



Regional Development  
Agency

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TENDER: MANUFACTURING AND PRODUCTIVITY  
SUPPORT POST 2008

REF: OJEU07/08-004

DOCUMENT: INVITATION TO PARTICIPATE IN  
COMPETITIVE DIALOGUE

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## **Important Information**

This Invitation to Participate in Competitive Dialogue document is being made available by One NorthEast to those Bidders who have been invited to participate in the competitive dialogue stage of this procurement with One NorthEast.

The information contained in this document and the appendices, and all other information made available at any time to the Bidders by or on behalf of One NorthEast in connection with the project, is supplied on this basis, and Bidders shall be deemed to agree, that Bidders will keep such information confidential at all times and use such information only for the purpose of Bidders deciding whether they wish to participate in the bidding process to enable them to continue to the Invitation to Submit a Final Tender.

Such information may not be disclosed or copied except as expressly permitted by One NorthEast, nor should any information be disclosed to any persons not directly involved in considering and responding to this document. Should any Bidder decide not to participate further in the procurement process they must return immediately the document and appendices (and any copies of all or any part thereof or extracts therefrom), to One NorthEast and any relevant data in electronic form should be permanently deleted. Any access rights to the extranet data room administered by the Agency will also be retracted.

Although every care has been taken in preparing this document with information obtained from sources considered to be reliable, it has not been independently verified by One NorthEast, its directors, officers, employees, agents or advisers and no representation, warranty or undertaking, expressed or implied is made. Save as set out in this section of the document, no responsibility or liability (including for negligence) will be accepted by One NorthEast or its employees, servants, agents or advisers ('Connected Person') as to the accuracy or completeness of the document or any other written or oral information made available to any Bidder or its advisers. It should not be assumed that the information contained in this document will remain unchanged after the date thereof.

Information provided by One NorthEast or Connected Persons to Bidders will be given in good faith, but Bidders will have to make their own investigations and interpretations as to its accuracy or completeness, and save as set out in this section of the document, no responsibility or liability (including for negligence) is accepted by One NorthEast or any Connected Persons for the accuracy, completeness or sufficiency thereof, or for any errors, omissions or mis-statement, negligent or otherwise, relating thereto. No responsibility will be accepted for any action taken or omitted to be taken, by any Bidder on any information supplied (whether or not within this document).

Neither the receipt of this document by any person nor any information contained in it or distributed with it or subsequently communicated to any interested party or its advisers is, or is to be taken as, constituting the giving of investment advice by One NorthEast or any Connected Person.

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as to the future intentions of One NorthEast in relation to the project referred to in this document and One NorthEast reserves the right, to reject any or all bids for the project and to terminate discussions with any or all Bidders, and under no circumstances shall One NorthEast or any Connected Person incur any liabilities (including in relation to negligence) in that respect.

Nothing in this document seeks to exclude or limit the liability of One NorthEast or any Connected Person for fraudulent misrepresentation or death or personal injury caused by One NorthEast's or such Connected Persons' negligence.

One NorthEast reserves the right not to follow up this document in any way, to terminate or suspend the bid process or to vary, terminate or amend any requirements and/or procedures relating to the award process and no expense incurred by any person in responding to this document and preparing a bid will be reimbursed.

One NorthEast reserves the right not to award a contract for any reason. One NorthEast is not bound to accept the lowest, or the most economically advantageous, or any tender.

Bidders must bear all their own costs and expenses relating to their expression of interest, any bids or subsequent negotiations and contractual arrangements.

One NorthEast reserves the right to require the submission of any additional, supplementary or clarifying information as may, at its discretion, deem appropriate.

## The rules of the Competitive Dialogue

### 1. Definitions

1.1. In this document, unless the context otherwise requires: -

"Agency" means One NorthEast, the regional development agency for the North East of England whose address is at Stella House, Goldcrest Way, Newburn Riverside, Newcastle upon Tyne, NE15 8NY, England;

"Award Criteria" means the award criteria set out at Schedule 3 to this document;

"Bidder" means an organisation or consortia of organisations invited by the Agency to participate in this Competitive Dialogue;

"Competitive Dialogue Stage" means that part of the Procurement Procedure beginning on the date that the Agency issues invitations to Bidders to take part in the

	Competitive Dialogue and ending on the date the Agency declares that the Dialogue has concluded;
"Competitive Dialogue"	means the procedure set out in Regulation 18 of the Regulations and any laws, regulations and administrative provisions necessary to comply with or give effect to the procedure set out in Regulation 18;
"Contract Notice"	means Contract Notice 2007/S184-224997 published in the Official Journal of the European Union on 25 September
"Contract"	means the contract or grant agreement (as appropriate) which will be entered into between the Agency and the Bidder chosen by the Agency to carry out the Project in accordance with the Procurement Procedure in respect of which Heads of Terms are set out at Schedule 4;
"Descriptive Document"	means the descriptive document at Schedule 2;
"Dialogue"	means that part of the Procurement Procedure that takes place during the Competitive Dialogue Stage with the aim of identifying and defining the means best suited to satisfying the Agency's Needs and Requirements;
"EIR"	means the Environmental Information Regulations 2004;
"FOIA"	means the Freedom of Information Act 2000 and any subordinate legislation made under this Act from time to time together with any guidance and/or codes of practice issued or any successor in relation to such legislation;
"Invitation to Tender"	means the invitation to tender issued to one or more of the Bidders at the commencement of the Tender Stage;
"Needs and Requirements"	means the needs and requirements sought or required by the Agency and

	set out in the Descriptive Document;
"Pre-Qualification Stage"	means that part of the Procurement Procedure beginning on the date of publication of the Contract Notice and ending on the date the Agency issues Invitations to Tender to selected organisations to take part in the Competitive Dialogue;
"Procurement Procedure"	means the procedure followed by the Agency in accordance with the Regulations and all applicable laws, regulations and administrative provisions to award the Contract including the Pre-Qualification Stage, the Competitive Dialogue Stage and the Tender Stage;
"Project"	means Manufacturing and Productivity Support post 2008;
"Receiving Participant"	means the Agency when a request is made by a Bidder or a Bidder when a request is made by the Agency, in receipt of a request for information from a Requesting Participant in accordance with the provisions of paragraph 9.1 of this document;
"Regulations"	means the Public Contracts Regulations 2006 (Statutory Instrument 2006 No5);
"Requests for Information"	shall have the meaning set out in the FOIA or any apparent request for information under the FOIA or the EIR;
"Requesting Participant"	means the Agency or a Bidder who issues to a Receiving Participant notice requesting information in accordance with paragraph 9.1 of this document;
"Initial Proposals"	means the Initial Proposals to the key questions raised by the Agency as appear at Appendix 1
"Solution"	means any work, services or supplies or any combination of work, services or supplies that meets one or more of

	the Needs and Requirements;
"Tender Stage"	means that part of the Procurement Procedure beginning on the date that the Agency issues to Bidders the Invitation to Tender for the Contract and ending on the date that the Agency awards the Contract to the successful Bidder;
"Tender"	means the tender produced by the Bidder for the Contract and in response to the Invitation to Tender; and
"Timetable"	means the Agency's timetable for the Procurement Procedure as set out at Schedule 1 as varied and amended from time to time.

## 2. Interpretation

### 2.1. In this document:

- 2.1.1. Any schedules form part of this document and references to the terms of this document include them;
- 2.1.2. Reference to paragraphs and schedules are to paragraphs and schedules to this document and references in a schedule or part of a schedule to paragraphs are to paragraphs of that schedule or that part of that schedule;
- 2.1.3. Reference to the terms of this document or any other documents are to the terms of this document or that document as in force for the time being and as amended from time to time in accordance with the terms of this document or that document (as the case may be);
- 2.1.4. Words importing a gender include every gender, reference to the singular include the plural and vice versa and words denoting persons include individuals and bodies corporate, partnerships, unincorporated associations and other bodies (in each case, wherever resident and for whatever purpose) and vice versa;
- 2.1.5. A reference to a statute or statutory provisions shall be construed as including a reference to any subordinate legislation (as defined by section 21(1) of the Interpretation Act 1978) made from time to time under that statute or provision (whether before or after the date of this document); and

- 2.1.6. A reference to a European Union instrument, statute, statutory provision or subordinate legislation (as so defined) shall be construed as including a reference to that European Union instrument, statute, provision or subordinate legislation as in force at the date of this document and as from time to time modified or consolidated, superseded or replaced (whether with or without modification) after the date of this document.
- 2.1.7. The headings and contents table of this document are for convenience only and do not affect their interpretation.
- 2.1.8. If there is a conflict or inconsistency between any paragraph of, and any schedule to, this document the paragraph prevails. For this purpose an omission (whether deliberate or inadvertent) is not, by itself, to be construed as giving rise to a conflict or inconsistency.
- 2.1.9. In this document the words "other", "includes", "including" and "in particular" do not limit the generality of any preceding words and any words which follow them shall not be construed as being limited in scope to the same class as the preceding words where a wider construction is possible.

### 3. Introduction

- 3.1. The Agency is the Regional Development Agency for the North East of England, comprising Northumberland, Tyne and Wear, Durham and Tees Valley. The Agency was established in April 1999 by Government to further economic development and regeneration. The Agency, together with regional partners, is responsible for producing the North East's regional economic strategy, which has led to the development of a diverse range of programmes and initiatives throughout all parts of the region.
- 3.2. On 25 September 2007 the possibility of the award of the contract for the Project was published in the Official Journal of the European Union, inviting expressions of interest in the Project. The Agency is following the Competitive Dialogue and has pre-qualified a list of Bidders who responded to the advertisement at the Pre-Qualification Stage. Those Bidders are now invited to participate in the Dialogue with the Agency.

### 4. The Procurement Procedure

- 4.1. The Agency is procuring the Project by means of the Procurement Procedure and in accordance with the Regulations and all other applicable laws and regulations. The Procurement Procedure comprises the Pre-Qualification Stage, the Competitive Dialogue Stage and the Tender Stage.



- 4.2. The Agency has checked the suitability of potential Bidders to be invited to participate in the Competitive Dialogue in the Pre-Qualification Stage by reference to the criteria of economic and financial standing and technical capacity, knowledge and ability. The Agency has chosen 5 Bidders to be invited to participate in the Competitive Dialogue by the application of objective and non-discriminatory criteria.
- 4.3. The Competitive Dialogue Stage of the Procurement Procedure is described in paragraph 5 below.
- 4.4. The Tender Stage follows the Competitive Dialogue Stage and will involve the Agency following the following procedure:
  - 4.4.1. The Agency shall issue to Bidders an Invitation to Tender;
  - 4.4.2. The Bidders shall submit their Tenders to the Agency and the Agency may request that a Bidder clarify, specify or fine-tune its Tender;
  - 4.4.3. The Agency will assess the Tenders on the basis of the Award Criteria with a view to establishing the Tender which is the most economically advantageous Tender;
  - 4.4.4. The Agency may ask the Bidder submitting the Tender chosen by the Agency as the most economically advantageous to clarify aspects of the Tender or confirm commitments in the Tender;
  - 4.4.5. The Agency will determine whether to award the Contract. If the Agency decides to award the Contract it will award the Contract to the Bidder submitting the most economically advantageous Tender.
- 4.5. The Competitive Dialogue and Tender Stages shall take place consecutively and in accordance with the Agency's Timetable, an indicative copy of which is in Schedule 1.
- 4.6. The Agency reserves the right to vary, withdraw from, suspend or terminate the Procurement Procedure, any part of the Procurement Procedure or this document at any time.
- 4.7. The Agency reserves the right to change the date of any event occurring in or forming part of the Timetable or the Procurement Procedure.
- 4.8. The Agency may in its absolute discretion disqualify any Bidder from further involvement in the Procurement Procedure without prejudice to any other civil remedies available to the Agency and without prejudice to any criminal liability which such conduct may attract if in the reasonable opinion of the Agency the Bidder:

- 4.8.1. commits an irremediable breach of the principles, duty, laws or regulations detailed in paragraph 5.3; or
  - 4.8.2. commits a material breach of the principles, duty, laws or regulations in paragraph 5.3 and fails to rectify such breach within 30 days of notice from the Agency to do so; or
  - 4.8.3. acts in any way which could or does prevent genuine competition for the Contract opportunity; or
  - 4.8.4. if any of the mandatory exclusions, as set out in Regulation 23(1) of the Regulations and summarised in the pre-qualification questionnaire issued during the Pre-Qualification Stage, are or become applicable; or
  - 4.8.5. goes into receivership, administration or liquidation (other than in a bona fide restructuring of its business), becomes insolvent or enters into any composition, scheme or arrangement with its creditors or ceases or threatens to cease to carry on its business or does or threatens to do any similar or analogous act in any jurisdiction; or
  - 4.8.6. fails to comply with any requirement of the Procurement Procedure; or
  - 4.8.7. is guilty of a material misrepresentation in supplying any information requested at any stage of the Procurement Procedure.
- 4.9. Bidders will bear their own costs of participation in the Procurement Procedure. No claim may be made against the Agency for any bid costs under any circumstances.
- 4.10. The Agency and the Bidders agree that by participating in the Competitive Dialogue they are bound by the terms of this document.

## 5. The Competitive Dialogue

- 5.1. This Competitive Dialogue forms part of the Procurement Procedure leading to the award of the Contract referred to in the Contract Notice. The Agency is using the Competitive Dialogue procedure because this is a particularly complex contract and the Agency is not objectively able to define the technical means capable of satisfying its needs and objectives for the Project and is not objectively able to specify the legal and financial make-up of the Project. The Agency considers that the use of the open or restricted procurement procedures will not facilitate the award of the Contract.
- 5.2. The aim of the Competitive Dialogue is to identify and define the means best suited to satisfying the Agency's Needs and Requirements.

- 5.3. The Agency and the Bidders will conduct the Competitive Dialogue in accordance with the principles of equal treatment, non-discrimination, proportionality and protection of the rights of the individual, the duty of transparency and all applicable laws and regulations.

## 6. Needs and Requirements

- 6.1. The Needs and Requirements are set out in the Descriptive Document.
- 6.2. In the event of any conflict between the terms of the Descriptive Document and any other document concerning the Project and referring to the Agency's Needs and Requirements arising in connection with the Project, the terms of the Descriptive Document shall prevail.

## 7. Dialogue

- 7.1. The Dialogue shall commence on the date specified in the Timetable or as otherwise notified by the Agency and continue until the Agency declares by notice to the Bidders that the Dialogue is concluded.
- 7.2. It is anticipated that the Dialogue will take place in two or more successive stages or in such other format as the Agency shall determine and notify to the Bidders. In each stage of the Dialogue the Agency may in accordance with paragraph 7.5 of this document reduce the number of Solutions to be discussed with any Bidder or reduce the number of Bidders by application of the Award Criteria.
- 7.3. Each Bidder shall submit its Initial Proposals and Solutions to the Agency in accordance with the provisions of paragraph 11. The Agency reserves the right only to consider Initial Proposals and Solutions submitted by Bidders in the Dialogue by the response date as specified in the Timetable. The Agency shall consider the Solutions submitted by each Bidder in the course of the Dialogue and may compare any or all of the Solutions provided by one Bidder with any or all of the Solutions provided by any other Bidder.
- 7.4. The Agency shall meet with each Bidder at each stage of the Dialogue, or otherwise as the Agency may in its absolute discretion determine. The Agency may require that the Bidder demonstrate to the Agency how the Bidder's Solutions meet the Agency's Needs and Requirements and comply with such other reasonable and proportionate requests of the Agency. The Bidder and the Agency may discuss all aspects of the Agency's Needs and Requirements and of the Contract in the course of the Dialogue including price.
- 7.5. At any time during the Dialogue, the Agency may give notice to a Bidder that a Solution or part of a Solution will no longer be considered in the Dialogue. Upon receipt of the notice and at the request of the Agency, the Bidder shall amend its proposed Solution to remove the Solution or part of the Solution referred to in the notice

and shall provide the Agency with such details of the amended proposed Solution as the Agency shall specify in the notice.

7.6. The Agency may in its absolute discretion at any time during the Competitive Dialogue Stage identify and define the means best suited to satisfying the Needs and Requirements.

## 8. Tender

8.1. On a date to be notified to the Bidders in accordance with paragraph 11 of this document and after the Dialogue is concluded, the Agency shall issue the Tender to the Bidders.

8.2. Save to the extent that the Agency has advised them in writing, each Bidder must comply with the instructions in the Invitation to Tender.

8.3. The Agency reserves the right to treat as disqualified or ineligible to tender for the Contract any Bidder:

8.3.1. Which fails to comply with any instruction or requirement in the Invitation to Tender; or

8.3.2. To which any of the conditions in paragraph 4.8 applies.

8.4. Bidders must submit a Tender in accordance with the conditions of the Invitation to Tender that contains all the elements required and necessary for the performance of the Project. At the request of the Agency, Bidders shall clarify, specify and fine-tune their Tenders.

8.5. The Agency shall assess the Tenders submitted by each Bidder by reference to the Award Criteria and choose the most economically advantageous Tender. The Agency shall give notice to the Bidder that has submitted the most economically advantageous Tender that it has done so. The Agency may require the Bidder submitting the most economically advantageous Tender to clarify aspects of the Tender or confirm commitments given in the Tender.

## 9. Information

9.1. At any time during the Dialogue, the Requesting Participant may give to the Receiving Participant notice requesting that the Receiving Participant provide the Requesting Participant with the information specified in the notice. Provided that the information is in the possession or control of the Receiving Participant and the Receiving Participant may lawfully and without breach of any obligation of confidentiality in respect of the information disclose the information to the Requesting Participant, the receiving Participant shall supply the information specified in the notice to the Requesting Participant.

9.2. Subject to paragraph 9.1, Bidders shall supply to the Agency in the course of the Dialogue all information reasonably and proportionately required by the Agency to identify and define the means best suited to satisfying the Agency's Needs and Requirements.

9.3. Without prejudice to the provisions of paragraph 4.8 of this document and subject to paragraph 10 of this document, the Agency shall not reveal to any other Bidder in the course of the Dialogue:

9.3.1. a Bidder's Solution; or

9.3.2. other confidential information of a Bidder communicated to the Agency by a Bidder in the course of participating in the Dialogue

without the agreement of the Bidder.

9.4. Nothing in this paragraph 9 shall prevent the Agency from comparing the Solutions of a Bidder with the Solutions of another Bidder in accordance with paragraph 7.3 of this document.

9.5. Where the Agency issues information or clarification to any Bidder, the other Bidders will also, except where to do so may breach any provision of this document, receive the same information or clarification.

9.6. If a Bidder wishes to pose a question or disclose information to the Agency which it regards as confidential, it must clearly request in writing that the Agency treat this matter as confidential. The Agency may choose to respond to the question in confidence (or to treat the information received as confidential) or to publish the question and answer to all Bidders. If the Agency intends to take the latter course, the Agency will first inform the Bidder which raised the matter and that Bidder may then withdraw the question or information. Any Request for Information which includes any questions or information treated by the Agency as confidential under this paragraph will be handled by the Agency in accordance with paragraph 10.4.

10. Freedom of Information Act 2000 and Environmental Information Regulations 2004

10.1. The Agency is under certain statutory obligations. As a consequence the Agency is required to disclose, upon request, any recorded information that it holds to any person anywhere in the world unless a specific statutory exemption applies to the disclosure of such information.

10.2. Disclosure will include information about the Agency's tendering process and information contained in any documentation Bidders supply to the Agency (including Initial Proposals, Solutions and Tenders).

10.3. If a Bidder considers that its Initial Proposals, Solutions or Tender (or any other recorded information the Bidder supplies to the Agency) contains commercially sensitive information which, if it were

disclosed, would prejudice the Bidder's commercial interests or result in a breach of confidence, the Bidder should:

- 10.3.1. clearly identify and keep separate any sections of the Initial Proposals, Solutions or Tender (or other recorded information the Bidder supplies to the Agency) which the Bidder would like to be kept confidential and the specific reasons why the Bidder considers they should not be disclosed; and
  - 10.3.2. provide an indication as to the duration the Bidder considers such information is to remain confidential.
- 10.4. The Agency will determine whether any information that Bidders supply to it is exempt from disclosure pursuant to any Request for Information, including any information that Bidders have designated as commercially sensitive or confidential or which the Agency has agreed to treat as confidential in accordance with paragraph 9.6. The Agency will, in accordance with any applicable statutory code of practice, inform or consult with individual Bidders in relation to Request for Information which includes, any information such Bidders have designated as commercially sensitive or confidential or which the Agency has agreed to treat as confidential in accordance with paragraph 9.6. The decision on whether the information should be disclosed rests with the Agency and the Information Commissioner only.
- 10.5. Bidders should note that where any Initial Proposals, Solutions or Tenders are expressed to be entirely confidential in reality, this will be unlikely to be the case, and the Agency will only treat as confidential as commercially sensitive any information contained within the Initial Proposals, Solutions or Tender which the Agency considers to be of a truly confidential or commercially sensitive nature. The Agency will treat the confidential marking of a Response in accordance with paragraph 11.14 as indicating a restriction on the opening of sealed envelopes or packages and not as a designation of the entire Response as being confidential. Bidders are advised to take the actions referred to above.

## 11. General

- 11.1. This document is dated 21 December 2007. This document shall come into force on the date set out in this paragraph 11.1 and shall continue in force for the duration of the Procurement Procedure.
- 11.2. Copyright in this document, the Descriptive Document and the Award Criteria is vested in the Agency and may not be reproduced, copied or stored in any medium without the prior written consent of the Agency. This document, the Descriptive Document and the Award Criteria and any other documents issued by the Agency in the course of the Procurement Procedure or in connection with the Project are

and shall remain the property of the Agency and shall be returned to the Agency upon demand.

- 11.3. Bidders shall not undertake, cause or permit to be undertaken at any time any publicity in relation to the Project in any media, including (without limitation) radio, television, newspapers, trade and specialist press, the internet, email or any other form of electronic dissemination of information accessible to the public and their representatives, except with the prior written approval of the Agency.
- 11.4. Bidders shall notify the Agency of any changes in the membership of the Bidder or material changes to any member of the Bidder since the Pre-Qualification Stage of the Procurement Procedure. The Agency reserves the right to withdraw the qualification status of the Bidder and disqualify the Bidder from further participation in the Competitive Dialogue if any member of the Bidder does not satisfy or continue to satisfy the criteria to be invited to participate in the Competitive Dialogue. Any change in the identity or control of any member of the Bidder since the date the Bidder was invited to participate in the Competitive Dialogue is a material change to a member of the Bidder.
- 11.5. The Agency reserves the right to vary, add to, delete or suspend the operation of any part of this document by notice to the Bidders.
- 11.6. Each Bidder shall comply with any reasonable and proportionate request from the Agency and reply promptly to any correspondence the Agency or any person authorised on behalf of the Agency.
- 11.7. Bidders are responsible for ensuring that they are fully aware of all relevant statutory, regulatory and other requirements, guidance and codes of practice concerning or relevant to the Project and this Procurement Procedure.
- 11.8. The Agency may exercise each and every right set out or referred to in this document on one or more occasion as the Agency sees fit.
- 11.9. The terms of this document represent the entire and only rules governing the Competitive Dialogue Stage and the Tender Stage of the Procurement Procedure and supersede all prior oral or written agreements, understandings or arrangements between the Agency and all or any of the Bidders relating to the Competitive Dialogue Stage and the Tender Stage of the Procurement Procedure, save as may be incorporated in an Invitation to Tender issued by the Agency. Neither the Agency nor any Bidder has been induced to be bound by the terms of this document in reliance on, nor have they been given, any warranty, representation, statement, assurance, covenant, agreement, undertaking, indemnity or commitment of any nature whatsoever other than those expressly set out in this document and, to the extent that the Agency or any Bidder has been then, except in respect of fraud, the Agency or any Bidder unconditionally and irrevocably waives any claims, rights or remedies which it might otherwise have had in relation thereto.

11.10. Unless this Agreement expressly states otherwise:

11.10.1. A person who is bound by the terms of this document has no right to enforce any of the terms of this document under the Contracts (Rights of Third Parties) Act 1999; and

11.10.2. If a person who is not bound by the terms of this document is stated to have the right to enforce any of its provisions under the Contracts (Rights of Third Parties) Act 1999, the Agency and the Bidders may vary the terms of this document (and any documents entered into pursuant to or in connection with them) without the consent of that person.

11.11. The terms of this document shall be governed by and construed in accordance with the laws of England and the Bidders and the Agency hereby submit to the non-exclusive jurisdiction of the English courts.

11.12. Bidders invited to participate in the Competitive Dialogue with the Agency are required to provide Initial Proposals in writing by the date specified in paragraph 11.15. The Initial Proposals should be self contained and should not cross refer back to the pre-qualification questionnaire issued during the Pre-Qualification Stage or any other documentation.

11.13. To ensure a fair and even handed assessment please provide answers to the Initial Proposals, in the correct order, using the same numbering scheme, and using no smaller than 12 point fonts.

11.14. Bidders' written Initial Proposals to the questions and associated documents must be returned by 12 o'clock noon GMT on 1 February 2008 and must be submitted electronically via the eTendering toolkit ([www.onenortheast.bravosolution.com](http://www.onenortheast.bravosolution.com)). Attachments should contain the reference 'Tender Documents OJEU07/08-004'.

11.15. All Initial Proposals should be in English.

11.16. One NorthEast do not wish to set a word limit on the Bidder's Initial Proposals but in order to facilitate the process and keep bid costs to a minimum, Bidders are encouraged to provide succinct answers to the questions raised.

11.17. The Certificate of Non-Collusive Tendering set out at Schedule 5, the Certificate against Canvassing set out at Schedule 6 and the Form of Covering Letter set out at Schedule 7 must be completed, signed and submitted with Initial Proposals as an attachment through the eTendering Toolkit.

11.18. The Certificate of Non-Collusion, Certificate of Non-Canvassing and the Form of Covering Letter must be signed:

11.18.1. with your usual signature if a sole trader;



- 11.18.2. by at least two authorised partners with their usual signature if a partnership, and a copy of the power of attorney authorising them to sign on behalf of the partnership, if appropriate; or
  - 11.18.3. if a limited company, by the company secretary and one other authorised person, giving the legal name of the company.
- 11.19. All signatures must be witnessed. The submission should be signed by those persons who will be signing the contract if the tender is successful. Please indicate if this is not the case and provide the names and position of the signatories to the contract.
- 11.20. The Bidder's full business name and main office address must also be provided on all documents. This should be the registered name and address in the case of companies.
- 11.21. A decision not to submit a Response should be communicated in writing direct via the messaging area of the eTendering toolkit ([www.onenortheast.bravosolution.com](http://www.onenortheast.bravosolution.com)) by 1 February 2008.

**Schedule 1****Timetable**

Set out below is an indicative timetable which the Agency believes is realistic and deliverable. The Agency reserves the right to vary the timetable and will notify Bidders if it does so.

Stage	Date
Issue Competitive Dialogue stage documents	21 <sup>st</sup> December 2007
Competitive Dialogue meetings	Week beginning 7 <sup>th</sup> January 2008
Deadline for written Initial Proposals	1 <sup>st</sup> February 2008
Evaluate written Initial Proposals and score	1 <sup>st</sup> February to 22 <sup>nd</sup> February 2008
Continue Competitive Dialogue with 2-3 bidders	22 <sup>nd</sup> February to 18 <sup>th</sup> April 2008
Issue ISFT	April 2008
Deadline for return of Tender documents	Mid May 2008
Clarification and Evaluation	Mid May to Mid June 2008
Selection of Preferred Bidder	June 2008
10 day Alcatel standstill	
Enter into Contract	June/July 2008

## Schedule 2

### The Descriptive Document

#### INTRODUCTION

This document has been prepared following submission of applications to the Pre-Qualification Questionnaire (PQQ) in response to the advertisement placed in the Official Journal of the European Union reference number 2007/S184-224997.

#### 1.1 COMPETITIVE DIALOGUE STAGE

This document constitutes the Invitation to Participate in Competitive Dialogue and is intended to facilitate the competitive dialogue stage. This document also gives a background to One NorthEast and the Manufacturing Advisory Service (MAS) and North East Productivity Alliance (NEPA) Service Post 2008, which forms the basis of this procurement.

This document contains key questions that Bidders have been asked to answer in respect of relevant aspects of the project and will need to be contained in your Initial Proposal to be provided by February 1<sup>st</sup> 2008 (please note that the questions are set out at the end of each section of the document and are repeated in **Appendix 1**). These will be assessed by the One NorthEast evaluation team supported by their professional advisers. It should be noted that where example projects have been requested, the same projects can be used in response to more than one question.

Please note that the document also contains supplementary questions which may be covered as part of the dialogue stage but you will not be asked to include responses to these in your Initial Proposal and they will not be included in the assessment process at this stage. However, it is likely that they will be included and considered further through the process. (These are also summarised at **Appendix 1**).

The Award Criteria that will be used throughout the Competitive Dialogue are set out in Schedule 3 of this Invitation to Participate in Competitive Dialogue.

Schedule 1 sets out details of the submission deadline and proposed timetable for the Competitive Dialogue meetings.

## 1.2 THE CONCEPT

The Department of Business, Enterprise and Regulatory Reform (BERR - formerly DTI) led a review of the Manufacturing Advisory Service (MAS) as part of the current Comprehensive Spending Review (CSR). Its purpose was to inform policy-making, give a view on the overarching Government approach to business support delivery models and consider associated public spending decisions. The review was published in January 2007 and informed BERR's current position.

BERR has decided that MAS has a fundamental and continuing role to play in manufacturing business support and believes that the MAS brand and image should also be used for other publicly funded services which support manufacturing business in relation to lean manufacturing, best practice, product innovation, resource efficiency and related business support services. This enhanced service needs to be in place from April 2008 and will be delivered in line with an agreed national specification.

In April 2007, One NorthEast felt that in line with these national decisions, it was timely to move towards providing a more integrated regional manufacturing and productivity service post 2008. The new service will incorporate the national enhanced Manufacturing Advisory Service (MAS). It will also incorporate a range of other related manufacturing support activities which are currently delivered as separate initiatives. These include the current North East Productivity Alliance Best Practice Dissemination Project (NEPA BP), Energy Resource Efficiency (NEPA Energy) and aspects of the Design in Manufacturing (NEPA Design) project. It was agreed that these elements will be delivered as a single, integrated service to the manufacturing sector across the region under the name of the MAS-NEPA service. It is also anticipated that other related services may also be delivered via this route in the future. This would maintain the integration of service for the customer and be in line with the Government's Business support simplification agenda.

The main objectives for integrating these services is to present a single integrated offering to manufacturing businesses in the region, achieve greater economies of scale, improve sharing and learning and improve the customer experience. From the outset, BERR has been advised of the project and has expressed strong support for the approach.

It is also intended that this development will assist One NorthEast in delivering its priorities and objectives set out in One NorthEast's Corporate Plan

(<http://www.onenortheast.co.uk/lib/liReport/11362/007032720Corporate20Plan20-20final20to20Board+1.pdf>) and as set out in the Regional Economic Strategy (RES) – 'Leading the Way' (<http://www.onenortheast.co.uk/lib/liReport/9653/Regional20Economic20Strategy200620-2016.pdf>).

In order to achieve this One NorthEast has therefore determined to procure

by means of competitive tender a single external organisation or consortium, outside of One NorthEast to deliver the whole range of the MAS-NEPA service.

In submitting a response to this document, all Bidders therefore must be fully aware that the aim behind MAS-NEPA is not only to provide the best possible service to the region's manufacturing sector, but also to fulfil the objectives as set out by One NorthEast and the RES for the benefit of the region.

### **1.3 THE MAS-NEPA SERVICE**

MAS is held in high regard by BERR and enjoys a good reputation with the client group, largely SMEs within the manufacturing sector. It is currently delivered by an external organisation under contract from One NorthEast. In addition, NEPA Best Practice, which is delivered in-house in One NorthEast, is seen as one of the prime projects supported by the Agency. It has an excellent reputation both regionally and nationally. Both services have been developed over time and now have a tried and tested methodology, producing excellent results.

In procuring a new provider for the MAS-NEPA service, there are a number of key objectives which must be fulfilled:

- Protect the integrity of the MAS and NEPA brands;
- Maintain continued association with the NEPA brand with One NorthEast;
- Safeguard the quality of the MAS and NEPA service; and
- Maintain a significant degree of influence by One NorthEast.

The organisation chosen as the new provider must, therefore, be fully aligned with One NorthEast's objectives, together with the aims set out in the Regional Economic Strategy (RES).

### **1.4 APPROVAL FOR THE PROJECT**

A business case for the MAS-NEPA service Post 2008 has been developed and was approved by the One NorthEast board in November 2007. This has now been submitted to Central Government and is currently waiting endorsement.

Nothing contained or referred to in this Competitive Dialogue document is or will serve to override or otherwise affect One NorthEast's statutory duties and powers which remain in full force and effect.

## **2 BACKGROUND**

One NorthEast is a non-departmental government body which was created in 1998 and began operations on 1 April 1999. One NorthEast was established on the realisation that successful solutions to regional problems are rooted in the regions themselves. One NorthEast's role is therefore to improve the economic performance, employment opportunities and available business accommodation of the region through:

- Identifying priorities for achieving economic growth within the context of national policy objectives;
- Influencing national and regional policies and spend to help achieve these priorities;
- Directing its own resources to help achieve these priorities and achieve national targets.

The region covered by One NorthEast encompasses Newcastle upon Tyne and the surrounding area reaching as far as Berwick in the north, Teesside in the south and Haltwhistle to the west.

'Leading the Way' – the latest RES - was published in September 2006 to ensure the continued transformation of the North East economy by building on the region's assets and tackling areas of underperformance. The strategy seeks to set out how the region will achieve sustainable economic growth to 2016 by increasing levels of productivity and participation within the economy. The strategy is largely based upon providing the underpinning economic conditions necessary for achieving the region's vision and ensuring sustainable economic growth. The vision will promote greater alignment across regional strategies and policies, and will facilitate a greater understanding of the kind of region One NorthEast wants to be in the future.

The RES sets three very challenging targets to be reached by 2016:

- Increase GVA per capita in the North East to 90% of the national average up from 80% currently;
- Create between 18,500 and 22,000 net additional new businesses;
- Provide employment for between 61,000 and 73,000 more people than current levels.

Achieving these objectives requires the region to concentrate on fewer bigger strategic investments and addressing market failures. The following transformational interventions have been identified:

Leadership – including a commitment to work in partnership around the issue of sustainable development;

Business – support for encouraging resource efficiency;

People – a strong focus on economic inclusion including improving access to employment, raising economic participation in deprived communities and promoting quality and diversity;

Place – a strong focus on delivering sustainable development best practice in the planning, management and design processes of regeneration and planning activities.

The Region's vision is "the North East will be a region where present and future generations have a high quality of life. It will be a vibrant, self-reliant, ambitious and outward looking region featuring a dynamic economy, healthy environment and a distinctive culture. Everyone will

have the opportunity to realise their full potential”.

The importance of providing support for manufacturing and increasing productivity within the workforce is strongly highlighted within the current RES. Key statements include:

- Continue to accelerate the recent success of businesses in the North East and sustain our evolution to a high value added, internationally competitive economy
- Focus investment on enhancing productivity, innovation and creativity.
- Continue to enable more competitive, sustainable businesses to develop new products, processes and services
- Increased productivity can be achieved through better design;
- The North East wishes to position itself as a leader in design;
- The three pillars must be underpinned by strong design capabilities;
- Design plays an important role within business via product development; digital media; design thinking; building and spatial design; service design

Investment will be concentrated on:

- a tailored range of business solutions including streamlined support for manufacturing and resource efficiency,
- a new, high quality business support network with Business Link North East at its heart, supported by the private sector and specialist delivery agencies

This project will contribute to these elements of the RES by contributing to the aim for the region to be a leader in design by showcasing and developing expertise, supporting businesses to integrate design and undertake product innovation. It will also deliver the RES Action Plan commitment to manufacturing support.

## **2.1 AIMS AND OBJECTIVES OF THE MAS-NEPA SERVICE**

The above aims and objectives of One NorthEast and the RES have been translated into the following headline objectives for the MAS-NEPA Service:

- To increase the productivity of manufacturing companies across all sections of the region’s manufacturing base
- To ensure that all completed activity enables companies to be able to apply the skills themselves in the future, so that more of the region’s companies can provide complete continuous improvement
- To integrate national qualification standards into its delivery to ensure the quality of delivery
- To stimulate and strengthen the manufacturing sector in North East England to enable it to maintain and improve its competitiveness, productivity and ‘value-added’ in a global environment

- To present a single integrated offering to manufacturing companies in the region, thereby achieving greater economies of scale, improved sharing and learning and improved customer experience.

**Key Question 1 – Bidders should confirm acceptance that they will comply with the overarching objectives of One NorthEast and the objectives as set out in the RES. Bidders should outline in no more than 500 words how they will meet the objectives of One NorthEast and the RES.**

### **3 THE MAS-NEPA SERVICE**

The following gives a summary of the four elements of the new service - MAS, NEPA Best Practice, NEPA Energy and NEPA Design - which will need to be in place from July 2008. Other related manufacturing support services may be identified during the lifetime of the project and it is anticipated that they will be integrated into the service and delivered via this route.

#### **3.1 Manufacturing Advisory Service (MAS)**

MAS is the national brand and service for manufacturing, supported by BERR. Currently the MAS offering is directed towards to small and medium sized businesses, based on a rapid response service for urgent and short-term problems. Following on from the recommendations of the 2004 Manufacturing Strategy Review and the MAS Development Board (November 2006), the MAS programme will build on its success in introducing lean manufacturing practices to client businesses by introducing more strategic and in-depth advice and support, to improve their product offer and market position. Up to 20% of MAS clients will be encouraged to engage in longer-term or repeat consultancy projects to help them on their journey to world class.

From 2008 the enhanced MAS offer, will be based upon a nationally agreed specification.

The following additional services will be incorporated:

- A programme of visits to best practice exemplars;
- Assistance in finding supplies, services or equipment;
- Assistance to companies who want to improve their resource efficiency;
- Assistance to companies developing and/or introducing new products;
- Help for companies to work within a Supply Base or work with Supply Chains;
- Help for companies to develop a medium to long term manufacturing strategy; and
- Help for companies to apply lean techniques, enterprise wide.

Support will be delivered from a series of structured support activities which fall into the following categories:



- Enquiry Handling – A free service to provide information, solve an urgent problem or identify specialist help.
- Diagnostic Visit – A free half day visit to the company by a MAS specialist who will provide an immediate solution or an agreed action plan.
- Extended Diagnostic – Further consultancy where substantial progress can be made in a two day time scale.
- Full Consultancy – MAS will fund longer term assistance at 50% funding for a consultancy project for an additional ten days.

Further information on MAS is available at <http://www.mas.dti.gov.uk/content/home.html>

### **Design Helpline - Support for SMEs**

To supplement the MAS offer, this new service will include additional investment for helpline support aimed at small and medium sized enterprises. This will be a light touch intervention which guides and signposts SMEs around the provision currently available within the region. This will be a responsive and informative service operated by experienced professionals who understand product innovation and design within the manufacturing sector and have detailed understanding of the regional business support provision within this area.

Advice and guidance will be given about the following:

- Developing, embedding and resourcing, a product innovation strategy and process.
- Idea generation and business case development for new products, particularly focusing on linking the technical aspects of product development with the commercial and branding aspects of the business.
- Detailed design and analysis tools and techniques for new products.
- Prototyping and testing, tools and techniques for new products.

The range of advice and guidance currently available within the MAS offer covers other aspects of the product development process e.g. design for manufacture and validation and therefore this will supplement what is available.

### **3.2 North East Productivity Alliance (NEPA)**

In order to complement the consultancy based MAS offer, which focuses mainly on SMEs, and to ensure that the manufacturing sector as a whole can access quality support to increase productivity and competitiveness, a range of other activities will be supported within the project and marketed under the NEPA brand. These services are skills based and targeted primarily at mid-corporates and large companies and include the following:

#### **NEPA Best Practice**

NEPA Best Practice was originally conceived in 2001 as a direct response to the heavy loss of manufacturing companies in the region. Emerging out of a

consultation group comprised of Universities, Colleges and Industrialists, its objective is to ensure that the North East is not only the most productive manufacturing region in the UK but an exemplar region from which other regions can learn and benefit. NEPA Best Practice is currently delivered by Agency staff and has three elements, engineering secondments, 'Narrow and Deep' programme, and bespoke productivity improvement. Since 2003, the NEPA Best Practice programme has created an average of 38 jobs, safeguarded 1028 jobs, assisted 210 businesses and generated 1,259 learning opportunities annually and helped firms make savings worth £19 million.

This element of the new service is designed to deliver training in manufacturing best practice as a result of technology transfer, utilising global best practice, linked to a productivity needs diagnostic. Through specific activities tailored to meet the diagnosed needs of each company, the workforce is engaged and trained to solve problems which will lead directly to productivity improvement. The objective of any productivity improvement is to assist a company to improve its competitive position in the market place.

Through analysis, companies are made aware of the potential effects of adopting new technology, both to their production lines and to their staff. All clients are encouraged to network in technology clusters based on knowledge requirements and ability levels. Supply chains within the region are investigated for all participating companies.

Key to the Best Practice methodology is the concept of bringing all staff within companies to the concept of learning, via the NVQ route or through more specific training such as senior management workshops, change management, leadership, and workshop management programmes. This training addresses both the climate and systems within an organisation and complements the core activity of the project.

This is delivered using two resource streams:

- Selected engineers from local industry who are seconded to the project as NEPA Engineers. These engineers are trained to a national standard in manufacturing best practice and then disseminate this knowledge within local manufacturing companies.
- Delivery of bespoke productivity interventions (BPI), currently provided by a panel of approved suppliers who have been selected using an OJEU process.

Productivity interventions are delivered within companies to provide specific training in the tools of Lean Manufacturing, using 3 principal routes:

- Training of senior management and key staff to prepare for the introduction of company wide change. This includes where appropriate training in the concepts of policy deployment.

- A 15 day masterclass led by NEPA engineers, which enables employees to understand the tools of lean manufacturing and utilise them in a specific way to make productivity improvements. This method is also used to train nominated Change Agents within companies to NVQ Level 3 in Business Improvement Techniques (BIT) over an extended period.
- Bespoke productivity interventions in the form of workshops designed to suit the specific needs of predominantly smaller companies, (but not restricted to), more flexible in method and duration, led by a nominated supplier to the project chosen from the approved panel. These will be delivered as a joint MAS-NEPA offering.

### **NEPA Energy**

The Energy Resource Efficiency Project (now NEPA Energy) was established in 2006-7 to help businesses tackle rising energy costs. It is currently delivered by NE Life. A team of specialist engineers has been seconded under the guidance of industry experts. The team works closely with firms to develop energy action plans, analyse current usage and highlight innovative ways of cutting bills. Thirty six organisations are currently working with the programme with a further 22 about to join. An early success for the project is where NEPA Energy experts worked with a regional manufacturing company and identified that by installing a heat recovery system on an ink drying machine this would potentially yield 60% less energy use. The company hopes to save in excess of £100,000 per annum from its current electricity bill which equates to over 10% of its total electricity costs.

The element of the project will provide additional support for manufacturing industries in the region to manage their energy needs effectively. Energy intensive industries have, in many cases drawn on existing support services in this area, but now require a more innovative and sustainable way of managing their energy needs. Many industries have not as yet developed or are able to develop a strategy to address energy price increases.

NEPA Energy will draw on and enhance the services currently provided by the Carbon Trust, Envirowise and Midas etc. It will be fully integrated into the wider business support network to ensure that this specialised offer is utilised and capable of engaging companies in wider support to meet identified needs.

### **NEPA Design**

This element of the project aims to support the region's manufacturing sector to develop and improve their product innovation capacity. The main thrust of the service is in-depth and hands on support to help larger manufacturers adopt more structured and formal approaches to product innovation. The project aims to support around 30 companies each year and impact will be measured by speed of product introduction as well as number of new products introduced to the market.

NEPA Design has been developed to support the region's manufacturing sector to support their product innovation capacity. It has been developed following significant consultation and desk research with a number of the regions key manufacturers, business support professionals, educationalists and research.

The following key strands of support were identified as the areas which could provide the greatest return on investment:

- Helpline support for SMEs – a light touch, signposting service for those undertaking product innovations, highlighting areas of support and expertise within the region. (See above)
- Product innovation capacity – in-depth hands on service supporting manufacturers to adopt a formal approach to product innovation. Training and support will be given to the business over approximately 18 months.

The in-depth long term intervention will work alongside the business to identify strategic training activities, a four step approach has been developed and is briefly outlined below: -

Step One – Introduction and diagnostic/benchmarking covering idea generation, concept development, detailed design, scoping and commercial strategy development, prototyping and testing, design for manufacture and hand over to manufacture.

Step Two – Action Plan covering actions, target beneficiaries, delivery mechanism, resources required, planned programme and timescales, agreed management, monitoring and communication plan.

Step Three - Delivery of the Action Plan over a 12 month period after which a review of progress will take place.

Step Four – A Customer Relationship Management process will be put in place to ensure the Senior Engineer can monitor progress against the action plan and ensure the aims and objectives are achieved.

### **3.3 Methodology**

The NEPA approach is based upon achieving transformational change in a company and demands commitment and real involvement at the highest levels with the companies signed up. NEPA is about delivering a standard training solution or consultancy intervention.

There is an agreed methodology for the NEPA approach which is outlined in the NEPA Manual. This is available to bidders in the Data Room. This currently contains full details of the Best Practice and Energy projects. Further work is currently underway to populate the Design project and this should be fully available by January 2008.

The NEPA methodology, NEPA Manual and associated training materials

have been protected by copyright.

Although the same methodology is applied to the NEPA elements of the service, separate diagnostics are used for each aspect (and a different one is also used for MAS).

**Key Question 2 - Describe how you intend to manage the service and outline the proposed management structure. If the parent organisation is outside of the region, you will need to make clear which key decision makers will be based within the North East if you are awarded the Contract. (While being located within the North East is not a requirement for bidders, it is felt that there will need to be strong regional presence for the management team and key decision makers delivering such a complex and important service).**

**Key Question 3 – Please confirm the identity of the proposed contracting entity and confirm details of your consortia partners, if any. This will need to include details of the roles and responsibilities of each partner/member. Please note that no significant changes will be allowed after receipt of your Initial Proposal.**

**Key Question 4 – If appropriate, who else will be involved in your service delivery? You will need to make clear what are your management and monitoring arrangements if others are involved and what are your arrangements for maintaining quality of provision? Please highlight what elements of the service will be delivered by which partners or subcontractors. Please note that no significant changes to the proposed delivery arrangements will be allowed after receipt of your Initial Proposal.**

**Key Question 5 - Bidders should describe in outline how they intend to deliver the service in the North East. This should show how the service will be delivered to ensure that the current methodology and quality is maintained. In particular, Bidders will need to demonstrate how they will achieve transformational change with the companies involved. This could be done by provision of relevant case studies and an indication of methodology.**

**Key Question 6 - The MAS-NEPA service will need to be delivered using both in-house experts and by brokering in external expertise to deliver bespoke productivity interventions, which are in part funded by company contributions. All training delivered must meet national standards. Bidders need to confirm that they will continue to provide training which meets national standards.**

**Supplementary Question - It is also critical to the successful operation of the project that there are sufficient technical support services to underpin the new MAS-NEPA service. Describe fully what technical support you intend to have available for the service. Where key support services may be located outside of the North East, please describe how the MAS-NEPA service will be supported. The current MAS-NEPA staff rely heavily on the provision of**

quality ICT equipment and prompt support services. Bidders will need to describe what arrangements they intend to put in place.

Supplementary Question - The ability to maintain first rate information about customers and the ability to share this with One NorthEast places real importance on the preferred bidder's choice of Customer Relationship Management system. Bidders should describe their potential arrangements for provision of CRM services and data share with the Agency.

Supplementary Question - As stated, the current range of projects is delivered by 3 different organisations from different sites across the region. Co-location is expected to be very important for the integration of the service going forward. Bidders should identify potential location(s) for the future service where possible.

Supplementary Question - Bidders should describe how the current service could be enhanced and developed to increase impact and improve the customer experience. Where do you see scope for innovation?

Supplementary Question – Bidders should confirm what quality arrangements will be in place?

Supplementary Question - There is already a strong element of co-operation and co-ordination in how the MAS and NEPA services are currently operated, even though they are delivered by 3 different organisations. How do you intend to bring the various elements of the services together to provide a fully integrated experience for the customer? What changes would you want to make to ensure that the services were fully integrated?

Supplementary Question - The MAS, NEPA Best Practice and NEPA Energy elements of the service are well developed. However, NEPA Design is a new aspect of the service and arrangements need to be put in place quickly. How do you intend to do this? What expertise do you have to deliver on this effectively?

Supplementary Question - Currently, the NEPA methodology is delivered by a combination of in-house expertise and brokered in support. The in-house expertise is provided by both employed staff and secondments from industry to enhance the service. Bidders need to confirm their commitment to maintaining this arrangement. Highlight how you could add value to the issue of industry secondments.

Supplementary Question - It is anticipated that other related manufacturing support services will be delivered via this route as they are identified. Bidders need to confirm that they will agree to deliver any additional service within the new arrangement.

#### **4. Bespoke Productivity Interventions and the Panel of Suppliers**

The existing MAS service in the North East has in place a bank of associates

who are used to deliver their bespoke company projects. These arrangements will need to be maintained, developed and enhanced in the new service post 2008.

As described, the NEPA service assists manufacturing companies with a number of facets of operation including, but not limited to, business and manufacturing strategy, logistics, supply-chain management, risk management, new product introduction, health, safety & the environment, energy resource efficiency issues and design.

The process is based upon the completion of a diagnostic of the company's productivity issues with senior management over an extended period of time. Using the results of this process, it is then agreed with the company what their key needs are, whether NEPA can assist and if so, what the scope of the assistance should be.

The productivity interventions are then delivered using three key methods, whichever is most appropriate:

- NEPA's own engineers;
- Quality assured training & consultancy companies – this is provided by an OJEU procured Panel of suppliers; or
- A combination of these two methods.

The Panel is currently an integral part of the NEPA methodology and ensures that a wide range of quality providers are available to participating companies. At this point, there are two Panels in place until the end of March 2009. One services NEPA Best Practice and one contains NEPA Energy providers. Arrangements need to be put in place to include NEPA Design providers.

Listed below are details of the relevant areas of work covered by the current Panel providers:

- Change management and sustainability;
- Manufacturing strategy development;
- Management and workforce development;
- Logistics;
- Supply chain development;
- Lean manufacture tools & techniques;
- Total productive maintenance;
- 6 Sigma;
- Value stream mapping;
- Employee motivation and satisfaction;
- Safety, health & environment;
- Productivity needs analysis;
- Quality Management; and
- Energy resource efficiency services.

Currently, Panel members provide training & consultancy services directly to companies as directed by One NorthEast. Panel members are retained on a

framework basis to provide support to the Agency in their assessment and carrying out of a wide variety of projects with North East manufacturers. Panel members are reimbursed from One NorthEast once individual projects have been provided to companies.

Going forward, it is the intention that participating companies will need to contribute to paying for these bespoke interventions and appropriate application, contracting and payment arrangements will need to be developed and put in place.

The Panels are in place until the end of March 2009 and One NorthEast will continue to operate the Panel on behalf of the new service, if necessary. Detailed panel rules and operating methodology will be made available to Bidders as part of the Competitive Dialogue stage.

As part of the Competitive Dialogue, Bidders will be asked for their ideas regarding how the Bespoke Productivity Interventions can be best provided. If it is determined that, going forward, a Panel arrangement is the most suitable method of delivering the bespoke interventions, then it will need to be agreed if the new operator or One NorthEast will procure and manage the panel.

**Key Question 7 – It is anticipated that Bidders will need to continue to use the current NEPA panel arrangements, at least in the short term. Please comment. Bidders will also need to confirm what arrangements they suggest to provide the MAS bespoke interventions.**

**Key Question 8 - What arrangements do you intend to put in place to provide the bespoke solutions going forward? If this involves a Panel arrangement, do you suggest this is procured and managed by you or the Agency? If this does not involve a panel arrangement, how would you provide the necessary range and quality of support? If you wish to be considered as a potential provider of bespoke solutions, how would you intend to assure transparency and impartiality?**

## **5. Partnership Arrangements**

The MAS-NEPA service is regarded by One NorthEast as one of its key strategic projects and maintaining the quality of the service and protecting the integrity of the MAS-NEPA brands is of paramount importance. The Agency needs to have complete confidence in the new provider that they will be able to maintain the service in terms of both regional and national reputation. Therefore, we need to ensure that the strongest possible management and support arrangements are put in place.

It is not sufficient that only the Agency has full confidence in the new provider but also that other key regional and national stakeholders (including BERR) will be keen to ensure that appropriate arrangements are being put in place. The new service will also need to provide an effective interface with other key business support providers, including Business Link



North East, Carbon Trust, and Envirowise etc.

**Key Question 9 - How would you involve key regional and national stakeholders in the service going forward? What are your current links with them?**

**Key Question 10 - Describe how you will involve other key regional and national business support organisations. How will this enhance your service offer? What are your current links with them?**

## **6. Human Resources**

Transfer of Undertakings (Protection of Employment) Regulations 2006 and Fair Deals for Pensions will apply to this transaction. The staff in scope from the three organisations involved have already been identified. The necessary information has been provided with this document.

**Key Question 11 – Bidders should provide details as to how they intend to address the Fair Deal for Pensions issue.**

**Key Question 12 – Bidders should provide details of their recruitment and retention strategy for the new service, including in particular the strategy for any senior management roles.**

Supplementary Question - Bidders should provide details of the remuneration package (including pension provision) which they intend to provide for staff.

Supplementary Question – Bidders should provide an organogram and a brief description of the purpose of each role.

Supplementary Question – For the person who would lead the new service, please give details of experience. Where a role has been identified but no personnel yet allocated, a brief job description should be provided together with an outline person specification.

Supplementary Question – Candidates should provide details of their equal opportunities policy and of how they will ensure equality of opportunity for staff within the new service.

Supplementary Question - MAS-NEPA staff are currently trained to the highest standards. You should confirm your commitment to ongoing continuous professional development and training for all staff. How will you ensure this?

Supplementary Question - Bidders should advise on whether they hold the Investors in People accreditation.

## **7. Transition**

The Agency needs to be assured of an effective handover and transition phase and continuing service delivery.

The bidder must demonstrate capacity and ability to deliver a effective handover from the existing services and continuation of service delivery with appropriate risk management at all stages. One NorthEast will provide a high level plan transition plan at the next stage covering the key issues to be addressed. The Agency will also provide extensive technical and management support during the transition phase of the Project.

Supplementary Question – Bidders will be expected to develop a detailed transition plan which will need to be provided as part of their Solution. Please highlight any particular areas of concern you have relating to transition.

## 8. Business Model

The MAS service is based upon an agreed range of services which are free for the customer. This includes the helpline and diagnostic elements of the service. If it is determined that a company requires more in-depth support, then a 50% company contribution is expected for consultancy support.

The current funding methodology for the in-depth elements of NEPA services is based upon significant levels of public subsidy, particularly for the first intervention, although the company invests very heavily in terms of support in kind and downtime etc. The funding model for the new service needs to clearly quantify and evidence the real value of the company contributions.

There is already a financial contribution from the businesses for the BPI element of the service and these will need to be increased over the life of the project.

As part of the new arrangements, the model will need to be examined to investigate the companies' ability/willingness to pay in order to generate income which will be invested to further develop the service. There will also be a charge for any subsequent interventions. At this early stage it is envisaged that any additional company contributions will be used to obtain more outputs or greater level of service.

However, longer term, any company contribution will need to be used to ensure increased sustainability for MAS-NEPA into the future. The wider issue of income generation will also need to be addressed as the service develops.

A great deal of work is currently underway within One NorthEast around the business model for the new service. Initial thinking will be discussed in the first meetings as part of the Competitive Dialogue and the full findings will be shared with all shortlisted Bidders at the subsequent stages.

**Key Question 13 - Measuring in kind contributions and increasing financial contributions will be a requirement of the Bidders through their proposed Solution. Please highlight any areas of concern.**

Supplementary Question - Outline your plans for ensuring current levels of

company contributions are achieved and for increasing company financial contributions for the service going forward. In the first instance, the emphasis will be on clearly evidencing company contributions and testing ability/willingness to pay. What proposals would you have for further income generation for the future?

Supplementary Question - How do you intend to fully quantify and evidence the in-kind company contributions and downtime? What experience have you had to date in managing projects which need to provide such information?

Supplementary Question - A key measure of the effectiveness of the new service will be the impact in terms of increased Gross Value Added (GVA) or other impact measures. One NorthEast is currently undertaking a piece of work to identify suitable impact measures for the MAS-NEPA service, which will be shared with Bidders. What experience do you have of gathering baseline and change in GVA information? What other impact measures would you intend to introduce for the service?

## **9. Governance**

The precise legal structure of the body to deliver the service will be agreed with bidders as part of the competitive dialogue process. However, the project will be managed by One NorthEast via a strong contractual arrangement and One NorthEast intends to take a partnership role in overseeing the future development and delivery of the service. The Agency will continue to provide the strategic direction for manufacturing and productivity support services in the region.

In order to continue to maintain the quality of the MAS-NEPA brand and service, the Agency will want to work closely with the new provider and play a strong role in helping to shape the future development and delivery of the service. The views of the wider stakeholder group will also need to be taken into account. It still needs to be fully determined how this will be put in place.

The Agency will continue to bring together key manufacturing stakeholders together and facilitate the interface between them and the new MAS-NEPA service.

The Agency will also aim to ensure that major manufacturers within the region continue to participate in the sharing of best practice and make themselves available for the benefit of the MAS-NEPA service.

In order to protect the manufacturing support on offer in the region, One NorthEast needs to be confident that the most stringent governance arrangements are put in place. The Agency anticipates that the Project will have a distinct identity and separate governance arrangements. It is likely that this will involve the appointment of an Advisory Group, comprising leading manufacturers from the North East and ensuring appropriate representation in terms of sector, geographical and size. One NorthEast

anticipates having the role of observer if such a Group were to be established.

**Key Question 14 – What governance arrangements do you intend to put in place for the new service? How will One NorthEast be involved in these arrangements?**

**10. Brand Integrity/Brand Value**

BERR is very protective of the integrity of the MAS brand and will not approve its use with any other organisation’s brand. Full branding guidelines are currently being agreed which ensure that MAS is fully compliant with the Business Support Simplification Programme. These will be agreed by March 2008 and will be made available to Bidders then. All branding will have to meet the national specification.

It has also been agreed that there can be joint branding for the MAS-NEPA service on the basis of NEPA being a complementary service rather than an organisational brand.

The NEPA brand is owned by One NorthEast and permission will be given for the successful bidder to use the brand under license.

The Agency will also enable the successful bidder to use the MAS brand in conjunction with the NEPA brand.

**Key Question 15 - How do you intend to maintain and develop the brand value in terms of brand recognition and customer satisfaction? How will you ensure that your organisational brand is not used alongside MAS-NEPA?**

**11. Outputs and Key Performance Indicators**

The key outputs for the service are shown below:

	2008/9	2009/10	2010/11	2011/12	2012/13	TOTAL
Jobs created and safeguarded	1261	1324	1390	1460	1533	6968
Businesses Supported	659	692	727	763	801	3642
Skills	2022	2123	2229	2340	2457	11171
Private sector leverage-in kind	895,000	1,095,000	1,295,000	1,495,000	1,695,000	6,475,000

**Key Question 16 - How will you make sure that you meet - or exceed - these targets?**

Supplementary Question - Are there any other outputs and outcomes you would be intending to measure?

Other key performance indicators (KPIs) will be discussed as part of the Competitive Dialogue Stage and suggested areas for discussion are shown below:

- To achieve an average of 90% or above performance rating against all the outputs for the project including the 7 measures of productivity improvements;
- Transformational Change measures could include:
  - Major product and process improvements;
  - Major involvement by staff in programme of change;
  - Change to strategic direction of company evidenced by change in business plan;
- Overall customer satisfaction;
- Propensity to recommend service;
- Return customers for any of the Services;
- Market Penetration;
- Brand awareness;
- Change in GVA or Increased Value Added of the 7 measures of productivity; and
- ERDF Outputs.

**Key Question 17 - It is anticipated that there will be a performance regime linked to delivery of the agreed KPIs which will be developed through the Competitive Dialogue and included in the Invitation to Tender. Please confirm your willingness to accept a performance regime based on KPIs.**

## **12. Funding and Payments**

Investment from One NorthEast for the delivery of the MAS-NEPA Service over the lifetime of the project is anticipated to be £32,190,105 made up of both Single Programme and the European Regional Development Fund (ERDF). This includes the element of national funding for MAS. Currently funding from BERR is agreed to the end of March 2011.

This figure includes all management fees and all delivery costs associated with the project. All budgets include VAT where appropriate.

In addition, a further £3,316,670 is anticipated from private sector contributions to fund bespoke Productivity Interventions.

All funding is subject to and conditional upon appropriate funding approvals.

The funding methodology will be based upon a mix of repayment and output related funding. Year 1 will be regarded as a transition year and the balance will be on a higher percentage of the funding being paid on an agreed repayment schedule.

Subsequent years will see an increasing move to agreed output related funding methodology.

Economic operators will be required to bid against agreed notional criteria/funding as set out above. However, there will also be a provision under the Contract to call-off additional services over the term of the contract and in any extension period beyond the initial term in accordance with a pricing methodology to be agreed by reference to unit cost or similar.

**Key Question 18 - Bidders should highlight any experience in enabling customers to access external expertise and in managing commercial contracts in relation to the bespoke productivity interventions.**

**Key Question 19 - Bidders should outline their approach to providing value for money in terms of increased outputs or potential cost savings.**

Supplementary Question - Bidders should describe their experience of managing public sector funded projects, including ERDF.

### **13. Contractual Arrangements**

The legal relationship between the successful Bidder and the Agency will either take the form of a commercial contract or a grant agreement depending on the outcome of discussions during the Competitive Dialogue. The Agency will balance issues such as VAT and ERDF compliance and eligibility as relevant to the decision as to the appropriate legal form of arrangement. The Heads of Terms set out at Schedule 4 will form the basis of the legal arrangement.

**Key Question 20 – Bidders should confirm that the proposed Heads of terms are acceptable in principle.**

### **14. Delivery Plan**

The delivery of the MAS-NEPA service will be bound by a pre-agreed

Delivery Plan, setting out the high level objectives, resourcing and financing plans for the project.

The Delivery Plan will be agreed at the outset of the project and will be the key cornerstone and operational document of MAS-NEPA. It will govern the strategic direction of the project and stipulate the parameters in which MAS-NEPA operates, together with the key drivers of the business, and performance indicators. The provider will be required to manage MAS-NEPA in line with the Delivery Plan.

This will take the form of a 3 year rolling delivery plan and will be reviewed on an annual basis by the Agency. Any decision to vary, update or otherwise amend a Delivery Plan will need to be approved by One NorthEast. It is anticipated that a draft Delivery Plan will be provided to Bidders at the Invitation to Tender stage.

Supplementary Question– Bidders should be aware that they will be required to confirm acceptance of the Delivery Plan arrangements once they are finalised.

## **15. Reporting Arrangements**

Reporting will be an important aspect required by One NorthEast. Through the reporting mechanism established, it must be possible for One NorthEast's stakeholders, including Central Government, to be able to monitor the progress of MAS-NEPA and check that it is meeting the objectives of One NorthEast as an RDA.

In addition, BERR will require the new bidder to report separately into them as a requirement of providing MAS in the region.

One NorthEast also has in place an established evaluation framework to assess MAS-NEPA and the effectiveness of the project.

As a base position, the new provider will be required to produce monthly reports on each element of the MAS-NEPA service. One NorthEast will set out its exact requirements at the next stage but this will require the provider to produce regular reports including economic outputs (e.g. jobs created etc), company contributions, and impact information.

Supplementary Question - While the targets for the different elements of the new service are shown collectively in Section 10, the successful bidder will be required to report against individual targets for MAS, NEPA Best Practice, NEPA Energy and NEPA Design. At the next stage, you will need to demonstrate your experience in providing against exacting reporting arrangements. An outline of the content of these reports will also be included in the Data Room.

## 16. Financial Structure

Questions regarding the financial proposal will be identified and marked during the Invitation to Tender stage.

## 17. Bidder Meetings

In order to facilitate the competitive dialogue process, Bidders are invited to attend and participate in a dialogue session with One NorthEast and its advisors. The available meeting dates and times are:

Date	Time
11 January 2008	9:30 – 12:30
11 January 2008	1:30 – 4:30
14 January 2008	9:30 – 12:30
14 January 2008	1:30 – 4:30
15 January 2008	9:30 – 12:30
15 January 2008	1:30 – 4:30

These will be allocated on a first come first served basis.

This time is available to discuss your initial thoughts on the questions outlined in this document and will enable Bidders to respond formally to the questions by 1 February 2008.

Initial requests for appointments should be made through the messaging area of the eTendering toolkit ([www.onenortheast.bravosolution.com](http://www.onenortheast.bravosolution.com)).

## 18 Award Criteria

A copy of the Competitive Dialogue Award Criteria the weighting ranges and the Criteria weighting for the Competitive Dialogue is attached at Schedule 3.

The key areas to be considered in the evaluation of this stage are:

- Value for Money
- Governance and Partnership
- Management Arrangements and Human resources
- Service Delivery



**Schedule 3**

**Award Criteria**

Please note, for clarification, the weightings listed in the column in the table entitled "Criteria Weighting for Initial Proposals" will only apply to the evaluation of the Initial Proposals. The Agency reserves the right to retain, or change, the weightings in relation to the evaluation of any bids in subsequent stages subject to the future weightings falling within the Criteria Weighting Ranges set out.

<b><u>CRITERIA</u></b>	<b><u>KEY QUESTIONS FOR INITIAL PROPOSALS</u></b>	<b><u>CRITERIA WEIGHTING RANGE</u></b>	<b><u>CRITERIA WEIGHTING FOR INITIAL PROPOSALS</u></b>
<b><u>Value For Money</u></b>	<p><b>Key Question 13</b> - Measuring in kind contributions and increasing financial contributions will be a requirement of the Bidders through their proposed Solution. Please highlight any areas of concern.</p>	10 - 30%	10%
	<p><b>Key Question 16</b> - How will you make sure that you meet - or exceed - these targets?</p>		
	<p><b>Key Question 17</b> - It is anticipated that there will be a performance regime linked to delivery of the agreed KPIs which will be developed through the Competitive Dialogue and included in the Invitation to Tender. Please confirm your willingness to accept a performance regime based on KPIs.</p>		
	<p><b>Key Question 19</b> - Bidders should outline their approach to providing value for money in terms of increased outputs or potential cost savings.</p>		
	<p><b>Key Question 20</b> – Bidders should confirm that the proposed Heads of terms are acceptable in principle.</p>		

<p><b><u>Governance and Partnership</u></b></p>	<p><b>Key Question 3</b> – Please confirm the identity of the proposed contracting entity and confirm details of your consortia partners, if any. This will need to include details of the roles and responsibilities of each partner/member. Please note that no significant changes will be allowed after receipt of your Initial Proposal.</p>	<p>20 - 40%</p>	<p>40%</p>
	<p><b>Key Question 9</b> - How would you involve key regional and national stakeholders in the service going forward? What are your current links with them?</p>		
	<p><b>Key Question 14</b> – What governance arrangements do you intend to put in place for the new service? How will One NorthEast be involved in these arrangements?</p>		
	<p><b>Key Question 20</b> – <i>Bidders should confirm that the proposed Heads of terms are acceptable in principle.</i></p>		
<p><b><u>Management Arrangements and Human Resources</u></b></p>	<p><b>Key Question 2</b> - Describe how you intend to manage the service and outline the proposed management structure. If the parent organisation is outside of the region, you will need to make clear which key decision makers will be based within the North East if you are awarded the Contract. (While being located within the North East is not a requirement for bidders, it is felt that there will need to be strong regional presence for the management team and key decision makers delivering such a complex and important service).</p>	<p>25 - 30%</p>	<p>30%</p>
	<p><b>Key Question 11</b> – Bidders should provide details as to how they intend to address the Fair Deal for Pensions issue.</p>		
	<p><b>Key Question 12</b> – Bidders should provide details of their recruitment and retention strategy for the new service, including in particular the strategy for senior management roles.</p>		

	<p><b>Key Question 20</b> – Bidders should confirm that the proposed Heads of terms are acceptable in principle.</p>		
<p><b><u>Service Provision Including Transition</u></b></p>	<p><b>Key Question 1</b> – Bidders should confirm acceptance that they will comply with the overarching objectives of One NorthEast and the objectives as set out in the RES. Bidders should outline in no more than 500 words how they will meet the objectives of One NorthEast and the RES.</p>	<p>20 - 40%</p>	<p>20%</p>
	<p><b>Key Question 4</b> – If appropriate, who else will be involved in your service delivery? You will need to make clear what are your management and monitoring arrangements if others are involved and what are your arrangements for maintaining quality of provision? Please highlight what elements of the service will be delivered by which partners or subcontractors. Please note that no significant changes to the proposed delivery arrangements will be allowed after receipt of your Initial Proposal.</p>		
	<p><b>Key Question 5</b> - Bidders should describe in outline how they intend to deliver the service in the North East. This should show how the service will be delivered to ensure that the current methodology and quality is maintained. In particular, Bidders will need to demonstrate how they will achieve transformational change with the companies involved. This could be done by provision of relevant case studies and an indication of methodology.</p>		
	<p><b>Key Question 6</b> - The MAS-NEPA service will need to be delivered using both in-house experts and by brokering in external expertise to deliver bespoke productivity interventions, which are in part funded by company contributions. All training delivered must meet national standards. Bidders need to confirm that they will continue to provide training which meets national standards.</p>		

<p><b>Key Question 7</b> – It is anticipated that Bidders will need to continue to use the current NEPA panel arrangements, at least in the short term. Please comment. Bidders will also need to confirm what arrangements they suggest to provide the MAS bespoke interventions.</p>		
<p><b>Key Question 8</b> - What arrangements do you intend to put in place to provide the bespoke solutions going forward? If this involves a Panel arrangement, do you suggest this is procured and managed by you or the Agency? If this does not involve a panel arrangement, how would you provide the necessary range and quality of support? If you wish to be considered as a potential provider of bespoke solutions, how would you intend to assure transparency and impartiality?</p>		
<p><b>Key Question 10</b> - Describe how you will involve other key regional and national business support organisations. How will this enhance your service offer? What are your current links with them?</p>		
<p><b>Key Question 15</b> - How do you intend to maintain and develop the brand value in terms of brand recognition and customer satisfaction? How will you ensure that your organisational brand is not used alongside MAS-NEPA?</p>		
<p><b>Key Question 18</b> - Bidders should highlight any experience in enabling customers to access external expertise and in managing commercial contracts in relation to the bespoke productivity interventions.</p>		
<p><b>Key Question 20</b> – <i>Bidders should confirm that the proposed Heads of terms are acceptable in principle.</i></p>		
<p><b><u>TOTAL</u></b></p>	<p><b><u>100%</u></b></p>	

## **Schedule 4**

### **Heads of Terms**

The following is an outline list of issues that may be considered when negotiating the contract or grant agreement for the provision of NEPA/MAS services:

#### 1. Award

Details of background to the arrangement e.g. any grant payments in order for the Bidder to be grant funded to provide the services.

Details of any parent company guarantee ONE has required the Bidder to provide.

#### 2. Duration of Agreement

Term of the Agreement (5 years with break clauses) and possible options to terminate etc.

#### 3. Bidder's obligations

The obligations of the Bidder might include:

- ensuring that the services are performed by employees with the relevant skills and experience;
- compliance with Service Level Agreement setting out performance regime and KPIs;
- 
- ensuring the orderly handover of the services from the previous provider to it;
- ensuring effective transitional arrangements;
- providing the services in accordance with any method statements and with all due care and diligence in accordance with all applicable laws and good industry practice;
- having in place any relevant quality management systems and any licences or consents;
- attending any meetings as required by ONE;
- allowing ONE access to financial records relevant to the agreement if necessary for audit purposes;
- provision of the services on an open book basis sufficient for the information for the funding to be paid.
- agreeing an annual delivery plan with ONE;

- provision of reports/information as required by ONE;
- having effective CRM systems in place;
- do nothing to bring the reputation of ONE into disrepute;
- comply with all public procurement obligations;
- co-operate fully with ONE in the event that ONE re-tender.

#### 4. ONE's general obligations e.g.

- an obligation to co-operate with the Bidder;
- use of reasonable endeavours to support the services provided by the Bidder;
- carry out regional customer research and share the results with the Bidder.

#### 5. Payment and Clawback of Grant

The payment provisions might include:

- details of the price of the services and a pricing mechanism for any additional services and any increase mechanism;
- performance regime linked to KPIs
- the right to withhold payment or clawback any grant where the Bidder fails to perform services in accordance with the Agreement or the right to claim damages for breach of the contract;
- the timing of submission of claims/invoices and timing for payment

#### 6. Agreed Financial Parameters/Acquisition and disposal of assets, if appropriate for the arrangement

E.g. regulate the circumstances under which the Bidder can carry out commercial activities outside of the scope of the services using assets acquired by virtue of the Agreement.

It will deal with the procedure required for the acquisition and disposal of any assets purchased from the funding.

#### 7. Third Party Contracts

There may be an obligation on the Bidder to take an assignment of existing agreements with third parties which are connected with the services.

#### 8. Services Variations

This will detail the variation procedure should any changes to the services be required by either party.

## 9. Warranties

ONE may require warranties from the Bidder that:

- the services will be carried out with reasonable skill and care and to the levels stated in the Service Level Agreement;
- it has the power and authority to enter into the Agreement;
- it has or will have the relevant registrations under the Data Protection Act;
- it has not committed any prohibited act under the Prevention of Corruption Acts.

## 10. Indemnity

ONE may require an indemnity from Bidder against any act, omission, negligence or breach of contract.

## 11. Limitation of liability as appropriate i.e.:

- any limitation on the Bidder's liability;
- any exclusion of the Bidder's liability for consequential and indirect losses;

## 12. Supervision of the Services

Appointment of a representative to administrate and make decisions in relation to the Agreement.

## 13. Access for ONE Representatives

The Bidder may be required to give access to staff/agents of ONE in order for them to carry out audit, review documents and interview staff.

## 14. Intellectual Property rights

This will set out the ownership rights of the parties to all intellectual property and restrictions on use.

## 15. Termination

This may include:

- the right for ONE to terminate in event of:
  - insolvency;

- material breach which has not been remedied within 30 days (including failure to comply with Service Level Agreement);

- the right for termination without cause on reasonable notice.
- an indemnity in relation to ONE's costs in re-tendering where the Agreement is terminated for material/persistent breach.

#### 16. Consequences of termination

Upon termination the Bidder may be required to:

- provide a TUPE indemnity of some form;
- co-operate with the handover of the services to any new provider on termination or any assignment/novation of third party contracts/any re-tendering exercise;
- return any of ONE's property to ONE and any confidential information;
- return any unspent grant;
- allow for the recovery of any reserves/grant funded assets; or
- pay damages.

#### 17. Insurance

Bidder to be obliged to maintain insurance to appropriate minimum levels in respect of:

- employer's liability;
- public liability;
- professional indemnity;
- any other relevant insurance/required by law.

#### 18. Remedies for under-performance

- these may be linked to any Service Level Agreement and payment mechanism;
- remedial plan may be implemented.

#### 19. General provisions

The following clauses will be included as appropriate for the grant/contract arrangement:

- confidentiality - mutual obligation;



- data protection;
- publicity and reputation;
- Force Majeure;
- waiver;
- severability/invalidity;
- entire agreement;
- successors;
- no partnership or joint venture;
- assignment/sub-contracting (and consent requirements);
- Contracts (Rights of Third Parties) Act 1999;
- notices;
- dispute resolution;
- governing law.

## 20. Schedules

The following schedules may be required:

- Description of the services;
- Service Level Agreement and Performance Mechanism;
- Details of the pricing methodology and how it is calculated;
- Details of any grant to be made to the Bidder and the payment terms;
- Details of any contracts with third parties that the Bidder will take an assignment of;
- Management Information requiring the Bidder to provide information in relation to operational matters and performance levels;
- A Transition Plan.

**Schedule 5**

**Certificate of Non-Collusion**

Re: **Manufacturing and Productivity Support (OJEU 07/08 – 004)** (the “Contract”)

One NorthEast  
Stella House  
Goldcrest Way  
Newburn Riverside  
Newburn  
Newcastle upon Tyne  
NE15 8NY

For the attention of: Legal Services - Procurement Section

The essence of selective tendering for the Contract is that One NorthEast shall receive bona fide competitive Tenders from all persons tendering.

In recognition of this principle, I/we certify that this is a bona fide offer, intended to be competitive and that I/we have not fixed or adjusted the amount of the offer in accordance with any agreement or arrangement with any other person (except any sub-contractor identified in this offer).

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

- i communicate to a person other than One NorthEast, the amount or approximate amount of our proposed offer; or
- ii enter into any agreement or agreements with any other person that they shall refrain from tendering or as to the amount of any offer submitted by them; or
- iii offer or agree to pay or give or actually pay or give any sum of money, inducement or valuable consideration, directly or indirectly, to any person for doing or having done or having caused to be done in relation to any other offer or proposed offer, any act or omission.

I/we agree that One NorthEast may, in its consideration of the offer, and in any subsequent actions, rely upon the statements made in this Certificate.

Signed ..... Signed .....

Print Name ..... Print Name .....

Position ..... Position .....

For and on behalf .....  
.....

Date ..... Date .....

Signature of witness .....  
.....

Name ..... Name .....

Address ..... Address .....

Occupation ..... Occupation .....

**Schedule 6**

**Certificate against Canvassing**

Re: Manufacturing and Productivity Support (OJEU 07/08 – 004) (“the Contract”)

One NorthEast  
Stella House  
Goldcrest Way  
Newburn Riverside  
Newburn  
Newcastle upon Tyne  
NE15 8NY

For the attention of: Legal Services - Procurement Section

I/we hereby certify that I/we have not canvassed any member, director, employee or adviser of One NorthEast or any central Government department, in connection with the proposed award of the Contract by One NorthEast, and that no person employed by me/us or acting on my/our behalf, or advising me/us, has done any such act.

I/we further hereby undertake that I/we will not canvass any member, director, employee or adviser of One NorthEast or any central Government department in connection with the award of the Contract and that no person employed by me/us or acting on my/our behalf, or advising me/us, will do any such act.

I/we agree that One NorthEast may, in consideration of this bid, and in any subsequent actions, rely upon the statements made in this Certificate.

Signed .....	Signed .....
Print Name .....	Print Name .....
Position .....	Position .....
For and on behalf .....	For and on behalf .....
Date .....	Date .....
Signature of witness .....	Signature of witness .....
Name .....	Name .....
Address .....	Address .....
Occupation .....	Occupation .....

## **Schedule 7**

### **Form of Covering Letter**

Re: Manufacturing and Productivity Support (OJEU 07/08 – 004)

One NorthEast  
Stella House  
Goldcrest Way  
Newburn Riverside  
Newburn  
Newcastle upon Tyne  
NE15 8NY

For the attention of: Legal Services – Procurement Section

Having examined this Invitation to Participate in Dialogue and other documents made available to us and having satisfied ourselves as to all other matters relevant thereto, we confirm our Initial Proposal to enter into a contract with the Agency to provide the services set out in this Invitation to Participate in Dialogue.

We enclose our Responses and confirm that these comprise all of the documents required to be submitted in accordance with the matters set out in the Invitation to Participate in Dialogue.

We confirm that, subject to the following paragraph, all negotiations remain “Subject to Contract” and that the Agency’s selection of us to proceed to the Tender Stage or as preferred bidder will not constitute a binding agreement or contract between us until a formal written agreement or agreements have been executed. We agree that formal agreement shall comprise the finalisation and completion of the General Conditions of Contract in the form enclosed with the Invitation to Participate in Dialogue, subject to any amendments that have arisen in the Competitive Dialogue Stage.

In the event that we are selected to proceed to the Tender Stage and if subsequently selected as preferred bidder, we agree to complete all necessary steps and execute all documentation that is agreed following submission of our Final Bid and following any clarification which may be required. We acknowledge that the Agency may, at any time, require [name of organisation(s)] to agree and sign a preferred bidder letter.

We further acknowledge that the Agency reserves the right:

1. not to award a contract;
2. not to issue a preferred bidder letter;
3. to withdraw a preferred bidder letter once issued; and/or
4. to withdraw from this process.

We confirm that in submitting our Initial Proposals, we have satisfied ourselves as to the accuracy and completeness of the information we require in order to do so (including that contained in the Invitation to Participate in Dialogue).

Yours faithfully

.....

Signed for and on behalf of

[insert name of Bidder]

**End of Document**