

Annex 4

Future Delivery - Port of Ramsgate

Cabinet: 2 March 2023

Award Criteria And Evaluation Methodology

In accordance with Regulation 41 of the Concession Contracts Regulations 2016 (CCR), the council must award the concession contract on the basis of objective criteria that identify an overall economic advantage for Thanet District Council (the "Award Criteria").

The following Award Criteria has been recommended by Counsel to apply to the evaluation of Tenders:

- Quality and Deliverability - this will assess the quality and deliverability of bidders' solutions for the Services and in particular, the extent to which the solutions meet the council's requirements and provide the council with confidence that its requirements can be delivered. This can also encompass any social value proposals;
- Financial - this will assess which bidder has made the best financial offer for the delivery of the Services;
- Risk - this will assess the degree to which bidders are willing to take on/or share the risk in respect of the contract documents.

In adopting a multi-stage process, there is the ability to apply different weightings for each Award Criteria at different stages. Therefore a range of weightings identified below is proposed to be applied, which will be refined for each stage once the requirements have been finalised.

Award Criteria	Weighting
Quality and Deliverability	Between 30% and 70%
Financial	Between 20% and 60%
Risk	Between 5% and 10%

Quality and Deliverability

Bidders will be required to submit proposals for the Services in the form of method statements which would cover areas such as:

- mobilisation;
- operations (e.g. berthing vessels, cargo handling, business continuity etc.)
- maintenance;
- health and safety;
- security;
- environmental (e.g. waste management, sustainability, oil spill contingency plans);
- social value.

In addition to method statements, we would also expect bidders to be required to provide a business plan for the operation of the berths. This would have a qualitative, as well as a financial element.

Financial

A bidder's financial offer may include the evaluation of:

- a concession fee – which could be a fixed sum, percentage of turnover or percentage of profit generated from the Services and payable to Thanet District Council;
- rent – the rent payable under the lease for the berths;
- net present value (“NPV”) – as part of producing a business plan, bidders would be asked to submit a discounted cashflow model which would calculate the NPV of the concession. The NPV is a financial modelling method used to evaluate the profitability of the concession. It is calculated by inputting projected income against expenditure (capex and opex) which is discounted to the present.

Risk

In order to control negotiations, the council will identify those terms in the contract documents that the council would be willing to negotiate, and ask bidders to indicate if they either accept the council's position, or want to propose an alternative position. Bidders would be scored on the degree to which their proposals shift risk onto Thanet District Council.