Hedge Accounting and Interest Rate Risk Management System

NGN Contact Details: Becky Rowley – rrowley@northerngas.co.uk

**Pre-Qualification Questionnaire (PQQ)**

# Guidance Notes. Please read carefully.

1. This Pre-Qualification Questionnaire (PQQ) is designed to provide Northern Gas Networks (NGN) with the information required to assess your organisation’s suitability to be included in the list of tenderers for the project described.
2. All submissions must be made using Ariba, NGN will not consider any submissions via post or email.
3. You must pass all mandatory questions set out in the PQQ.
4. Applicants should note that in order to be correctly evaluated they must answer each question in the required format and adhere to any word count limits that have been set. Answers must be in English, stating nil or not applicable where appropriate. Information must be accurate and current. NGN may refuse to consider your organisation if the PQQ is not fully completed or is found to be inaccurate.
5. If any error, omission, false statement or misrepresentation is discovered, NGN may disqualify your organisation, without regard to what stage the selection process has reached when the error, omission, false statement or misrepresentation is discovered.
6. Applicants must only provide information requested for in this PQQ. Applicants are not to include non-requested information.
7. Information submitted in response to this PQQ must relate solely to the organisation that will enter into a formal contractual agreement with NGN. If completing on behalf of a consortium, or if work is to be subcontracted, relevant information about partners, subcontractors and their experience should be given.
8. Where any question refers to UK legislation, non-UK organisations should answer on the basis of laws applicable in the UK.
9. No payment will be made for completing this PQQ.
10. NGN does not bind itself to invite tenders.
11. When the short list of tenderers has been agreed you will be notified of the outcome.
12. No information contained in this PQQ or in any communication made between NGN and any applicant in connection with this PQQ shall be relied upon as constituting a contract, agreement or representation that any contract shall be offered in accordance with this PQQ.
13. NGN reserves the right, subject to the appropriate procurement regulations, to change without notice the basis of, or the procedures for, the competitive tendering process or to terminate the process at any time. Under no circumstances shall NGN incur any liability in respect of this PQQ or any supporting documentation.
14. All information provided will be treated in strict confidence.
15. If NGN has ever terminated a contract with your company, it reserves the right to not include you in any short list of tenderers, regardless of the answers to other questions in this questionnaire.
16. All applicants will subsequently be advised of their status and those short-listed will be advised of the timescales and requirements of further stages.
17. It is the applicants’ responsibility to ensure they submit the PQQ submission by the deadline stated in the timetable. NGN reserve the right not to accept any submissions after the deadline date

### 1. INTRODUCTION

## 1.1 Company overview

Northern Gas Networks Limited (NGN) is the company responsible for distributing gas to homes and businesses across the North of England. As part of the restructuring of the gas distribution business in England, NGN successfully acquired the North of England gas Distribution Network (DN) and took control of the assets on 1st June 2005. NGN has been responsible since then for the transportation of gas to the North of England via 36,000Km of pipelines.

The DN is located in the North of England and extends south from the Scottish border to South Yorkshire and has coastlines on both the East and West sides of the region. The DN contains a mixture of large cities such as Newcastle, Middlesbrough, Leeds and Bradford and a significant rural area including North Yorkshire and Cumbria. The area covers around 6.7 million inhabitants and has approximately 2.5 million customers. The DN is supplied via 23 off takes from the national Transmission System.

Northern Gas Networks Geographic Area

|  |  |
| --- | --- |
|  |  |
| No. | Location |
| 1 | North Tyne |
| 2 | Cumbria |
| 3 | Wear |
| 4 | Tees |
| 5 | North Riding |
| 6 | Bradford |
| 7 | Leeds |
| 8 | East Riding |
| 9 | Pennines |
|  |  |

 

NGNs dream is to become the UK’s most loved, admired and respected company, and to establish a reputation for doing business really well through a united and empowered team that is mind-blowingly great. We recognise the important role that our supply chain partners having in supporting NGN to achieve our dream.

The procurement process will be managed electronically, with all communication being managed through Achilles UVDB and the Northern Gas Networks e-Sourcing Spend Management web site Ariba.

All PQQ & tender documentation will be uploaded electronically.

All timings will be clearly identified in the electronic system and will be adhered to.

Suppliers should avoid uploading responses on the last day in case of technical difficulties as NGN will not reopen an event after it has closed.

You may save your documents throughout the process but you must ensure that it is finally submitted before the closing date.

The submit button is clearly marked and is highlighted in yellow, after you have submitted the system will still allow you to modify your proposal at any time up to the closing date. You may review the event log to confirm that your proposal has been submitted.

NGN cannot access or determine whether you have submitted a bid until after the event has closed as our process is a totally sealed bid process. It is your responsibility to ensure you submit on time.

Questions should be answered in the requested format, i.e. text or attachment, and word counts adhered to where applicable. Suppliers should note if they persistently fail to follow this instruction and answers are not readily available this may result in failing to achieve a score in the relevant section

## 1.2 NGN Core Values

NGNs dream is to become the UK’s most loved, admired and respected company, and to establish a reputation for doing business really well through a united and empowered team that is mind-blowingly great. We recognise the important role that our supply chain partners having in supporting NGN to achieve our dream.

Our dream lies at​​ the centre everything we do and has been translated into a **unique set of values** that reflect and reinforce our culture

* Trailblazing
* Intellectually Curious
* Community Focused
* Empowered
* Heartfelt
* Happy

Every member of our team is passionate about the contribution they make to our growing reputation as a pioneering, effective, conscious and enlightened business that is focused on changing the way that things are done.

We expect our suppliers to share our vision and values and our way to support NGN in achieving our goals.

2. THE PROJECT

**2.1 Scope**

Northern Gas Networks (NGN) needs a Hedge Accounting and Interest Rate Risk Management System which is fully integrated and ready to use by 1st September 2020.

NGN has a debt portfolio of c£1.4bn and around 130 interest rate swaps. The interest rate swaps are currently accounted for under IFRS9 in NGN’s own accounts and for the purpose of reporting to NGN’s majority shareholder under Hong Kong GAAP.

In order to comply with the relevant accounting standards and reporting obligations, as well as to streamline internal forecasting and support strategic planning, NGN requires an application that can meet the following mandatory requirements (bidders who can’t meet these requirements will be rejected):

**A**

* Maintain records of all debt (fixed rate bonds, term loans and revolving loans) and financial derivative instruments (including non-standard interest rate swaps, for example where pay and receive dates are not aligned or where settlement dates differ from calculation dates);
* Report future cash flows on debt and derivatives (actual based on known interest rates / floating rate re-fixes and forecast cash flows for the remaining life of each instrument based on market curves);
* Provide a comprehensive suite of standard and customisable reports on positions, valuations, cash flows, accruals, etc.
* Enable “what-ifs” and scenario analysis to be run on potential future trades.
* Enable deals to be categorised by type (e.g. actual, “what-if”, synthetic, cancelled).

**B**

* Value derivatives in compliance with IFRS13, incorporating CVA/DVA adjustments as applicable. In particular, where an interest rate swaps is subject to a termination option or mandatory break, value the derivative in a way that applies the CVA/DVA adjustment up to the prospective early termination date only;
* Automatically import market interest rates (actual daily Libor fixes, future expected Libor fixes, yield curves for valuations etc.);
* Value derivatives on both a clean and dirty basis
* Record fair value and cash flow hedge relationships in compliance with IFRS9;
* Support the creation and storage of hedge documentation;
* Carry out hedge effectiveness testing and provide evidence of effectiveness;
* Create journal entries relating to financial instrument accounting (e.g. swap debtors & creditors, fair value through P&L, hedge reserve movements through OCI etc.)
* Support counterparty exposure monitoring and management and apply CVA/DVA adjustments on the basis of net counterparty exposure where an appropriate ISDA agreement is in place.
* Support hedge accounting functionality as above for different legal entities with different financial year ends.

**C**

* Export data and reports to Excel
* Support future changes to NGN’s debt structure (e.g. the introduction of private placement debt, index-linked bonds and other forms of debt finance).
* Support future changes to financial market operations including any transition from Libor to a SONIA-based reference rate.
* Be implemented with minimal impact to the business and before the current contract on TMS system expires (31st August 2020) and include a training program to fully train NGN users before the transition.

**System requirements**

Your proposed system must -

* Be user friendly, with straightforward processes for NGN. Suppliers will be expected to demonstrate this, along with functionality as part of the tender process (at demo stage)
* Enable users to remain compliant with currently applicable international accounting standards (in particular IFRS9 and IFRS13)
* Have the capability of importing NGN’s existing portfolio (held on Reval) or as an alternative, the supplier must provide NGN with assistance with populating the new solution with details of debt and derivatives portfolios.
* Include functionality that would facilitate the potential future transfer of data to another provider.
* Be compatible with Windows 10 and 64 bit operating systems and must remain compatible with future Windows 10 upgrades.
* Allow for data to be exported to Barclays.net and SAP S4 HANA?
* Feature banking day calendars for the UK, US, EU, Australia and Hong Kong as a minimum.
* Be capable of supporting future changes in relevant accounting standards, published market interest rates and other relevant external factors.

**Additional requirements**

* Training must be offered to NGN staff for all incremental upgrades throughout the life of the contract
* Suppliers must be able to demonstrate that they have a robust business continuity regime in place to ensure uninterrupted access to the solution in the event of disruption to "business as usual" arrangements
* NGN requires 2 full users and 2 read only users, all who will require full training before 1st September 2020 to allow for a smooth transition
* The supplier must demonstrate that they have experience of delivering this type of project in the past, including the implementation and transition from a previous system. It should be demonstrated that this has been completed successfully within NGN’s maximum timeline for implementation and training (4 months)
* Minimising implementation, hosting and support costs will be important considerations and the solution must
* The ability to expand the solution to support other NGN Treasury activity in the futures (for example by providing interfaces with accounting and payment systems and generating cash flow forecasts) is desirable.

**2.2 Contract Period**

The period of any contract(s) resulting from this procurement will be up to 6 years (minimum of 3, maximum of 6). NGN will determine the contract length at award stage when the most economically advantageous offering has been identified.

The length of the contract may be extended by negotiation with the supplier for 1-year periods to take the whole life duration to a maximum of 6 years. If the initial term is 6 years, there will be no extension provisions.

**2.4 Proposed Timetable**

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***Please note the above timetable is indicative and may be subject to change.***

**2.5 Evaluation Criteria**

The PQQ responses will be assessed against the criteria set out below and detailed with the attached evaluation criteria and scoring document.

Suppliers who pass all mandatory and discretionary questions will then be assessed against the scoring criteria and suppliers scoring more than 50% will progress through to tender stage.

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**2.6 Scoring Methodology**

For qualitative questions NGN will score on the following basis

|  |  |
| --- | --- |
| **Points** | **Interpretation** |
| **10** | **Excellent** –Overall the response demonstrates that the bidder exceeds all areas of the requirement and provides all of the areas evidence requested in the level of detail requested. This, therefore, is a detailed excellent response that meets all aspects of the requirement leaving no ambiguity as to whether the bidder can meet the requirement.  |
| **8** | **Good** -Overall the response demonstrates that the bidder meets all areas of the requirement and provides all of the areas of evidence requested but contains some trivial omissions in relation to the level of detail requested in terms of either the response or the evidence. This, therefore, is a good response that meets all aspects of the requirement with only a trivial level ambiguity due the bidder’s failure to provide all information at the level of detail requested.  |
| **5** | **Adequate** - Overall the response demonstrates that the bidder meets all areas of the requirement, but not all of the areas of evidence requested have been provided. This, therefore, is an adequate response, but with some limited ambiguity as to whether the bidder can meet the requirement due to the bidder’s failure to provide all of the evidence requested. |
| **2** | **Poor** – The response does not demonstrate that the bidder meets the requirement in one or more areas. This, therefore, is a poor response with significant ambiguity as to whether the bidder can meet the requirement due to the failure by the bidder to show that it meets one or more areas of the requirement. |
| **0**  | **Unacceptable** - The response is non-compliant with the requirements of the ITT and/or no response has been provided.  |

For financial scorings NGN will score on the following basis

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | Check It (ICC) | Dunn & Bradstreet | Equifax | Experian | Graydons |
| **Assessment Score** | **Risk Rating** | **Credit Score Report** | **Comprehensive Report** |  | **Bronze, silver or Gold report** | **Level 1, 2 or 3 level report** |
| 100 | Minimal | 95-100 | 5A1 | A+ | 95-100 | 1A |
| 90 | Minimal | 90-94 | 5A2/4A1 | A/A- | 90-94 | 1B/2A |
| 80 | Minimal | 80-89 | 5A3/4A2/3A1 | B+ | 80-89 | 1C/2B/3A |
| 70 | Low | 70-79 | 4A3/3A2/2A1 | B/B- | 70-79 | 2C/3B/4A |
| 60 | Low | 60-69 | 3A3/2A2/1A1 | C+ | 60-69 | 3C/4B/5A |
| 50 | Low | 50-59 | 2A3/1A2/A1 | C/C- | 50-59 | 4C/5B/5A |
| 40 | Average | 40-49 | 1A3/A2/B1 | D+ | 40-49 | 5C/6B/7A |
| 30 | Average | 30-39 | A3/B2/C1 | D/D- | 30-39 | 6C/7B/8A |
| 20 | High | 20-29 | B3/C2/D1 | E+ | 20-29 | 8B |
| 10 | High | 10-19 | C3/D2/E1 | E/E- | 10-19 | 8C |
| 0 | High | Below 10 | Below E1 | Below E- | Below 10 | Below 8C |

**2.7 Evaluation Panel**

NGN’s team to perform the evaluation of this tender process comprises the following:

|  |  |
| --- | --- |
| Name | Department |
| Ian Clark | Finance |
| David Appleton | Finance |
| Harriet Wilkes | Procurement |
| Rebecca Rowley | Procurement |
| Adam Ibbotson | IT |

**2.7 PQQ Submission and Notification**

Responses must be submitted via Ariba on a word or PDF document and upload with all attachments as a zip file, if you experience any technical difficulties please contact the person names in this document.

All bidders will be notified of the PQQ outcome and provided feedback by the date specified on the procurement timetable.

3. INSTRUCTIONS TO APPLICANTS

**3.1 Queries**

Queries must be set out in writing and submitted to the contact specified within this application. Queries must be received no later than 16:00 hours on the day seven days before the PQQ close date. Answers to substantial queries will be circulated to all applicants. No indication will be made regarding the source of the query.

**3.2 NGN Contact**

During the period of this Tender process, no contact must occur between any member of your organisation's staff and any member of NGN other than through the designated contact points. The only exception to this rule is where organisations already have staff working on NGN business, in which case their staff should be instructed not to discuss the project with NGN employees.
NGN reserves the right at its sole discretion to exclude any organisation (or third party working for any organisation) found to be in breach of these contact requirements.

4. PRE-QUALIFICATION QUESTIONNAIRE – INFORMATION TO BE PROVIDED

All applicants are required to fully complete this questionnaire, applicants are advised to read the guidance notes provided on page 2 of this pack.

|  |
| --- |
| Section 1 – Supplier Details -  |
| **Information Required**  | **Answer** |
| Supplier name (Trading and Registered), registered address: |  |
| Company Registration Number: |  |
| Details of supplier operations and operating locations: |  |
| Total number of employees: |  |
| Confirm the % split of Employees and Contractors:  |  |
| Total number of employees: |  |
| How many personnel, direct and sub-contractor do you have who would be working on this contract.Please complete the table: |

|  |  |
| --- | --- |
| Number of direct Employees (PAYE) | Number of Sub-Contractors  |
|  |  |

 |
| Primary Contact Details for this PQQ (*name, tel, email):* |  |
| Secondary Contact Details for this PQQ (name, tel, email) |  |
| Invoice Contact Details (*name, tel, email):* |  |
| Does your company carry out work that is covered by the Construction Industry Scheme (CIS)? If Yes, please provide your company’s Unique Taxpayer Reference (UTR). |  |

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| --- |
| Section 2 - Mandatory Exclusions and Discretionary Exclusions (Pass / Fail) – |
|  | 2.1 Mandatory Exclusions  |
| **No**  | **Question** | **Answer** |
|  | **Has your organisation or any directors or partner or any other person who has powers of representation, decision or control been convicted of any of the following offences?** | **Please ensure you answer all questions ‘Yes’ or ‘No’****Answers that are Yes will be rejected** |
|  | conspiracy within the meaning of section 1 of the Criminal Law Act 1977 where that conspiracy relates to participation in a criminal organisation as defined in Article 2(1) of Council Joint Action 98/733/JHA (as amended); | Yes [ ] No [ ]  |
|  | corruption within the meaning of section 1 of the Public Bodies Corrupt Practices Act 1889 or section 1 of the Prevention of Corruption Act 1906 (as amended); | Yes [ ] No [ ]  |
|  | Bribery within the meaning of the Bribery Act 2010; (see last page for required documents) or any other form of bribery. | Yes [ ] No [ ]  |
|  | fraud, where the offence relates to fraud affecting the financial interests of the European Communities as defined by Article 1 of the Convention relating to the protection of the financial interests of the European Union, within the meaning of:1. the offence of cheating the Revenue;
2. the offence of conspiracy to defraud;
3. fraud or theft within the meaning of the Theft Act 1968 and the Theft Act 1978;
4. fraudulent trading within the meaning of section 458 of the Companies Act 1985 or section 993 of the Companies Act 2006;
5. defrauding the Customs within the meaning of the Customs and Excise Management Act 1979 and the Value Added Tax Act 1994;
6. an offence in connection with taxation in the European Community within the meaning of section 71 of the Criminal Justice Act 1993; or
7. destroying, defacing or concealing of documents or procuring the extension of a valuable security within the meaning of section 20 of the Theft Act 1968;
 | Yes [ ] No [ ]  |
|  | money laundering within the meaning of the Money Laundering Regulations 2003 or Money Laundering Regulations 2007; or | Yes [ ] No [ ]  |
|  | any other offence within the meaning of Article 45(1) of Directive 2004/18/EC as defined by the national law of any relevant State. | Yes [ ] No [ ]  |

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| --- |
| 2.2 Discretionary Exclusions Pass / Fail  |
| A contracting authority may exclude suppliers from consideration if any of the following apply but may decide to allow the application to proceed further. If you cannot answer ‘no’ to every question it is possible that your application might not be accepted. In the event that any of the following do apply, please set out (in a separate Annex) full details of the relevant incident and any remedial action taken subsequently. NGN will take into account the information provided in considering whether or not you will be able to proceed any further in respect of this procurement exercise. |
| **Is any of the following true of your organisation?**  | **Answer ‘Yes’ or ‘No’** |
| (a) | being an individual,is bankrupt or has had a receiving order and/or administration order or bankruptcy restrictions order made against him or has made any composition or arrangement with or for the benefit of his creditors or has not made any conveyance or assignment for the benefit of his creditors or appears unable to pay or to have no reasonable prospect of being able to pay, a debt within the meaning of section 268 of the Insolvency Act 1986, or article 242 of the Insolvency (Northern Ireland) Order 1989, or in Scotland has granted a trust deed for creditors or become otherwise apparently insolvent, or is the subject of a petition presented for sequestration of his estate, or is the subject of any similar procedure under the law of any other state; | Yes [ ] No [ ]  |
| (b) | being a partnership constituted under Scots law,has granted a trust deed or become otherwise apparently insolvent, or is the subject of a petition presented for sequestration of its estate; or | Yes [ ] No [ ]  |
| (c) | being a company or any other entity within the meaning of section 255 of the Enterprise Act 2002has passed a resolution or is the subject of an order by the court for the company’s winding up otherwise than for the purpose of bona fide reconstruction or amalgamation, or had a receiver, manager or administrator on behalf of a creditor appointed in respect of the company’s business or any part thereof or is the subject of similar procedures under the law of any other state? | Yes [ ] No [ ]  |
| (d) | been convicted of a criminal offence relating to the conduct of your business or profession; | Yes [ ] No [ ]  |
| (e)  | committed an act of grave misconduct in the course of your business or profession; | Yes [ ] No [ ]  |
| (f) | failed to fulfil obligations relating to the payment of social security contributions under the law of any part of the United Kingdom or of the relevant State in which you are established; | Yes [ ] No [ ]  |
| (g) | failed to fulfil obligations relating to the payment of taxes under the law of any part of the United Kingdom or of the relevant State in which you are established; or | Yes [ ] No [ ]  |
| (h) | been guilty of serious misrepresentation in providing any information required of you under Regulation 22 of the Utilities Contracts Regulations 2006? | Yes [ ] No [ ]  |

|  |  |
| --- | --- |
| Section 3.1 – Data Protection and Cyber Security (Pass/Fail)  |  |
| **No.** | **Question**  | **Answer ‘Yes’ or ‘No’ (P/F)** |
| **Data Protection**  |
| 3.1 | NGN will only contract with suppliers who have a GDPR Policy, please confirm your company has a GDPR Policy and provide a copy, suppliers Yes [ ] No [ ] Answers with no will be rejected.  | Yes [ ] No [ ]  |
| Section 3.2 Data Protection and Cyber Security (Weighted) |
| **No.** |  **Question** |
| 3.2  | Please attach a detailed description/diagram of the "data journey" within your organisation; where is it stored, what transfers within and between systems take place, what third party sub-processing do you employ, and to whom will you disclose the personal data we supply?**Answer:***Insert Attachment here or as a separate attachment clearly identifying reference number*  |
| 3.3 | Will any personal data provided to you by NGN be processed by a third country or international organisation as defined by GDPR Article 44? If so, please provide evidence of your relevant assessments of adequacy for that processing? **Answer:***Insert Attachment here or as a separate attachment clearly identifying reference number* |
| **Cyber Security** (Pass/Fail and weighted) |
| 3.4 | Does your organisation have a Cyber Security Policy? Yes [ ] No [ ] **Comments:**  |
| 3.5 | Please complete the attached ‘IT Cyber Security Assessment Questionnaire’ |
| Section 4 – Commerce Automation (for information only) |
| 4.1 | NGN use SAP Ariba Network (Commerce Automation) to send purchase orders and receive invoices from our suppliers. This is a cloud-based networked platform that allows real-time purchase order and invoice delivery for faster fulfilment, eliminating paper for purchase orders and invoices amongst many other benefits for NGN and the Supplier. This is a mandatory requirement to trade with NGN. Please confirm that if successful through this Tender process, your company will use the SAP Ariba Network to financially transact with NGN. | Yes [ ] No [ ]  |
| 4.2 | Is your current financial system/ERP compatible of integrating with SAP S/4HANA 16/10 Cloud? | Yes [ ] No [ ]  |
| Section 5 - Supplier financials / Insurances (weighted) |
| **No.** | **Financial Standing**  |
| 5.1 | Please provide a copy of your latest Credit Report, the preferred report is Equifax, however we will accept others such as ICC, Dun & Bradstreet, Equifax, Experian, Graydon) – **NGN will assess your financial standing and add a score using the scoring methodology set in section 2.6, we will use the same methodology for all suppliers** NB: It is at NGN’s discretion to reject any Bidders response if there is a significant risk to NGN regarding Financial Standings**Answer:** *(attach appendices here or reference the appendix number if attaching as a separate document).*  |
| **5.2** | **Insurances** Please provide a list of the type of and value of insurances held:

|  |  |  |  |
| --- | --- | --- | --- |
| **Type** | **Cover Level (£)** | **Renewal Date**  | **Policy Number** |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

Please note the following levels of insurance are required as a minimum for this procurement * Public Liability – **£5m**
* Professional Indemnity – **£10m**
* Employer Liability – **£5m**

Please confirm that you meet the minimum level required and if not will be willing to increase if awarded this contract. This is mandatory and bidders who do not hold the level of insurance required or are willing to increase if successful will be rejected from this process.Yes [ ] No[ ] **As part of the PQQ process NGN will review your companies’ insurances via Achilles UVDB.** |
| Section 6 - Quality Management (weighted) |
| **No.** | **Question**  |
| 6.1 | Please provide details about any Quality Management Systems that you have in place and attach relevant policy statements and certifications held, e.g. ISO 9001.**Answer:***Insert Attachment here or as a separate attachment clearly identifying reference number*  |
| Section 7 - Responsible Procurement (weighted) |
| The section below contains a number of questions on environmental issues. It is intended to give us a better understanding of your commitment towards the adoption of environmental policies and improving environmental performance. It has been included in the qualification questionnaire document to assist the selection of companies for this contract.NGN are continually setting targets to improve our performance on all aspects of sustainability, including energy reduction and waste minimisation As part of its policy, NGN expects its major suppliers and contractors to demonstrate their commitment to continuous improvement. This questionnaire will help us to determine this.  |
| **Environmental Management**  |
| **No.** | **Question**  |
| 7.1 | Does the company have an Environment Policy? If yes please attach a copy  | Yes [ ] No [ ]  |
| 7.2 | Does the company have an Environmental Management system? If yes, is it externally certified to ISO 14001:2004 or equivalent?Yes [ ] No [ ] **Comments:**  |
| 7.3 | Does your company have a formal environmental incident / near miss reporting system and do you investigate all environmental incidents and accidents? Yes [ ] No [ ] **Comments:** *no more than 1 A4 sheet* |
| 7.4 | Does your company identify the environmental impacts of your operations? Yes [ ] No [ ] **Comments:**  |
| 7.5 | Do you have an Environmental Action Plan in place to reduce your impact on the environment? Yes [ ] No [ ] **Comments:** **Attachments:**  |
| 7.6 | Has the company had any convictions for offences under environmental legislation in the last five financial years in any country of operation? If Yes, how many? Yes [ ] No [ ] **Comments:**  |
| 7.7 | Has the company had any environmental improvement, prohibition or abatement notices served in the last five financial years in any country of operation? If Yes, how many? Yes [ ] No [ ] **Comments:**  |
| **Compatibility with the NGN’s Environment Strategy** |
| NGN’s Environment Strategy commits to:* Take action against climate change
* Improve air quality
* Use resources responsibly
* Enhance life on land
* Enable lasting energy solutions
 |
| **No.**  | **Strategy Subheading** | **Question** |
| 7.8 | Take action against climate change | Do you measure your carbon footprint? Yes [ ] No [ ] **Comments:**  |
| Do you have a carbon emissions reduction plan?Yes [ ] No [ ] **Comments:**  |
| 7.9 | Improve air quality | Do you have an air pollutant emissions reduction plan? For example, do you regularly replace vehicles in your fleet?Yes [ ] No [ ] **Comments:**  |
| 7.10 | Use resources responsibly | Do you measure your waste generation and monitor what % goes to landfill? Yes [ ] No [ ] **Comments:**  |
| Does your organisation generate waste that is classified as hazardous waste?Yes [ ] No [ ] **Comments:**  |
| Are you a registered waste carrier?Yes [ ] No [ ] **Comments:**  |
| Does your company have any Policies or programmes regarding use of Natural Resources?Yes [ ] No [ ] **Comments:**  |
| 7.11 | Enhance life on land | Do you have a staff volunteering policy? Yes [ ] No [ ] **Comments:**  |
| Do you carry out bio-diversity action plans?Yes [ ] No [ ] **Comments:**  |
| Do you carry out ecological management plans?Yes [ ] No [ ] **Comments:**  |
| 7.12 | Enable lasting energy solutions.  | Do you power your operations using electricity from renewable sources? Yes [ ] No [ ] **Comments:**  |
| **Sustainable Procurement**  |
| 7.13 | Does your company have a Sustainable Procurement Policy? (Y/N). If no, please summarise your company’s approach to Sustainable Procurement.Yes [ ] No [ ] **Comments:** *no more than 1 A4 sheet* |
| 7.14 | Is your Supply Chain expected to comply with your Sustainable Procurement principles? If Yes, under what terms, contractual or voluntary?Yes [ ] No [ ] **Comments:** *no more than 1 A4 sheet* |
| 7.15 | How does the company assess/audit their Supply Chain? **Answer:** *no more than 1 A4 sheet* |
| 7.16 | Does the company have any programmes or policies in place to encourage local sourcing?Yes [ ] No [ ] **Comments:** **Attachment:**  |
| 7.17 | Does the company have any programmes in place that involve interaction with local communities? Please provide details. *no more than 1 A4 sheet*Yes [ ] No [ ] **Comments:** |
| 7.18 | Has your company ever been convicted for a breach of any labour laws in the countries you operate within the last five years?If yes, please provide further information. Yes [ ] No [ ] **Comments:** |
| 7.19 | Has your company ever been convicted for a breach of any social and ethical requirements in the countries you operate within the last five years?Yes [ ] No [ ] **Comments:** |
| 7.20 | Has the company ever been convicted for a breach of any child labour laws in the countries they operate?Yes [ ] No [ ] **Comments:**  |
| 7.21 | Does your organisation have a documented policy to ensure that neither slavery nor human trafficking takes place within your organisation and your Supply Chain? If yes, please provide a copy (*attach appendices here or reference the appendix number if attaching as a separate document).*Yes [ ] No [ ] **Comments:** |
| 7.22 | Has your organisation been convicted for breaches of any slavery laws in the countries it operates in within the last five years?Yes [ ] No [ ] **Comments:**  |
|  | Section 8 – Health & Safety  |
| **No.** | **Question**  |
| 8.1 | Please supply a copy of your Health and Safety policy and describe how the Health and Safety Policy is brought to the attention of your employees. **Answer:** *no more than 1 A4 sheet**(please attach policy below or as a separate attachment clearly labelled)* |
| 8.2 | How do you monitor and confirm the competence of staff / sub consultants you may provide to NGN? Please explain your assessment process and provide some specific examples**Answer:** *no more than 1 A4 sheet* |
| 8.3 | Please explain your process for continuous professional development and training of your staff. **Answer:** *no more than 1 A4 sheet* |
| **Section 9 – PQQ Specific Questions – each question below has a wordcount limit of 2 a4 sheets + appendices** |
| **No.** | **Question**  |
| 9.1 | Please outline in detail the core functionality of your system. In particular:With respect to the following financial instrument types please explain how your system can help NGN to meet ALL the requirements of **Section A** of the Project Scope:* Bonds
* Term loans with / without amortisation schedules
* Syndicated and bilateral loans
* Revolving credit facilities
* Private placements
* Loan notes
* Index-linked bonds & loans (both RPI and CPI)
* Plain vanilla Interest rate swaps and FRAs
* Amortising interest rate swaps
* Index-linked swaps (RPI and CPI)
* Cross-currency swaps
* Other interest rate derivatives (e.g. caps, floors, collars)

Please include a description of the major functionality offered in managing the above instruments e.g. deal entry (including deal type), approval and matching, linking to relevant supporting documentation, copy and clone functionality, entity management etc.  |
| 9.2 | With respect to the following financial instrument types please explain how your system can help NGN to meet the requirements of **Section B** of the Project Scope:* Plain vanilla Interest rate swaps and FRAs
* Amortising interest rate swaps
* Index-linked swaps (RPI and CPI)
* Cross-currency swaps
* Other interest rate derivatives (e.g. caps, floors, collars)
 |
| 9.3 | Please include a description of the major functionality offered in meeting the requirements of **Section B** of the Scope including auto import of market interest and exchange rates, manual hedge designation etc. Please also provide details of how your system can accommodate interest rate swaps with non-standard features such as:* Calculation dates different from settlement dates;
* Fixed and floating leg settlement dates not aligned;
* Amortising profile; and
* Termination option or mandatory break.
 |
| 9.4 | Please give details of how you can support NGN in meeting the **ALL** requirements of **Section C** of the Scope.  |
| 9.5 | Please evidence how your system is capable of supporting future changes in relevant accounting standards, published market interest rates and other relevant external factors |
| 9.6 | Please detail how you will ensure that NGN have a smooth transition to your proposed solution (including implementation, data transfer and training) by the 31st August 2019, based on the tender timeline provided |
| 9.7 | Does your solution enable users to remain compliant with currently applicable international accounting standards (in particular IFRS9 and IFRS13)? How do you ensure that the solution is updated to support compliance with further changes to accounting standards and interpretations of such standards as and when they arise? What measures do you have in place for the anticipated replacement of LIBOR (and other –IBORs and equivalents) as the reference rate(s) for floating rate loans, interest rate swaps and other financial instruments?  |
| 9.8 | Please evidence that your system able to import our existing portfolio (held on Reval) OR detail how you would provide assistance to NGN with populating the solution with details of our debt and derivatives portfolios during implementation.  |
| 9.9 | Please evidence that your system has the functionality to facilitate the potential future transfer of data to another provider |
| 9.10 | NGN has standardised on the following platform as its corporate desktop operating system Windows 10 64 bit and utilises both Chrome (current version) and Microsoft Edge as browsers. Please detail whether your software is compatible with current and future versions of this software. |
| 9.11 | Please outline export functionality in respect to transfer of data to other accounting applications and bank payment software. Can data be exported to Barclays.net and SAP S4 HANA?  |
| 9.12 | Please evidence that your system features banking day calendars for the UK, US, EU, Australia and Hong Kong  |
| 9.13  | Please detail what training will be offered to NGN for incremental upgrades? |
| 9.14 | What business continuity regime do you have in place to ensure uninterrupted access to the solution in the event of disruption to "business as usual" arrangements. |
| 9.15 | Are you able to offer NGN a system with 2 full users and 2 read only users? Please detail. |
| 9.16 | Please provide two detailed case studies where you have provided a similar contract and how you ensured a successful implementation of the contract*. Please demonstrate that this was completed within NGN’s maximum timeline for implementation and training (refer to timeline in 2.4)* |