual turnover of twice the annual contract value. 2. The Supplier must be currently trading. <p>In addition, the Supplier must be able to evidence that it satisfies at least two of the tests set out below:</p> <ol style="list-style-type: none"> 1. It has made a gross profit for the last two financial years (based on information supplied in its SQ response) as disclosed in the two years' audited accounts; 2. It has a Current Ratio (defined below) which is not less than 0.75 in the audited accounts for the latest financial year, where: Current Ratio = Current Assets divided by Current Liabilities). 3. It has an Acid Test Ratio (defined below) which is not less than 0.75 in the audited accounts for the latest financial year, where: Acid Test Ratio = Current Assets minus inventories divided by Current Liabilities <p>Fail: The Supplier has answered 'no' and/or is unable to self-</p>

		<p>certify or provide evidence that it meets the required minimum levels of economic and financial standing and the above financial tests.</p> <p>The Partnership reserves the right to request any further information or clarifications as required satisfying any concerns raised as a result of performing the above assessment of economic and financial standing. The Partnership also reserves the right to reject any Supplier at this time that it believes does not have the financial capacity to fulfil the Contract.</p> <p>The Partnership reserves the right to use a third party assessment to aid its financial appraisal and currently use the services of Dun & Bradstreet n2 Check</p>
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Section 5: Guarantee Requirements

5.1 – 5.3	Pass/Fail	<p>All prospective Suppliers are required to complete this section.</p> <p>Pass: The Supplier has completed the relevant questions and confirm that it is either able to provide a parent company guarantee in the required format as set out in Schedule 13 of the Contract and that any Guarantor can meet the Guarantee Criteria as set out in clause 53 of the Contract or a Guarantee Bond to the value of 10% of the annual contract sum (circa £1.5m) in the required format as set out in Schedule 12 of the Contract.</p> <p>Fail: The Supplier has failed to answer the questions and/or has not confirmed that it is able to either provide a parent company guarantee in the required format as set out in Schedule 13 of the Contract and that any Guarantor can meet the Guarantee Criteria as set out in clause 53 of the Contract or a Guarantee Bond to the value of 10% of the annual contract sum (circa £1.5m) in the required format as set out in Schedule 12 of the Contract.</p>
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Section 6: Technical and professional ability

6.1	Pass/Fail	<p>In the response to Question 6.1 of the SQ, Supplier's responses shall be scored out of 5 points in accordance with Table 1. <u>An applicant must score 3 points or more otherwise it will be rejected by the Partnership.</u></p> <p>Contracts should have been performed during the past <u>three</u> years.</p> <p>Pass: The Supplier has provided up to three (3) contract examples which score a minimum of 3 out of 5, or if the Supplier cannot answer 6.1 but has provided a response to 6.3 in no more than 500 words to satisfactorily explain the reason.</p> <p>Fail: The Supplier has provided up to three (3) contract examples which score less than 3 out of 5, or if the Supplier cannot answer 6.1 and has NOT provided a response to 6.3 in no more than 500 words to satisfactorily explain the reason.</p>
6.2	Pass/Fail (only applicable to those intending to sub-contract a proportion of the Contract)	<p>Supplier's responses shall be scored out of 5 points in accordance with Table 1.</p> <p>Pass: Where the Supplier intends to sub-contract a proportion of the Contract, a response has been provided which scores a minimum of 3 out of 5.</p> <p>Fail: Where the Supplier intends to sub-contract a proportion of</p>

		the Contract, a response has NOT been provided or it does not score a minimum of 3 out of 5.
6.3	Pass/Fail	<p>Pass: The Supplier cannot provide at least one example for questions 6.1, but in no more than 500 words has provided a satisfactory explanation for this e.g. your organisation is a new start-up.</p> <p>Fail: The Supplier cannot provide at least one example for questions 6.1 and has failed to answer 6.3 satisfactorily.</p>
6.4	Pass/Fail	<p>Pass: The Supplier has not scored 'poor' on any reference response or only scored 'poor' once on any one reference one (1) reference question response across all references provided. Referee responses must verify that the contract example(s) provided in 6.1 has/have been performed within the last three (3) years and are relevant.</p> <p>Fail: The Supplier has scored 'poor' on two (2) or more questions on the same reference. Referee responses do not verify that the contract example(s) provided in 6.1 has/have been performed within the last three (3) years and are relevant.</p>
6.5	Pass/Fail	<p>The Supplier's responses shall be scored out of 5 points in accordance with Table 1. <u>An applicant must score 3 points or more otherwise it will be rejected by the Partnership.</u></p> <p>Pass: A minimum score of 3 out of 5 per response</p> <p>Fail: One or more questions scoring less than 3 out of 5</p>
Section 7: Requirements under Modern Slavery Act 2015		
7.1	Not scored	A response has been provided by the Supplier
7.2	Pass/Fail	<p>Pass: The Supplier is not required to answer this question as it answered "N/A" to 7.1 or the has provided information to demonstrate it is compliant with the annual reporting requirements contained within Section 53 of the Modern Slavery Act 2015</p> <p>Fail: The Supplier has not provided information to demonstrate it is compliant with the annual reporting requirements contained within Section 53 of the Modern Slavery Act 2015</p>
Section 8: Additional Questions		
8.1	Pass/Fail	<p>Pass: The Supplier has answered YES to the question and included Insurance certification; or the Supplier has answered YES to the question and is able to commit to obtaining the required Insurance cover</p> <p>Fail: The Supplier has answered NO to the question and is unable to commit to obtaining the required Insurance cover prior to commencement of the Contract.</p>
8.2	Pass/Fail	<p>Pass: A response of 'yes' to questions 8.2a to 8.2c</p> <p>Fail: A response of 'no' to questions 8.2a to 8.2c</p>

- 6 Due Diligence
- 6.1 After the closing time for returns has passed the Partnership shall perform a financial assessment to verify Supplier’s self-certification of financial standing. If any concerns are raised, the Partnership shall request financial accounts at this point. The Partnership reserves the right to reject any Supplier at this time that it believes does not have the financial capacity to fulfil the contract.
- 6.2 Should the preferred Supplier fail during the due diligence process the next ranked Supplier will then become the preferred Supplier.
- 6.3 In the interests of transparency all Suppliers will be notified once a preferred Supplier has been identified and the due diligence started.

Table 1: Technical and Professional Ability Scoring

Score	Definition
0	No answer
1	Very poor or contract examples show very limited relevant experience
2	Poor or contract examples show limited relevant experience
3	Good or contract examples show a reasonable level of relevant experience
4	Very good or contract examples show a full range of relevant experience
5	Excellent or contract examples that show a full range of relevant experience and demonstrate added value

ⁱThe Crown Commercial Service defines “self-cleaning” as follows:

If a Supplier provides sufficient evidence that remedial action has taken place subsequently and “self-cleans”, by paying necessary compensation, collaborating with investigations, and taking concrete technical, organisational and personnel steps to prevent recurrence of the offence or misdeeds, the authority can use its discretion as to whether the Supplier may proceed, provided the Supplier can demonstrate remedial action to the satisfaction of the authority. Self-cleaning applies to both mandatory and discretionary exclusion.

In the absence of earlier satisfactory self-cleaning, exclusion must nevertheless end five years from conviction for mandatory exclusion, and three years after the cause, for discretionary exclusion. Mandatory exclusion for non-payment of tax or social security must end when the Supplier has paid or enters a binding agreement to pay, and can also be waived at the authority’s discretion if the amounts are only “minor” or the Supplier hasn’t yet had a chance to finally pay or agree to pay.

Self-cleaning is not applicable to discretionary exclusion grounds which are procurement-specific and which do not arise from Supplier misdeeds (“conflict of interest” and “distortion of competition from prior involvement”).

Discretionary exclusion arising from the Supplier’s financial position should be ended when the financial issues are satisfactorily resolved; full self-cleaning is not relevant unless other grounds for exclusion are also engaged.

Exclusion grounds may apply at any point in the procurement process up to the award of contract.

Please also refer to paragraphs 13 to 17 of The Public Contract Regulations 2015.