



**Dorset Local Enterprise
Partnership**

REQUEST FOR QUOTATIONS

Due Diligence

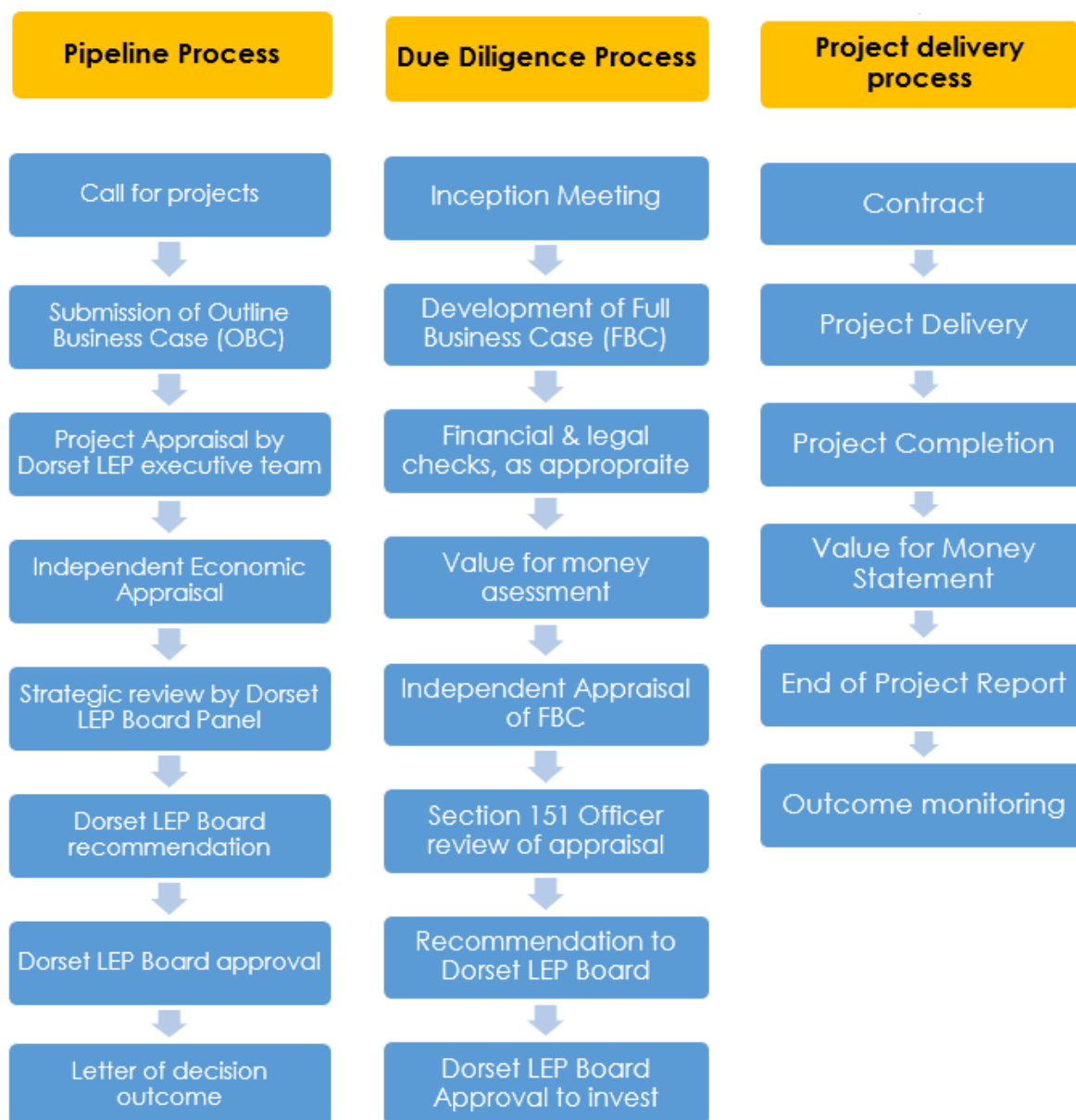
July 2019

1. BACKGROUND

- 1.1. Established in 2011, Dorset Local Enterprise Partnerships (LEPs) is a private sector-led organisation responsible for speaking on behalf of businesses, championing important issues with government and ultimately driving the economic growth of Dorset.
- 1.2. Dorset LEP is responsible for setting the strategic direction for the Dorset economy and delivering an investment programme of around £250m. Working in partnership with local government, businesses, educational institutions and other public, private and community sector organisations, Dorset LEP keeps Dorset firmly on the map.
- 1.3. Led by an experienced and dedicated board of public and private sector members, Dorset LEP aims to make Dorset the best place to do business in the UK by putting in place the building blocks to drive productivity in Dorset.
- 1.4. Dorset is proud of its £17 billion contribution to the UK economy and its robust employment and business survival rates. However, like many parts of the UK, Dorset's productivity rate lags behind the national average and we face renewed global competition in a post-Brexit economy. Despite this, Dorset's economy is resilient, growing, and has the potential to deliver greater prosperity for Dorset and beyond for generations to come.
- 1.5. Dorset LEP's modern industrial vision is to double Dorset's productivity and economic output to £35.6 billion over the next twenty years, generating 80,000 jobs, building around 78,000 new homes, and creating a local economy that is sustainable, innovative and inclusive.
- 1.6. Dorset LEP is working with Government, towards a Local Industrial Strategy, which will set out how Dorset can achieve its ambition for economic growth. The strategy will outline how Dorset LEP will work in partnership with the local business community and anchor institutions to deliver economic growth, prosperity and productivity in Dorset.

2. DUE DILIGENCE

- 2.1. Dorset LEP requests submission of full business cases from scheme promoters that are receiving funding from Dorset LEP funded programmes including Local Growth Fund.
- 2.2. Full Business Cases will be reviewed in line with Dorset LEPs [Local Assurance Framework](#).
- 2.3. In line with the process outlined in [Decision Making and Due Diligence Policy](#) and the flow chart below, Dorset LEP will employ independent expertise to undertake objective and independent due diligence of full business cases. This will provide additional rigour to inform decision making.



3. OBJECTIVE

- 3.1. In response to the above requirements, Dorset LEP is seeking to procure independent expertise to undertake objective and independent due diligence on Local Growth Deal projects, and other funding streams as appropriate in the future, via a flexible framework arrangement.
- 3.2. Assessments will be on an adhoc basis and Dorset LEP will approach the framework at the earliest opportunity to commission this work.
- 3.3. Assessment on the business case to ensure that the project fits the Green Book Business Case template, that it fits with the 5 case model, i.e.: Strategic; Economic; Commercial; Financial; Management.
- 3.4. There is no prescribed format or template for business cases. However, we do expect business cases to be compliant with the established Government guidance including the HM Treasury Green Book, and they must include the following:
 - An outline of the scheme and the economic outcomes to be delivered;

- Evidence that all relevant consents are in place (or are scheduled to be in place) by a specified date to facilitate delivery;
 - Evidence that third party funding is in place (if applicable);
 - A full financial appraisal to include financial forecasts, phasing of expenditure and cash-flow for phase 1 delivery;
 - A full project delivery plan;
 - A risk register;
 - Strategy for procurement of contractors to deliver works (where relevant).
- 3.5. For transport schemes, business cases must be developed in accordance with WebTAG advice provided by Department for Transport:
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/85930/dft-transport-business-case.pdf

4. OUTPUT

- 4.1. Assessment and review of full business cases a range of projects:
- Capital and revenue
 - Small to large scale
 - Including the following themes: Transport, Innovation, Skills, Housing, 5G, Digital
 - Project value ranging from £250k to £10m
- 4.2. Submission of a full report on each business case identifying the following:
- Compliance with relevant HM Treasury Green Book guidance (overview in Appendix A)
 - An evaluation of the viability of the business case, including the robustness of key assumptions and sensitivity analysis, where necessary
 - Highlighting the key financial risks
 - Full due diligence on all of the financial data contained within the financial model highlighting any errors, omissions, mistakes of methodology or technique or any other concerns
 - Assessment of the financial suitability / status of the delivery partner (where appropriate)
 - Identification of any potential State Aid implications
 - Any data not provided but required in order to properly assess the business case
 - Critical review on the risk register
 - State of preparedness of project for delivery (i.e. designs, consents in place, contracting arrangements)
- 4.3. Submission of a final report evaluating each business case with clear findings and any necessary recommendations; including any advice on any pre-conditions to be incorporated into grant agreements or before grant agreements are signed.
- 4.4. Due to the need to progress projects in a timely manner, to ensure value for money and delivery within the Growth Deal period, the following maximum timescales will need to be met for delivery of the assessment once commissioned:

Business case submission to assessor	Day 1
Assessment take place	Day 2-14
Report supplied to Dorset LEP	Day 15
Changes made to business case as appropriate	Day 16

5. BUDGET AND DURATION

5.1. The contract will run from 12 August 2019 until 31 March 2021.

5.2. The budget allocated is £50,000.

5.3. Dorset LEP reserves the right not to make any appointment.

6. BID DOCUMENTATION

6.1. In responding, proposals should set out the following:

- Explain the process for undertaking the stage 2 due diligence process, including a sample report template.
- The name of any individual/individuals who will work on the contract, their role, the amount of time to be spent on the work and a summary of their qualifications and relevant subject knowledge and experience. Full CVs are not required.
- An estimated cost on a per business case basis (recognising that individual costs will be agreed on the basis of the complexity of individual projects within the total contract value)
- A day rate
- Availability to undertake this work, and demonstrable ability to operate in a flexible manner to manage a steady flow of work throughout the period as well as the anticipated work flow peaks
- Evidence of completing similar work with Local Enterprise Partnerships and local authorities or other similar bodies.
- Details of any conflicting or complementary work which you may be undertaking at the same time.
- Highlight any areas of expertise relating to the range of projects that Dorset LEP delivers.
- Confirmation of professional indemnity insurance, including amount of cover held.
- Contact details for two references.

7. CONTRACT MANAGEMENT AND MONITORING

7.1. The work will be overseen by the Dorset LEP Programme Manager and Performance and Investment Group.

7.2. The supplier should nominate a dedicated point of contact to act as Contract Manager to oversee the work and liaise with and report to the Dorset LEP Programmes Manager.

- 7.3. Dorset LEP requires a high level of accuracy and quality in this piece of work. In addition, any information provided to the supplier by the scheme promoter and Dorset LEP should be considered as commercially sensitive and therefore treated with utmost confidentiality.

8. TIMETABLE

Invitation to request for quotation (RFQ)	15 July 2019
Deadline for the submission of RFQ	9 August 2019 – 17:00
Assessment of responses received	12-13 August 2019
Appointment	Week Commencing 12 August 2019 (Tentative)
Inception meeting	Week Commencing 12 August 2019 (Tentative)
Contract start date	Week Commencing 12 August 2019 (Tentative)

9. Evaluation Criteria

9.1. Supplier selection will be made at the discretion of Dorset LEP.

9.2. Scoring weightings are broken down as follows:

- Process – 30%
- Resources – 30%
- Fees – 40%

10. Scoring Methodology

4 Excellent	Proposal meets and in some places exceeds the required standard
3 Good	Proposal meets required standard
2 Acceptable	Proposal meets the required standard in most respects, but is lacking or inconsistent in others
1 Poor	Proposal falls short of expected standard
0 Unacceptable	Completely or significantly fails to meet required standard or does not provide the relevant answer

11. Conflicts of Interest

11.1. Dorset LEP may exclude the Supplier if there is a conflict of interest which cannot be effectively remedied. The concept of a conflict of interest includes any situation where relevant staff members have, directly or indirectly, a financial, economic or other personal interest which might be perceived to compromise their impartiality and independence in the context of the procurement procedure.

11.2. Where there is any indication that a conflict of interest exists or may arise then it is the responsibility of the Supplier to inform the LEP, detailing the conflict in the Supplier response to this RFQ.

12. PROPOSAL SUBMISSION

12.1. In order to be considered for selection, quotes must be received by 17.00 on 10 July 2019.

12.2. Any individual or organisation responding to this RFQ must submit its quote via email and must be sent to the following:

Katherine May
Programme Manager
kmay@bournemouth.ac.uk
07802 721352

12.3. If you require clarification or you have any questions please direct these to:
Katherine May.

Appendix A – HM Treasury Guidance – adjusted for Dorset LEP purposes

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/190603/Green_Book_guidance_checklist_for_assessing_business_cases.pdf

Strategic Case: (the case for change)

- Should cover rationale, background, policy context and strategic fit.
- Are there clear SMART objectives in terms of outcomes and are dependencies, constraints and risks identified?

Economic Case: (Economic Appraisal)

- Is there a reasonable range of options?
- Are results of each option presented clearly including do nothing/minimum option?
- Is ruling out of potential promising options clearly justified?
- Are all economic costs and benefits clearly calculated for each year covered by the proposal with NPV calculated correctly?
- Are all costs and benefits quantified, if not is this justified?
- Are there any decisive unquantified cost/benefits and are they clearly explained?
- Are there appropriate sensitivity analyses, including worst case scenario?
- Are risks, constraints and dependencies identified and managed?
- Is optimism bias properly included and aligned with risk?
- Are wider impacts assessed e.g. sustainability, competition, regulatory impact?
- Is there a Benefits register; benefits realisation (delivery) plan?
- Does the preferred option give best value for money?

Commercial Case

- Is the proposal commercially feasible / deliverable?
- What procurement is required; goods, services, land, buildings?
- What is the procurement strategy?
- What are the key contractual issues?
- There must be clear contractual key milestones and delivery dates
- Is risk identified and managed and allocated?

Financial Case: (Financial Appraisal)

- Focus on affordability; is full budget funding secured and budgeted by all parties?
- What are the impacts on income/expenditure a/c and on balance sheet if applicable?
- Are potential cost over runs provided for are there any contingent liabilities?

Management Case (programme or project management)

- Is the proposal practically deliverable and what are the delivery plans?
- Are the appropriate permissions in place e.g. planning, land
- Are there clear delivery dates and detailed milestones?
- Is there a contract management plan?
- Is there a contingency plan with arrangements & provision for risk management?
- Does the plan include monitoring arrangements (who when how and costs)?
- Does the plan include post implementation evaluation arrangements (including who, when, how and costs)?