

Corporate finance services two (CFS2)

RM6169

Customer guidance



Crown
Commercial
Service

Key information

Framework reference:	RM6169
Start date:	05 June 2020
End date:	04 June 2024
Accessible to:	Central government departments and all other UK public sector bodies, including local authorities, health, police, fire and rescue, education, devolved administrations and charities.
OJEU Contract Notice:	https://ted.europa.eu/TED/notice/udl?uri=TED:NOTICE:592100-2019:TEXT:EN:HTML
OJEU Award Notice:	https://ted.europa.eu/udl?uri=TED:NOTICE:236212-2020:TEXT:EN:HTML&src=0
Contact details:	E: info@crowcommercial.gov.uk
	T: 0345 410 2222
	W: www.crowcommercial.gov.uk
Penetration testing	<p>Due to COVID-19 some suppliers may have been unable to complete the required penetration testing prior to framework start date.</p> <p>CCS have allowed an extension to 31/12/20 to enable suppliers to obtain the required penetration testing.</p> <p>If it is critical to your requirement that suppliers have this level of testing please ensure this is clear within your ITT documentation.</p>

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1. Introduction

Purpose of this document

This guidance forms part of a comprehensive suite of guidance and template documents to help customers buy corporate finance services through the Corporate Finance Services Two framework (RM6169). Templates are available as a guide and can be amended to reflect your specific requirements.

This document is not a legal document and is intended to be used as guidance only.

Background

This framework has been established by CCS to provide a simple and compliant route to market for a range of corporate finance requirements.

Who can access this framework

This framework agreement is available for use by all public sector bodies, including central government departments, devolved administrations, the wider public sector and third sector including but not limited to:

- Local government
- Education
- Police, fire and rescue
- social housing organisations
- charities and voluntary organisations
- community sector bodies.

Full details can be found in the [OJEU contract notice](#)

Features and benefits

- Customers save time and money not having to do their own OJEU procurements.
- Competitive market rates by consolidating public sector consultancy and audit spend.
- Suppliers range from large nationals to SMEs. 34% of framework suppliers are SMEs.
- Structured guidance from CCS covering such areas as pre market engagement, expressions of interest, timescales and pricing models, designed to help customers follow best practice.
- Assured supplier standards - Suppliers are pre-qualified, have undergone penetration testing and are accredited to cyber essentials as a minimum. This means when buying services customers can be assured of the appropriate standards in the provision of corporate finance service.
- Standard terms and conditions agreed by all framework suppliers.

2. Framework scope

Scope

Corporate Finance relates to the provision of analytical, advisory and execution services for Government owned businesses and public sector projects in relation to the financial aspects of:

- Policy decisions, strategic choices and subsequent actions to be taken.
- Available funding sources and capital structure.
- Specific transactions or events, such as the sale of a Government-owned business.

This Framework does not cover the financial reporting or management accounting work that may also be undertaken by an accountancy firm, or the operational performance or product positioning work that may also be undertaken by a management/business consultancy firm. Such types of work can be procured through other framework agreements

Review the [OJEU contract notice](#) and framework specification to ensure your requirements are within the scope of this agreement. If your requirements fall outside the scope of this agreement you need to use an alternative route to market. See link to our alternative [CCS agreements](#)

Lot selection

You will need to select the most appropriate lot (detailed below) which best matches your requirement. See the lot descriptions document (available on the framework web page) to assist selection of appropriate lot selection to run a further competition.

Lot structure

The Framework has been divided into seven lots:

Lot number	Lot name
Lot 1	Corporate finance advice
Lot 2	Mergers and acquisitions
Lot 3	Equity capital markets
Lot 4	Debt capital markets
Lot 5	Retail capital markets
Lot 6	Corporate finance infrastructure
Lot 7	Corporate finance portfolios and financial assets

3. Things to consider

How to use the framework

All customers using this framework must run a Further Competition with the exception of, Bank of England, HM Treasury or a member of HM Treasury Group, which may Direct Award in accordance to Section 7 of the Framework Schedule 7.

Prior to conducting the further competition we advise that you consider the following:

- Produce a business case
- Reviewing any spending controls
- Whether you need to form a project team and the most appropriate person to lead it;
- The formation of a stakeholder group to formulate requirements
- Identification of specific resource to support the various stages of the project including data gathering, drafting of the statement of requirements and bid evaluation; and
- Who will approve the award once proposals have been evaluated?
- Legal advice

Supplier engagement

Early engagement with suppliers before you issue your tender documents may assist in the development of a more focused specification. A key principle of public sector procurement is that all suppliers are treated in a fair and equitable manner. Here are some hints and tips:

- Make all suppliers in the lot you will be using aware of the opportunity at the earliest convenience and include proposed timescales, if known. This could be face to face (all supplier conference), webinars or via teleconference.
- If sharing sensitive information with suppliers regarding your requirement you may wish to have the suppliers sign a non-disclosure agreement (NDA).
- If you require market intelligence or have a specific question for which you require supplier input you may wish to issue a request for information (RFI). This should be sent to all the suppliers on your selected lot. You can use the CCS eSourcing portal or your own portal, if you have one. This will provide an audit trail.
- Share your draft documents (including your specification) with all suppliers in the lot to receive feedback.

Whilst the feedback may be used to help shape your requirement, you need to ensure that you retain control of your requirements and that they are not dictated by suppliers or provide an unfair advantage.

Specification (statement of requirements)

A specification is a statement of the requirements to be met by the supplier. It sits at the heart of the contract between the customer and the supplier. A clearly written specification is an invaluable tool which will help you get the right result for your organisation. If you are running a further competition, any quality questions within the tender documents should be linked directly to your specification to ensure the questions you ask, and the suppliers responses, are relevant to the requirement. Establish high level requirements, e.g. what do you want to achieve from the suppliers and how will you know that the requirement has been satisfied.

Purpose of a specification

- describes the services required which suppliers are expected to provide
- create a contractual tool which forms an integral part of the call-off contract
- form part of a legally binding agreement which will be binding on both parties
- inform suppliers about the services required and enables them to propose a solution
- facilitate effective contract management
- to be referenced to in the case of any disputes between you and the supplier(s)

Buying from this framework

All customers using this framework must run a Further Competition with the exception of, Bank of England, HM Treasury or a member of HM Treasury Group, which may run a Further Competition or Direct Award in accordance to Framework Schedule 7.

Further competition

Further Competition is the route to market, under this framework. See Framework Schedule 7 of the framework agreement for the detailed further competition process. The first step in a successful call-off contract is to establish exactly what service you require from a supplier, and to communicate that requirement clearly in the form of a specification, or statement of requirement.

Direct Award (Bank of England, HM Treasury / HM Treasury Group members)

You should obtain your own in-house legal advice to ensure direct award is a compliant approach in your specific circumstances.

It should only be used if you can determine that:

- The supplier provides the most economically advantageous solution for your requirements (difficult to establish without seeking solutions from other suppliers);

or

- your requirements can only be met by one supplier;

and

- all of the terms of the proposed contract are laid down in the framework and the call-off terms do not require amendment or any supplementary terms and conditions

In this instance, you can exceptionally place an order in accordance with the direct ordering procedure.

If any of these criteria are not met then the further competition process must be used

Quality award questions

You need to develop questions which will allow you to assess a supplier’s ability to meet your requirements. Whilst there is flexibility in what suppliers can be asked in terms of award questions, you should ensure they are in line with your requirements, are forward looking and within the scope of the framework agreement specification.

Quality and price weighting

You need to evaluate supplier responses using the most economically advantageous tender (MEAT) criteria. The criteria and weightings below should be applied to supplier’s compliant tenders submitted through the further competition. You can define the sub-criteria, as part of the further competition process.

Criteria	Variable Weighting	Sub-criteria	Sub-criteria Weighting
Quality	30-70%	To be determined by the customer e.g. approach to solution, resourcing, mobilisation	To be determined by the customer
Price	70-30%	To be determined by the customer	To be determined by the customer

Framework pricing

You need to develop a pricing model to reflect your requirements. There are typically two types of fees for corporate finance services 2. The fees structure for a project can comprise of one or both of these elements as appropriate.

Time-based work fees: reflect the amount of work, skills and resources needed to undertake the services you require. They are typically set as a fixed fee charged on a monthly basis. They are charged for the duration of the project irrespective of the project outcome, and you can seek to set caps on the total work fee payable to protect you against the project running over time.

Completion or commission fees: a single fee paid only when a project completes irrespective of the project time. They are used to reflect the value-add a supplier brings to a project over and above the time and resources spent delivering the services required. Completion/commission fees can be used to help more closely align the interests of a supplier with your interests to a given project. By defining what is meant by completion you can determine the point at which a completion/commission fee is paid. This also means that if a project never reaches completion you do not have to pay any completion/commission fees.

Dual Fee Structure: It may be appropriate to include both a time-based work fee and a completion/commission fee. Under such a structure, the supplier receives a fee if the project does not complete, although this would typically be considerably less than the completion/commission fee that the supplier would have received had the project completed. It is usual for the time-based work fee to be offset against any completion/commission fee that may be paid, so that the latter represents the maximum fee that could be payable.

Maximum/minimum fee bid information provided at Framework level

To get onto the Framework each supplier provided maximum and minimum fees based on the fee structure set out under each Lot and assuming certain project parameters.

The maximum fee bids are binding under the terms of the Framework and as such any supplier tendering under a further competition at call off should not submit any fee bids in excess of these maximums. Please note, however, that under the terms of the Framework you have the ability to waive this requirement if the circumstances are such that you believe it would be inappropriate to enforce these maximums e.g. in relation to projects where the complexity and level of work required is exceptionally high, the time periods very short or the project values considerably out of line with those set out in the fee tables under each Lot. In every case, such variances should be material when considered against the project parameters set out for the maximum fee bids under each Lot. The details for waiving the maximum fees provided by suppliers at call-off can be found in schedule 5, paragraph 2.1.1(f) of the Framework Agreement. Any decision to waive the maximum fee bid limit is entirely for you to take, and cannot be taken by a supplier. The decision must be taken and made clear to suppliers at the call-off stage, and prior to running a further competition to select your supplier.

The minimum fee bids, along with some of the other fee information, were provided by bidders for information only. They are not in any way binding on suppliers and in some cases may not represent the absolute minimum fee possible.

Competing fees at call-off

It is expected that once you have decided upon the appropriate fee structure for your particular project, the level of fees will be set by the further competition at call-off. It is important therefore that you make clear to bidding suppliers the full details of the fee structure at the call-off stage and prior to running the further competition, as well as setting out in detail the scope of work required under the respective Lot(s) and, if there is to be more than one adviser, for the respective roles as appropriate.

As part of the further competition you will need to decide on the relative importance of the fees to be paid to a supplier compared to the other selection criteria you may set, and hence how bidding suppliers will be assessed on the fees they bid.

eSourcing

We provide free access to our [eSourcing portal](#) which enables you to conduct a further competition and provides a fully auditable procurement process. If you wish to use your own internal eSourcing portal you are able to do so.

Clarification period (supplier questions)

When planning the tender period you should ensure that you allow sufficient time for suppliers to ask questions and for you to respond to those questions. Set a deadline for questions and answers. Once you have issued your final response to the clarification questions allow sufficient time for suppliers to consider your responses before they submit their bid. Remember to respond to all bidders with the same information and to anonymise the clarification log.

4. Tender

Below is a list of documents you may wish to consider when formulating your tender.

- Invitation to tender
- Terms of participation
- Specification (statement of requirements)
- Call-off contract
- Response guidance (award questionnaire)
- Pricing schedule
- Non-disclosure agreement (if applicable)

Timescales

Set a sufficient time limit for the receipt of tenders which takes into account factors such as the complexity of the subject matter, time needed to submit tenders and resource availability. A minimum of 10 working days should be allowed for a simple requirement and greater for more complex requirements.

Evaluations

On receipt of tenders a compliance check should be undertaken prior to evaluation to ensure:

- the bid submitted is from the same supplier that is awarded to the framework agreement
- suppliers have confirmed acceptance of the framework and call-off contract terms and conditions. You should give due consideration to those sections of the draft call-off contract that are in square brackets. These sections can be amended or deleted by you as appropriate. All other sections of the call-off contract must remain unchanged, except for completing necessary project details. Should a supplier propose any changes to the terms and conditions please notify CCS of the non-compliance.
- mandatory questions are answered
- all documentation is completed and attached as requested in the tender
- supplier(s) are notified as detailed in your tender document if they have failed the compliance check and that their bid will not be further considered in the procurement
- a compliance check of the pricing matrix is undertaken to establish that there are no missing prices and it has been completed in line with the guidance
- the framework maximum pricing has not been exceeded. Should a supplier propose a rate higher than the framework maximum price please notify CCS immediately?

Price evaluations and abnormally low tenders

You should evaluate price, as defined in the tender. Where a tender appears to be abnormally low in relation to the requirement you should seek an explanation of the price / costs proposed, then assess the information provided. If the evidence does not provide a satisfactory explanation you may be able to reject the tender. Legal advice to be sought prior to rejection.

Post tender clarification / negotiation

Under EU regulations post tender negotiation is not permitted. Post tender clarifications may be necessary during tender evaluation where aspects of the bids are unclear or contain minor errors. Where post tender clarification is undertaken this needs to be transparent and auditable. You will need to liaise with your commercial team / legal advisors for further advice.

Quality evaluation

The quality evaluation process must be managed and conducted as detailed in the tender. Where you have elected to undertake individual scoring by evaluators it is advised that you should undertake a consensus meeting, which will provide a consensus following a robust conversation on the bids which will include discussion on any anomalies and resolution of any opposing views. This will also ensure that the appropriate response guidance and evaluation rationale has been used. Detailed records should be maintained.

Evaluation report

Once evaluation is completed and the successful supplier identified, you should create an evaluation report and obtain appropriate approval and sign-off before the award of the contract.

5. Contract award

Intention to award

If you elected to include a standstill period (10 calendar days) when you developed your tender then you need to issue, intention to award letters to all suppliers. For further advice please speak to your commercial team / legal advisors.

Award letters (to successful and unsuccessful suppliers)

Award letters (letters to the successful and unsuccessful suppliers)

After the standstill period expires (if used) or at time of award, you need to issue letters to all suppliers informing them of the procurement outcome. You should provide feedback to all suppliers on their bids, including the scores and commentary against the evaluation criteria.

Call off contract

You should populate the schedule 4 letter of appointment call-off terms and conditions document with information taken from the successful supplier(s) tender (further competition) or response to the statement of requirements (direct award) which shall include (as a minimum):

- Lot name
- Call-off start date
- Call-off end date
- Potential extension period
- Pricing
- Benefits (measurement and approval of benefits if risk and reward pricing)

All parties to the call-off contract should sign the letter of appointment call-off terms and conditions document.

Contracts Finder

Where a public contract (in excess of £10,000) is awarded, within a reasonable time, you will need to publish on [Contracts Finder](#).

Service support team

If you are experiencing problems using the Contract Finder service you can contact our service support team. ContractsFinder@crownccommercial.gov.uk

6. Contract management and exit

Following the award of a contract it is important that you have in place a robust contract management process in line with your requirements as detailed in your tender. This should be used to ensure that suppliers work to the original brief.

Central government departments should follow the principles of strategic supplier relationship management issued by the Government Commercial Organisation. Public sector organisations should follow their own contract management process.

Throughout the duration of your contract, you need to ensure you are invoiced correctly. This should include checking the number of days worked by supplier personnel and that the agreed prices have not been exceeded; to be in line with your agreed contract.

Ensure the right resource mix of personnel i.e. you do not have too many partners or junior staff. For fixed and contingent pricing models you will need to ensure that payment is not released until the agreed milestones have been achieved.

Review supplier performance

It is important to hold regular contract management meetings where appropriate with the supplier to ensure both parties understand their responsibilities and that they are fulfilled in accordance with the contract.

Progress against required delivery should be monitored and any issues preventing the requirements from being delivered should be identified to the appropriate person (e.g. contracts manager) in a prompt manner.

Once the contract is live, you should schedule the contract management meetings and set a standard meeting agenda. In the meetings, you should discuss the following, as appropriate:

- progress against the contract requirements including the implementation plan
- adherence to the specification, the service level agreement (the standards of service you have agreed with your supplier) and any key performance indicators (how you measure the performance of that service)
- acknowledging where the supplier has performed to the required standard
- identifying issues as early as possible and what the supplier will do about them
- reviewing joint risks and issues logs
- review management information
- benchmarking and continuous improvement
- new service / product developments

You should minute the meeting and include any agreed actions and timescales. The minutes should be circulated promptly after the meeting.

Contract variation

You may need to vary the contract; to do this you will need to follow the variation process as detailed in the call-off contract. You may wish to speak with your commercial or procurement team for further advice.

Best practice

If you have examples of best practice please share with CCS so that it can be shared further across the public sector.

Knowledge transfer

Knowledge transfer should be built into any contract to ensure that future reliance on external advice is minimised and the building of internal capability is maximised.

Exiting the contract

You should start preparing for the end of the contract in advance of the expiry date. You may need to consider how you will:

- ensure the transfer of any data from the supplier to your organisation
- end any joint arrangements with suppliers
- collect passes from suppliers (if applicable)
- return suppliers' equipment (if applicable)
- remove or dispose of any unwanted items

You may wish to consider holding a lessons learned meeting to explore what went well and what did not go so well so learning can be incorporated into future contracts.

If you need to end the contract early, you should follow the exit process detailed in the call off contract.

Comprehensive guidance

Comprehensive guidance documents and templates can be found under the documents section of the framework web page.

These include:

- CPV codes
- Lot description
- Supplier matrix
- Template including: Expression of interest, Invitation to tender, Pricing Schedule, Award letters

Further information

If you require any further information please contact

info@crowcommercial.gov.uk

0345 410 222

You can also learn more about Crown Commercial Service at:

Website:

crowcommercial.gov.uk

Twitter:

[@gov_procurement](https://twitter.com/@gov_procurement)

LinkedIn:

[Crown Commercial Service](https://www.linkedin.com/company/crown-commercial-service)