



# Transport for London



## Appendix 10

### Lot Specific Information: Lot 2 Shelter Advertising Rights

OJEU Ref : [2014/S 094-165445](#)

TfL Reference Number: tfl\_scp\_000435

Transport for London

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## 1 INTRODUCTION TO LOT

This document provides the lot specific information relevant to **Lot 2 Shelter Advertising Rights**, which is a component of tfl\_scp\_000435 - Provision of supply, installation, and maintenance services for shelters, stops, poster frames and other associated on-street infrastructure, including advertising rights.

This document is relevant only to Bidder's bidding for this lot.

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## **2 BACKGROUND TO LOT**

### **Lot 2 – Shelter Advertising Rights**

The Authority is seeking a suitably qualified service provider to undertake advertising media owner concession services on the Authority's shelter advertising estate.

Responsibilities shall include; shelter advertising revenue generation, advertising content hanging services in various formats required over the agreement term (e.g. paper / digital format), managing compliance with legal and statutory obligations, management of activity associated with advertising shelters, provision of expert advice on the commercialisation and exploitation of the Authority's shelter advertising and broader street furniture estate.

### **3 EVALUATION CRITERIA FOR LOT 2**

The table overleaf details the breakdown of the Evaluation Criteria including the Submission weightings, the Main Categories and the Sub-Category weightings for the Lot. Bidder's should provide details of the proposed approach to delivering the overall requirements of this Lot.

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<b>Stops and Shelters Advertising - Module and Category Weightings</b>					<b>Lot 2</b>	
Submission	Category	Category Weighting	Module	Module Name	Advertising Rights	
					Weight Within Category (%)	Overall Weight (%)
Responsible Procurement	Responsible Procurement	Pass/Fail	E&D	Equality and Diversity (Inc. Strategic Equality & Diversity Plan, Training Plan, Supplier Diversity Plan)	Pass/Fail	Pass/Fail
Quality	Financial Considerations  (Qualitatively assessed)	16%	Fa	Revenue Share percentage (%) of overall Gross Revenue above Minimum Guaranteed Income.	62.5	10
			Fb	General Obligations	37.5	6
Quality	Operational and Technical	24%	OTa	Mobilisation Approach	10	2.4
			OTb	Methodology, Approach to Operational Service Provision and Business Continuity	22	5.28
			OTc	Sales and Yield Management	10	2.4
			OTd	Quality and Performance Management	10	2.4
			OTe	Revenue Generation	28	6.72
			OTf	Exit Management	5	1.2
			Ea	Environmental	5	1.2

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			Ha	Health and Safety	5	1.2
			Ca	CDM	5	1.2
Quality	Commercial	Pass / Fail	Vol. 1 Appendix 5	Terms and Conditions	Pass/Fail (BAFO stage only)	Pass/Fail (BAFO stage only)
Financial	Revenue	60%	Pa	NPV of Minimum Guarantee (Over 8 year term)	100	60

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#### **4 RESPONSIBLE PROCUREMENT SUBMISSION**

The Responsible Procurement submission for Equality and Supplier Diversity (E&SD) which includes an Equality and Diversity plan, Equality and Inclusion Training Plan and Supplier Diversity Plan is detailed in Volume 1, Appendix 5.



## 5 QUALITY SUBMISSION

### QUALITY SUBMISSION - OPERATIONAL AND TECHNICAL

#### Part 1 Submission

##### Modules

The Authority requires Bidders to set out in full how they intend to deliver the requirements set out in the ITN, including the draft Agreement. **To this end, Bidders are required to provide responses to the Modules set out in Part 2. Module Questions (below).**

The specific requirements set out in Part 2 Module Questions are not intended to be exhaustive, and demonstrate minimum elements that Bidders should cover in their Module responses. Accordingly, Bidders may wish to include further proposals or initiatives in their Module responses.

In writing their responses, Bidders should refer to this ITN and all documents referred to herein, including without limitation, the draft Agreement.

#### **Structure of Module Responses**

Bidders must ensure that each Module response complies with the structure set out in Table 1 below. The Authority expects that the Module Responses provide a level of detail that will allow the Authority to easily assess the credibility of the response and deliverability of any proposals set out therein.

Module responses may not contain caveats or assumptions. Bidders must also ensure that each Module response is consistent with the rest of the bid.

#### **Committed Obligations**

Where Bidders include in their Module responses proposals for specific spending, cost reductions, enhancement or innovation projects or achievement of certain identifiable and measurable objectives/targets, they must be linked to specific obligations in the draft Agreement and accordingly, to the extent that are not already included in the draft Agreement, the Bidders should identify these as Committed Obligations. These should be fully drafted in the relevant section of the Module response, as clear, unambiguous and measurable obligations including a timescale for completion.

The Authority is aware that not all Module responses will lend themselves to Committed Obligations. Some Module responses will be closely linked to delivery of requirements and obligations already contained within the draft Agreement and the Authority does not wish to duplicate such obligations as Committed Obligations. In

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addition, the Authority wishes to encourage focused Committed Obligations in support of key features of the requirements but is not seeking large numbers of minor commitments.

Committed Obligations will be taken into account when scoring the relevant Module Response.

Notwithstanding whether a Bidder has set out a matter as a Committed Obligation within a Module response, the Authority reserves the right to include in the draft Agreement specific spending, cost reductions, enhancement or innovation projects or achievement of certain identifiable and measurable objectives/targets which have been proposed by Bidders as a Committed Obligation in their bids.

**Table.1 – Module Response Format**

<b>Response Section</b>	<b>Content</b>
A	<p><b>Executive Summary</b></p> <p>The response to each Module should be prefaced by an executive summary containing a concise description of the key features of the response.</p>
B	<p><b>Bidder’s Proposals</b></p> <p>Section B of each Module response should include the Bidder’s responses to the Module question and should include the Bidder’s proposals for how it will:</p> <ul style="list-style-type: none"> <li>a) Deliver the items specified in that Module which must cover, as a minimum, the requirements specified for that Module; and</li> <li>b) Arrange its organisation and deploy its resources to deliver the items specified in the Module and the processes the Bidder will put in place to ensure their delivery.</li> </ul> <p>Where appropriate, Bidders should provide:</p> <ul style="list-style-type: none"> <li>a) Examples of where their proposals have been successfully implemented previously and the results achieved; and/or</li> <li>b) Other evidence that the Bidders believe demonstrate the credibility and deliverability of their response and their understanding of the draft Agreement</li> </ul> <p>And in each case demonstrate how they are relevant to their proposals for this Agreement.</p> <p>Where appropriate, a plan should be provided showing key activities and timescales which covers the key proposals contained within the Module response.</p>

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	<p>Where a Bidder intends to sub-contract any elements covered by a Module, Bidders should describe their subcontracting strategy, including the elements to be sub-contracted and their strategy for procuring and effectively managing the suitable subcontractor.</p>
<p>C</p>	<p><b>Key Risks and Mitigations</b></p> <p>Where appropriate Section C of each Module response should identify the key risks associated with the Bidder's proposals in that Module response and the actions the Bidder intends to take to mitigate those risks.</p>
<p>D</p>	<p><b>Committed Obligations</b></p> <p>Where appropriate Section D of each Module response should contain fully drafted Committed Obligations relevant to that Module response.</p>

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**Part 2. Module Questions****QUALITY SUBMISSION – FINANCIAL CONSIDERATIONS – (16% Overall weighting)****Module Fa – Revenue Share percentage (%) of overall Gross Revenue above Minimum Guaranteed Income.****Weight within Category - 62.5%. (No minimum pass threshold)**

**Bidders are referred to Schedule 5 – Fees when completing this section and are required to provide the following;**

- Please provide details of the Revenue Share percentage (%) offered and as referred to in Paragraph 6.2 of Schedule 5 - Fees.

Please complete this section in accordance with the format set out in Table 1. Module Response Format.

**Module Fb - General Obligations****Weight within Category 37.5%. (No minimum pass threshold)**

**Bidders are referred to Schedule 5 – Fees when completing this section and are required to provide the following;**

- Please set out your proposed approach for delivering the General Obligations set out in Paragraph 7 of Schedule 5 – Fees.

Please complete this section in accordance with the format set out in Table 1. Module Response Format.

**QUALITY SUBMISSION - OPERATIONAL AND TECHNICAL – (24% Overall weighting)****Module OTa – Mobilisation Approach****Weight within Category 10%. (No minimum pass threshold)**

**Please describe your organisation’s mobilisation and start up arrangements for this Agreement, this should include;**

- Explanation of the key activities and resources required to manage the transition and mobilisation from the incumbent service provider.
- Project Plan covering the key transition and mobilisation activities and resources required.
- Client engagement process and obligations.
- Incumbent supplier engagement and obligations
- How TUPE transfer (if applicable) will be managed

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Please complete in accordance with the format set out in Table 1. Module Response Format.

**Module OTb – Methodology and Approach to Operational Service Provision and Business Continuity.**

**Weight within Category 22%. (No minimum pass threshold)**

**Please describe your organisation’s methodology and approach to delivering the operational requirements and the desired outcomes detailed in the Requirements Specification (Volume 2). This should include, but not be limited to the following;**

- Methodology and approach to service delivery (Scope of Services).
- Scheduling and method statements for hanging of paper advertising content at advertising panels.
- Management of digital advertising content (as appropriate).
- Sourcing, installing and maintaining digital panels (as appropriate).
- Approach to business continuity and resilience from a technical and operational perspective.
- Confirm compliance with contractual requirement including for payment of London Living Wage to all staff involved.

Please complete in accordance with the format set out in Table 1. Module Response Format.

**Module OTc – Sales and Yield Management**

**Weight within Category 10%. (No minimum pass threshold)**

**Please describe your approach to Sales and Yield management in relation to the Authority’s account. This should include, but not be limited to the following;**

- Market position, knowledge and know-how
- Key industry relationships (e.g. media buyers)
- Relevant process and systems

Please complete in accordance with the format set out in Table 1. Module Response Format.

**Module OTd – Quality and Performance Management****Weight within Category 10%. (Minimum pass threshold is “Good Enough”)**

**Please describe your approach to Quality and Performance Management for Authority, this should include, but not be limited to the following;**

- Systems and Processes (including IT)
- Account Management
- Meetings and frequency
- Reporting
- Reviews
- Open book accounting
- Audit

Please complete in accordance with the format set out in Table 1. Module Response Format.

**Module OTe – Revenue Generation****Weight within Category 28%. (Minimum pass threshold is “Good Enough”)**

**Bidders are referred to the Requirement Specification in Volume 2 and the relevant obligations in relation to revenue generation.**

**The module response should include, but not be limited to the following:**

- Explanation of the estimated bus shelter advertising estate revenue value, setting out in sufficient detail the key value drivers and key assumptions
- Bidders proposed approach to revenue generation, including but not limited to proposals for the development of the bus shelter estate, innovation and the use of technology
- An explanation of how any such approach will be embedded in business practices
- A description, programme and rationale for any proposed projects that are related to revenue generation, including but not limited too the key objectives of such projects, how such projects will be funded, estimates of cost, estimates of revenue benefits, approach to delivery.

Please complete in accordance with the format set out in Table 1. Module Response Format.

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**Module OTf – Exit Management****Weight within Category 5%. (No minimum pass threshold)**

**Bidders are referred to Schedule 15 of the Agreement and the relevant obligations when responding to this Module.**

**Please describe your approach to Exit Management, this should include;**

- Content of Exit Plan
- Project Plan
- Key activities and resources required.
- How TUPE transfer (if applicable) will be managed

Please complete in accordance with the format set out in Table 1. Module Response Format.

**Module Ea – Environmental****Weight within Category 5%. (No minimum pass threshold)****1 Module Ea1 -**

Please state how you will comply with TfL's HSE policy.

**2 Module Ea2**

Please list the main Environmental legislation and regulatory requirements you have identified that apply to this Contract.

Please explain how you ensure compliance with legislation and keep abreast of any forthcoming legislation which will affect your company.

**3 Module Ea3**

Please state how you will ensure that;

- a) you will have an Environmental Management System in place that covers all requirements under this Contract
- b) the system will be maintained throughout the duration of the Contract and
- c) if you do not currently have certification how you intend to ensure this will be achieved within one year of the contract commencing.

**4 Module Ea4**

What specific environmental impacts and risks do you envisage will arise during the course of this contract, and how do you propose to reduce or control them?

**5 Module Ea5**

Please describe what policies, procedures or initiatives your company has introduced in order to reduce the environmental impact of its operations which are directly relevant to this Contract.

**6 Module Ea6**

Please state what vehicles you will use on this Contract and how they will comply with the requirements set out in the **Environmental Management** section of the **Agreement, Schedule 16, Volume 3**.

**7 Module Ea7**

Please state what systems you will have in place for this contract recording and reporting of environmental data such as waste disposal volumes and recycling rates.

**8 Module Ea8**

How will you ensure your staff and Sub-Contractors receive appropriate environmental training? How will you disseminate relevant environmental information to staff and Sub-Contractors? How do you ensure they are aware of risks to environment and the measures they should follow to protect themselves, others and the environment?

Please complete in accordance with the format set out in Table 1. Module Response Format.

**Module Ha – Health and Safety****Weight within Category 5% (No minimum pass threshold)**

The bidder should provide a document entitled “Health and Safety Impacts, Roles and Responsibilities”; this response should describe the bidder’s proposed approach to health and safety in connection with the delivery of the service requirement.

Bidders should ensure that responses include information on:

- Detailed roles and responsibilities of proposed HSE representatives and contractors
- Identification of the key (known) HSE impacts associated with the provision of services and outline of the proposed mitigation measures;

Please complete in accordance with the format set out in Table 1. Module Response Format.



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**Module Ca – Construction Design Management (CDM) – 5% (No minimum pass threshold)**

- The Bidder's should provide a Construction Phase Plan in line with the Construction Phase Plan Checklist contained in the Outline Pre Construction Information contained in Volume 1, Appendix 6.

Please complete in accordance with the format set out in Table 1. Module Response Form

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## **6 COMMERCIAL SUBMISSION**

The Commercial submission will be evaluated in accordance with the instructions set out in Volume 1, Appendix 5.

## **7 EVALUATION OF LOT 2 SPECIFIC CRITERIA**

### **Financial Returns from Lot Two Bidders**

In preparing financial returns for Lot Two, Bidders should note the full terms of Volume 3, the Contract Schedule for the Lot, and in particular Schedule 5 – Fees.

The following should be noted when preparing financial responses:

- The definitions of terms used in Schedule 5 – Fees
- The Revenue Share is to be paid as a percentage of Gross Revenue above the Minimum Guaranteed Income.
- The contractual Requirement for a performance bond to be funded from the successful Bidder's Revenue Share.
- The Contractual Requirement for the successful bidder to pay the Agency Commissions.
- The Contractual Requirement for the successful bidder to pay the Uniform Business Rates.
- The Contractual Requirement for the successful Bidder to fund metered electrical supply of digital shelters.
- The Contractual Requirement for the successful Bidder to fund digital additions/enhancements to the shelter estate.

**Module Fa – Revenue Share Percentage**

Assessment of the module Fa is based on the proposed Revenue Share percentage of the Gross Revenue above the Minimum Guaranteed Income.

Bidders should refer to Volume 3, Contract Schedule, for the terms and conditions of contract and in particular, Schedule 5 – Fees for definitions of the relevant terms.

The evaluation of the module will be based upon the submitted percentage Revenue Share submitted by all Bidders, with the largest scoring most highly, i.e. a Proportional Score basis. Through this method, the largest submitted percentage Revenue Share of Gross Revenue above the Minimum Guaranteed Income shall receive 10 marks.

The methodology is illustrated in the following example:

Module Fa Weighting	10% (Overall Weight)		
	Bidder A	Bidder B	Bidder C
Offered Revenue Share % of Gross Revenue	45%	35%	25%
Highest Revenue Share %	Bidder A submits the largest Revenue Share % of Gross Revenue, i.e. 45%		
Score Conversion	$\frac{45}{10} \times \square\square\square\square\square\square$	$\frac{35}{10} \times \square\square\square\square\square\square$	$\frac{25}{10} \times \square\square\square\square\square\square$
Module Fa Score (10 Points Max)	4.5	3.5	2.5

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**Module Pa**

The assessment of module Pa is based on the offered NPV of Minimum Guaranteed Revenue over the eight year contract term.

The Minimum Guaranteed Revenue is to be expressed net of inflation over the eight year contract term, commencing from the 1<sup>st</sup> January 2016. However, Bidders should note the contractual provision for payment of an annual inflationary increase.

Bidders should refer to Volume 3, Contract Schedule, for the terms and conditions of contract and in particular, Schedule 5 – Fees for definitions of the relevant terms.

Module Pa shall not receive an individual score because all Financial scores are assessed in terms of Solutions of all Lots. An explanation of how the score for Module Pa contributes towards the assessment of the Most Economically Advantageous Solution can be found in Volume 1, Section 5.

**All other Lot 2 Modules**

For the avoidance of doubt, all other modules, i.e. modules Fb, OTa, OTb, OTc, OTd, OTe, OTf, Ea, Ha, and Ca, associated with Lot 2 shall be evaluated on a qualitative basis on a scale of 1-5 in accordance with Volume 1, Section 6.1.