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Tender

DDaT22231 - Loan Management system

UK Research and Innovation

F02: Contract notice

Notice identifier: 2022/S 000-016201

Procurement identifier (OCID): ocds-h6vhtk-0345ee

Published 13 June 2022, 5:33pm

Section I: Contracting authority

I.1) Name and addresses

UK Research and Innovation

Polaris House, North Star Avenue

SWINDON

SN21FL

Contact

DDaT Procurement

Email

ddatprocurement@uksbs.co.uk

Telephone

+44 1793867005

Country

United Kingdom

NUTS code

UKK - South West (England)

Internet address(es)

Main address

<https://www.ukri.org/>

I.3) Communication

The procurement documents are available for unrestricted and full direct access, free of charge, at

<https://beisgroup.ukp.app.jaggaer.com/>

Additional information can be obtained from the above-mentioned address

Tenders or requests to participate must be submitted electronically via

<https://beisgroup.ukp.app.jaggaer.com/>

I.4) Type of the contracting authority

Body governed by public law

I.5) Main activity

General public services

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

DDaT22231 - Loan Management system

Reference number

DDaT22231

II.1.2) Main CPV code

- 48000000 - Software package and information systems

II.1.3) Type of contract

Supplies

II.1.4) Short description

The final date and time for the submission of bids is Monday, 18th July 2022 at 17:00PM (GMT)

DO NOT apply directly to the buyer.

All tender information MUST be submitted through the Jaggaer eSourcing Portal.

Brief Description of Requirement

UKRI - Innovate UK Loans Limited is seeking to procure a loan management system to support the backend delivery of its Innovation Loans programme. The programme is expected to deliver 50-100 new loans/per year, supporting approximately 200 new Innovative UK businesses.

The aim of procurement is to:

- Procure the delivery of reliable, responsive and flexible loan management system;
- Procure a system which had evidenced capability to run loans of the same or similar type to Innovation Loans.
- Ensure the provider has sufficient capability to train IUKL users on the system and be dedicated to the account for up to 6 months to ensure the team are comfortable using the system.
- Ensure sufficient technical resource is available to onboard the loans to the system and setup integrations to existing IUKL systems.

The loans are currently structured as follows - but are subject to change:

- Availability period - the time in which the business completed their R&D project and draws down funds from the overall committed facility (similar to stage payments). This is

an interest only period which can be up to 3 years in length. Note - on certain loans part of this interest is deferred until the Repayment period.

- Extension Period - an interest only period to allow businesses time to commercialise their project. No drawdowns take place in this period. This is an interest only period which can be up to 2 years in length. As with Availability, on certain loans part of the interest will be deferred until the Repayment period.

- Repayment period - repayment of capital and interest (including accrued interest in some instances), can be up to 5 years in length.

- The drawdowns are typically paid quarterly and interest is also collected quarterly (an example of the process flow is given in Appendix C1)The drawdown dates are not fixed at the start of the loan and often the dates change each quarter.

Please ensure you review all attached information to ensure a full understanding of this requirement. All attachments can be found with the Supplier Attachments tab within the Jaggaer eSourcing Portal.

This contract will be awarded based on the evaluation criteria as set out in the RFP document.

How to Apply

UK Shared Business Services Ltd (UK SBS) will be using the Jaggaer eSourcing Portal for this procurement.

To register on the Jaggaer eSourcing portal please use the link <https://beisgroup.ukp.app.jaggaer.com/> and follow the instructions to register as a supplier.

If you are already registered on the Jaggaer eSourcing Portal and wish to participate in this procurement, please use the link: <https://beisgroup.ukp.app.jaggaer.com/>.

Once you are logged into the system you will be able to locate the Procurement you wish to leave a bid on by clicking the ITTs Open to All Suppliers and searching for the reference number DDaT22231.

II.1.5) Estimated total value

Value excluding VAT: £450,000

II.1.6) Information about lots

This contract is divided into lots: No

II.2) Description

II.2.2) Additional CPV code(s)

- 48000000 - Software package and information systems

II.2.3) Place of performance

NUTS codes

- UKK - South West (England)

II.2.4) Description of the procurement

UKRI - Innovate UK Loans Limited is seeking to procure a loan management system to support the backend delivery of its Innovation Loans programme. The programme is expected to deliver 50-100 new loans/per year, supporting approximately 200 new Innovative UK businesses.

The aim of procurement is to:

- Procure the delivery of reliable, responsive and flexible loan management system;
- Procure a system which had evidenced capability to run loans of the same or similar type to Innovation Loans.
- Ensure the provider has sufficient capability to train IUKL users on the system and be dedicated to the account for up to 6 months to ensure the team are comfortable using the system.
- Ensure sufficient technical resource is available to onboard the loans to the system and setup integrations to existing IUKL systems.
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Objectives

Setup & Training

- Setup Collection of Direct Debits and associated process & procedures
- Setup of integrations with IUKL systems

- Setup access to UKRI - IUKL Capital & Operating bank accounts
- Configuration of IUKL product & scenarios
- Agree Reporting format & content (daily, weekly, bi-weekly, monthly, quarterly, semi-annual & annual)
- Dedicated staff for up to a period of 6 months to allow IUKL to take on administration of the loan portfolio, being able to test a number of scenarios with the support of the provider
- Detailed training documents to be provided
- SLAs for any system queries or developments during the life of the contract to be agreed

Training to include:

- New Loan On-Boarding:
 - Load loans into Loan Management System (provide validation checks on loan profiles)
 - Provide online access to a loan portal for customers
 - Validate customer bank details and process Direct Debit details
 - Generate letters and notifications to customer's. (Content and format to be agreed with the successful supplier upon commencement of the contract)
- In-life management:
 - Process Drawdown Requests
 - Confirm Drawdown payment to customer and IUKL via automated Disbursement Letter
 - Collect daily interest payments via Direct Debit processing (daily reports should be accessible)
 - Daily reconciliations of interest due versus interest planned (reports should be provided where available)
 - Ability for the system to notify of any missed interest payments on the day they are missed
 - Record, monitor and report on any missed payments or interest holidays (Arrears Reporting) Frequency and format to be agreed with the successful supplier upon

commencement of the contract.

- Ability to charge interest daily and structure loans to any interest and repayment schedule specified by the lender
- System to automate Repayment Statements and any new letters, statements or account related communications during the life of the loan.

UKRI - IUKL reserves the right to introduce or amend Service Level Agreements and Service Credits throughout the duration of the contract, in agreement with the supplier.

Background to the Requirement

UKRI - Innovate UK Loans Limited is seeking a loan management system to support the Innovate Loan programme. Proposals are invited from institutions that can demonstrate:

- The ability for the system to manage non standard loans and be flexible in the ongoing management of these.
- Have a track record of handling different loan types and example of these in the system
- Proposals from firms who have a track-record of operating in an FCA compliant manner are welcomed but not essential.
- The ability for the system to generate and securely maintain and share current portfolio data with Innovate UK on portfolio performance, either self-service, at regular intervals and/or in response to ad hoc requests (Frequency and format to be agreed with the successful supplier upon commencement of the contract.)
- Ability and experience of integrating with other systems, such as Salesforce and DocuSign.
- Bidders are to note that anyone involved in the processing of the loans will be required to declare any conflict of interests and shall be expected to sign the Non-Disclosure Contract included within the competition documents. Same has been provided under Appendix I.

Scope

Phase One October 2022 - March 2023 (Setup, onboarding & training)

Setup & Training

- Ability to provide an overview of the end to end process, from approval through to draw

down and collections;

- Support IUKL in developing new processes to manage loan administration;
- Setup of IUKL product and training of team to allow them to understand how to setup a new structure;
- Setup of integrations to existing IUKL systems, mainly Salesforce;
- Setup of direct debit functionality;
- Any migration of existing IUKL customers and ability to test migrations have been successful;
- Testing of a number of possible scenarios to ensure the system works as expected;
- Ability to track oversight of completion of conditions precedent and execution of finance documents for each loan.

Phase Two: April 2023 onward (in life support)

Portfolio Management

- Provider team available to IUKL team for any queries or adhoc requests within agreed SLA, system developments or changes to be managed within agreed SLAs;
- System able to manage multiple tranche drawdowns and the administration of grace / capital repayment holiday periods of up to 36m;
- Ability for the system to manage and collect the ongoing payments of interest, deferred interest principal, and fees, and notify of any late payments and report on exceptions;
- Direct Debit origination capabilities,
- The ability to amend or vary loans mid-term in line with a number of forbearance processes;
- Ability to produce customer communication notifications;
- Ability to forecast interest, deferred interest and capital repayments based on a forecast drawdown profile;
- Ability for borrowers to access their loan information and review forecast drawdowns, upcoming payments etc;

- Production of monthly material issues reports or as required;
- Reconciliation of interest, principal, fees, and expenses amounts monthly, or as required
- Calculation of redemption figures for pre-payments;
- Report portfolio performance as per Phase One
- Undertake initial collections activity within the period up to 90 days overdue. (After 90 Days Innovate UK Loans (Credit Team or other team) will manage the arrears).

For avoidance of doubt, UKRI will complete the following and the Lending Administrator will not be required to:

- Undertake credit analysis or loan decisioning;
- Pursue collections activity

Detailed Requirements

1. Ability to integrate (API solution) with existing collaboration tools (Salesforce), document management tools (DocuSign) and portfolio management systems (iLevel).

a. There should be the functionality to provide daily feeds, which should be a standard offering with minimal development required.

2. Reporting

a. Financial Reporting

b. Performance Reporting

3. Document generation

a. Provide customer documentation (disbursement letters, arrears letters, monthly and annual statements, general account activity notifications, etc.) via auto generated activity-based events or triggers. Format and content to be approved by UKRI - IUKL with the successful supplier upon commencement of the contract.

4. The loan management system should have the ability to support deferred interest and different interest rates, variable terms of contracts including convertible loan notes, tranche drawdown payments, interest holidays, deferred interest and other forbearance at a minimum.

a. Daily, Weekly and Monthly reporting functionality should be available on these features as a standard offering.

5. Customer Self-Service Portal

a. Functionality for customers to logon to an on-line system to check their current account status/balance, download statements, retrieve general account documentation and notices.

b. Capability to notify customers electronically regarding new activity on their account.

6. Required to meet UKRI Security Standards and to meet or exceed UKRI Security Policy requirements

Reporting Requirements

1-Customer On-Boarding Report

2-Monthly Finance Report

3-Arrears Report - Missed Payments

4-Drawdown Report

5-Forecasted Interest and Principal

6-Bank Reconciliation Report

7. Cash Transactions Report/Upload File

8-SIC Report

9-Customer Letters and Statements

10-Automated Workflow

As part of the procurement process there will be a demonstration stage which is estimated to be held between Tuesday 23rd August 2022 to Thursday 25th August 2022. The top 5 suppliers who have scored the highest on questions PROJ1.1 to PROJ1.3 and the price element question AW5.1 will be invited to present a demonstration against the criteria listed in Appendix H.

There is a weighting of 30.00% available against the demonstration question (PROJ1.5)

Please note that the scoring model criteria used for question PROJ1.5 is slightly different to the scoring criteria for questions PROJ1.1 to PROJ1.3.

II.2.5) Award criteria

Price is not the only award criterion and all criteria are stated only in the procurement documents

II.2.6) Estimated value

Value excluding VAT: £450,000

II.2.7) Duration of the contract, framework agreement or dynamic purchasing system

Duration in months

36

This contract is subject to renewal

No

II.2.10) Information about variants

Variants will be accepted: No

II.2.11) Information about options

Options: Yes

Description of options

The maximum budget for the initial three years is £450,000.00 excluding VAT.

There is an option for extension for Year 4 & Year 5.

The optional extension of 2 years (1+ 1) on an annual basis shall not exceed £120,000.00 excluding VAT.

Section III. Legal, economic, financial and technical information

III.1) Conditions for participation

III.1.2) Economic and financial standing

List and brief description of selection criteria

Selection criteria as stated in the procurement documents

III.1.3) Technical and professional ability

List and brief description of selection criteria

Selection criteria as stated in the procurement documents

Section IV. Procedure

IV.1) Description

IV.1.1) Type of procedure

Open procedure

IV.1.8) Information about the Government Procurement Agreement (GPA)

The procurement is covered by the Government Procurement Agreement: Yes

IV.2) Administrative information

IV.2.2) Time limit for receipt of tenders or requests to participate

Date

18 July 2022

Local time

5:00pm

IV.2.4) Languages in which tenders or requests to participate may be submitted

English

IV.2.6) Minimum time frame during which the tenderer must maintain the tender

Duration in months: 3 (from the date stated for receipt of tender)

IV.2.7) Conditions for opening of tenders

Date

19 July 2022

Local time

4:00pm

Section VI. Complementary information

VI.1) Information about recurrence

This is a recurrent procurement: No

VI.4) Procedures for review

VI.4.1) Review body

UK Shared Business Services

Polaris House, North Star Avenue

Swindon

SN2 1FL

Country

United Kingdom