



Contract Award Recommendation

FOR

tfl_scp_000435

Provision of supply, installation, maintenance services for shelters, stops, poster frames and other associated on-street infrastructure, including advertising rights

PRIVATE & CONFIDENTIAL

COMMERCIAL IN CONFIDENCE

TfL Restricted

Template Version 1.2

April 2014

| | |
|----------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| SUBMITTED BY: | [REDACTED] |
| Value: | [REDACTED] - Advertising, Minimum Guaranteed Revenue [REDACTED] - Asset and Maintenance costs [REDACTED] - Net Contribution |
| Date: | 28 th May 2015 |
| Status: | Final |
| Version: | 0.1 |



Transport for London Record Sheet – Approval and Consultation

| | |
|------------------------|---------------------------------------------------|
| Ref No: tfl_scp_000435 | Secretariat Record Number: [secretariat use only] |
|------------------------|---------------------------------------------------|

Transport for London Record Sheet

To approve the award of the contract detailed within this paper for 'Provision of supply, installation, and maintenance services for shelters, stops, poster frames and other associated on-street infrastructure, including advertising rights' and the granting of Delegated Procurement Authority in relation to this contract.

Cross Business Review with Stakeholders

| | | | | | |
|--------------------|------------------------|------------------|------------------------------|--------------------|------------------|
| Name | [Redacted] | [Redacted] | [Redacted] | [Redacted] | [Redacted] |
| Directorate | Commercial Development | Legal | Asset Management Directorate | Traffic Operations | Finance |
| Decision | Agree / Disagree | Agree / Disagree | Agree / Disagree | Agree / Disagree | Agree / Disagree |

Approval [delete or add as appropriate]

| Name | Signature | Date |
|----------------------------------------|------------------|-------------|
| [Redacted] [Redacted] Author | | |
| [Redacted] [Redacted] | | |
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| [Redacted] [Redacted]) | | |



| Assurance [delete or add as appropriate] | | |
|----------------------------------------------------------------------|------------------------------|-----------------------------|
| Forum | Attendees | Date |
| Programme Board | [REDACTED] | 22 nd April 2015 |
| Commercial Peer Review Forum / Commercial Procurement Steering Group | [REDACTED] | 8 th May 2015 |
| Surface Board | Surface Board members | 12 ^h May 2015 |
| Chairman's Brief | Chairman's Brief members | 2 nd June 2015 |
| Finance and Policy Committee | Finance and Policy Committee | 17 ^h June 2015 |
| TfL Board | TfL Board Members | 1 st July 2015 |



Contract Award Recommendation

1. Introduction / Executive Summary

- 1.1 TfL manages a network of approximately 4,887 advertising bus shelters, 7,491 non-advertising bus shelters, and 20,499 bus stops across London under seven existing contracts;

| No. | Contract Description | Category |
|-----|---------------------------------------------------------------------------------------------|------------------------|
| 1 | Advertising Shelters Concession (Supply, Install, Maintain shelters and Advertising Rights) | Advertising Concession |
| 2 | Non-Advertising Shelters (Supply, Install, Re-active maintenance) | Asset |
| 3 | Bus Stops (Supply, Install, Re-active maintenance) | Asset |
| 4 | Publicity Posting | Maintenance |
| 5 | Cleaning and Graffiti Removal | Maintenance |
| 6 | Electrical Maintenance | Maintenance |
| 7 | Painting | Maintenance |

- 1.2 At present circa half of the advertising shelters are owned by the incumbent advertising shelter concessionaire. Under the terms of the 'Settlement Agreement' signed in 2004 ownership of all advertising shelters transfers to TfL on 31st December 2015.
- 1.3 The current contracts were aligned to expire on 31st December 2015 with the exception of the Non-Advertising Shelter supply, install, maintain contract which expires on 29th February 2016. This presented an opportunity for TfL to re-procure the contracts through a co-ordinated approach to the market that aimed to realise operational and commercial benefits derived from service synergies and economies of scale.
- 1.4 The eight lot structure for the procurement resulted from the development of a stops and shelters specific category management plan (approved April 2014).
- 1.5 The recommendation is based on an evaluation that determined the "Most Economically Advantageous (8 lot) Solution". The structure for the tender process was selected in order that TfL could ensure that the best value combination of suppliers was selected for management of the estate.



- 1.6 The financial scoring system was designed to assess the greatest possible net contribution based on:

Contribution = Minimum Guaranteed Revenue in a Solution minus Costs in a Solution

- 1.7 This paper provides justification for approval to award a suite of contracts for the supply, installation, and maintenance services for shelters, stops, poster frames and other associated on-street infrastructure, including advertising rights to;

| Lot No. | Lot Description | Supplier | Category |
|---------|----------------------------------------------------------------------------------------|----------|------------------------|
| 1 | Advertising Shelters – Supply & Install | K | Asset |
| 2 | Shelter Advertising Concession | F | Advertising Concession |
| 3 | TfL Publicity Posting | I | Maintenance |
| 4 | Non Advertising Shelters – Supply & Install | K | Asset |
| 5 | Stops – Supply & Install | K | Asset |
| 6 | Shelter Electrical Maintenance | J | Maintenance |
| 7 | Shelter Painting | D | Maintenance |
| 8 | Cleaning and Graffiti Removal at Shelters, Stops, LRS Piers, Traffic Control Equipment | I | Maintenance |

- 1.8 The contracts are being recommended for award following a successful multi stage procurement process conducted in accordance with the EU Utilities Procurement Regulations, Negotiated Procedure.

- 1.9 The tender process has resulted in the following over the maximum 8 year contractual term;

- A minimum guaranteed advertising revenue of [REDACTED] payable to TfL.
- Mechanism for securing additional revenue share of [REDACTED] of the gross revenue generated, over and above the minimum guarantee.
- Net financial contribution to TfL of [REDACTED]
- Good composition of suppliers, including SME's with requisite skills, knowledge and experience to deliver the business outcomes to a high standard, underpinned through robust contractual mechanisms to manage, monitor and measure service performance.



2. Summary of Contracts

| | | | | |
|------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|----------------------------------------------------------------------------------|--|
| Value including any options: | <p>Guaranteed Advertising Revenue</p> <p>Asset and Maintenance Costs</p> <p>Financial Contribution</p> | What type of contract will this be? | 8 standalone contracts | |
| Number of Lots: | 8 | Terms and Conditions used: | Lots 1 and 3-8: Standard TfL Services Lot 2: TfL Bespoke Concession Agreement | |
| UK Legislation that Applies (irrespective of value): | Utilities | What is the nature of the Procurement? | Goods and Services | |
| Name of winning bidder(s) | Lot 1 - K Lot 2 - F Lot 3 - I Lot 4 - K Lot 5 - K Lot 6 - J Lot 7 - D Lot 8 - I | SQA Assurance matrix Supplier Score: | N/A | |
| Duration of the contract: | 5 years with an option to extend for periods up to an additional maximum of 3 years. | | | |
| What Category/Categories does this cover? [category hierarchy] | Street Furniture | Is a Category Plan in place? If yes, which one? | Street Furniture | |
| Business Units this contract will cover: | Surface | | | |
| Is this a call-off from a current framework? | No | If yes which Framework? | N/A | |
| Special terms or Considerations: | Lots 1,3,4,5,8 - SLNT, Lots 1,2,3,4,5,6,7,8 - WRRR, IPR Lots 1, 4, 5 IPR in Asset Tooling (TfL / Third Party) Lot 2 – Performance Bond and Parent Company Guarantee. Advertising Panel Fluctuation Mechanism | | | |

3. Adherence to Procurement Strategy



3.1 Summary

A summary of the background of this procurement can be found in the approved procurement strategy referenced at Appendix A.

3.2 Deviations

- The evaluation ratio weighting for lot 2 – advertising concession was originally set at 70:30 (Revenue:Quality). The ratio was changed to 60:40 prior to tender stage. This was to enable the revenue calculation to be based only on the offered minimum guaranteed revenue, and for the percentage share of gross revenue offered to be assessed in the quality section. The revenue share figure was allocated 10% of the overall marks, i.e. 25% of the quality marks.
- The forecast contribution figure for the eight contracts, detailed in the procurement strategy of [REDACTED] was revised to [REDACTED] in the Quarter 3 (Q3) forecast based on changes in market conditions and confidence in a higher advertising revenue figure being achieved.

4. Supplier Selection and Evaluation Methodology

4.1 Supplier Selection Methodology

Full detail can be found in the procurement strategy referenced in Appendix A, and Staged Supplier Involvement Summary by Lot - Appendix C. In summary;

- 4.2 A call for competition was published in the Official Journal of the European Union (OJEU) on 9th May 2014 advertising TfL's 8 lot contract requirement for the supply, installation, maintenance services and advertising rights on TfL's bus stops and shelters estate.
- 4.3 The contract term for each lot was set at a maximum of 8 years (five years with options to extend up to an additional maximum of 3 years).
- 4.4 The requirement was advertised and issued as one tender, comprising the 8 lots to stimulate the market and encourage competition.
- 4.5 Bidders were entitled and encouraged to submit tenders for either single lot or combination submissions of more than one lot, in accordance with specified rules set out in the tender documentation.
- 4.6 The OJEU publications resulted in 50 expressions of interest, with 21 suppliers submitting Pre-Qualification Questionnaire (PQQ) responses including the incumbent service providers.
- 4.7 The PQQ evaluation process resulted in 15 suppliers progressing to the Invitation to Negotiate (ITN) stage with 11 suppliers submitting bids, of which 4 submitted combined bid responses.



- 4.8 TfL's e-procurement system (EU Dynamics) and evaluation system (Award) were used to manage the process and ensure a full audit trail.
- 4.9 A Surface Finance developed evaluation model was used to calculate the overall financial and quality scores based on the large number of solution permutations possible. Note: The model has previously been used for other complex procurements such as TCMSII, and has since been independently verified by Grant Thornton, Financial Consultants that the model has been correctly applied for this process.
- 4.10 Bids were assessed on a Most Economically Advantageous Solution basis factoring quality, financial, commercial and responsible procurement criteria.
- 4.11 Bids were evaluated on a Price (Revenue):Quality ratio basis of 60:40 and individual lots were also weighted based on ranked importance.
- 4.12 Financial responses were assessed independently by Surface Finance on a Net Present Value (NPV) basis.
- 4.13 Following the initial ITN evaluation, bidders who met the minimum Quality pass criteria (50%) progressed to a more detailed negotiation phase and subsequently submitted Best and Final Offers (BAFO).
- 4.14 The BAFO responses were evaluated on the same basis as the initial ITN and following consensus meetings for each lot the scoring resulted in the Most Economically Advantageous (8 lot) Solution being determined and allowing the award recommendation to be made.
- 4.15 The project governance was supported by the Project and Programmes Directorate and subject to a real time audit (TfL Internal Audit).

4.16 **Evaluation Strategy**

PQQ Evaluation strategy

- A PQQ Evaluation Strategy was produced in advance of the PQQ submission date setting out the methodology and approach and is available upon request.
- Detail of the bidders and staged outcome can be accessed in Appendix C.

Key points of note:

- Three bidders failed to meet the technical evaluation threshold in respective lots and were discounted from further participation.
- Bidders' financial capacity was also assessed and three were deemed to be of insufficient standing to participate in the tender. All three of those, also failed on other quality criteria.



- Supplier B was unable to meet the combined turnover requirements for lots 1, 4 and 5 and were given a discretionary pass to the ITN phase following receipt of financial assurances based on the award of a new high value contract, enabling them to bid for single lots only.

ITN Evaluation Strategy

- The ITN evaluation strategy, as referenced in Appendix B, was agreed in advance of publication of the ITN and the approach was presented at the bus stops and shelters bidder event held on 17th September 2014.
- The full Evaluation Strategy, including evaluation process, methodology, scoring scale and Price (Revenue) : Quality ratio of 60:40, was produced and issued as part of the ITN and to all evaluators in advance of the tender return date.

Key points of note:

- Company R withdrew their involvement in the process based on the decision that they did not feel they could be commercially competitive with other bidders in lot 2 – advertising concession.
- In accordance with the prescribed ITN process, four “Variant” bid summary proposals were submitted by two companies (E x 1 and C x 3) for early consideration in lot 2 but were discounted on the basis of not being considered compliant, due to the impact on other bidders and structure and scope of other contracts.
- Further financial checks were conducted in order to assess the financial capacity of companies that had submitted combinations.
- Company I were the only company to submit a tender and not meet the 50% quality threshold score for lot 7. They were therefore discounted from further participation within lot 7.
- Detail of the bidders and staged outcome can be found in Appendix C.



4.17 **Negotiation Strategy**

- The negotiation phase was conducted over a 5 week period between 5th January and 4th February 2015.
- The TfL negotiation teams were represented by Subject Matter Experts (SME's) from TfL (Operational, Legal, Finance, Commercial) and external legal representation (lot 2 only).
- The negotiations were managed as a clarification process with the opportunity to provide feedback, clarify understanding of bids, refine contract terms and conditions and afford bidders the opportunity to gain a greater understanding of the TfL desired outcomes.
- Negotiations covered;
 - Lot specific quality module exploration
 - Financial considerations
 - Commercial - terms and conditions

Key points of note:

- TUPE considerations in relation to the existing Clear Channel UK Contract data were highlighted as a concern by bidders due to uncertainty of roles, particularly those personnel utilised across multiple roles e.g. Advertising Posting and Cleaning which in the new contracting model was now being divided into separate lots.
- To mitigate the risk to TfL, all incumbents were required to warrant the accuracy of the TUPE information as part of the BAFO documentation. This satisfied the requirement to allow a fair and open process whilst also de-risking the exposure to TfL.

4.18 **Best and Final Offer (BAFO) Evaluation Strategy**

- The BAFO evaluation strategy was based on that used for the ITN stage with bidders allowed to re-submit any notable changes to their quality module(s) and mandated to re-submit the financial proposal (with, or without changes) for completeness.
- The only exception to the ITN stage being that the CDM, health and safety and responsible procurement scores were not re-scored and carried through from the ITN phase to the BAFO phase as there was no further discussion required at Negotiation



stage. Note: Some minor adjustments to CDM scores were made to four bidders (H, B, J, and I) scores based on outstanding clarification responses raised at ITN stage being addressed.

- Individual evaluations were conducted by the evaluation teams where updates to the quality proposals were submitted. Where no update was submitted, or an update was submitted that did not impact the score the original ITN score was used and a note of acknowledgement made in the “Award” system.
- All bidders accepted the commercial terms and conditions as issued at BAFO stage so achieved a Pass.
- Consensus meetings were held to agree quality scoring where appropriate and to conclude the evaluation process.
- Consensus meetings were attended by the Subject Matter Experts (SME’s) involved in the evaluation and the integrity of the process supported by representatives from commercial, legal and internal audit as appropriate.

Key points of note:

- Following the negotiation phase the lot 2 BAFO submissions reflected an increase in the minimum guaranteed revenue and ultimately to the contribution of the solutions to TfL.
- There was movement in the lot 2 quality scoring primarily due to a change to the revenue share % that the suppliers were offering to TfL above the minimum guaranteed revenue.
- The quality and pricing scores for the other lots moved marginally in a positive way with the exception of supplier B whose overall score went down.
- The revised quality and financial scoring resulted in the overall rank 1 solution changing from that at the ITN stage.



4.19 Tender Results

ITN Stage Results

Table. 1 - Top 5 ranked ITN Solutions

| Rank | Suppliers | Quality Score – 40% | Financial Score 60% | Total % |
|------|-----------|---------------------|---------------------|---------|
| 1 | KCCKKCCI | 30.36 | 60.00 | 90.36 |
| 2 | KCCKKJCI | 30.24 | 59.33 | 89.33 |
| 3 | KCCKKCDI | 30.00 | 59.32 | 89.32 |
| 4 | KCCKKCCH | 30.17 | 58.88 | 89.05 |
| 5 | KCCKKCAI | 30.13 | 58.89 | 89.02 |

- The total weighted scores for the five highest ranked 8 lot solutions are provided in Table 1 above.
- It should be noted that at the ITN stage the same advertising concessionaire was present in the first 142 of the 190 valid solution combinations.
- A more detailed breakdown of the scoring can be found in Appendix D – Detailed Evaluation Summary

Table. 2 – Supplier composition of Best Value Solution at ITN Stage

| Lot No. | Name | Supplier | £ Annual Value 2016 |
|---------|----------------------------------------------------------------------------------------|----------|---------------------|
| 1 | Advertising Shelters – Supply & Install | K | ██████████ |
| 2 | Shelter Advertising Concession | C | ██████████ |
| 3 | TfL Publicity Posting | C | ██████████ |
| 4 | Non Advertising Shelters – Supply & Install | K | ██████████ |
| 5 | Stops – Supply & Install | K | ██████████ |
| 6 | Shelter Electrical Maintenance | C | ██████████ |
| 7 | Shelter Painting | C | ██████████ |
| 8 | Cleaning and Graffiti Removal at Shelters, Stops, LRS Piers, Traffic Control Equipment | I | ██████████ |

- Table 2 details the supplier composition of the best value solution with year 1 financial costs / revenue figures provided.

**Table. 3 - Financial Contribution of top ranked solution at ITN stage**

| Description | Procurement Strategy Forecast Contribution | Q3 Forecast Contribution | ITN Solution Contribution |
|------------------------------------------|--------------------------------------------|--------------------------|---------------------------|
| Advertising (Lot 2) | | | |
| Assets (Lots 1,4,5) | | | |
| Maintenance (Lots 3, 6,7,8) | | | |
| Total Contribution | | | |
| Additional Income (Q3 v Solution) | N/A | N/A | |

Note. Figures assume YoY 3.5 % indexation increase

- Table 3 illustrates the financial contribution of the rank 1 solution at ITN stage against the procurement strategy and Q3 forecast. Note: The actual benefits are measured against Q3 contribution figures as detailed.

Best and Final Offer (BAFO) Stage Results

Table. 4 – Top 5 ranked BAFO solutions

| Rank | Suppliers | Quality Score 40% | Financial Score 60% | Total % |
|------|-----------|----------------------|------------------------|---------|
| 1 | KFIKKJDI | 27.49 | 60.00 | 87.49 |
| 2 | KCCKKJCI | 31.30 | 56.18 | 87.48 |
| 3 | KFIKKJDH | 27.52 | 59.79 | 87.32 |
| 4 | KCCKKJCH | 31.33 | 55.98 | 87.31 |
| 5 | KFIKKGDI | 27.05 | 59.96 | 87.01 |

- The total weighted scores for the five highest ranked 8 lot solutions at BAFO stage are provided in Table 4 above.
- Whilst bidders improved their offers as part of the BAFO process there was a significant uplift in the advertising revenue offered by the concessionaire previously ranked in the 143 placed solution which changed the composition of the best 8 lot solution.
- A more detailed breakdown of the scoring can be found in Appendix D – Detailed Evaluation Summary

**Table. 5 – Supplier composition of Best Value Solution at BAFO Stage**

| Lot No. | Name | Supplier | £ Annual Value 2016 |
|---------|----------------------------------------------------------------------------------------|----------|---------------------|
| 1 | Advertising Shelters – Supply & Install | K | [REDACTED] |
| 2 | Shelter Advertising Concession | F | |
| 3 | TfL Publicity Posting | I | |
| 4 | Non Advertising Shelters – Supply & Install | K | |
| 5 | Stops – Supply & Install | K | |
| 6 | Shelter Electrical Maintenance | J | |
| 7 | Shelter Painting | D | |
| 8 | Cleaning and Graffiti Removal at Shelters, Stops, LRS Piers, Traffic Control Equipment | I | |

- Table 5 details the supplier composition of the best value BAFO solution with year 1 financial costs / revenue figures provided.
- Supplier composition changed in lots 2, 3, 6 and 7 which explains some of the changes in financial responses in certain lots from the ITN stage.
- It should be noted that following a review by Bus Infrastructure a more accurate forecast of the volumes and activities was provided and published at the BAFO stage for lots 1, 5 and 8 which also contributed to financial changes.

Table. 6 – Financial Contribution comparison at BAFO stage

| Description | Procurement Strategy Forecast Contribution | Q3 Forecast Contribution | BAFO (Rank 2) Contribution | BAFO (Rank 1) Contribution |
|------------------------------------|--------------------------------------------|--------------------------|----------------------------|----------------------------|
| Advertising (Lot 2) | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| Assets (Lots 1,4,5) | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| Maintenance (Lots 3, 6,7,8) | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| Total Contribution | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| Additional Income (Q3 v Solution) | N/A | N/A | [REDACTED] | [REDACTED] |

Note. Figs assume YoY 3.5 % indexation increase

- Table 6 illustrates the financial contribution of the rank 1 solution at BAFO stage against the procurement strategy forecast,



quarter 3 forecast figures, and rank 2 BAFO solution. Note: The actual benefits are measured against Q3 contribution figures as detailed.

- It should be noted that the procurement strategy and Q3 forecast figures are based on a number of assumptions due to the contract structure and financial model associated with the current advertising concession, which operates on a revenue payment to TfL basis, net of maintenance and asset costs.
- The Q3 forecast for the advertising shelter assets has been calculated as 65% of the non-advertising shelter budget based on the proportion of advertising : non-advertising shelter asset numbers which TfL have accurate figures for.

Gross Revenue Share

Table 7 – Revenue Share %

| Description | ITN Revenue Share % | BAFO Revenue Share % |
|-------------|------------------------|-------------------------|
| Bidder F | | |
| Bidder C | | |
| Bidder E | | |

- In addition to the minimum guaranteed revenue TfL is contractually entitled to a share of gross revenue minus the minimum guarantee. This was assessed as part of the quality submission.
- The revenue share element has not been reflected as a cash value as it is based on forecast gross advertising revenue figures which cannot be relied upon due to market sensitivities and uncertainties.
- Bidders changed their submissions between the ITN and BAFO stages as detailed in Table 7 above.

4.20 Capacity and Capability

- The negotiated procurement route allowed bidders' capacity and capability to be tested throughout as it encompassed a multi-stage down-selection (PQQ/ITN/BAFO) process.
- The detailed negotiation meeting stage gave TfL the opportunity to discuss specific contract requirements and clarify and refine terms to ensure the bidders were capable of offering optimal,



sustainable bids that will satisfy and deliver the business outcomes.

- The bidders have provided excellent confidence in their willingness and ability to perform the services.

5. Financial Authority

Availability of Funding

- 5.1 The project is budgeted under profit centre ST-PC078 and PJ46C.
- 5.2 A whole life cost projection for the recommended solution is detailed in Table 8 below.
- 5.3 See Appendix E for year on year cost breakdown summary.

Table 8 – Solution - Whole Life Costs (8 year maximum term)

| Lot | Description | Total |
|-----------|----------------------------------------------------------------------------------------|-------|
| Lot One | Advertising Shelters – Supply & Install | |
| Lot Two | Shelter Advertising Rights Concession | |
| Lot Three | TfL Publicity Posting | |
| Lot Four | Non Advertising Shelters – Supply & Install | |
| Lot Five | Stops – Supply & Install | |
| Lot Six | Shelter Electrical Maintenance | |
| Lot Seven | Shelter Painting | |
| Lot Eight | Cleaning and Graffiti Removal at Shelters, Stops, LRS Piers, Traffic Control Equipment | |
| | Total | |

Note. Figures assume YoY 3.5% indexation increase

5.4 Guarantees / Indemnities

Guarantees

Lot 2: Advertising Concession: Based on the value and operational dependency on the advertising revenue to fund other transport related projects the concessionaire is contractually bound to provide a parent company guarantee and a performance bond over the term of the contract. The performance bond is set at $\frac{3}{4}$ of the value of minimum guaranteed revenue on a per annum basis to reflect the period to retender.



Lots 1, 3, 4, 5, 6, 7, 8: A performance bond and/or parent company guarantee are not required for the remaining lots based on low risk posed with the suppliers involved and services provided.

Indemnities:

Lots 1, 3, 4, 5, 6, 7, 8: Liability is capped at the five year value of the respective contract(s) unless recoverable under insurance and for death and personal injury.

Lot 2: Liability is capped at £5m per incident with unlimited liability for death, personal injury, fraud, IPR Infringement and payment of fees.

All Lots: The service providers shall not be liable for indirect or consequential losses.

6 Savings / Benefits

6.1 Savings

- As part of the broader “Street Furniture” category plan an efficiencies target of up to 5% for the identified goods and services was set. The target has been exceeded through the bus stops and shelters procurement activity which will deliver a net financial contribution to TfL of [REDACTED] which exceeds the procurement strategy forecast by [REDACTED] and the quarter 3 forecast by [REDACTED].
- In addition to the minimum guaranteed revenue, TfL have secured a further revenue share that equates to [REDACTED] of gross revenue above the minimum guaranteed revenue.
- A key area of cost to TfL on the advertising shelter estate is business rates. TfL currently pay the rates on the shelters owned by TfL with the current concessionaire managing their proportion of the estate. This cost will now be fully absorbed by the concessionaire at c. [REDACTED].
- A dependency for securing high levels of revenue generation is the expansion in the number of digital advertising panels on the estate. The concessionaire shall invest [REDACTED] in 650 new digital panels and will be accountable for the on-going maintenance and depreciation costs over the term of the contract.



- The concessionaire shall be fully accountable for metered electricity power supply charges to the digital panels.
- TfL's minimum guaranteed revenue shall be protected via a performance bond valued at $\frac{3}{4}$ of the annual sum due. It should be noted that the contract sum includes the cost to the concessionaire for providing this of c. [REDACTED]. This is a deviation from the current practice whereby TfL directly funds the cost of the performance bond.
- The 8 lot procurement strategy ensured delivery of the best value solution for the stops and shelter estate. Furthermore, discounts in pricing were achieved through volume consolidation, for example a 3% discount was achieved on the combined award of asset lots 1, 4 and 5 which equates to an anticipated cashable saving of [REDACTED] over the term.

6.2 Value Added

General

- TfL standard contract terms used that transfer key service performance risks to the service providers.
- Inclusion of specific IPR contractual provisions covering TfL and third party tooling requirements on the asset lots (1, 4 and 5).
- Inclusion of collaboration and continuous improvement provisions in all the contract to ensure the service develops over the term.
- Suppliers are fully compliant with London Living Wage obligations.
- Suppliers have satisfied ethical sourcing, environmental, health and safety and CDM requirements (as appropriate).
- Suppliers are FORS compliant (all bronze standard as minimum with the lot 2 provider having attained silver standard) and committed to the Work Related Road Risk (WRRR) obligations.
- Commitment to employ 8 apprentices and 8 workless personnel over the term of the lot 1, 4 and 5 contracts by service provider K.
- Commitment to employ 7 apprentices and 3 workless personnel over the term of the lot 3 and 8 contracts by service provider I.

**Lot 2 Specific:**

Agreement to a bespoke contract that transfers risk appropriately to the concessionaire has been developed with the following features:

- Secured minimum guarantee revenue to TfL irrespective of economic factors, sales performance or ability to secure planning permission for digital expansion programme.
- Revenue share mechanism for securing additional revenue above the minimum guarantee.
- Minimum guaranteed revenue indexation linked to RPI.
- Inclusion of a shelter panel fluctuation mechanism schedule that covers specific relief events and trigger points that will allow adjustments to the minimum guaranteed revenue to be made in the event that TfL remove shelters for operational reasons. This de-risked the supplier side revenue proposal but is unlikely to ever be triggered based on the parameters set by TfL.
- Security of revenue generation and service performance through contractual obligation to provide a parent company guarantee and performance bond.
- The concessionaire is responsible for all capital funding including the digital expansion programme that will improve the aesthetics of the shelter estate and allow greater technology innovation on the shelters i.e. real time information displays and mobile technology as committed to in the proposal.

The concessionaire will retain ownership of the digital equipment they provide over the term. However, the contract includes a provision for TfL to procure and take ownership of the equipment at the end of the contract term at net book value.

- Optimal posting schedules that will reduce logistical and environmental impacts.

7 Contract Management**7.1 Contract Management Plan**

- The contract management requirements have been included in the terms and conditions of contract for each lot.



- Contract management plans shall be produced for key contracts.
- Regular review meetings will be held to measure and report on service performance and discuss improved ways of working.
- Contractual commitment to collaborate between all parties to ensure seamless service provision and continuous improvement.
- Clearly defined and robust financial accounting and auditing provisions have been embedded in the lot 2 advertising concession in order to manage revenue generation and allocation.
- Inclusion of a contractual obligation to define the exit management plan within 3 months of contract commencement.

7.2 **Service Level Agreement (Lots 1, 3, 4, 5, 6, 7, 8)**

The contracts include a comprehensive service level agreement which details the performance measures (e.g. response times and SLI's) the suppliers are obliged to meet.

Failure to meet the performance measures results in the service provider accumulating service failure points which trigger warning notices and the implementation of remedial action plans. Should the poor performance continue TfL will have the ability to terminate the contract.

7.3 **Service Level Agreement (Lot 2 – Advertising Concession).**

The concessionaire is expected to perform to an industry acceptable standard as defined in the contract. There are no measurable service levels in place as TfL will receive minimum guaranteed revenue regardless of performance. It is however in the interest of TfL to closely monitor service, encourage high performance and promote innovation to secure increased revenue share.

7.4 **Supplier Relationship Management (SRM)**

Based on the service importance and value of these contracts, the Supplier Relationship Management (SRM) team will be engaged to support establishment of an appropriate SRM plan.



8 Next Steps

| Action | Date |
|----------------------------------------------|------------------------------|
| Surface Board | 12 th May 2015 |
| Chairman's Briefing | 2 nd June 2015 |
| Finance and Policy Committee | 17 th June 2015 |
| TfL Board | 1 st July 2015 |
| Issue Standstill Letters | 1 st July 2015 |
| Award contract | 16 th July 2015 |
| Publish Contract Award notification in OJEU | 5 th August 2015 |
| Mobilisation of successful service providers | 6 th August 2015 |
| Contract Commencement | 1 st January 2016 |

9 Summary

- 9.1 The procurement process has fully tested the market and resulted in the most economically advantageous 8 lot solution, provided by five known suppliers to TfL who have demonstrated the requisite skills, knowledge, resource and experience to provide the services to a high standard.
- 9.2 The contract terms are based on the TfL standard services contract for the assets and maintenance lots and a bespoke TfL contract for the advertising concession, which are considered robust and mitigate potential service performance and revenue generation risks through inclusion of;
- Contract Management and reporting obligations.
 - Defined service levels and key performance indicators.
 - Lot 2 financial model that ensures a guaranteed minimum revenue payment to TfL.
 - Performance bond and parent company guarantees to ensure revenue is secured under lot 2.
 - Transparency of costs and revenue generation through open book accounting and audit provisions.
- 9.3 The contractual outcome has resulted in service improvements, cost reductions and an overall net financial benefit to TfL of [REDACTED]



Appendices

Appendix A: Procurement Strategy

See separate document (available upon request)

Appendix B: Evaluation Strategy (ITN)

See Separate document (available upon request)

Appendix C: Staged Supplier Involvement Summary by Lot

See enclosed

Appendix D: Detailed Evaluation Summary

See enclosed

Appendix E: Whole Life Cost Breakdown Summary

See enclosed

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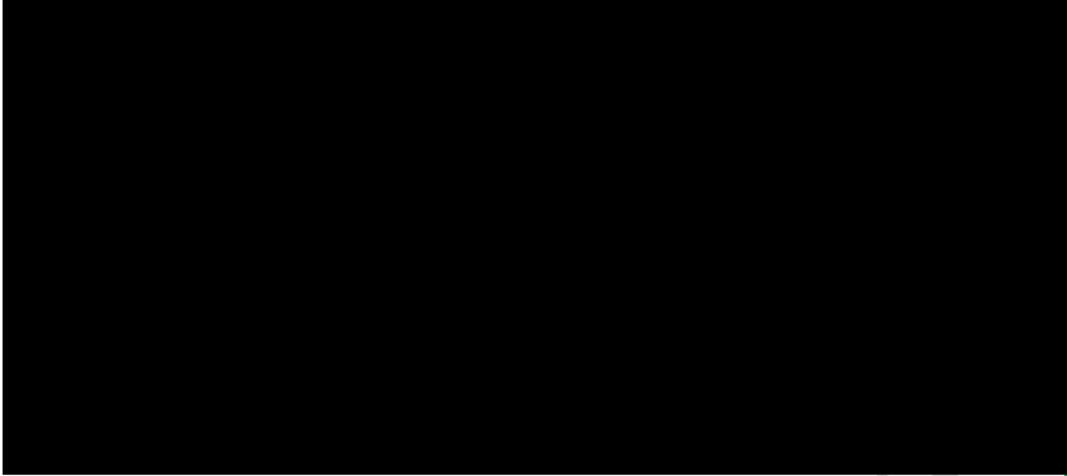
Appendix C – Staged Supplier Involvement Summary by Lot

| | Lot 1 | Lot 2 | Lot 3 | Lot 4 | Lot 5 | Lot 6 | Lot 7 | Lot 8 |
|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PQQ | B C F K | C E F R | C F K I S H Q | B C F J K | B C F J K T | C F G K I J U | A C L M D F I S J K | C N O F P H I S K T |
| ITN | C K | C E F | C I | B K | B K | C G J | A C D I | H I |
| BaFO | C K | C E F | C I | B K | B K | C G J | A C D | H I |
| Lot Commentary | <p>4 bidders submitted PQQ returns, with all successful.</p> <p>Two bidders, B and F, did not submit ITN returns.</p> <p>Both ITN bidders were successful and submitted at BaFO.</p> | <p>4 bidders submitted PQQ returns, with all successful.</p> <p>One bidder, R, did not submit an ITN return.</p> <p>All 3 ITN bidders were successful and submitted at BaFO.</p> | <p>7 bidders submitted PQQ returns with 3, S, H and Q unsuccessful.</p> <p>Two bidders, F and K, did not submit ITN returns.</p> <p>Both ITN bidders were successful and submitted at BaFO.</p> | <p>5 bidders submitted PQQ returns with one, J, unsuccessful.</p> <p>Two bidders, C and F did not submit ITN returns.</p> <p>Both ITN bidders were successful and submitted at BaFO.</p> | <p>6 bidders submitted PQQ returns with two, J and T, unsuccessful.</p> <p>Two bidders, C and F did not submit ITN returns.</p> <p>Both ITN bidders were successful and submitted at BaFO.</p> | <p>7 bidders submitted PQQ returns with one, I, unsuccessful.</p> <p>Three bidders, F, K and J did not submit ITN returns.</p> <p>All 3 ITN bidders were successful and submitted at BaFO.</p> | <p>10 bidders submitted PQQ returns with three, M, S and K, unsuccessful.</p> <p>Three bidders, L, F and J did not submit ITN returns.</p> <p>Out of the four ITN bidders one, I, was unsuccessful. The remaining 3 submitted at BaFO.</p> | <p>10 bidders submitted PQQ returns with four, S, T, N and O, unsuccessful.</p> <p>Four bidders, C, F, K, P did not submit ITN returns.</p> <p>Both ITN bidders were successful and submitted at BaFO.</p> |
| Overall Commentary | <p>- B were able to submit for all 3 Lots on a single Lot basis, however due to their turnover were unable to submit a combination bid.</p> <p>- C submitted a single Lot bid for Lot 2 along with numerous combination bids. All of C combination bids contained Lot 2.</p> <p>- I did not reach the necessary threshold of 50% in their Quality score at the ITN stage for Lot 7 so were unable to bid for the Lot at BaFO stage. They submitted a single Lot BAFO bid for Lot 3 and Lot 8, along with a combination bid for these two Lots.</p> | | | | | | | |

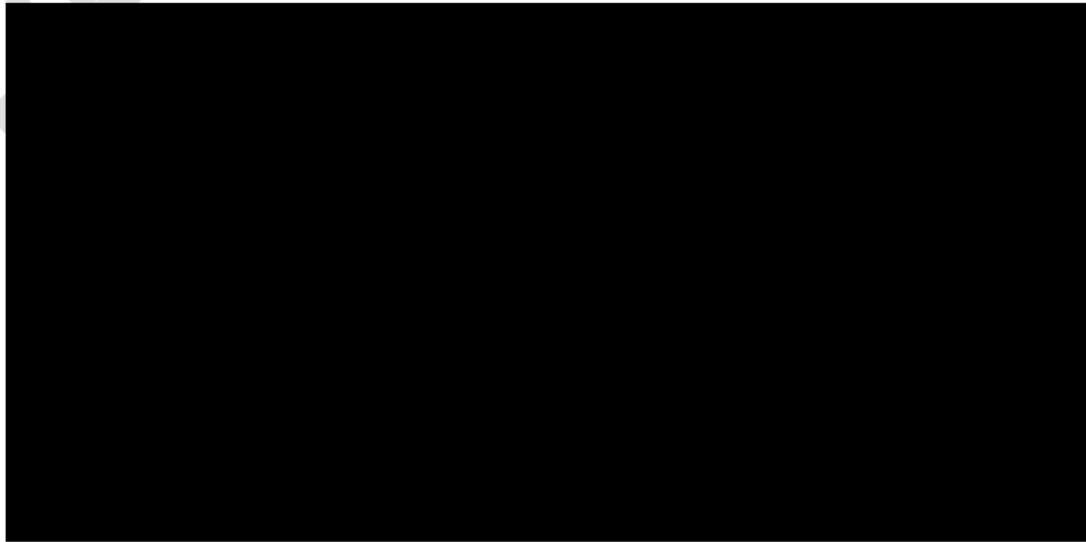
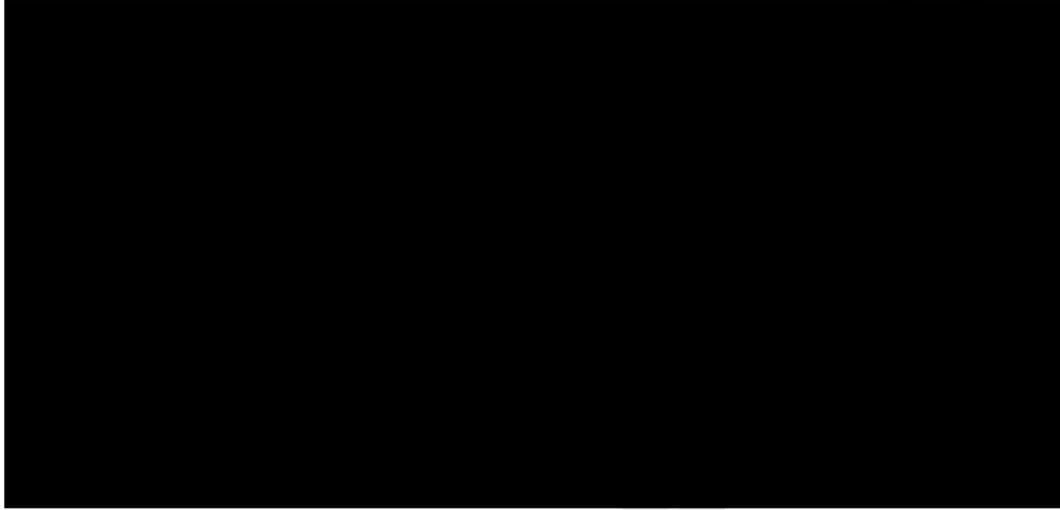


Appendix D – Detailed Evaluation Summary

Composition of ITN Solution (Rank 1 & next best Lot 2 Provider)



Composition of BAFO Solution (Rank 1 & next best Lot 2 Provider)





| Question | C | | | | K | | | |
|------------------------------------------------------------------------------|-------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|--------------------|
| | ITN | | BAFO | | ITN | | BAFO | |
| Lot 1 Advertising Shelters Quality Submission | 0.74 | | 0.74 | | 0.69 | | 0.71 | |
| 1 Module OTa: Staffing and Organisation | 0.80 | Very good | 0.80 | Very good | 0.60 | Good enough | 0.60 | Good enough |
| 2 Module OTb: Sub contracting/ In house activity and Supply Chain Management | 0.80 | Very good |
| 3 Module OTc: Operational Processes | 0.80 | Very good |
| 4 Module OTd: Operational Policies | 0.60 | Good enough |
| 5 Module OTe: Training | 0.80 | Very good |
| 6 Module OTf: Implementation Approach | 0.60 | Good enough | 0.60 | Good enough | 0.40 | Unsatisfactory | 0.60 | Good enough |
| Lot 1 Quality Submission - Environmental Advertising Shelters | 0.80 | | 0.80 | | 0.68 | | 0.68 | |
| 1 Module Ea1 | 0.80 | Very good |
| 2 Module Ea2 | 0.80 | Very good |
| 3 Module Ea3* | 0.80 | Very good | 0.80 | Very good | 0.40 | Unsatisfactory | 0.40 | Unsatisfactory |
| 4 Module Ea4 | 0.80 | Very good | 0.80 | Very good | 0.60 | Good enough | 0.60 | Good enough |
| 5 Module Ea5 | 0.80 | Very good |
| 6 Module Ea6 | 0.80 | Very good |
| 7 Module Ea7 | 0.80 | Very good | 0.80 | Very good | 0.60 | Good enough | 0.60 | Good enough |
| 8 Module Ea8 | 0.80 | Very good | 0.80 | Very good | 0.60 | Good enough | 0.60 | Good enough |
| 9 Module Ea9 | 0.80 | Very good | 0.80 | Very good | 0.60 | Good enough | 0.60 | Good enough |
| 10 Module Ea10 | 0.80 | Very good |
| 1 Module Ha1 | 0.60 | Good enough | 0.60 | Good enough | 0.80 | Very good | 0.80 | Very good |
| 1 Module Ca1 | 0.60 | Good enough |

*Module Ea3 relates to Environmental Management Systems. This is to be addressed during implementation.





| Question | C | | | | I | | | |
|------------------------------------------------------------------------------|-------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|--------------------|
| | ITN | | BAFO | | ITN | | BAFO | |
| Lot 3 Publicity Posting Quality Submission | 0.71 | | 0.71 | | 0.61 | | 0.61 | |
| 1 Module OTa: Staffing and Organisation | 0.80 | Very good | 0.80 | Very good | 0.60 | Good enough | 0.60 | Good enough |
| 2 Module OTb: Sub contracting/ In house activity and Supply Chain Management | 0.60 | Good enough |
| 3 Module OTc: Operational Processes | 0.80 | Very good | 0.80 | Very good | 0.60 | Good enough | 0.60 | Good enough |
| 4 Module OTd: Operational Policies | 0.60 | Good enough |
| 5 Module OTe: Training | 0.60 | Good enough |
| 6 Module OTf: Implementation Approach | 0.60 | Good enough |
| 7 Module Ea: Environmental | 0.80 | | 0.80 | | 0.75 | | 0.75 | |
| 1 Module Ea1 | 0.80 | Very good |
| 2 Module Ea2 | 0.80 | Very good |
| 3 Module Ea3 | 0.80 | Very good | 0.80 | Very good | 0.60 | Good enough | 0.60 | Good enough |
| 4 Module Ea4 | 0.80 | Very good |
| 5 Module Ea5 | 0.80 | Very good | 0.80 | Very good | 0.60 | Good enough | 0.60 | Good enough |
| 7 Module Ea7 | 0.80 | Very good |
| 8 Module Ea8 | 0.80 | Very good |
| 10 Module Ea10 | 0.80 | Very good |
| 1 Module Ha1 | 0.60 | Good enough |



| Question | B | | | | K | | | |
|------------------------------------------------------------------------------|-------------|----------------|-------------|-------------|-------------|----------------|-------------|----------------|
| | ITN | | BAFO | | ITN | | BAFO | |
| Lot 4 Technical Non Advertising Shelters | 0.59 | | 0.60 | | 0.76 | | 0.76 | |
| 1 Module OTa: Staffing and Organisation | 0.60 | Good enough | 0.60 | Good enough | 0.80 | Very good | 0.80 | Very good |
| 2 Module OTb: Sub contracting/ In house activity and Supply Chain Management | 0.60 | Good enough | 0.60 | Good enough | 0.80 | Very good | 0.80 | Very good |
| 3 Module OTc: Operational Processes | 0.60 | Good enough | 0.60 | Good enough | 0.80 | Very good | 0.80 | Very good |
| 4 Module OTd: Operational Policies | 0.60 | Good enough | 0.60 | Good enough | 0.80 | Very good | 0.80 | Very good |
| 5 Module OTe: Training | 0.60 | Good enough | 0.60 | Good enough | 0.80 | Very good | 0.80 | Very good |
| 6 Module OTf: Implementation Approach | 0.60 | Good enough | 0.60 | Good enough | 0.60 | Good enough | 0.60 | Good enough |
| 5.1 Module Ea: Environmental | 0.62 | | 0.62 | | 0.68 | | 0.68 | |
| 5.1.1 Module Ea1 | 0.80 | Very good | 0.80 | Very good | 0.80 | Very good | 0.80 | Very good |
| 5.1.2 Module Ea2 | 0.80 | Very good | 0.80 | Very good | 0.80 | Very good | 0.80 | Very good |
| 5.1.3 Module Ea3 | 0.60 | Good enough | 0.60 | Good enough | 0.40 | Unsatisfactory | 0.40 | Unsatisfactory |
| 5.1.4 Module Ea4 | 0.60 | Good enough | 0.60 | Good enough | 0.60 | Good enough | 0.60 | Good enough |
| 5.1.5 Module Ea5 | 0.60 | Good enough | 0.60 | Good enough | 0.80 | Very good | 0.80 | Very good |
| 5.1.6 Module Ea6 | 0.60 | Good enough | 0.60 | Good enough | 0.80 | Very good | 0.80 | Very good |
| 5.1.7 Module Ea7 | 0.80 | Very good | 0.80 | Very good | 0.60 | Good enough | 0.60 | Good enough |
| 5.1.8 Module Ea8 | 0.60 | Good enough | 0.60 | Good enough | 0.60 | Good enough | 0.60 | Good enough |
| 5.1.9 Module Ea9 | 0.20 | Poor | 0.20 | Poor | 0.60 | Good enough | 0.60 | Good enough |
| 5.1.10 Module Ea10 | 0.60 | Good enough | 0.60 | Good enough | 0.80 | Very good | 0.80 | Very good |
| 1 Module Ha1 | 0.60 | Good enough | 0.60 | Good enough | 0.80 | Very good | 0.80 | Very good |
| 1 Module Ca1 | 0.40 | Unsatisfactory | 0.60 | Good enough | 0.60 | Good enough | 0.60 | Good enough |

***Module Ea3 relates to Environmental Management Systems. This is to be addressed during implementation.**



| Question | B | | | | K | | | |
|------------------------------------------------------------------------------|-------------|-----------------------|-------------|--------------------|-------------|--------------------|-------------|--------------------|
| | ITN | | BAFO | | ITN | | BAFO | |
| Lot 5 Technical Stops | 0.61 | | 0.60 | | 0.75 | | 0.76 | |
| 1 Module OTa: Staffing and Organisation | 0.60 | Good enough | 0.60 | Good enough | 0.80 | Very good | 0.80 | Very good |
| 2 Module OTb: Sub contracting/ In house activity and Supply Chain Management | 0.60 | Good enough | 0.60 | Good enough | 0.80 | Very good | 0.80 | Very good |
| 3 Module OTc: Operational Processes | 0.60 | Good enough | 0.60 | Good enough | 0.80 | Very good | 0.80 | Very good |
| 4 Module OTd: Operational Policies | 0.60 | Good enough | 0.60 | Good enough | 0.60 | Good enough | 0.60 | Good enough |
| 5 Module OTe: Training | 0.60 | Good enough | 0.60 | Good enough | 0.60 | Good enough | 0.80 | Very good |
| 6 Module OTf: Implementation Approach | 0.80 | Very good | 0.60 | Good enough | 0.80 | Very good | 0.80 | Very good |
| 5.1 Module Ea: Environmental | 0.62 | | 0.62 | | 0.68 | | 0.68 | |
| 5.1.1 Module Ea1 | 0.80 | Very good | 0.80 | Very good | 0.80 | Very good | 0.80 | Very good |
| 5.1.2 Module Ea2 | 0.80 | Very good | 0.80 | Very good | 0.80 | Very good | 0.80 | Very good |
| 5.1.3 Module Ea3 | 0.60 | Good enough | 0.60 | Good enough | 0.40 | Unsatisfactory | 0.40 | Unsatisfactory |
| 5.1.4 Module Ea4 | 0.60 | Good enough | 0.60 | Good enough | 0.60 | Good enough | 0.60 | Good enough |
| 5.1.5 Module Ea5 | 0.60 | Good enough | 0.60 | Good enough | 0.80 | Very good | 0.80 | Very good |
| 5.1.6 Module Ea6 | 0.60 | Good enough | 0.60 | Good enough | 0.80 | Very good | 0.80 | Very good |
| 5.1.7 Module Ea7 | 0.80 | Very good | 0.80 | Very good | 0.60 | Good enough | 0.60 | Good enough |
| 5.1.8 Module Ea8 | 0.60 | Good enough | 0.60 | Good enough | 0.60 | Good enough | 0.60 | Good enough |
| 5.1.9 Module Ea9 | 0.20 | Poor | 0.20 | Poor | 0.60 | Good enough | 0.60 | Good enough |
| 5.1.10 Module Ea10 | 0.60 | Good enough | 0.60 | Good enough | 0.80 | Very good | 0.80 | Very good |
| 1 Module Ha1 | 0.60 | Good enough | 0.60 | Good enough | 0.80 | Very good | 0.80 | Very good |
| 1 Module Ca1 | 0.40 | Unsatisfactory | 0.60 | Good enough | 0.60 | Good enough | 0.60 | Good enough |



| Question | C | | | | G | | | | J | | | |
|--------------------------------------------------------------------------------|-------------|--------------------|-------------|--------------------|-------------|-----------------------|-------------|-----------------------|-------------|-----------------------|-------------|--------------------|
| | ITN | | BAFO | | ITN | | BAFO | | ITN | | BAFO | |
| Lot 6 Technical Electrical Maintenance | 0.73 | | 0.73 | | 0.57 | | 0.57 | | 0.69 | | 0.70 | |
| 1.1 Module OTa: Staffing and Organisation | 0.60 | Good enough | 0.60 | Good enough | 0.60 | Good enough | 0.60 | Good enough | 0.60 | Good enough | 0.60 | Good enough |
| 1.2 Module OTb: Sub contracting/ In house activity and Supply Chain Management | 0.60 | Good enough | 0.60 | Good enough | 0.60 | Good enough | 0.60 | Good enough | 0.60 | Good enough | 0.60 | Good enough |
| 1.3 Module OTc: Operational Processes | 0.80 | Very good | 0.80 | Very good | 0.60 | Good enough | 0.60 | Good enough | 0.80 | Very good | 0.80 | Very good |
| 1.4 Module OTd: Operational Policies | 0.80 | Very good | 0.80 | Very good | 0.60 | Good enough | 0.60 | Good enough | 0.60 | Good enough | 0.60 | Good enough |
| 1.5 Module OTe: Training | 0.80 | Very good | 0.80 | Very good | 0.60 | Good enough | 0.60 | Good enough | 0.80 | Very good | 0.80 | Very good |
| 1.6 Module OTf: Implementation Approach | 0.80 | Very good | 0.80 | Very good | 0.40 | Unsatisfactory | 0.40 | Unsatisfactory | 0.80 | Very good | 0.80 | Very good |
| 1.7 Module Ea: Environmental | 0.80 | | 0.80 | | 0.64 | | 0.64 | | 0.68 | | 0.68 | |
| 5.1.1 Module Ea1 | 0.80 | Very good | 0.80 | Very good | 0.60 | Good enough | 0.60 | Good enough | 0.80 | Very good | 0.80 | Very good |
| 5.1.2 Module Ea2 | 0.80 | Very good | 0.80 | Very good | 0.80 | Very good | 0.80 | Very good | 0.80 | Very good | 0.80 | Very good |
| 5.1.3 Module Ea3 | 0.80 | Very good | 0.80 | Very good | 0.40 | Unsatisfactory | 0.40 | Unsatisfactory | 0.80 | Very good | 0.80 | Very good |
| 5.1.4 Module Ea4 | 0.80 | Very good | 0.80 | Very good | 0.80 | Very good | 0.80 | Very good | 0.80 | Very good | 0.80 | Very good |
| 5.1.5 Module Ea5 | 0.80 | Very good | 0.80 | Very good | 0.80 | Very good | 0.80 | Very good | 0.60 | Good enough | 0.60 | Good enough |
| 5.1.6 Module Ea6 | 0.80 | Very good | 0.80 | Very good | 0.80 | Very good | 0.80 | Very good | 0.60 | Good enough | 0.60 | Good enough |
| 5.1.7 Module Ea7 | 0.80 | Very good | 0.80 | Very good | 0.80 | Very good | 0.80 | Very good | 0.80 | Very good | 0.80 | Very good |
| 5.1.8 Module Ea8 | 0.80 | Very good | 0.80 | Very good | 0.60 | Good enough | 0.60 | Good enough | 0.60 | Good enough | 0.60 | Good enough |
| 5.1.9 Module Ea9 | 0.80 | Very good | 0.80 | Very good | 0.20 | Poor | 0.20 | Poor | 0.40 | Unsatisfactory | 0.40 | Unsatisfactory |
| 5.1.10 Module Ea10 | 0.80 | Very good | 0.80 | Very good | 0.60 | Good enough | 0.60 | Good enough | 0.60 | Good enough | 0.60 | Good enough |
| 1 Module Ha1 | 0.60 | Good enough | 0.60 | Good enough | 0.40 | Unsatisfactory | 0.40 | Unsatisfactory | 0.60 | Good enough | 0.60 | Good enough |
| 1 Module Ca1 | 0.60 | Good enough | 0.60 | Good enough | 0.60 | Good enough | 0.60 | Good enough | 0.40 | Unsatisfactory | 0.60 | Good enough |

*Module Ea9 relates to waste disposal systems. This is to be addressed during implementation.



| Question | A | | | | C | | | | D | | | |
|--------------------------------------------------------------------------------|-------------|------------------|-------------|------------------|-------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|--------------------|
| | ITN | | BAFO | | ITN | | BAFO | | ITN | | BAFO | |
| Lot 7 Technical Painting | 0.64 | | 0.64 | | 0.71 | | 0.71 | | 0.60 | | 0.60 | |
| 1.1 Module OTa: Staffing and Organisation | 0.80 | Very good | 0.80 | Very good | 0.60 | Good enough |
| 1.2 Module OTb: Sub contracting/ In house activity and Supply Chain Management | 0.60 | Good enough | 0.60 | Good enough | 0.60 | Good enough | 0.60 | Good enough | 0.60 | Good enough | 0.60 | Good enough |
| 1.3 Module OTc: Operational Processes | 0.60 | Good enough | 0.60 | Good enough | 0.80 | Very good | 0.80 | Very good | 0.60 | Good enough | 0.60 | Good enough |
| 1.4 Module OTd: Operational Policies | 0.60 | Good enough | 0.60 | Good enough | 0.60 | Good enough | 0.60 | Good enough | 0.60 | Good enough | 0.60 | Good enough |
| 1.5 Module OTe: Training | 0.80 | Very good | 0.80 | Very good | 0.80 | Very good | 0.80 | Very good | 0.60 | Good enough | 0.60 | Good enough |
| 1.6 Module OTf: Implementation Approach | 0.60 | Good enough | 0.60 | Good enough | 0.80 | Very good | 0.80 | Very good | 0.60 | Good enough | 0.60 | Good enough |
| 1.7 Module Ea: Environmental | 0.78 | | 0.78 | | 0.80 | | 0.80 | | 0.62 | | 0.62 | |
| 5.1.1 Module Ea1 | 0.80 | Very good | 0.80 | Very good | 0.80 | Very good | 0.80 | Very good | 0.80 | Very good | 0.80 | Very good |
| 5.1.2 Module Ea2 | 0.80 | Very good | 0.80 | Very good | 0.80 | Very good | 0.80 | Very good | 0.60 | Good enough | 0.60 | Good enough |
| 5.1.3 Module Ea3 | 0.80 | Very good | 0.80 | Very good | 0.80 | Very good | 0.80 | Very good | 0.60 | Good enough | 0.60 | Good enough |
| 5.1.4 Module Ea4 | 0.80 | Very good | 0.80 | Very good | 0.80 | Very good | 0.80 | Very good | 0.60 | Good enough | 0.60 | Good enough |
| 5.1.5 Module Ea5 | 0.80 | Very good | 0.80 | Very good | 0.80 | Very good | 0.80 | Very good | 0.60 | Good enough | 0.60 | Good enough |
| 5.1.6 Module Ea6 | 0.80 | Very good | 0.80 | Very good | 0.80 | Very good | 0.80 | Very good | 0.60 | Good enough | 0.60 | Good enough |
| 5.1.7 Module Ea7 | 0.80 | Very good | 0.80 | Very good | 0.80 | Very good | 0.80 | Very good | 0.60 | Good enough | 0.60 | Good enough |
| 5.1.8 Module Ea8 | 0.60 | Good enough | 0.60 | Good enough | 0.80 | Very good | 0.80 | Very good | 0.60 | Good enough | 0.60 | Good enough |
| 5.1.10 Module Ea10 | 0.80 | Very good | 0.80 | Very good | 0.80 | Very good | 0.80 | Very good | 0.60 | Good enough | 0.60 | Good enough |
| 1 Module Ha1 | 0.20 | Poor | 0.20 | Poor | 0.60 | Good enough |
| 1 Module Ca1 | 0.80 | Very good | 0.80 | Very good | 0.60 | Good enough |



| Question | H | | | | I | | | |
|--------------------------------------------------------------------------------|-------------|-----------------------|-------------|-----------------------|-------------|-----------------------|-------------|--------------------|
| | ITN | | BAFO | | ITN | | BAFO | |
| Lot 8 Technical Cleaning and Graffiti Removal | 0.67 | | 0.72 | | 0.73 | | 0.71 | |
| 1. Module OTa: Staffing and Organisation | 0.60 | Good enough | 0.80 | Very good | 0.80 | Very good | 0.60 | Good enough |
| 1.2 Module OTb: Sub contracting/ In house activity and Supply Chain Management | 0.60 | Good enough | 0.60 | Good enough | 0.60 | Good enough | 0.60 | Good enough |
| 1.3 Module OTc: Operational Processes | 0.80 | Very good | 0.80 | Very good | 0.80 | Very good | 0.80 | Very good |
| 1.4 Module OTd: Operational Policies | 0.60 | Good enough | 0.60 | Good enough | 0.80 | Very good | 0.80 | Very good |
| 1.5 Module OTe: Training | 0.80 | Very good | 0.80 | Very good | 0.80 | Very good | 0.80 | Very good |
| 1.6 Module OTf: Implementation Approach | 0.80 | Very good | 0.80 | Very good | 0.60 | Good enough | 0.60 | Good enough |
| 1.7 Module Ea: Environmental | 0.58 | | 0.58 | | 0.76 | | 0.76 | |
| 5.1.1 Module Ea1 | 0.40 | Unsatisfactory | 0.40 | Unsatisfactory | 0.80 | Very good | 0.80 | Very good |
| 5.1.2 Module Ea2 | 0.60 | Good enough | 0.60 | Good enough | 0.80 | Very good | 0.80 | Very good |
| 5.1.3 Module Ea3 | 0.60 | Good enough | 0.60 | Good enough | 0.60 | Good enough | 0.60 | Good enough |
| 5.1.4 Module Ea4 | 0.60 | Good enough | 0.60 | Good enough | 0.80 | Very good | 0.80 | Very good |
| 5.1.5 Module Ea5 | 0.60 | Good enough | 0.60 | Good enough | 0.60 | Good enough | 0.60 | Good enough |
| 5.1.6 Module Ea6 | 0.60 | Good enough | 0.60 | Good enough | 0.80 | Very good | 0.80 | Very good |
| 5.1.7 Module Ea7 | 0.60 | Good enough | 0.60 | Good enough | 0.80 | Very good | 0.80 | Very good |
| 5.1.8 Module Ea8 | 0.60 | Good enough | 0.60 | Good enough | 0.80 | Very good | 0.80 | Very good |
| 5.1.10 Module Ea10 | 0.60 | Good enough | 0.60 | Good enough | 0.80 | Very good | 0.80 | Very good |
| 1 Module Ha1 | 0.40 | Unsatisfactory | 0.40 | Unsatisfactory | 0.60 | Good enough | 0.60 | Good enough |
| 1 Module Ca1 | 0.20 | Poor | 0.60 | Good enough | 0.40 | Unsatisfactory | 0.60 | Good enough |

Note: All bidders satisfied Commercial (T&C's) and Responsible Procurement requirements across all lots to achieve a "Pass" score



Appendix E – Whole Life Cost Breakdown

Cost / Revenue per Lot over the 8 year maximum contract term for the recommended solution.

| Lot | Description | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Total |
|-----|-------------|--------|--------|--------|--------|--------|--------|--------|--------|-------|
|-----|-------------|--------|--------|--------|--------|--------|--------|--------|--------|-------|

