



Llywodraeth Cymru  
Welsh Government

## **SPECIFICATION FOR REVIEW OF THE EVIDENCE RELATING TO THE ELASTICITIES RELEVANT TO A VISITOR LEVY IN WALES**

**Contract Ref: 0001**

Please refer to the [Welsh Government Procurement Privacy Notice](#) to find out how we use and protect your information within the Welsh Government when you quote or tender for a Welsh Government contract through a procurement process. The Procurement Privacy Notice makes sure we continue to comply with privacy law and regulation, it includes information on your rights and information we hold about you and the legal grounds for how we use your information.

### **1. Instructions to Bidders**

This Invitation to Quote Document (ITQ) has been prepared on behalf of the Welsh Ministers, herein after referred to as 'the Client', to establish a contract for Review of the evidence relating to the elasticities relevant to a visitor levy in Wales.

The successful bidder must agree to the Terms and Conditions for Service as well as the contract specific terms detailed within this document.

Quotes may be received in Welsh and English. Any quote submitted in Welsh will not be treated less favourably than a quote submitted in English. All subsequent correspondence / communications will be conducted in keeping with the language of the submitted quote.

Submissions will be evaluated and scored against the criteria in Section 12 and Annex 3 of this document. The Client may contact Bidders if necessary to clarify submissions throughout the quotation process.

Only one quote will be accepted from each Bidder. Multiple variants will not be accepted.

In so far as it is compatible with any relevant laws, the Client reserves the right, without prior notice, to change the basis of, or the procedures for, the competitive process for the award of the contract or to reject any or all Quotes. In no circumstances will the Client incur any liability in respect of the foregoing.

Please be minded that as the COVID-19 situation continues there could be an impact on the award of this contract in terms of potential delays or even non-award. Although not anticipated, the Client may also need to change elements of the scope of work, including the scale. Any potential change or impact will be discussed and agreed with the contractor at the earliest opportunity.

Each Bidder shall be solely responsible for all the costs it incurs in the preparation and submission of its Bid up to and including the award of any contract by the Client. This shall also be deemed to cover the cost of attending any pre or post award Bidder meetings and site visits. The Client shall in no event be responsible or liable for any such costs regardless of the conduct or outcome of the bidding process, and in this respect, the Bidder shall have no recourse to the Client.

Except for manifest error or as may otherwise be expressly agreed by both the Client and the Bidder, the contents of submitted Bids will be deemed to be binding upon the Bidder and open for acceptance by the Client for a period of one hundred and eighty days (180) days. Therefore, Bidders are cautioned to verify their proposals before submission to the Client. The Client reserves the right, at their absolute discretion not to accept any Bid submitted in response to this ITT.

Prior to submitting its Bid, the Bidder is responsible for ensuring that all proposed suppliers and sub-contractors are fully aware of all the technical, commercial and legal requirements relating to this procurement.

Bidders should follow the instructions contained within this document when preparing their quote.

The Client requires adherence to all instructions and conditions within this ITQ from each of the Bidders and the participation in the tender process by each bidder shall be construed as unqualified acceptance of such obligations by and on behalf of that Bidder.

Bidder responses to questions in the ITQ Bidders Response Questionnaire attached at Annex 1 must comply with the word count where specified. **Please note that information provided outside of the scope of the word count will be disregarded.**

Bidders should respond as follows:

**Complete the ITQ Response Questionnaire:**

Before completing the ITQ Response Questionnaire, please note the instructions and word count limits. The Template must be completed and returned.

**Complete the ITQ Commercial Response/ Price Schedule:**

Before completing the Commercial Response, please note the instructions. The Template must be completed and returned.

Prices must be stated in Sterling (GBP) and be **exclusive of VAT.** Unless required specifically to do so, Bidders are not required to submit any other information. Please note that additional information that was not requested will be disregarded.

To constitute a bona fide Quote Response, it is essential that all information requested is duly completed and returned. Any details not provided, fully completed or not returned, may constitute an admission of unsuitability/inability to fulfil requirements and may result in the Quote Response being rejected at the absolute discretion of the Client.

If any of the information supplied in the Quote Response documents changes in the ensuing evaluation period, or thereafter, Bidders must provide the Client promptly with full details in writing of the relevant changes.

If after viewing the ITQ documentation, a Bidder decides not to submit a Quote, the Client would be grateful if the Bidder would supply reasons for not responding to this ITQ.

Tendering Support – you may find it helpful to contact your regional business advisory network to seek general advice and guidance if you are considering tendering for this and future public sector contracts.

Potential Bidders in Wales can access services at:

<http://business.wales.gov.uk/growing-business/welsh-government-support-1/supplier-development-service-0>

**The deadline for final submission of quotations is 12 noon on Friday 3rd June 2022.**

## 2. Background

### Policy Context

The visitor economy is a major source of jobs and economic growth across Wales. The Welsh Government's ambition is to grow tourism for the good of Wales by supporting our communities, caring for our land and is mutually beneficial to visitors and citizens.

The 2021-2026 Programme for Government sets out the Welsh Government's commitment to 'introduce legislation permitting local authorities to raise a levy on visitors [to Wales]'. This work is being carried out in collaboration with Plaid Cymru, as part of the Co-operation Agreement. The introduction and subsequent use of such a levy would enable local authorities to raise additional revenue to re-invest in the conditions that make tourism a success.

The levy would be implemented as a local tax and the powers to raise the levy would be discretionary for local authorities. This will enable decisions to be taken locally, according to the needs of our communities.

The levy would apply to those paying to stay overnight within a local authority area. Opportunities for wider contributions on the cost impact of other types of visitor activities on local infrastructure will be offered as part of the consultation on the levy.

It is intended that the levy would apply to business travellers as well as tourists and is referred to in this document as a visitor levy.

### History

In 2010, [the Independent Commission on Funding & Finance for Wales \(the Holtham Commission\)](#) identified a tourism levy as worthy of further exploration.

The [Wales Act 2014](#) created a mechanism for additional taxes to be devolved to the Senedd Cymru which may either replace existing UK taxes or are new taxes designed by the Welsh Government.

In October 2017, the then Cabinet Secretary for Finance and Local Government announced a tourism tax as one of four possible tax ideas to take forward.

Between 2017 and 2019, there were further discussions within the Welsh Government and with partners. These included [a publication by the Welsh Tourism Alliance](#) and a debate in the [Senedd in 2017](#), discussions between Welsh Government officials and wider bodies in 2018, and engagement with other devolved governments in 2019. Notably, these included the Scottish Government, which launched [a formal consultation around tourism levies](#) in 2019.

## Elasticities Relevant to a Visitor Levy in Wales

### *Theoretical Background*

In the standard analysis of the microeconomic impact of taxation, the economic impact of a levy depends, other things being equal, on:

- i. The absolute level of the levy imposed; and
- ii. The elasticities of supply and demand measure the sensitivity of producers and consumers respectively to a change in the price of an underlying product or service.

The relative elasticities of supply and demand influence how much of the levy would be passed on to consumers. For example, where demand is relatively inelastic compared to supply, a change in price will have relatively little impact on demand, hence accommodation providers may be more likely to pass on the levy to consumers. Similarly, where the supply is highly elastic to a change in price, the level of pass-through will be high and consumers will bear a higher proportion of the burden of the levy. Consumers' responsiveness to a levy depends on factors such as the availability of substitutes, their tastes and preferences.

*Over time the revenue generated by the levy will be influenced by the responsiveness of the demand for overnight stays to changes in visitor's income – the income elasticity of demand (YED<sup>1</sup>)*

Accommodation providers' responses to a levy depend on the degree and intensity of competition between accommodation providers; their ability to adjust capacity quickly; and the extent to which accommodation providers and locations can differentiate themselves, and therefore charge higher prices. The extent to which cost increases can be passed through can also increase over time.

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<sup>1</sup> The YED is defined as the percentage change in quantity demanded divided by the percentage change in income. 'Normal' goods are defined as having a YED between zero and one i.e. the demand would increase (decrease) when the income increases (decreases). 'Luxury' goods are defined by a YED larger than 1. ), i.e. when income increases, the demand would increase more than proportionately. 'Inferior' goods have a negative YED i.e. the demand falls as income rises which implies an inferior good.

## Programme of Work

This ITQ relates to the first of three stages in a programme of work examining the potential economic impact of the introduction of a visitor levy in Wales.

### **Stage One** *(Covered in this ITQ)*

The first stage, covered in this ITQ, is a systematic and thorough review of evidence relating to the elasticities relevant to a visitor levy in Wales. In particular, estimates of:

- the potential price elasticities of demand (PED) and the income elasticities of demand (YED) for tourism goods and services in Wales in general and overnight paid accommodation specifically
- the price elasticities of supply (PES) of commercial accommodation relevant to Wales Scotland;
- the importance of other factors influencing changes in demand and supply in tourism.

### **Stage Two** *(To be covered in a subsequent ITQ)*

Subject to consideration of the outputs from the first stage and on-going development work, the second stage will identify and assess options for developing a model relevant to a visitor levy in Wales. Feasibility of improving the revenue generation model produced in previous work and/or produce a full (robust) economic impact assessment.

### **Stage Three** *(To be covered in a subsequent ITQ)*

The third stage will be to implement the preferred, if any, methodology for Wales, identified in stage two. Proceed to produce implement the findings from (ii) by producing the revenue generation model and/or economic impact assessment.

## **Use of Research Outputs**

The outputs from this research project will be used to:

- i. Inform the Welsh Government's formal consultation on the draft legislation due to be launched in the autumn of 2022.
- ii. Support the design and policy development of the levy.
- iii. Assist Local Authorities in their decision-making regarding the implementation of the levy.
- iv. Inform the Integrated Policy Impact Assessment and the Regulatory Impact Assessment (RIA) that will be published alongside the introduction of the Visitor Levy Bill into the Senedd.

## Research Aims

This research aims to understand the elasticities relevant to a visitor levy in Wales.

## Objectives

The specific objectives of the research are to:

- i. Review and critically appraise the evidence on the elasticities of supply and demand for accommodation and wider tourism, including, where evidence allows, assessing how elasticities may vary depending:
  - o On the following factors:
    - Tourism season
    - Geographic region
    - Design of levy
    - Displacement effects (where tourists choose to go elsewhere due to a change in price)
    - Pass through (the extent to which changes in taxation or fees are passed through to the customer/tourist)
    - Visibility of a levy
    - Pass through of the levy onto tourists
  - o For the following groups:
    - Those with protected characteristics, as set out in the Equality Act (2010)
    - Those from different socioeconomic backgrounds and income groups
    - Those with different sized families
    - Business and leisure travellers
    - Domestic and international travellers
    - Groups that which use tourism overnight accommodation for other purposes e.g. those seeking refuge
    - Those who do and do not use the Welsh language
- ii. Identify and assess evidence of different forms of consumer responses. For example,

The Client is aware that many of these groups and factors may have limited existing research evidence, but these gaps will need to be captured.

- may spend more on accommodation, and less on other aspects of their trip, such as retail spending or meals;
  - variations in the lengths of trips, the type of quality accommodation they choose to stay in, or where they choose to stay.
- iii. Identify evidence of variations in tax or levy design on supply or demand responses e.g.
- Flat rate v a percentage of stay v flat rates set in bands
  - Payment in advance v payment in person
  - Payment to the accommodation owner directly v payment through intermediary platforms such as OTAs (Online Travel Agents)
  - Exemptions for particular groups.
- iv. Provide evidence on whether the use of revenues from occupancy taxes or levies has an impact on consumer or provider behaviour. For example, whether hypothecation of revenue has an impact on behaviours.

#### *Previous research*

When conducting research to progress their work on a transient visitor levy, Scottish Government conducted an evidence review of [elasticities relevant to tourism in Scotland](#). This review found that on average, for all destinations, demand was subject to change dependent on price. However, the evidence suggests that for European destinations alone, the elasticity is lower. The authors also reported little evidence to suggest that the introduction of a levy has had negative economic consequences, but did note the interaction between value-added tax (VAT) and tourism levies.

We have also conducted an in-house search of the literature – some of the key journal articles are listed below, though the Client would expect the successful bidder to conduct their own literature searches to supplement. We will make a full list available on request.

Biagi, B., Brandano, M. G., & Pulina, M. (2021). Tourism Taxation: Good or Bad for Cities?. In *Regional Science Perspectives on Tourism and Hospitality* (pp. 477-505). Springer, Cham.

Durán-Román, J. L., Cárdenas-García, P. J., & Pulido-Fernández, J. I. (2020). Tourist tax to improve sustainability and the experience in mass tourism destinations: the case of Andalusia (Spain). *Sustainability*, 13(1), 42.

Heffer-Flaata, H., Voltes-Dorta, A., & Suau-Sanchez, P. (2021). The impact of accommodation taxes on outbound travel demand from the United Kingdom to European destinations. *Journal of Travel Research*, 60(4), 749-760.

Pinto Borges, A., Vieira, E., & Gomez, S. (2020). The Evaluation of Municipal Tourist Tax Awareness: the case of the city of Porto. *Tourism and hospitality management*, 26(2), 381-398.

Font Garolera, J., Colom Oliva, M., & Imbert-Bouchard Ribera, D. (2018). An initial assessment of the implementation of the Catalonia tourist tax. *SCRIPTA NOVA-REVISTA ELECTRONICA DE GEOGRAFIA Y CIENCIAS SOCIALES*, 22(593).

Biagi, B., Brandano, M. G., & Pulina, M. (2017). Tourism taxation: A synthetic control method for policy evaluation. *International Journal of Tourism Research*, 19(5), 505-514.

Cetin, G., Alrawadieh, Z., Dincer, M. Z., Istanbulu Dincer, F., & Ioannides, D. (2017). Willingness to pay for tourist tax in destinations: Empirical evidence from Istanbul. *Economies*, 5(2), 21.

Sheng, L. (2017). Factors determining the success or failure of a tourism tax: a theoretical model. *Tourism Review*.

Rosselló Nadal, J., & Sansó Rosselló, A. Taxing tourism: the effects of an accommodation tax on tourism demand in the Balearic Islands (Spain). *Cuadernos Económicos del ICE*, 2017, vol. 93, p. 157-171.

#### *Outside of Scope*

- The impact of a levy on positive and negative externalities
- Assessment of the impact of levies on the wider economy e.g. through multiplier effects.

#### Definitions

<b>Term</b>	<b>Definition</b>
Bidder	The individual, organisation or business which submits a bid for provision of the Services
Client	The Welsh Ministers
Services	The services specified in this specification
Specification	This specification

### **3. Requirement**

The Client will award the successful bidder with a contract to review of the evidence relating to the elasticities relevant to a visitor levy in Wales. **The value of the contract is estimated to be £20,000** and we anticipate the following requirements will be delivered over its duration:

- Review of existing evidence the elasticities of supply and demand for accommodation and wider tourism relevant to the Welsh context.
- Final report and presentation summarising the above

#### Methodology

The Client believes a review of the evidence generated in the most recent domestic and international research is the most practicable methodology.

Bidders are welcome to suggest alternative approaches.

Information should be drawn from a range of sources, including (but not limited to) journals, policy documents and online bibliographic databases. We have conducted an in-house search of the literature produced in the last decade and have a list of these sources, but we encourage the successful Bidder to supplement this with their own searches where relevant. The quality of sources used should be critically appraised with an assessment included in the final report.

The review should place greater weight on meta-analyses and studies with a more contemporary date of study, relevant geography, greater reputation of the authors/organisation and those with unique insight

*Bidders should identify:*

- What sources of evidence will be searched
- Strategy for identifying and filtering evidence relevant to the Wales context
- How evidence will be analysed, critically appraised and synthesised

The successful Bidder will be able to draw on the [evidence paper produced by the Scottish Government](#), and should refine this for the Welsh context.

The methodology will be agreed in detail during the inception stage of the project based on outline proposals submitted by the successful bidder. Assessment of the literature should be framed by the analytical principles set out in HM Treasury's [Aqua Book](#), [Green Book](#) and [Magenta Book](#). Suppliers are advised to familiarise themselves with these publications to ensure their suggested approach is in line with the recommendations in them.

## Outputs

The key deliverables, as set out in the timetable, consist of:

- Inception meeting (via video call) with Client to agree final details of the project and timetable
- Inception report, including agreed refined methodology, detailed timetable, roles and responsibilities
- Fortnightly video calls to update on progress with the work
- Interim presentation and meeting with Client (via video call) following initial evidence review
- Draft final report following completion of all analysis
- Meeting with Client (via video call) to discuss the findings and recommendations in draft final report
- Final Welsh and English report and executive summary (which can be published on the Welsh Government research webpages), as well as Welsh and English accessible versions of the report
- Powerpoint presentation summarising the results of the research for internal use.

The successful Contractor will be encouraged to provide the Contract Manager with an outline of reports prior to, or at the earliest stages, of report drafting. The final report will be published in line with Government Social Research protocol on the Welsh Government's website.

The research report should follow the broad content as well as the formatting and accessibility standards set out in the research report template, be submitted in electronic format (preferably Microsoft Word document) and follow the Welsh Government guidance on quality and presentation in Government Social Research reports provided on award of contract.

Research methods should be set out in terms that can be understood by a lay reader. Links between evidence, findings and recommendations should all be made clear. Harvard referencing is required.

All draft and final reports should be proof-read and signed off as quality assured before being sent to the Client. This should include checking that the document meets the quality and presentation standards, is well laid-out, technically correct, grammatically correct and appropriate language used.

For each subsequent draft of a report the Contractor should provide a tracked change version with all the comments from the previous version left in and track changes and comments made against them so that the Client can easily see whether the comments have been addressed.

A final report should be made available in both English and Welsh. The cost for translation and quality assuring the translation should be included within the price schedule and the bid must set out how this requirement will be met. For the purposes of costing, contractors should assume that the total number of words in the final report, including executive summary, will be a maximum of 20,000. Any variation to this will be discussed as the report progresses. Successful suppliers will have a good understanding of the requirements of providing bilingual services and will either offer the in-house capability to deliver such a service or have in place a service level agreement with a sub-contractor to support its delivery of bilingual services. Please see Annex 2 for publicly available list of external Welsh translators that the WG use. Please note, the WG utilise a framework for external translators that is only available to the Welsh Public Sector. However a number of the external translators on the framework also provide work to private sector organisations outside of the framework, therefore their contact details maybe helpful to bidders that are intending to subcontract any of the translation elements. Translation should include alternative text included for accessibility.

Suppliers should ensure that the Welsh language version is treated no less favourably than the English and is fully fit for purpose and ready for publication. The final report will be published on the Welsh Government's website by the Contract Manager.

The Contractor will treat all information provided by the Client in connection with this contract as confidential, unless the Client advises the Contractor otherwise in writing. The Contractor will treat all reports and data produced as part of this Contract as confidential until published by the Client. The Contractor will keep the Client fully informed of any contact from the media in relation to the Contract.

Further deliverables, which should be sent to the Client and remain the property of the



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Client (as set out in item 19 of the Conditions of Contract for services), are any research materials such as interview topic guides or questionnaires.

#### 4. Monitoring

##### Client's Contact Point

The Contract Managers or the Client will be [REDACTED Section 40]

The Contract Manager will be the point of contact during the course of the contract. They may elect to meet a named representative of the successful bidder as and when necessary to discuss any issues which may have arisen during the provision of the service.

In the event of non-compliance with the Specification, the following procedure will be followed:

- notification of complaint and requirement to comply;
- notification of unacceptable practices and/or substantial non-compliance to the Specification of the services;
- Recourse to the conditions of contract.

#### 5. Timetable

Start date: 4<sup>th</sup> May 2022

End Date: 29<sup>th</sup> August 2022

The Client has produced an indicative timetable that will ensure the project is completed on schedule. Any variations to these milestones must be agreed, in advance, with the Client and confirmed in writing by the Contract Manager. See condition 7 in the Welsh Government's Standard Conditions for the supply of Services for further information on timing.

<b>Milestone</b>	<b>Deadline</b>
Issuing of invitation to quote	4 <sup>th</sup> May 2022
Deadline closing date	3 <sup>rd</sup> June 2022
Contract award	17 <sup>th</sup> June 2022
Contract start date	20 <sup>th</sup> June 2022
Inception meeting	20 <sup>th</sup> June 2022
Inception report	24 <sup>th</sup> June 2022
Interim presentation and meeting with Client	15 <sup>th</sup> August 2022
Submission of final report	29 <sup>th</sup> August 2022

## **6. Welsh Language Requirements**

The Welsh Government is committed to the principle of treating the Welsh and English Languages on a basis of equality. The Welsh Language (Wales) Measure 2011 (the “Measure”) makes provision for the specification of standards of conduct in relation to the Welsh language. The current standards are specified in the Welsh Language Standards (No. 1) Regulations 2015. The Measure also provides that the Welsh Language Commissioner may by notice require certain public bodies to comply with some or all of the standards specified.

The Welsh Language Commissioner has issued a compliance notice on the Welsh Ministers specifying which of the standards currently apply to any activity or service provided by or on behalf of the Welsh Ministers. A copy of the latest version of the compliance notice is available at <http://www.comisiynyddygydraeg.cymru/english/Pages/Home.aspx>

As the successful bidder will be providing the services on the Welsh Ministers’ behalf, it must comply with the relevant Service Delivery Standards listed in the compliance notices issued to the Welsh Ministers from time to time.

The Service Delivery Standards which currently apply to the Services are listed below. The Client will notify the successful bidder of any changes to the Service Delivery Standards with which the Services must comply.

The successful bidder will be required to report against compliance with the standards in the same way as for other duties and requirements under this contract.

The relevant standards in relation to this contract are 40, 47, 48, and 49.

Any translation work (English-Welsh: Welsh-English) required under this contract will be paid for by the contractor.

Bidders must demonstrate their ability to meet the requirements for this contract.

## **7. Bidders liability**

The Client is willing to limit the successful Bidder’s liability for the purposes of and in accordance with Condition 40 (Limitation of Liability) of the Welsh Government’s Standard Conditions of Contract for Services to a maximum of £1,000,000.

## **8. Insurance**

The Bidder must maintain the following forms of insurance cover with a reputable insurance company with the following minimum levels of cover:

- Professional Indemnity: £1,000,000
- Public Liability including Products Liability: £1,000,000

## **9. Intellectual Property Rights (“IPR”)**

The use of any and all intellectual property rights developed under or utilised in relation to the Contract is governed by Condition 19 (Intellectual Property) of the Welsh Government’s Standard Conditions of Contract for Services.

If any Bidder intends using any pre-existing intellectual property rights that it owns to deliver the Services, that Bidder must provide a list describing the intellectual property rights to be used.

If in delivering the Services the Bidder intends to use any intellectual property rights belonging to any third party it must provide details of such third party intellectual property rights; together with confirmation that the Bidder has (or will have) the appropriate permissions and licences to use such third party intellectual property rights for the purposes set out in the Specification. Evidence of such permissions and licences (or assurance that such permissions and licences will be provided) must be provided the Client on request

## **10. Personal Data (including GDPR)**

Provision of the Services will not require the processing of any personal data on behalf of the Client. If the Bidder considers that processing of personal data on behalf of the Client will be required the Bidder must provide details in its tender.

If during the Contract Period, processing of personal data on behalf of the Client is required in accordance with the applicable Welsh Government Standard Conditions for Services the Bidder must notify the Client so that provision for compliance with the General Data Protection Regulations 2016/679 can be made.

## **11. Security**

- 11.1 In providing the Services the successful Bidder (and its sub-contractors) will be exposed to sensitive Welsh Government information assets. The Client requires all Successful Bidders, sub-contractors and service delivery partners to operate appropriate and secure processes for handling, storing and processing data and information owned by the Welsh Government. This paragraph 13 specifies how the Client’s information assets must be handled. Compliance with this paragraph 13 will be a standard agenda item in contract review meetings and documentation will be required from the successful Bidder to show how compliance is being monitored by the successful Bidder and the frequency of such compliance/monitoring events (e.g. the dates when training was undertaken; when access control logs were updated/cross-checked; and when relevant policies were last updated).
- 11.2 A named individual must be appointed to the role of ‘security lead’ to take responsibility for the security aspects of the Contract. This named individual will be required to lead on any response required in relation to assessment of the measures in place during the Contract Period.

- 11.3 Any security breaches must be brought to the attention of the named security lead who is then required to report the incident to the Client's Contract Manager at the earliest opportunity.
- 11.4 The OFFICIAL–SENSITIVE marking must be retained on all Welsh Government information which is marked as such. Seek guidance from the Client's Contract Manager for new information being created as part of the Contract.
- 11.5 The successful Bidder must demonstrate that they can meet the technical requirements prescribed by their chosen scheme (e.g. Cyber Essentials / Cyber Essentials Plus / ISO27001). The scheme defines a set of controls which, when properly implemented, will provide organisations with basic protection from the most prevalent forms of threat coming from the internet. Evidence of holding certification is desirable before contract award, but essential at the point when personal or otherwise sensitive data is to be processed by the successful Bidder. Further Information can be found at: <https://www.cyberstreetwise.com/cyberessentials/>
- 11.6 Where Cyber Essentials plus is required, the supplier needs to cover the end to end process of data collection and processing, in particular this should also include any IT equipment in the field and/or home working.
- 11.7 Written confirmation of valid certification will be required every 6 months to ensure the successful Bidder holds a certificate that is no more than 12 months old.
- 11.8 If any information is stored or processed on equipment other than that owned by the successful Bidder then assurance must be provided that consortium members and subcontractors also comply with Cyber Essentials / Cyber Essentials Plus / ISO27001 or other recognised third party standards when processing the information needed to carry out the Contract.
- 11.9 Where any work is subcontracted, you will need to document how you will implement the data security requirements set out in the specification and the Terms and Conditions between yourself and any subcontractor(s).
- 11.10 Storing or processing information on personally owned devices or email accounts is not permitted. Personally owned devices and personal equipment are defined as equipment which:
- 11.10.1 is not a company asset; or
- 11.10.2 the configuration of the equipment is outside company control;

11.10.3 it is used by those not employed by the company e.g. a sole trader who allows their 'work' laptop to be used by other family members

The risk being that Welsh Government information could be accessed by those not authorised to see it.

11.11 Data created under the Contract must be 'backed-up' on a weekly basis as a minimum. The back-ups must be stored off-site and secured (including in transit) to the same standards as the original data.

11.12 If 'Cloud' storage services are to be used for sensitive personal information, evidence must be provided that the relevant Government Cloud Security Principles are applied.

11.13 All sensitive or personal electronic information must be encrypted in transit. Data encryption services such as Egress Switch or iShare Connect must be used when emailing information.

11.14 All sensitive or personal electronic information at rest on mobile devices handling Welsh Government information e.g. laptops, must be encrypted (minimum FIPS 140-2 / AES 256).

11.15 Information rest on servers/individual computers must be encrypted (minimum FIPS 140-2 / AES 256) unless the ICT equipment is located in secure premises with strong physical controls e.g. a data centre with access control measures, alarmed, arrangements for 24 hours security guards.

11.16 An independent IT Health Check undertaken by qualified personnel (e.g. those listed on the CHECK, Tiger or CREST schemes) must be completed prior to 'go-live' on any external systems (infrastructure or applications) to ensure they are protected from unauthorised access or change and they do not provide an unauthorised entry point into systems where Welsh Government data is held. In addition to providing a copy of the IT Health Check report, the successful Bidder must provide evidence that any issues highlighted in the report have been remediated.

11.17 Access to the information involved in the Contract must be on a 'need to know' basis. Only authorised Bidder staff and subcontractors who have received suitable training can be given access. A list of authorised Bidder staff and subcontractors must be maintained and made available to the Client's Contract Manager on request.

- 11.18 If contacted by telephone, staff must verify the identity of the caller before discussing Welsh Government business. No personal data shall be passed to another party without absolute verification of the identity of the caller and that they have the authority to receive this information.
- 11.19 Information processed or collected in accordance with the Contract must be deleted or disposed of where relevant; for example, shredding paper copies or cutting up CDs/DVDs within 6 weeks of the end of the contract. This includes any information stored on servers, mobile devices or other storage media including CDs or DVDs, other removable media, hard copy (paper) or hard drives. The successful Bidder must confirm in writing when this has been done.
- 11.20 The information collected in accordance with the Contract remains the property of the Client.
- 11.21 Only Bidder staff and subcontractors who have been authorised can have access to restricted areas containing information systems, removable media or hard copy information relating to the Contract. Plans and procedures for dealing with, and intercepting, unauthorised visitors and intruders must be in place and evidence provided to the Client on request.
- 11.22 If it is necessary to take hardcopy information outside the restricted areas this must be kept to the minimum required and protected in transit (e.g. by means of envelope / file / briefcase) to avoid information being visible and to reduce the likelihood of loss or misuse.
- 11.23 Any hardcopy data collected in connection with the Contract must be deleted or disposed of where relevant; for example, shredding paper copies or cutting up CDs/DVDs within 6 weeks of the end of the contract. The successful Bidder must confirm in writing when this has been done.
- 11.24 The successful Bidder's processes must make it easy for its staff and subcontractors to follow the rules (e.g. clear desk policies, separating publicly available printed information from the OFFICIAL-SENSITIVE papers, guidance and facilities for proper disposal etc.).
- 11.25 The successful Bidder must hold accurate and verified information for all its staff and subcontractors working on the Contract in relation to proof of identity, nationality/ immigration status, unspent criminal convictions and employment history. Evidence must be provided on request and the Client may verify the validity and expiry dates of any existing clearances with the relevant holding agency.

- 11.26 If the successful Bidder requires for its staff and subcontractors, frequent and unescorted access to the premises of the Client, or where such personnel have access to restricted information, or proximity to public figures, then all such personnel must satisfy the security requirements of the Client by completing a security vetting questionnaire. No such personnel will be issued security passes until they have obtained the required security clearance. Until then, they will be issued with a temporary pass and will have to be escorted by a member of staff each and every time they have access to the premises.
- 11.27 The successful Bidder should ensure that appropriate checks have been undertaken through the Disclosure and Barring Service for any personnel that are likely to come into contact with children, young people or vulnerable adults during the course of the Contract (NB DBS checks are not required for persons with access to information as opposed to face to face contact). Evidence that these checks have been performed should be presented to the Client once they have been completed and prior to any contact.
- 11.28 The successful Bidder and their sub-contractors must have, or be able to obtain, sufficient staff who can achieve the appropriate security clearance prior to engagement with the Welsh Government.
- 11.29 All Bidder staff working on this Contract must be properly trained to understand that they have a duty of confidentiality and are responsible for safeguarding any Welsh Government information that they are entrusted with by applying the measures set out in this Specification.
- 11.30 On termination of involvement in the Contract user access privileges must be withdrawn and staff debriefed on their confidentiality responsibilities. This includes, but is not limited to, pin codes and any passwords known to the user.

## **12. Contract Award Evaluation Criteria**

The contract will be awarded to the most economically advantageous quote in terms of value for money on the basis of the following criteria, which are listed in order of importance including the weighting applicable to each criterion.

Please note your submitted quote should be inclusive of all envisaged costs in order to undertake the service / deliver the goods, including Travel and Subsistence (T&S). Please see HMRC ([www.gov.uk](http://www.gov.uk)) guidance when calculating T&S costs.

Evaluation criteria	Weighting
<p><b>1. Suitability of the methodology</b></p> <p>Address the aims, objectives and requirements of the research as set out in the specification.</p> <p>Set out a detailed account of the methodology you will use to review elasticities relevant to tourism in Wales. Make clear if you are suggesting different or additional approaches to that suggested in this specification as well as how any specific methodological requirements will be met.</p> <p>Set out your rationale for adopting the methodological approach you propose, how it will provide the required evidence against the research aims, and how the resource set aside (e.g. number of days/budget) will allow you to undertake the proposed work.</p>	30%
<p><b>2. Suitability of key personnel</b></p> <p>Set out the roles, experience and expertise of the individual(s) who will work on this project. This should include experience of conducting research and economic analysis.</p> <p>Provide a list of the individual(s) that will be involved in the project at all levels, as well as their specific role in this project. The list should briefly highlight relevant experience and expertise (e.g. with reference to similar projects they have been involved in) and estimated time to be spent on the project.</p> <p>Set out how the language requirements of this contract will be met, and your plans to use in-house capacity or sub-contracting.</p>	25%
<p><b>3. Ability to meet project timetable</b></p> <p>This should take account of any dependencies and risks.</p> <p>Provide a detailed timetable for carrying out the work based on the proposed approach and milestones set out in the specification. Highlight in particular any deadlines you identify as critical from the specification.</p> <p>Include timing on turnaround of reports and information on how you will ensure smooth turnaround (e.g. once you have received comments on the first draft from the Welsh Government).</p> <p>The timings should allow for translation of any research materials, reports and any other translation requirements set out in the specification. You should also provide information on suggested meetings for contract monitoring.</p> <p>A risk assessment should be provided covering the main risks to the project and how these risks will be managed.</p>	25%
<p><b>4. Cost</b></p> <p>The total cost should be set out in the format of the pricing schedule in Annex 3 and quoted in sterling (exc. and inc. VAT).</p> <p>Separate project stages should be individually costed and attributed to specific members of the project team with the estimated number of days to be taken clearly stated and day rates for project team included (exc. VAT). The costs must include a full breakdown, including day rates and</p>	20%

project management costs (list not exhaustive). Note that fees should also include the time and travel costs for any meetings.	
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### Guidance to tenderers

- The tender should include a detailed work plan to complete the report.
- The total cost of the training should be quoted in sterling (excl. and incl. VAT). In addition, the estimated number days clearly stated and day rates for project team included (exc. VAT).
- All costs must be included and all sections in the price schedule completed, including but not limited to the following areas: quality assurance, project management costs etc.
- Information regarding the experience of all those involved in delivery of the contract should be included.
- This information should be provided in a Microsoft Word format.

### **13. Financial Standing & Resources**

The Client wishes to ensure that bidders have the necessary financial standing and resources to meet their obligations throughout the duration of this contract. This may include (where appropriate) considering your level of existing work commitments and the potential impact on resources that awarding a contract would have.

In deciding to quote, you should also be aware and take in consideration the risks of becoming over reliant on the Client's business, or indeed that of any customer. In doing so, you should take into account earnings from any other work undertaken for the Client as well as potential earnings from this contract.

### **14. Freedom of Information**

The Client is a public authority for the purposes of the Freedom of Information Act 2000 (and the Environmental Information Regulations 2004). Any information submitted by you in connection with this tender may be requested and disclosed in response to a request under the Act.

If you consider that any of the information included in your tender is commercially sensitive or confidential, please identify it and explain (in broad terms) what harm may result from disclosure if a request is received, and the time period applicable to that sensitivity. You should be aware that, even where you have indicated that information is commercially sensitive, we may be required to disclose it under the Act if a request is received. Whilst the ultimate decision on whether to release rests with the Client, you will be consulted if we receive a request that captures any of the information you have provided.

### **15. Environmental statement**

The Client is committed to minimising the effect of its day to day operations on the environment and bidders are encouraged to adopt a sound proactive environmental approach, designed to minimise harm to the environment.

Factors to be considered should include areas such as:

- Adopting an environmental management system which includes focus on disposal of waste and packaging

- More efficient use energy and water
- Beginning to embed sustainability into the provision of goods and services supplied to the Client
- Use of recycled paper containing only post-consumer waste for all non-specialist printing whenever possible
- Reduction in carbon dioxide emissions from business travel by extending use of video conferencing and encouraging the use of low emissions vehicles
- Building an environmentally friendly work culture through training and high quality communication with staff

Whilst on site the successful bidder should be aware of and actively support the Client's Environmental Policy Statement which will be made available to you in advance or on arrival

## 16. Payment and Invoicing

Payment will be made within 30 days of receipt of a correctly submitted invoice. Invoices must show a full breakdown of costs that clearly tie back to successful company's submitted Quote.

A correctly submitted Invoice must include:

- Welsh Government as the addressee
- Valid PO number provided by Welsh Government
- Date of invoice
- Unique invoice number
- Supplier name, contact details and bank details
- Description of the goods/works or services (to mirror each line item of the Purchase Order)
- Name of Welsh Government contact
- Correct calculation
- VAT number (if applicable)

Invoices should be emailed in a PDF format direct to the address stated on the Purchase Order, (usually this is the Corporate Shared Service Centre [financewaginvoices@gov.wales](mailto:financewaginvoices@gov.wales)) to ensure payments can be processed as quickly as possible (usually within 5 working days). Backing documents to support an invoice are to be sent along with a copy invoice to the Welsh Government Contract Manager.

Payment will be made in arrears and upon the delivery of satisfactory outputs at stages listed below:

Milestone	Payment
Completion of interim presentation and meeting with Client	50%
Submission of final outputs	50%

Payments will not normally be made in advance of receipt of deliverables or performance of a service.

**A budget of £20,000 (exc. VAT) will be made available by the Client for the purposes of this contract.**

A contract cannot be awarded at a figure above this amount. However, bidders should be aware that this budget information is for indicative purposes only and that the Client will be seeking to award the contract on the basis of the criteria stated at Section 15 and best value. Those submitting tenders should complete the price schedule attached and submit it as part of the tender.

### **17. Ethical Supply Chains**

The Client is committed to ensuring that fair and transparent employment practices are in place throughout the supply chain for the Services. The Client's policy in relation to Ethical Employment Practices in Welsh Government Supply Chains is attached below. The Client will work with the successful Bidder to monitor and to ensure that fair employment practices are in operation.

<https://gov.wales/ethical-employment-supply-chains-code-practice>

### **18. Local Authorities/Health Authorities/NHS Trusts**

Bidders that are local authorities or National Health Service bodies must ensure that they comply with all statutory provisions governing their power to enter into the Contract and to perform their obligations thereunder and shall [if so requested by the Client] provide evidence to that effect to the Client.

### **19. Changes to the Specification**

This specification document sets out the high-level Client's service requirement. During the life of the contract these requirements will be refined through discussion and agreement of both parties, with the aim of achieving best value for money for a quality product.

Please be minded that as the COVID-19 situation continues there could be an impact on the award of this contract in terms of potential delays or even non-award. Although not anticipated, the Client may also need to change elements of the scope of work, including the scale. Any potential change or impact will be discussed and agreed with the contractor at the earliest opportunity.

Changes to the Specification will be implemented by issuing written amendments to all those affected by the changes.

### **20. Equality and Diversity**

The issue of mainstreaming equalities is important to us. We would encourage you as a Welsh Government Bidder to be committed to the equal opportunities agenda and challenge discrimination relating to all the protected characteristics - race, age, gender, sexual orientation, marriage and civil partnership, pregnancy and maternity, disability, religion and belief, gender reassignment. We will include diversity and inclusion issues as a standing item in our contract review meetings.

The Welsh Government uses the Social Model of Disability, which recognises that people with impairments are disabled by barriers which commonly exist in society, such as negative attitudes or physical and organisational barriers.

One way of demonstrating commitment to equality is through the Disability Confident scheme. It is a free scheme open to organisations across public, private and 3rd sectors and is aimed at organisations and businesses from 1 employee upwards. We are encouraging you as a potential supplier to explore the possibility of your organisation being Disability Confident Level 1 as a minimum.

About the scheme: <https://www.gov.uk/government/collections/disability-confident-campaign#become-a-disability-confident-employer>

How to sign up: <https://www.gov.uk/guidance/disability-confident-how-to-sign-up-to-the-employer-scheme>

## **21. Conditions of Contract for the supply of services**

The Conditions of Contract for the supply of services hereafter enclosed shall apply in relation to this contract. The Bidder must agree to these as part of their Quote response.



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## Annex 1 - ITQ Response Templates

Please complete the attached ITQ Response Questionnaire as part of your Quote submission:



2022-04-13 ITQ  
Bidder Response Tem

Please complete the attached ITQ Commercial Response as part of your Quote submission:



2022-04-13 Under  
25k Commercial Resp

## Annex 2 – List of External Welsh Translators Used by the Welsh Government



NPS Welsh  
Translation Award No

## Annex 3 - Evaluation Guidance and Scoring Methodology

### General

- a) These instructions are designed to ensure that all bidders are given equal and fair consideration. It is important therefore that you provide all information asked for in the format and order specified.
- b) The bidder shall ensure that each and every sub-contractor, consortium member and adviser abides by the terms of these instructions and conditions of Quote.

### Guidance on Completion

#### Completion of the Invitation to Quote

The procurement process is undertaken through the completion and evaluation of one Submission. The Invitation to Quote is split into two sections, namely:

Part A – Quality  
and  
Part B – Price

The Quotes submitted will be evaluated initially for completeness and adherence to the mandatory requirements. Failure to comply with the instructions or provide the information requested will invalidate the Quote submission entirely;

#### Part A

**Quality** – Bidders must provide responses to a number of questions. These responses will be evaluated to provide a score for the Quality Criteria. Completion of this section is mandatory.

The quality evaluation will be based on bidders' responses to the questions listed Section 12 Contract Award Evaluation Criteria. For each question there may be a word count which must not be exceeded. Guidance as to the weighting of each question is also provided in Section 12 Contract Award Evaluation Criteria

Please note that Bidders will be required to obtain a minimum score of 60% or above for each question related to the criteria within the Quality Response.

This information should be provided in a Microsoft Word format. Websites/links and/or generic brochures/sales documentation may not be considered or evaluated.

Responses to the above questions will be evaluated in line with the table overleaf:

## QUALITY EVALUATION SCORING TABLE

Capability	Evidence	Remark	Scores (%)
Bidder is likely to be able to meet the needs of the Authority.	Evidence is consistent, comprehensive, compelling, directly relevant to the project in all respects, highly credible and substantiated	<b>Absolute Confidence</b>	<b>100</b>
	Evidence is sufficient, convincing, and credible.	<b>Confidence</b>	<b>80</b>
Small risk that bidder will not be able to meet the needs of the Authority.	Evidence has minor gaps, or to a small extent is unconvincing, lacks credibility or irrelevant to the project.	<b>Minor Concerns</b>	<b>60</b>
Moderate risk that the bidder will not be able to meet the needs of the Authority	Evidence has moderate gaps, is unconvincing.	<b>Moderate Concerns</b>	<b>40</b>
Significant risk that the bidder will not be able to meet the needs of the Authority.	Evidence has major gaps, is unconvincing in many respects, lacks credibility, or largely irrelevant to the project.	<b>Major Concerns</b>	<b>20</b>
Bidder will not be able to meet the needs of the Authority.	No evidence or misleading evidence.	<b>Not acceptable</b>	<b>0</b>

It is the applicant's responsibility to ensure that all information required is supplied and is accurate. Any changes that could affect any of the answers contained within this questionnaire must be notified to Welsh Government as soon as reasonably practicable.

## Part B

**Price** - Bidders must provide their prices for the good / service provision.

Completion of all pricing elements is Mandatory. Each price submitted by each bidder will be evaluated against the other prices submitted. The lowest total price submitted will score the maximum points weighting.

The lowest total price would therefore receive the full marks available. All other bidders would receive a percentage of the full weighting, based on their submitted total price.

Please see example below for indicative purposes only:

### Lowest Price

$$\frac{\text{Lowest total price}}{\text{Price}} \quad * \text{multiplied by weighting} \quad = \text{Weighted Score}$$

**The Example is illustrated below (note that the prices below are for the sake of this example only):**

The lowest submitted rate is £240 by bidder B, second lowest £250 by bidder A and £350 by bidder C

	<b>Submitted Price</b>	<b>x weighting</b>	<b>Weighted Score</b>
Lowest price = Company B	$\frac{240}{240}$	x 30% (weighting)	= <b>30</b>
2nd Lowest Company A	$\frac{240}{250}$	x 30% (weighting)	= <b>28.80</b>
3 <sup>rd</sup> Lowest price Company C	$\frac{240}{350}$	x 30% (weighting)	= <b>20.58</b>

The above process is completed for each commercial element.

The weighted scores for each bidder are then combined to produce a total score for each bidder.