Royal Holloway, University of London  
Central Procurement Unit, Department of Finance  
Procurement Policy and Procedures

With effect from 1 March 2016

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1 INTRODUCTION
This document is intended as a ‘living’ document and will be regularly updated to reflect changes in internal and statutory policy and procedures. For further information and guidance on these topics please contact the Central Procurement Unit (CPU).

PURPOSE OF THE PROCUREMENT POLICY DOCUMENT
Procurement is at the heart of delivering value for money and covers everything from ordering stationery through to technical equipment, services and capital expenditure such as buildings and infrastructure.

All those undertaking procurement carry an important responsibility. The aim of this document is to help staff make and manage purchases effectively, correctly and with confidence.

The principles embedded in the document cover activities from simple purchases to more complex procurement projects.

It offers guidance on when and where technical support from the CPU can be sought and which processes should be used to ensure compliance with both statutory European Union (EU) procedures as well as how and when to apply the College’s Financial Regulations.

SCOPE

Why procurement matters

Procurement is defined as the process of acquiring goods, works and services from external providers and this document outlines the approach to be taken by staff who undertake buying as part of their role within the College to obtain best value for money from everything we buy.

Effective procurement ensures that the college makes the best use of its resources by producing the right outcome, delivering value for money over the whole life of the contract, minimising risk, protecting its reputation and operating within the law.

This document is designed to provide core guidance only. Detailed guidance and/or support from the CPU should always be sought for complex projects.
The principles of this Policy apply to all commercial contracts entered into by the College. It is the responsibility of all staff to ensure that the Policy is taken into account. The College treats non-compliance with its rules seriously and as a minimum, Directors and Heads of Service will be made aware of instances where Procurement and/or Financial Regulations have not been followed.

CPU STRUCTURE AND RESPONSIBILITY
The Central Procurement Unit (CPU) was established as a centralised procurement function to promote an integrated, specialised and strategic approach to the college’s procurement needs. The Unit is relatively small and relies on departments taking devolved responsibility for delivery of all aspects of their procurement requirements.

The CPU team work with departments to deliver a range of quality, efficient, cost effective contracts. The team also help build the capacity of the organisation by delivering training and providing guidance.

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<thead>
<tr>
<th>The CPU Team</th>
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<tr>
<td>Assistant Director, Procurement</td>
<td>Martin McDonald</td>
<td>x6511</td>
</tr>
<tr>
<td>Procurement Manager</td>
<td>Susan Fielding</td>
<td>x4288</td>
</tr>
<tr>
<td>Procurement Manager</td>
<td>Kim Cooper</td>
<td>x4181</td>
</tr>
<tr>
<td>Purchasing Manager</td>
<td>Gill Fawcett</td>
<td>x3044</td>
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The CPU aims to:

- support departmental procurement
- improve value for money
- manage risk
- ensure regulatory compliance
- look to improve specifications from a procurement perspective
- take account of post contract management through improvements to suppliers’ terms and conditions and key performance indicators
- improve the college’s ability to deliver and manage contracts by raising its capacity through training and guidance
The management of the college’s commercial relationships are at their most efficient and effective when the CPU and departments adopt a holistic approach that addresses the whole of the procurement cycle from inception/specification, through the procurement process and into the contract management phase of contracts.

WHEN TO CONTACT THE CENTRAL PROCUREMENT UNIT (CPU)
The CPU should be contacted for all complex projects or where budget holders are unsure of the proper procedures to follow. Even relatively low value contracts can involve risk.

The CPU can provide tailored advice and support to budget holders to ensure that regulations are being followed and procurement strategies are likely to produce the right outcome in terms of value for money and timescales.

It is particularly important that the CPU is contacted at the earliest stage possible as there are often legally prescribed timescales that will apply to the various stages of the procurement project. Early engagement also allows the CPU to properly plan the support you will need later in the process.

DUTIES AND RESPONSIBILITIES OF BUDGET HOLDERS
Budget holders have delegated authority to incur expenditure with the College’s overall strategy subject to the requirements as laid out in the Financial Regulations.

It is the duty of all budget holders to ensure that all members of staff within their department are aware of the Financial Regulations, the Procurement Policy and all procedures and guidance issued that relates and they follow the aforementioned regulation, policy, instructions and guidance accordingly. Budget holders must notify the Director of Finance immediately of any financial irregularity or suspected irregularity which comes to their notice.

Budget holders also have a responsibility to ensure that procurement procedures are operated ethically.
OPERATING PRINCIPLES

1. Departments are the lead and responsible owner/stakeholder for project/contract management, delivery and outcomes including:
   - Identifying need and business requirements
   - Provision of business cases and specifications
   - Day to day contract management

2. Procurement has a focus on commercial outcomes, risk management and regulatory guidance and shares responsibility for delivering these outcomes with departments

3. Procurement is the lead advisor and support for:
   - Procurement policy and strategy (college and project)
   - Tendering and evaluation
   - Guidance and procurement training
   - Contract decisions (often in liaison with legal advisors)

and will work with departments on all aspects of the Procurement Cycle

4. All buying decisions must comply with the college’s Financial Regulations
See link at https://www.royalholloway.ac.uk/finance/financialregulations.aspx

PROCUREMENT TRAINING
The CPU facilitates a number of training courses throughout the year, from awareness training to specialist areas of procurement, and extending into post-contract project management. Courses may be led by external trainers or staff within the CPU.

The College sometimes uses the Higher Education Procurement Academy (HEPA) that has been set up specifically to offer training covering a range of knowledge and skills in procurement practices. This can range from face to face courses, e-learning, regional networking, and tailored in-house procurement training.

The CPU also offers refresher awareness or tailored training to college departments and welcomes invitations from departments and individuals.
2 DEFINING WHAT YOU WANT

PROCUREMENT PROCESS

THE PROCUREMENT CYCLE
"Procurement" means the whole process of acquisition from third parties and covers goods, services and works projects. The process spans the whole life cycle from initial concept/idea and definition of business needs through to the end of the useful life of an asset or end of a services contract. Some people refer to this cycle as the “commissioning cycle”.

All procurement will typically involve the following stages:
PLANNING FOR YOUR PROCUREMENT

TENDERING

When planning your procurement project it helps to think about the various stages that you will probably need to go through. This will help you to build a programme and identify the resources and support you will need later in the project. In particular, there are EU and UK regulatory requirements to consider, and these differ depending on the value of the project – these thresholds are considered in more detail later.

A Procurement Process Flow Chart is available at Appendix A

No two projects will be entirely alike, but depending on the complexity of the process, the main stages of a tender typically include the following:

NON COMPLEX “SUB THRESHOLD” TENDERS (value below £164,176k (excluding VAT) for services)

• Identify the requirement
• Conduct all planning and approvals as required including budgets/funding
• Draft the specification and requirements
• Agree with the CPU the timetable for the process
• CPU to finalise documentation
• Send contract notice to Contracts Finder (as appropriate)
• Suppliers express interest and download the tender documentation
• Conduct site visits by suppliers if appropriate
• Bids submissions received from suppliers
• Evaluate returns - to include presentations, site visits to supplier premises, technical evaluation and so on, as appropriate
• Conclude evaluation and make recommendations to Senior College Management
• When approval is given award to successful supplier(s) and notify unsuccessful suppliers
• Start mobilisation of new supplier and termination of incumbent supplier(s) (where appropriate)
• Contract Start

ABOVE THRESHOLD (EU) TENDERS (above £164,176k ex VAT) and MORE COMPLEX SUB THRESHOLD TENDERS (including construction, which has a regulatory threshold of £4,104,394 ex VAT)

• Project Conception
• Establish the Project Board
• Establish the Business Need
• Develop the Delivery Strategy
• Agree the tender procedure with the CPU
• Obtain Funding Approval
• Develop the specification of requirements, selection and award criteria, evaluation methodology/weightings
• CPU to agree and finalise tender documentation
• CPU to issue the contract notice to the OJEU
• [Tender process timescales from here on in are determined by the relevant EU tender procedure]
• Suppliers respond with Expressions of Interest and download the tender documentation
• Site visits by suppliers are conducted as appropriate
• Bid submissions received from suppliers
• Evaluation of returns – to include presentations, site visits to suppliers or customer premises to view systems in operation, as appropriate
• Conclude evaluation and make recommendations to Project Board
• Compile Tender Report document (a legal requirement of the new regulations)
• Notify successful supplier of Intent to Award and advise unsuccessful suppliers
• Implement the “Alcatel period” - 10 day standstill period
• Deal with debriefs and clarifications from unsuccessful suppliers, which may cause the standstill period to be extended, until concluded
• At conclusion of standstill period, make award to successful supplier
• Start mobilisation of new supplier and termination of incumbent supplier (as appropriate)
• Contract start/implementation

SPECIFICATIONS
What is a specification?

• A specification is a detailed description of the requirements to which goods, services or works should conform.
• It is a detailed description of the quality of materials and standards of workmanship
• Specifications typically must not reference specific products, brands, marks or part numbers. International or European standards must be referenced where possible.

Who should write the specification?

• The project lead is responsible for producing the specification. The CPU can assist to refine the specification from a procurement perspective.
Approach to the specification

- A requirement should be set out in terms of FUNCTION (states the requirement to be performed by the product or service, i.e. its purpose. It should usually focus on what is to be achieved rather than the method of achieving the result) and PERFORMANCE (usually defines the level of performance required from the product or service rather than how the performance is to be achieved), as this:
  - Ensures no bias or favouritism towards one supplier, product or service;
  - Draws attention to the results rather than the means of achieving them;
  - Allows suppliers to offer solutions to the requirement;
  - Minimises the resources required to write the specification.
  - Specifications should refer wherever possible to relevant European and International standards. (The College may not reject tenders solely on the grounds of non-compliance with national standards or other standards to which it refers for the definition of technical specifications.)

- TECHNICAL (defines the physical characteristics of the product) specifications may be required where dimensions, colour or capacity need to be detailed, and bias should be avoided by the use of descriptions such as “similar to” or “equivalent to”.

- DRAWINGS may be used where the requirement cannot be sufficiently described, or to provide clarification, but suppliers can be given the opportunity to suggest innovative or alternative solutions.

Style of specification

- In addition to the specification complying with functional and performance aspects, the following should be adhered to:
  - The requirement should be in plain English.
  - Care should be taken to avoid jargon, and all symbols, acronyms and technical terms should be clearly defined in a glossary.
  - Generic terms should be used rather than supplier references.
  - All performance requirements or design characteristics should be quantifiable.
  - The specification should identify all relevant details, including delivery schedules, milestone payments, ownership of intellectual property rights, and so forth.

- It is best practice to incorporate the following points:
  - Use of a clear and simple title to ensure that it is not misleading. Where several items are required, the title should make it clear what the whole purchase is.
  - A list of contents
o An introduction that may serve to increase the supplier’s interest and enable them to understand the requirement in a broader context.

o Compliance with legal requirements.

You will find further guidance on how to draft effective specifications at Appendix B.

MARKET SOUNDING AND EARLY SUPPLIER ENGAGEMENT
It is often useful at the start of a project, and strictly before the call for competition has formally begun, to directly engage with the market to establish how best to structure the specification and shape the procurement strategy. You will find tips on how to do this and how to avoid pitfalls at Appendix C.

TERMS & CONDITIONS OF CONTRACT
The College has a standard set of terms and conditions for the purchase of low value goods and services.


For most contracts particularly for those of a higher value, specialist or complex nature a specific set of terms and conditions needs to be compiled to protect the College’s interests. The CPU should be consulted in the preparation of this type of contract and sometimes legal advice is sought when drafting.

HEALTH AND SAFETY
The College has high standards of health and safety and its policies and practices should always be considered when commissioning work. The College’s Health and Safety team should be consulted when appropriate and in particular where the contract involves construction, other works or maintenance services.

The College’s Health and Safety Department webpages - https://www.royalholloway.ac.uk/iquad/services/healthandsafety/home.aspx
INSURANCE REQUIREMENTS FOR CONTRACTS
When compiling the terms and conditions on contract, consideration should be given to the insurance cover required dependant on the type of goods, services or works being tendered.

All suppliers, contractors and consultants should ordinarily have a minimum insurance level of:

- Public/Product Liability: £5,000,000, and if they employ staff;
- Employers Liability Insurance: £5,000,000

Consultants carrying out commissions for the College also need Professional Indemnity insurance of at least £2,000,000. This particularly applies to Designers, Architects or Contractors who are carrying out design work and build projects.

Depending on the nature, size and risk profile of individual contracts these levels of insurance may be increased, decreased or removed accordingly. An assessment should be made on whether the insurance level is appropriate to the College’s requirement and will enable value for money to be achieved.

Project Leads should seek advice from the CPU, and in the case of Construction/Construction Design contracts, the Director of Estates, or Head of Capital Projects.

SUSTAINABLE PROCUREMENT POLICY
The College recognises its responsibilities to carry out its Procurement activities in an environmentally responsible manner and will take environmental, social and economic factors into consideration when purchasing goods and services.

A Sustainable Procurement Policy has been agreed and published by the college. Its principles should be adopted when planning all procurement projects.

When making every purchase a sustainability assessment should be made for the product or service.

Listed below are some simple questions which should be considered:

- Is the product recyclable?
- Is the product made from recycled materials?
- Is the product manufactured from renewable resources?
- Does the manufacturing process cause pollution?
- Is excessive packaging used which will require disposal?
- Does the product carry an ECO label?
- Is the product energy efficient?
More detailed information and guidance can be obtained by contacting the CPU team.

PUBLIC SERVICES (SOCIAL VALUES) ACT 2012
Procurement processes can have a significant impact on the social, economic and environmental wellbeing in a geographical area.

The Act places a requirement upon the College to consider the economic, environmental and social benefits in the procurement process when commissioning work.

Further guidance can be found at Appendix D

Contact the CPU for advice on where this act may apply and for more detailed information and guidance.

EQUALITIES ACT 2010
The College is committed to meeting the requirements of the Equalities Act 2010, including the creation of ‘a positive, inclusive environment, free from prejudice, bullying, harassment and unlawful discrimination’.

Procurement is able to contribute to those objectives through its tendering and evaluation processes, for example by checking suppliers’ credentials, policies and recent prosecution history.

More detailed information and guidance can be obtained by contacting the CPU team.

WHOLE LIFE COSTS (WLC)
Whole Life Costing (WLC) is a technique used to establish the total cost of acquisition and ownership. It is a structured approach which addresses all the elements of cost and can be used to produce a spend profile of the product or service over its anticipated lifespan.

The results of WLC can be used to assist decision making when there is a choice of product or service.

It can be used when constructing a business case or evaluating bidder submissions for a contract.
Some typical examples of individual costs to consider in WLC are:

**Pre-Acquisition Costs** Investigating the market place  
Conducting the tender process

**Acquisition Costs** Purchase price  
Delivery charges  
Insurance and taxes  
Training and support  
Internal cost of changing from one supplier to another

**Operating Costs** Labour  
Materials  
Consumables  
Energy costs  
Contract management costs

**Maintenance Costs** Specialist labour and tooling  
Replacement parts and spares  
Reduced output with age  
Servicing and inspection regimes

**End of Life Costs** Disposal  
Resale  
Ongoing liabilities  
Decommissioning  
Removal for scrap
3 PROCUREMENT GOODS, SERVICES AND WORKS

COLLEGE PROCUREMENT

The acquisition of goods, works and services comes in all shapes and sizes and as value increases, complexity and risk tends to increase. The college is also subject to legal requirements through the Public Contracts Regulations 2015. These regulations are particularly complicated for higher value procurements and codify the various procurement routes that are available and the rules that must be followed. Further information on the regulations and how they should be applied can be found in Section 5 and related appendices.

The college also specifies certain requirements related to procurement in its financial regulations and the extract below illustrates the procedures to be followed within certain price thresholds.

THRESHOLDS

Financial Regulations:

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<th>Procedure</th>
<th>Authorisation</th>
</tr>
</thead>
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<tr>
<td>Up to £5,000</td>
<td>Best price, retain for audit written record of suppliers and values</td>
<td>HOD</td>
</tr>
<tr>
<td>£5,000- £20,000</td>
<td>3 quotes, retain for audit written record of suppliers and values</td>
<td>HOD</td>
</tr>
<tr>
<td>£20,000 - £50,000</td>
<td>3 written quotes (contact CPU)</td>
<td>HOD to £25k, College’s Chief Financial Officer (CFO) over £25k</td>
</tr>
<tr>
<td>£50,000 to EU threshold (£164,176 for supplies and services /£4,104,394 for works) *</td>
<td>Formal Tender (contact CPU)</td>
<td>CFO</td>
</tr>
<tr>
<td>Above EU threshold (£164,176 for supplies and services /£4,104,394 for works) *</td>
<td>Formal Tender via OJEU (contact CPU)</td>
<td>CFO</td>
</tr>
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*as at 1st January 2016, net of VAT
DETERMINING CONTRACT VALUE
The length of a contract must be taken into account when calculating the contract value to ensure it is applied to the correct spend threshold. A contract can be made up of a single one-off transaction or multiple purchases over a number of months/years, repeat purchases may be considered as a single contract. All elements of the purchase need to be considered as part of the contract, for example; product/service training, servicing, any possible extension of the contract and so forth, and these should NOT be disaggregated (split up) to avoid threshold requirements. Advice from the CPU should be sought if in doubt.

SINGLE SOURCE SUPPLY / PROCUREMENT EXCEPTIONS
Where there is good reason for Quotations or Tenders not to be obtained, for example, where there is only a single supplier in the market, a written justification must be agreed by the Chief Financial Officer before an order is placed. If an exemption to the normal procurement route is approved, the justification will be included in a report of Procurement Exemptions to the College’s Finance Committee. This will generally not apply to purchases over the EU procurement thresholds, where competition must be sought. Advice should be sought from the CPU in advance if you think such an exemption might apply.

PROJECT GOVERNANCE/PLANNING
All major projects undertaken by staff come under the responsibility of the Planning and Resources Committee (PRC). The role of the committee is to ensure the overall fit of a project into the College’s strategic objectives and ensure adequate resource.

Guidance for project planning at the College is to be found at the following link-

FRAMEWORK AGREEMENTS
Purchasing consortia working within the Higher Education and the wider public sector conduct tender exercises to establish framework agreements for a range of commonly used goods and services. Many frameworks can be accessed by the College but not all, and so it is important that this aspect is checked before proceeding.

A framework agreement is made with one or more suppliers using common terms and conditions for making purchases, and the goods or services that may be purchased. It does not guarantee the suppliers on the agreement any business.
The benefits of using a framework agreement are that requirements for the provision of goods and services have already been tendered so the selection of compliant and capable suppliers has already been completed and indicative pricing established. This reduces the time needed to conduct the process to select the best value option/supplier. Economies of scale achieved through the use of frameworks can also improve value for money.

Most agreements require a further competition between its suppliers to meet the College’s specific requirements and deliver best value for money.

Using framework agreements

Framework rules can vary but generally they have the following characteristics:

- Further competition must be undertaken with ALL suppliers on the framework who are capable of meeting the requirement.
- Prices offered are usually lower than the pricing indicated in the original framework following a further competition.
- A Direct Call Off without competition may be possible if the framework allows for this and the College’s requirements can be specified and priced without any amendment, negotiation or competition. However, this rarely provides best value.
- Compliance and capability elements including technical capability, experience and references, must not be evaluated this time around as this has been evaluated as part of the original framework tender.
- If you are using a framework, the opportunity is limited only to the suppliers listed on the framework, so you must not add other non-framework suppliers to a further competition process.
- The basic terms and conditions of contract cannot be changed, but minor adjustments can often be made, sometimes in agreement with the lead purchasing consortia, to reflect the specific needs of the College. The CPU team can advise further on this.

Examples of relevant purchasing consortia who operate frameworks accessible to the College are:

- The London Universities Purchasing Consortium (LUPC)
- Crown Commercial Services (CCS)
- North Eastern Purchasing Organisation (NEPO)
- Eastern Shires Purchasing Organisation (ESPO)
- Yorkshire Purchasing Organisation (YPO)
- Crescent Purchasing Consortium (CPC)
There are also consortia who operate framework agreements in specialist areas, including:

- The Energy Consortium for Utilities
- The University Caterers’ Organisation (TUCO)
- The Joint Academic Network (JaNET) for IT networking
- SCAPE, LCF, SBS for Construction

Contact the CPU to find out whether there is a suitable framework that may meet your requirement.

REQUESTS FOR QUOTATION (RFQ)
A Request for Quotation is used when inviting suppliers to provide quotations for goods or services below £50k

The RFQ should contain all the information a supplier needs to be able to provide an accurate quotation. This will include but not be limited to:

- The specification of the requirement for the goods or service
- Timescales
- Delivery deadlines/ restrictions
- Payment terms
- College Terms and Conditions – where suppliers provide quotations using their own terms and conditions you should check with the CPU team before accepting the quotation
- Deadline for responses to be returned

On return the submissions should ALL be opened at the same time and with a 2nd person in attendance.

‘ROLLING CONTRACTS’
Some contracts, referred to as “Rolling Contracts” are allowed to continue automatically, without a defined end date. This practice is viewed as offering poor value, and is not permitted without approval from the CPU.

PURCHASE Versus. LEASE CONTRACTS
On some occasions suppliers may offer options for how the College pays for goods or services.

The options can be by traditional Outright Purchase, which is usually the case, or by Lease or Lease Rental.
LEASE AND LEASE RENTAL AGREEMENTS
These arrangements spread the outlay of the total cost of the goods (plus interest) over an agreed period. Some lease arrangements allow for equipment updates during the period by restructuring the payment schedule, which can be cost effective in some instances, but this arrangement sometimes has `strings attached` such as committing to the agreement for an extended period. Under a lease arrangement the title in the goods does not pass to the College, it will always remain with the supplier or finance company.

These arrangements are complicated and can disadvantage the College, so advice should be sought from the CPU before entering this type of contract.

BUYING WHERE FUNDING IS VIA THE RESEARCH COUNCIL UK OR OTHER EXTERNAL FUNDING STREAMS
Where procurement of goods or services is funded by externally funded research grants such as RCUK, the funding body procurement processes may vary widely. Contact the CPU as this can be a complex area.

PURCHASING GOODS FROM ABROAD
Purchasing goods from abroad can involve complex issues of Import duties, VAT, insurance, taxes and other considerations. Contact the CPU for advice.
4 PLACING ORDERS

USE OF ONLINE MARKET PLACES
The use of Online Marketplaces such as E-Bay to purchase or sell unwanted College equipment is NOT authorised by the College. There are a number of potential risks related to this type of procurement.

The CPU can advise regarding suitable online sites which allow equipment to be traded, swopped and/or recycled such as XCHANGE and WARP-IT.

Contact the CPU for further information.

THE COLLEGE’S ELECTRONIC PROCUREMENT SYSTEMS

ELECTRONIC PURCHASE TO PAY SYSTEM: AGRESSO
Agresso is the name of the College’s finance system and its electronic purchasing module facilitates the way goods and services are electronically requisitioned, ordered, and paid for.

For further information about the use of Agresso, including Training on the system, follow the link - https://www.royalholloway.ac.uk/iquad/services/finance/agresso.aspx

PURCHASING CARDS
The College uses Purchasing Cards where a purchase is an ‘Ad Hoc’ or ‘One Off’ transaction, does not require specific terms and conditions and therefore the supplier is NOT set up on the Agresso system.

The Agresso system must be used to raise the order if the supplier is already set up in the supplier area of the system.

Use of College Purchasing Cards is governed by protocols set out in the College’s Purchasing Card manual to be found here:

https://www.royalholloway.ac.uk/finance/documents/pdf/onlinepurchasingcardmanual.pdf

Responsibility for use of the purchasing card is with the cardholder, who must ensure that the card is used only to procure goods and services on behalf of the College, and never for personal or non-College purposes and within defined limits.

ELECTRONIC TENDERING SYSTEM – ‘IN-TEND’
The College uses the ‘Intend’ electronic tendering system for the majority of its tender processes. The CPU usually manages the process but in some circumstances can devolve elements of the process to the project leader if that is more effective.
In accordance with Public Procurement Regulations, suppliers are able to register their details on the e-tendering system, and access tender opportunities advertised by the College electronically and free of charge. Documents can be downloaded directly from the system, and suppliers can upload their returns which are locked within the system until after the tender deadline has passed. There is also a Correspondence facility which allows us to keep an auditable trail of any clarification questions during both the tender period and the evaluation.

If the estimated value of your contract exceeds the College’s tender limit, please contact the CPU to discuss use of the system, and arrange for access and guidance as required.
5 PUBLIC PROCUREMENT REGULATIONS
EU THRESHOLDS
The Public Contracts Regulations 2015 ("PCR 2015") implement, in England and Wales, the new EU Directive 2014/24/EU (the "Directive") on public procurement. This regulation also adds further requirements of UK origin that the college is obliged to follow. Some of the key aspects of the new regulations are set out below:

<table>
<thead>
<tr>
<th>Supplies</th>
<th>Services</th>
<th>Works</th>
</tr>
</thead>
<tbody>
<tr>
<td>£164,176</td>
<td>£164,176</td>
<td>£4,104,394</td>
</tr>
</tbody>
</table>

Thresholds are NET of VAT

As a rough guide to timescales for contracts above the threshold value:

- A straightforward EU tender exercise, without site visits, presentations and clarification typically takes between 4 and 6 months to complete
- A complex EU tender exercise, including site visits, presentations and clarification typically takes between 6 and 12 months to complete

BELOW THRESHOLD CONTRACTS
When a tender process is not subject to the EU regulations (such as when the estimated value of the contract falls below the relevant threshold), EU Treaty Based principles of non-discrimination, equal treatment, transparency, mutual recognition and proportionality shall still apply.

Some degree of advertising, which is appropriate to the scale of the contract, may be necessary to demonstrate transparency.

PROVISION OF TENDER DOCUMENTATION
‘Procurement documents’ is a defined term and may include:

- Technical specifications/plans
- Descriptive documents
- Pre-Qualification Questionnaire (PQQ)
- Invitation To Tender (ITT)
- Terms and conditions of contract
- Evaluation criteria and weightings
The regulations require suppliers to have full and unrestricted access, free of charge, to all procurement documentation.

This set of documents must be completed and ready for issue when the contract notice is sent for publication.

Failure to provide any of the documents listed above at the time of the publication of the contract notice, will require an extension of time and delay the tender process.

USE OF PRIOR INDICATIVE NOTICES – (PIN)
Where the tender requirements are known in advance, a PIN can be placed in the Online Journal of the European Union (OJEU) to notify potential suppliers of the upcoming tender.

When a PIN is used this allows the prescribed timescales to be reduced for the various stages of the process. They must be issued no less than 52 days prior to the contract notice being issued.

Contact the CPU for advice.

USE OF CONTRACTS FINDER
There is a new requirement under the 2015 Public Contracts Regulations that requires contract opportunities above certain financial thresholds (minimum of £50k) and circumstances to be published on the ‘Contracts Finder’ web-site (UK government e-tender portal). These requirements can be complicated and the CPU should be consulted. CPU will handle the publication where appropriate.

ABOVE THRESHOLD TENDER PROCESS:
Introduction

Above threshold tenders often involve complicated processes that require the regulations to be carefully navigated if the process is not to be challenged by disgruntled suppliers. The rules for administrating the various procurement route processes are prescriptive.

The procurement route options available include the following:

- Open
- Restricted
- Competition with Negotiation
- Competitive Dialogue
- Innovation Partnership
- Light touch regime
The choice of procurement route will depend on a range of circumstances including timescales, value, the size, scale and complexity of the market, the specification and so forth, and making the right choice will influence how successful your procurement is. All procurement routes have prescribed obligations that must be met.

Prescribed tendering timescales for different EU procurement routes are shown at APPENDIX E.

The CPU will assist in the decision making to apply the appropriate process and preparation of documentation. As a minimum the following is required:

**Procurement Routes:**

**OPEN PROCEDURE**
Refer to Appendix F for a more detailed analysis including flowchart

This is a single stage process that is generally used where there is very limited competition in the market

**RESTRICTED PROCEDURE**
Refer to Appendix G for a more detailed analysis including flowchart

This is a two stage process that is generally used where there is “healthy” competition in the market meaning that a process of shortlisting is required to manage the number of likely bidders.

**Stage 1** includes the publication of a contract notice quoting the selection and award criteria, call for expressions of interest, and supplier submission of a PQQ (Pre-Qualification Questionnaire). All documentation required at the Invitation to Tender stage is required to be completed and available to interested suppliers at this stage.

This is the selection stage of the tender process identifying and ranking the capability of suppliers to deliver the contract.

**Stage 2**, the Invitation to Tender is open only to those suppliers selected from the PQQ stage.

This can be a complex process. Please contact the CPU team for guidance.

**COMPETITION WITH NEGOTIATION** (refer to Appendix H) and **COMPETITIVE DIALOGUE** (refer to Appendix I)

These two procedures offer the potential to negotiate with suppliers under certain explicit circumstances (refer to the Appendices for further guidance). Advice from the CPU should be sought.
These processes can significantly extend typical tendering timescales.

**INNOVATION PARTNERSHIP (refer to Appendix J)**

This new procedure allows for a collaborative approach with suppliers where a market currently does not exist and research into provision is required. It is a complex process and advice from the CPU should be sought.

**LIGHT TOUCH REGIME (refer to Appendix K)**

There are a number of services that fall within a ‘light touch regime’, whereby the College has more freedom to choose how it conducts the procurement process. Likely to be of particular relevance to the College are (i) some education and training services; (ii) exhibitions / fairs / congresses / seminars / cultural events services; (iii) catering services; and (iv) legal services (with some exceptions).

The CPU should be consulted as to its application.

**THE REMEDIES DIRECTIVE**

In 2009 the Remedies Directive was introduced to further ensure fairness and transparency in public sector tendering processes by offering suppliers additional rights and protections.

Suppliers are entitled to a full and detailed written de-brief in response to their tender submission, detailing how their submission compared to the winning submission.

CPU will assist with the detailed feedback and letters must be provided to ALL suppliers who bid.

The remedies directive has increased the information provided to suppliers and has therefore made it easier for them to challenge a decision. Any challenge brought by a supplier in relation to the procurement regulations could potentially suspend or cancel the award process, set aside an existing contract, bring the College into disrepute or result in fines or damages.
6 COLLEGE POLICIES AND OTHER LEGISLATION
The following policies must be complied with when procuring goods and services:

FRAUD
Reporting suspected fraud:

ANTI BRIBERY
Anti-bribery Policy:

CONFLICTS OF INTEREST
Staff must declare to the College, via their line manager, any conflict of interest whether this may be actual or perceived, in relation to contracts that are being let.

Conflicts of interest in respect of procurement and contract management can be managed by referring to the declarations process as outlined at Appendix L.

GIFTS, DONATIONS AND HOSPITALITY
The College has set out its policy in respect of the following areas which relate to procurement:

Donation Acceptance Policy:

Gift Disbursement Policy:

Gifts and Hospitality Policy:
CONFIDENTIALITY AND FREEDOM OF INFORMATION (FOI) REQUESTS
The Freedom of Information Act (FOIA) 2000 gives the general public (including successful and unsuccessful bidders) rights to certain information which might previously have been deemed confidential. The College Secretary’s Office handle all requests relating to FOI including the College’s procurement processes.

If you receive a request for information, please ask the supplier to put their request in writing (if they have not already done so) and send it to foi@rhul.ac.uk in the first instance.

INVENTORIES
Many procurement processes will result in tangible assets being acquired by the College such as:

- Land and buildings
- Equipment
- Fixtures and Fittings
- IT Systems
- Assets in the course of construction

Once the purchase is completed departments should follow the requirements set out in the Fixed Assets protocols to register the assets in the appropriate inventories.

Information can be found at:
https://www.royalholloway.ac.uk/iquad/services/finance/fixedassets.aspx

DISPOSAL OF COLLEGE ASSETS
Rules relating to the disposal of surplus College assets can be found within the same area of the website.

SURPLUS EQUIPMENT/FURNITURE
`WARP-IT` is a portal for the recycling and reuse at no cost, of items of furniture and equipment which may be surplus to requirements. The benefits of using `Warp It` are:

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduction in procurement costs</td>
<td>Not buying new items each time</td>
</tr>
<tr>
<td>Reduction in the waste produced/costs of waste to the College</td>
<td>Not buying new items therefore no additional CO₂ generated during manufacture</td>
</tr>
<tr>
<td>Reduction in Carbon Dioxide (CO₂) emissions</td>
<td></td>
</tr>
</tbody>
</table>
SALE OF USED EQUIPMENT/FURNITURE
All departments will from time to time have surplus items of furniture or equipment which still have a residual value and could be sold on. There are a number of requirements that need to be considered when the items are in a used condition, particularly in relation to safety and whether any sale is to another commercial organisation, or to an end consumer. The College has legal liabilities and responsibilities in respect of the sale of these items.

Please contact the CPU for advice.
7 EVALUATION AND AWARD

EVALUATION

Most contracts are evaluated on the basis of the `most economically advantageous tender` (MEAT). This is a mix of quality and cost criteria. Occasionally bids are evaluated purely on price, but this is rare.

It is important that the evaluation process is fully documented and published with the tender documentation. This includes being clear about the evaluation criteria, weightings and how bids are to be scored.

Further evaluation guidelines can be found at Appendix M

Qualitative evaluation

The qualitative evaluation of responses from suppliers is undertaken by the Project Lead and other specialists.

Qualitative evaluation should be designed to test how well the bidders have responded to the specification requirements.

The CPU is able to provide examples of typical evaluation criteria.

Qualitative evaluation may include product testing, site visits and presentations. Care must be taken to ensure the process is as objective as possible, properly structured and documented. This will help avoid and defend against legal challenges from unsuccessful but disgruntled bidders.

Pricing evaluation

The pricing submission is typically evaluated by the CPU. Usually this will involve a maximum score being awarded to the lowest pricing submission, with the other submissions allocated a pro-rata score from the lowest price. However other models may be adopted as appropriate.

Weighting & scoring

Elements for both qualitative and pricing evaluations need to be scored against objective criteria and weighted in terms of their relative importance. Some evaluation criteria, if critical to the success of the contract, may be evaluated on the basis of a simple `Pass/Fail`, rather than allocated a score. The CPU can advise on appropriate measures for scoring and how the various elements can be weighted.

The Project team should not discuss the evaluation process with anyone, other than requesting clarifications from the bidders which must be conducted via the In Tend system.
THE EVALUATION TEAM
The evaluation team should be made up of relevant stakeholders who are able to objectively score bidders submissions, together with advisory input from other Professional Services groups as required, such as CPU, the Strategic Planning Unit or Information Technology Services.

The process should be kept as simple as possible and groups of evaluators should remain the same for various aspects of the evaluation, for example, if you are scoring a particular technical aspect then the same people should complete the scoring of that section for all of the bids.

For larger and more complicated evaluations individual scorers/groups can score provisionally separately and then come together for a `moderation` meeting to agree a final single score by consensus. This methodology protects the evaluation panel against individual scores being challenged.

It is important that reasoning is documented for the purposes of feedback. This is a regulatory requirement, and it is worth remembering that any notes, including handwritten ones, may be requested under the Freedom of Information Act.

It is College policy that all debriefs must be provided in written form only, no verbal debriefs should be provided. If you feel that an exception should be made then it is important to consult the CPU.

POST TENDER CLARIFICATION (PTC)
During the tender evaluation there may be a requirement to seek further clarifications from bidders. These should be carried out in conjunction with CPU staff to ensure that other suppliers are not disadvantaged and that trust in the tendering process is not adversely affected.

Post Tender Negotiation is NOT allowed.

ABOVE THRESHOLD TENDERS - THE TENDER REPORT
Once the evaluation team has finalised the evaluation and agreed the preferred supplier, a Tender Report must be completed for two reasons; firstly to obtain the necessary authorisation to proceed to the award stage, and internal sign off of the purchase order for the supplier, and secondly, under the 2015 UK Contract Regulations this is a legal requirement and has to cover a number of specific points.

The report will cover details of the tender and the evaluation process, including the justification for decisions taken during the procurement, and the final recommendation. Issues of non-compliance or qualifications to the tender, as they affect the recommended supplier, are to be identified and any information that is relevant to the decision making process.

The report should be forwarded to the CPU before the contract is awarded.
8 CONTRACT MANAGEMENT
Management of contracts after they are awarded is an important element in obtaining value for money for the College. However, planning for effective contract management should begin at the initial project planning stage and be captured in the specification and other contract documents.

PRE-TENDER STAGE
Detailed Guidance to follow

MOBILISATION
Detailed Guidance to follow

DURING THE CONTRACT
Detailed Guidance to follow

PLANNING FOR THE END OF THE CONTRACT
Detailed Guidance to follow

MEASURING PERFORMANCE
Detailed Guidance to follow

CONTRACT ADMINISTRATION
Detailed Guidance to follow

MANAGING DISPUTES
Detailed Guidance to follow

CHANGES DURING THE CONTRACT PERIOD
Detailed Guidance to follow
RELATIONSHIP MANAGEMENT

[Detailed Guidance to follow]

WARRANTIES
Some goods purchased will come with a warranty. Departments should retain ALL documents relating to the purchase, including warranties so the College can take advantage of them if required at a future date.

RETENTION OF DOCUMENTATION
For legal and audit purposes all documentation used for Tenders and Request for Quotations must be retained for a minimum of 6 years.

Where the process is conducted via the electronic tendering system `In- Tend` the documentation is automatically captured and retained. If the procurement process was not conducted via `In Tend` then all documentation is to be retained by the Project Manager
APPENDIX A: Procurement Process Flow Chart
**Procurement Policy and Procedures**

**START**

1. **Identification of a need or requirement**
   - Guidelines for Early Market Engagement process

2. **Contact Central Procurement Unit**
   - Ext: 3071 or email CentralProcurementUnit@rhu.l.ac.uk

3. **Develop Specification and contract provisions**
   - Specification Checklist
   - Contract Management Checklist

4. **Assess procurement options**
   - Existing contract/framework agreements availability
     - yes
     - no
   - Agree suitability/route with CPU
     - yes
     - no

5. **Use contract/framework agreement in accordance with its terms and conditions, and any relevant further competition guidance and tools/templates provided**

6. **Assess alternative procurement options in discussion with stakeholders including CPU and agree route to market and College tender process**
   - Does value exceed EU tender threshold?
     - yes
     - no
   - Is there an existing market for the services?
     - yes
     - no
   - How large is the market?
   - Will pre-qualification of suppliers be required?
   - Are there any specific social, local or environmental considerations to be taken into account?
   - Buyer’s Guide/Competition Evaluation Guidance issued by Framework Agreement Owner
   - Flow charts of individual processes including indicative timescales and overview
   - No

7. **Agree suitability/route with CPU**

8. **Develop tender process methodology and evaluation guidance**

9. **Go out to market**
   - yes
   - no

10. **Evaluate supplier responses**

11. **Enter into contract/Raise PO**

12. **Document delivery of services and transition to business as usual**

13. **Evaluate supplier feedback**

14. **Use of e-tendering system/government portal in conjunction with CPU**

15. **Tender Evaluation Guidance**

16. **College Contract Management Standard (currently in development)**

17. **Tender Contents Checklist**
APPENDIX B: Drafting Effective Specifications
Appendix B: Drafting Effective Specifications

Specifications

The Chartered Institute of Procurement and Supply defines a specification as ‘The description of the requirement that needs to be met. Specifications fulfil two basic purposes: to communicate what is needed to the supplier, and to allow measurement as to whether the goods or services delivered meet the required standard. There are two broad types of specification: input and output. Input specifications describe the technical standards which need to be met, and are sometimes called technical or detailed specifications. Output specifications, such as performance or functional specifications, describe the function that needs to be performed and the outcomes that need to be met by the solution’.

What a GOOD specification does:

• Clearly describes what is required
• Focuses on the outputs and/or outcomes required without being prescriptive as to the method the supplier should use to provide it (output specification)
• Be sufficiently tight so that the product or service fits the user’s needs, but not so explicit that it discourages the supplier from proposing innovative solutions that optimise Value For Money (VFM)
• Includes performance targets or include criteria for acceptance of the products or services
• Includes service levels and a process for measuring ongoing performance
• Avoids over-specification of performance (more than "Fit for Purpose" or than is actually required) to ensure procurement at the optimum cost
• Takes account of any e-Commerce requirements
• Takes account of sustainability policies where appropriate
• Takes into account suitability of design for all users
• Takes account of any relevant legislation e.g. health and safety and equality
• Takes account of any relevant policies e.g. is the requirement one that would be suited for the inclusion of a Community Benefits clause?
• Takes account of any licensing requirements that a supplier must have in order to operate in a particular industry/sector and which are relevant to the performance of the contract e.g. a security guard must have the appropriate SIA licensing to ensure they are properly trained and qualified to do their job.
• Does not refer to brands or trade names but refers to the characteristics of the product e.g. it is not permissible to specify a particular product brand. Think Ball point pen rather than Biro.
• Ensures that any requirements for limits, tolerances, deliverables timescales etc. are practical and realistic
Appendix B: Drafting Effective Specifications

• Considers commercial and ongoing performance management aspects of the contract throughout the supply chain e.g. payment terms including those to subcontractors.
• Supports a structured method of tender evaluation
• Is able to form the major part of the formal contract between the purchaser and the contractor

What a POOR specification may lead to:
• The College missing its objectives
• Wasted money
• Unsuitable tenderers
• Unsuitable bids
• Mis-interpretation of requirements
• Major difficulties in evaluating the bids
• Wrong or unsuitable products/services supplied
• Claims of unfair treatment being made by tenderers

Things to think about when you draft/assemble specifications
• You must link your award criteria to your specification. They must relate directly to the subject of the contract and not be discriminatory
• Be aware that once you have procured and awarded your contract, the scope to make changes to the specification (such as asking the supplier/contractor to deliver more, or less of something that was not specified at the time of tendering) is limited and any such changes can be challenged in the courts. If it is not possible for the supplier to deliver the contract as originally intended as a result of omissions or errors in the specification, you may have to terminate your contract and undertake a new procurement process

Variants
• A variant bid is one that ‘is different from that specifically requested by the contracting authority (i.e. the College) in the tender documents. Examples of variant bids are those proposing different pricing structures, or new and innovative ways of delivering a service’ (source: Mills & Reeve LLP)
• If you intend to award a contract on the basis of the Most Economically Advantageous Tender (MEAT) rather than on Price alone, you may consider variants on the requirements as long as you have specified them in the contract notice. You must also state the minimum requirements to be met by the variant and how you will evaluate the variant in the contract notice.
Appendix B: Drafting Effective Specifications

Who provides the specification?

- The Project Working Group is responsible for developing the specification under the guidance of you, the Project Manager. They should ensure that other end-users, stakeholders and technical specialists (including CPU) are consulted where appropriate. Part of this role is to challenge accepted thinking and perhaps explore opportunities to incorporate economic and social development (such as a requirement for the employment of local staff, or apprentices as part of maintenance contracts) and sustainability considerations.

- Planning and research are the foundations of a good specification. Allow yourself and the Project Group sufficient time to create them.

- Consider using Market Sounding and Early Market Engagement processes to discuss your specifications with a broad range of potential tenderers. Ask the CPU for separate guidance on Early Engagement if you are considering this.

- If you do engage in pre-procurement engagement with suppliers, this must be done in a fair and transparent way to avoid distorting competition and/or giving any potential tenderer an advantage. Take care to avoid both genuine and the impression of unfairness to any individual or group of tenderers.

- Under no circumstances make any commitments to any suppliers during Early Market Engagement processes.

- Also take care to ensure that you do not accidentally disclose any innovative ideas and approaches that give a supplier(s) a competitive edge, whilst developing your specification (for example, including proprietary methods or Intellectual Property Rights).

- Suppliers should not be put to unnecessary cost through casual enquiries for bids. Make it clear to suppliers that any you ask them for during Early Engagement processes is indicative only.

Output/performance specifications

- As far as possible try to write specifications in ‘performance’ terms, focusing on the function of the product/outputs/deliverables of the service required. This allows and encourages suppliers to propose modern solutions.

- If you have to use a full design specification (which starts with exact details of the physical dimensions, the materials used, power input and output, manufacturing processes required and soon) which by nature may make it essential to narrow the options down, discuss this with CPU, especially where the EU Regulations apply.

Technical specifications and standards

- The EU Procurement Directives have set extensive rules on how we may define and incorporate technical specifications and standards.
• You must avoid reference within a technical specification which has the effect of favouring or eliminating particular suppliers by specifying a particular material or goods of a specific make or source or to a particular process, or trademark, patent, type, origin or means of production.

• As an example, we don’t specify "Hoover" or “Henry” when we mean a vacuum cleaner. In exceptional circumstances such reference may be justified if either the subject of the contract makes the use of such references indispensable or where the subject of the contract cannot otherwise be described in a manner which is sufficiently precise and intelligible to all bidders. In either circumstance, such reference must be accompanied by the words "or equivalent".

Using Samples, patterns and so on in specifications

• If the project working group cannot produce a detailed description of the requirement, you may issue samples or patterns to the tenderers or ask them to provide them as part of the procurement process. In this case, you must keep a "sealed sample" for later comparison with the products that are supplied. Samples, patterns and drawings may also form part of a design specification.
• Any samples that are no longer required should be returned to the tenderer.
• Take care to ensure that Copyright is not breached when using samples, patterns etc. for specification purposes. Consideration again needs to be given to the Intellectual Property Rights of the tenderers.

Simplification and variety reduction

• You can use simplification and variety reduction to eliminate complexities in design by omitting different types, sizes, grades of products. As a simple example you could reduce the number of colours in which you purchase an item or reduce the number of different sizes you keep in stock. These techniques can help you to reduce costs and obtain better value for money, particularly when specifying for large collaborative procurements in common categories such as stationery.

Contract implementation/contract and supplier management

• As the project group develop the specification (especially if it is an output based specification), consider how the College will measure the quality and performance aspects of the goods and/or services. You will need to translate these elements into the Management Reporting Information you will require from the supplier(s) during the contract, and the Key Performance Indicators, and INCLUDE THEM BOTH in your Invitation to Tender (ITT) and Terms and Conditions of Contract.
Review and Sign Off

Before you contact the CPU/Project Board for final sign off of the specification, ensure that:

- The requirements are complete and accurate
- You have taken stakeholder needs and future developments into account
- The specification is consistent with the College’s requirements and objectives including the business case, EU Directives, other relevant legislation, procurement & contract strategies, sustainability objectives and evaluation strategy
- You have updated the project risk register to ensure that related risks have been closed or managed

Specification Checklist

As Project Manager, when you are preparing and reviewing specifications, think about the following:

**Description**

Are previous (similar or related) specifications available (possibly via colleagues in other universities, colleges or public sector organisations)?

Are the requirements stated clearly, concisely, logically, unambiguously and contain the essential features or characteristics of the requirement?

Do the specifications contain enough information for potential suppliers to design and cost the products or services they will offer?

Are limits, tolerances or performance targets reasonable and reliable? Are they written in such a way that they define the criteria for acceptance of offered products or services (service levels) as well as permitting them to be evaluated by examination, trial, test or documentation?

Do specifications conform to relevant national, European or international standards (such as ISO9000 series for Quality Management systems or ISO14001 series for Environmental Management systems)?

Do specifications provide equal opportunity for all potential suppliers to offer a product/service which satisfies the needs of the user department/professional service and which may incorporate alternative, technical solutions? Ensure that specifications do not contain features that directly or indirectly unlawfully discriminate in favour of, or against any supplier.

Is the specification presented in performance terms rather than a detailed design (so the performance required is described, and the means by which the output is achieved is left to the bidder’s discretion)?

Are you sure that it does not over-specify requirements (specify performance that is more than ‘Fit for Purpose’, or ‘gold plated’)?

Have you taken due account of the College’s HR, health and safety, environmental, social, and any other relevant policies?
Have you considered the possibility of variety reduction and simplification?

Does the performance of the contract require the supplier/contractor to hold licences or particular accreditations, and does the specification reflect this?

Are site specific requirements necessary (and if so, have they been included)?

Have all appropriate stakeholders been consulted and their input/feedback incorporated?

Has the specification been reviewed and signed off by the Central Procurement Unit?

Has the specification been reviewed and signed off by your Project Sponsor and Project Board?
APPENDIX C: Market Sounding & Early Supplier Engagement
Market Sounding & Early Supplier Engagement

Market engagement is a process that allows you to:

- Communicate the College’s needs or requirements to suppliers
- Understand current market capacity, capability and trends
- Openly and transparently discuss potential solutions
- Potentially stimulate innovation in the design and delivery of solutions to the requirement

There is no formal process for market engagement, but pre-procurement activities typically include:

- Desktop research and analysis of the particular market
- Consulting with colleagues in other universities and colleges, either informally or via appropriate Higher Education networks such as the Universities and Colleges Information Systems Association (UCISA) for IT, British Universities Finance Directors Group (BUFDG) for Finance, or the Associations for University Directors of Estates for construction (AUDE)
- Attending industry trade shows
- Holding or Attending ‘Meet the Buyer’ or ‘Meet the Supplier’ events
- Meeting with industry bodies
- Meeting with a group of key suppliers or contacting a range of suppliers individually for feedback (Market Sounding)
- Issuing Prior Information Notices via the EU Online Journal

Care should be taken to engage with a good cross section of suppliers to best inform your strategic options i.e. the views of a Small and Medium sized Enterprise (SME) compared with a large or multi-national supplier are likely to be different.

Supplier interest can be generated by publishing advance notice of likely requirements, for example through placing Prior Information Notices (PINs) on the UK or EU government portals (please contact the CPU if you are interested in this approach).

Benefits of Market Sounding

Market sounding brings learning into the public sector that is useful in a broader sense. Your Project Team may need to gain a better understanding of the relevant markets to develop your procurement strategy, both in terms of how the market operates currently and how it may operate in the future (i.e. changing technology, market entrants etc.).
Early engagement with potential suppliers can be critical to success and it is vital to understand the key issues before starting any procurement. It must be undertaken with care and in such a way as does not distort competition (for example, you must seek the same information from all of the suppliers you contact as part of the process). It is vital that any discussions regarding costs at this stage should be indicative only and you must make this clear to suppliers. You must keep a record of any early engagement activities you undertake.

Specific Things to Think About

Enquiries at market sounding usually fall into particular areas. These are not questions to ask of suppliers, but rather questions that you and your Project team should seek to answer for yourselves through the pre-procurement engagement you undertake with suppliers.

- Maturity: is the market ready to deliver what's required? Is it evolving or diversifying with suppliers entering or exiting the market?
- Feasibility: will the market be technically capable of meeting your requirement?
- Technical/product innovation: are any technological advancements or product/service developments expected and how can the College’s requirement be ‘future proofed’ to take advantage of these?
- Competition: how many suppliers provide what is required? Will there be effective competition?
- Capacity: are there enough suppliers, with sufficient capacity, to meet our requirement?
- E Commerce: is the market ready to embrace the electronic suite of tools that are currently utilised within the sector (such as electronic ordering and invoicing, BACs transfer, consolidated invoicing)
- Working together: will the requirement bring suppliers from different subsectors together in a new way? How will this work?
- Geographical: do suppliers operate differently or provide different goods or services in different geographical areas e.g. in another country?
- Traditions and prevailing attitudes: why are suppliers in this market? How will the traditions and culture of the market affect the project?
- Sustainability: can suppliers provide solutions to sustainability issues?

Discussions with suppliers

Contacting and talking to suppliers is at the heart of early supplier engagement. It is crucial to talk with the right companies - ideally, those who have achieved outcomes of a similar nature and scale.
Great care must be taken to ensure that those contacted are not given an advantage over other potential suppliers. It is equally important to ensure specifications are not written in such a way as to favour any particular supplier(s). If either of these approaches are not adhered to the College could be in breach of the UK and EU Public Contract Regulations and the procurement process itself could be challenged.

It is advisable to prepare some standard information in advance, to issue to the suppliers, so that everyone has the same background information.

This could include:

1. An Early Engagement Information Pack setting out:
   - The College’s unmet need (the problem or issue your project is addressing);
   - The requirement (preferably in outcome terms – the results you want the project to deliver);
   - The context (an overview of the current situation and any drivers for change);
   - The procurement opportunity (likely scale and indicative timeframes)

2. A Response Form

To standardise the initial responses you receive from the supply chain. Contact the CPU for previous examples.

Some possible questions to include, and open productive discussions with suppliers include:

- Are you interested in this opportunity?
- If not, why not?
- Is the business model we are currently proposing realistic?
- Are the business aims realistic? Is the business attractive to your company?
- What do you see as the risks?
- Can you give an early indication of cost, what are the major cost drivers and how can these be minimised?
- Can you give a broad indication of the likely timescales?
- Are there other, better approaches to the requirement?
- What added value in terms of sustainability could the supplier provide related to the subject matter of the contract?
- Discussions on how suppliers can provide added value on sustainability and other issues over and the requirements of the procurement regulations
- Can the supplier share any examples of good or bad practice in terms of how others have tried to secure these products or services and what can the College do to ensure clarity and improve the tendering process for suppliers?
You may also wish to discuss aspects of e-Commerce with suppliers such as:

- (In the case of supplies) The provision of content in the required format e.g. an e-catalogue or transactional punch-out site
- Ability to accept cXML purchase orders and / or invoices
- Use of online tendering

Appropriate representatives from the project team should be present at meetings with suppliers (including technical and/or input from CPU as required). From the supplier side, someone who understands your requirements and can offer innovative solutions and constructive advice should be present. If you require technical experts to be present rather than sales staff, you must make this clear in the information that you issue ahead of any meetings. The right attitudes must be adopted: respecting confidentiality, maintaining flexibility and openess.

Things for your project team to consider as a result of early supplier engagement:

- Be open to new ways of shaping your requirement based on what the market may be able to provide;
- (Depending on the size and scale of the project) Consider the options for shaping the market: encouraging the market to develop in such a way that it can meet your requirements in the future. Engaging the market provides an opportunity to ensure that services provided are at the forefront of those available

The overarching theme of early engagement with suppliers is to identify the desired outcomes, risks and issues and permit suppliers to provide feedback on how the outcomes might be achieved, the risks and issues as they see them, along with feedback on timescale, feasibility and affordability. All discussions should flow from this theme.

Early engagement processes should also take into account the knowledge held by other buying organisations (particularly other universities and colleges within the sector and/or purchasing consortia who purchase on their behalf), specific trade industry bodies and more general business support organisations such as the Federation of Small Businesses, Chambers of Commerce, and so forth.
APPENDIX D: Mini Guide to the Public Services (Social Values) Act 2012
Mini Guide for Integrating Social Value into Procurement for Project Leads

OVERVIEW

This guidance document is for project leads to clarify the way in which social value is managed in relation to the procurement process. The guide provides information and advice on how the College will promote social value in its procurement processes.

This is a guidance document only and does not cover all relevant issues comprehensively. Please contact the Central Procurement Unit for more detailed information.

THE ROLE OF PROCUREMENT IN PROMOTING SOCIAL VALUE

The results of procurement processes can have a significant impact on the social, economic and environmental wellbeing in an area. There can often be additional value beyond the economic, social and environmental benefits that may be achieved by the services procured.*

LEGAL BACKGROUND

The Public Services (Social Value) Act 2012 came into force January 2013. The Act places a requirement to consider the economic, environmental and social benefits in the procurement process.

- How what is being procured might improve the economic, social and environmental wellbeing of the community?
- How in conducting the procurement the college might act to secure an improvement?

What is Social Value in Procurement?

...“the additional benefit to the community from a procurement process over and above the direct purchasing of goods, services and outcomes”

What is beneficial in the context of local needs or the particular strategic objectives of the College? (For example, the potential inclusion of the use of apprentices in maintenance or construction contracts)

Social Value overlaps with environmental sustainability and the subjects are often considered together during the procurement process.

WHAT THE COLLEGE WILL DO IN PROCURING SERVICES RELEVANT TO SOCIAL VALUE

The Social Value Act relates to service contracts and to those combined service/goods contracts where goods are a minority and where the contract is above the EU threshold.

The Act applies to the pre-procurement stage of contracts for services as this is where social value can be considered to greatest effect. The College will use this stage to review outcomes and the types of services to procure before commencing the process.
At the pre tender planning stage the Project Lead will need to consider whether social value is a core requirement and if so how that will be reflected in the contract specification and tender process. This process may also need to strike a balance with other key contract objectives. Is there any additional benefit to the community from the procurement process by including social value criteria?

**How to implement Social Value**

Following the identification of the need for the procurement / prior to re-tendering a contract renewal:

- examine the existing contract- what Social Value is being achieved already?
- are there any College policy goals to be achieved in a new contract by including Social Value?
- include the criteria into the specification and evaluation process
- conduct stakeholder and user consultations
- engage and consult with local suppliers to build capacity and encourage to bid
- document the process to record that Social Value was considered, and retain a file note
- expand the specification to provide maximum social benefit
- simplify the procurement processes/adopting short listing criteria that do not favour only large organisations
- build capacity of local suppliers to allow them to bid
- break down large contracts into smaller lots to encourage SME`s to bid

Social value criteria should be **reasonable and proportionate** to the contract.

Examples of social, economic and environmental criteria which might be included are:

- promotion of training, employment opportunities
- compliance with social and labour law
- promotion of SME`s and civil society organisations
- stimulation of socially conscious markets
- promotion of fair and ethical trading
- ensuring more effective and efficient public expenditure
- contributing to health improvement policies
- stimulating social integration
- stimulating demand for environmental-friendly goods, services and works
- contributing to climate change mitigation targets and energy efficiency

Including Social Value is not purely adding value but also includes reducing impacts, for example, reducing greenhouse gases (GHG) in relation to environmental criteria, use of apprenticeships by construction companies in relation to social criteria.
Examples of some types of contracts for which social value is to be considered:

- Construction projects
- Waste management
- Contract Cleaning Service

**Note:**

1. *Research has shown that spending on local suppliers can have a significant multiplier effect. In Northumberland they experienced +400% impact on the local economy with social enterprises compared to spending with suppliers outside of the area.*

2. Where there is an existing framework agreement, if Social Value has not been included into the initial requirement then there is limited potential to include it into the mini competition stage.

3. The Social Value act was intended for application by Local Authorities and it is by error that HEI’s are included.

**WEB LINKS**

A brief guide
http://www.socialenterprise.org.uk/advice-support/resources/the-social-value-guide

Very useful website with lots of information re: social value information for users/ procurers

List of all social enterprises
http://www.socialenterprisemark.org.uk/dir
APPENDIX E: Prescribed Timescales for EU Procurement Process Routes
Appendix E: Timescales for Procurement Processes

Timescale Tracker – Public Contracts Regulations 2015

The table below sets out the key minimum permitted timescales and maximum permitted reductions relating to the main contract award procedures under the new Public Contracts Regulations. The most important thing to remember when you are setting your timetable is to allow sufficient time for suppliers to prepare appropriate responses to your requirements, taking account of the proposed contract, the award procedure, and any other elements of the process you include, such as site visits. You will also need to allow time for other elements of the procurement process, such as evaluation of tender responses, presentations and demonstrations (if applicable) and obtaining Project Board/Budget holder approvals. If you think that the value of your procurement may exceed the OJEU threshold, please contact CPU at the earliest opportunity.

<table>
<thead>
<tr>
<th>Choice of procedure and stage</th>
<th>Standard Minimum Timescales Stipulated by Public Contract Regulations 2015</th>
<th>Potential Options relating to Public Bodies OUTSIDE of central government</th>
<th>Impact of using e-tendering system to run the tender process</th>
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<tr>
<td>Open Procedure</td>
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<tr>
<td>From despatch of contract notice to tender submission deadline</td>
<td>35 days</td>
<td>Reduce timescale by 5 days (30 days)</td>
<td>Reduce timescale to 15 days</td>
<td>Reduce timescale to 15 days</td>
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<tr>
<td>Standstill after issuing Intention to Award notifications</td>
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### Appendix E: Timescales for Procurement Processes

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<td>From despatch of contract notice to pre-qualification questionnaire (PQQ) submission deadline</td>
<td>30 days</td>
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<td>Reduce timescale to 15 days</td>
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<tr>
<td>From despatch of Invitation to Tender (ITT) to submission deadline</td>
<td>30 days</td>
<td>May agree a time-limit with tenderers – in absence of agreement the minimum period is 10 days</td>
<td>Reduce timescale by 5 days</td>
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<td><strong>Competitive with Negotiation</strong></td>
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<tr>
<td>From despatch of Invitation to Negotiate (ITN) to submission of initial tender</td>
<td>30 days</td>
<td>May agree a time-limit with tenderers – in absence of agreement the minimum period is 10 days</td>
<td>Reduce timescale by 5 days</td>
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**Innovation Partnership**

| From despatch of contract notice to expressions of interest submission deadline | 30 days | | | |
| Standstill after issuing Intention to Award notifications | 10 days | | | |
Appendix F: Procurement Routes – The Open Procedure

OJEU Tendering: Open Procedure

**(OPTIONAL STAGE)**
Dispatch Prior Information Notice (PIN) to OJEU and Contracts Finder portals – not a call for competition – (optional) allowing shortened tender timescales.

Must be 35 days minimum and 12 months maximum at time of despatch of contract notice to permit shortened tender timescales.

Dispatch contract notice to OJEU Via Themis software solution from Achilles (PLEASE NOTE: CPU will issue the notices on your behalf). Dispatch contract notice to UK Govt Contracts Finder portal and make procurement documents available via e-tendering system (InTend) from publication date of notice (PLEASE NOTE: this may be up to 10 days after the notice is sent to the OJEU).

35 days minimum from publication date of notice. Less 5 days if tenders are being submitted via e-tendering system (30 days).

15 days minimum for accelerated timescale or where publication of a valid PIN is not a call for competition (PLEASE NOTE: Accelerated timescales are usually only used in times of emergency such as war or national disaster).

Deadline for receipt of tenders

Assess compliance with minimum capacity requirements, evaluate tender submissions and determine winning supplier

Issue Intention to Award letters to all suppliers, and written feedback to unsuccessful bidders (PLEASE NOTE: The College DOES NOT provide verbal debriefs for any procurement process)

Mandatory standstill period

Issue Confirmation of Award letters to all suppliers, and conclude contract with winning supplier

Dispatch Contract Award Notices to OJEU and Contracts Finder portal via Themis/In-Tend systems
The Open Procedure

Appropriate for:

- Straightforward procurement projects
- Where you know Off-the-shelf solutions to your requirement exist
- Where you know there is a well-established supplier market that can meet your requirement
- Where there is likely to be a limited number of responses to the tender

Specific Things to Think About:

- There is no knowing how many submissions you are likely to receive, so it is essential that you understand the size and scale of the supply market by undertaking early market engagement activities BEFORE choosing the Open procedure
- Although this is a single stage procedure we are allowed to assess supplier capacity. Contact CPU for the latest versions of the questions we are required to use
- Single stage = ALL of your tender documents must be ready for issue at the same time
- What are the critical (PASS/FAIL) criteria that must be included in the Contract Notice and tender documents?
- Are there any specific legislative requirements (such as registration or licenses) that suppliers must meet?
- Are there any specific training or certifications that suppliers must have?

(Optional Stage) Dispatch Prior Information Notice (PIN) – not a call for competition (optional) allowing shortened tender timescale

If you send a PIN notice for publication on the Online Journal of the European Unit (OJEU) and Contracts Finder web portals at least 35 days and not more than 12 months before you dispatch your contract notice, you can reduce the minimum timescale for the return of tenders from 35 to 15 days

FAQ

What is a PIN?

The main use of a PIN is to give the market advance notice of our requirements. Some public sector organisations issue a PIN containing all of the EU tenders they intend to run within a twelve month period. Because we are not in central government, we can also use the PIN as a call for competition (as long as it has been sent within the timescales above).
What happens if you use a PIN as a call for competition?

If you use a PIN as a call for competition suppliers will respond to let you know of their interest in our requirement (the goods, services or works), and if you have asked for it, to provide any pre-qualification information we have asked for. When we come to run the specific tender process (whether it is open, restricted or another procedure) we would send the suppliers an Invitation to Confirm Interest, together with any other pre-qualification information required (if it is a two stage restricted process).

What happens if you use a PIN not as a call for competition?

We can use a PIN to shorten timescales for open (one stage) and restricted (two stage) tender processes, and also the competitive procedure with negotiation. As long as we comply with the 35 day minimum/12 month maximum rule above when we send the contract notice for publication, we can reduce the timescales to 15 days in an open procedure and 10 days in a restricted procedure and competitive procedure with negotiation.

Are there any other uses for a PIN?

Yes. We can use PINS as part of marketing testing/sounding processes before we go out to tender, to inform us about the size, scale and circumstances of the current market for particular goods and services. It is especially useful where a supplier claims to be the sole source of supply.

**Dispatch Contract Notice**

This is the formal start of the Open tender process. Contact the CPU who will provide you with a pro-forma contract notice to complete for your tender.

Under the terms of the UK Public Contract Regulations 2015 we must also advertise any opportunity over the OJEU limit on the government’s online portal ‘Contracts Finder’, however, we must wait until the Contract Notice is live on the OJEU website before we publish the tender documents and advertisement.

The submission date for the return of tenders must be at least 35 days after the contract notice publication date, although we reduce this by 5 days to 30 days as suppliers can receive tender documents electronically. We state the tender submission date in the Contract Notice.
Appendix F: Procurement Routes – The Open Procedure

If we have issued a PIN for publication at least 35 days before and not more than 12 months before the Contract Notice is dispatched, we can reduce the tender period to 15 days. In practice, we seldom use PINS.

**Deadline for receipt of tenders**

Because we use an e-tendering system (In-Tend) our tender submission dates must be a minimum of 30 days from the date that we send the Contract Notice to OJEU. If we have issued a PIN for publication at least 35 days before and not more than 12 months before the Contract Notice is dispatched, we can reduce the tender period to 15 days. We are required to make the procurement documents (i.e. the Invitation to Tender and supporting information) available on In-Tend when the Contract Notice has been published.

**Assess compliance with minimum capacity/capability requirements, evaluate tenders and determine the winner**

The Public Contract Regulations do not specify a minimum length for a tender evaluation, although we always publish a provisional timetable with any tender. We state any minimum levels of requirement (such as insurances, financial capacity and so on) in accordance with the standard requirements issued by the UK government. The CPU will discuss these with you as part of putting the tender documentation together. For Open tenders we issue the Award criteria as part of the ITT and this is on the basis of the best price/quality ratio (which can be on the basis of the lowest price).

**Issue Intention to Award Letters**

Once you have completed the evaluation of the tender submissions and your recommendations have been approved by the Project Board, appropriate committee, or budget holder, the CPU will issue Intention to Award letters to all of the suppliers who submitted a tender, on your behalf. The information we are required to issue has to include:

- The award criteria for the contract
- The name of the winning supplier
- The winning supplier’s score
- The individual supplier’s score
- The reasons for the award decision (including the characteristics and relative advantages of the winning bid) and;
- Precise details regarding the start and end dates of the standstill period
The CPU has a standard format for the letters we issue.

PLEASE NOTE: The College DOES NOT provide verbal debriefing to any supplier as a part of any procurement process as this poses the single greatest source of legal challenges by unsuccessful and unsatisfied suppliers. If a supplier should contact you during the standstill period, please ask them to send us their question(s) via the Correspondence feature of the In-Tend system.

**Mandatory standstill period**

As we issue the Intention to Award letters and feedback to the suppliers via the e-tendering system, we observe a minimum 10 day standstill period. If we issued the letters by post, then this time period would increase to 15 days. If one or more unsuccessful suppliers request further information regarding our decision to award, then the CPU can extend the standstill period via the In-Tend system. This helps to protect the College against potential legal challenges from unsuccessful suppliers on the grounds of Ineffectiveness.

**Issue Confirmation of Award Letters and conclude Contract**

Once the standstill period is finished, subject to any requests for further information, the CPU will issue Confirmation of Award letters to all suppliers, and award the tender via the In-Tend system. Once this is completed, you will be able to contact the winning supplier and start the induction and mobilisation process for your contract.

**Dispatch Contract Award Notice**

The College is also required to publish a Contract Award Notice on both the OJEU (within 30 days) and Contracts Finder (within 90 days) portals. The CPU will do this on your behalf.
**Appendix G: Procurement Routes – The Restricted Procedure**

**OJEU Tendering: Restricted Procedure**

1. **Deadline for receipt of pre-qualification information**
   - Evaluate pre-qualification information against selection criteria and determine shortlist for ITT

2. **Issue Invitation to Tender**

3. **Deadline for receipt of tenders**
   - Evaluate tenders and determine winner
   - Issue Intention to Award Letters
   - Mandatory Standstill period

4. **Conclude contract**
   - Dispatch Contract Award Notice

**Option of Contract Notice as Call for Competition**
- Dispatch PIN to OJEU/Place advert in Contracts Finder
- Send invitation to confirm interest (requesting any additional pre-qualification information) & make procurement documents available on-line
- 35 days minimum & 12 months maximum from date of despatch to OJEU/Contracts Finders
- 30 days minimum

**Accelerated timescale**
- Deadline for receipt of pre-qualification information
- Evaluate pre-qualification information against selection criteria and determine shortlist for ITT
- Issue Invitation to Tender
- Deadline for receipt of tenders
- Evaluate tenders and determine winner
- Issue Intention to Award Letters
- Mandatory Standstill period
- Conclude contract
- Dispatch Contract Award Notice

**Option of PIN as call for competition**
- Dispatch PIN to OJEU/Place advert in Contracts Finder
- Send invitation to confirm interest (requesting any additional pre-qualification information) & make procurement documents available on-line
- 35 days minimum & 12 months maximum from date of despatch to OJEU/Contracts Finders
- 30 days minimum

**Option of Contract Notice as Call for Competition**
- Dispatch contract notice to OJEU and dispatch advert to Contracts Finder portal and make procurement documents available on-line from publication date of notice
- 30 days minimum. Accelerated timescale 15 days minimum

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The Restricted Procedure

Appropriate for:

- Straightforward procurement projects
- Where you know Off-the-shelf solutions to your requirement exist
- Where you know there is a well-established supplier market that can meet your requirement

Specific Things to Think About:

- The UK government have now mandated the use of standard format pre-qualification questionnaires. Contact CPU for the current versions that you must use
- We are now required to provide as many of the procurement documents as possible up front if we are intending to pre-qualify suppliers; ideally this is the whole ITT but as a minimum you must publish sufficient information so that suppliers know whether the contract is likely to be of interest to them (specification and terms and conditions or standard form of contract you are intending to use)
- What are the critical (PASS/FAIL) criteria that must be included in the questionnaire?
- Are there any specific legislative requirements (such as registration or licenses) that suppliers must meet?
- Are there any specific training certifications that suppliers must have?

Option of Contract Notice as call for competition

A Contract Notice is one of 2 OJEU notices that can be used as a call for competition. This is the formal start of the Restricted tender process. Contact the CPU who will provide you with a pro-forma contract notice to complete for your tender. The minimum timescale for responses to the notice is 30 days.

Under the terms of the UK Public Contract Regulations 2015 we must also advertise any opportunity over the OJEU limit on the government’s online portal ‘Contracts Finder’, however, we must wait until the Contract Notice is live on the OJEU website before we publish the tender documents and advertisement.

The submission date for the return of tenders must be at least 35 days after the contract notice publication date, although we reduce this by 5 days to 30 days as suppliers can receive tender documents electronically. We state the tender submission date in the Contract Notice.

If we have issued a PIN for publication at least 35 days before and not more than 12 months before the Contract Notice is dispatched, we can reduce the tender period to 15 days. In practice, we seldom use PINS.
(OPTIONAL STAGE) Option of Prior Information Notice (PIN) as call for competition

A PIN is one of 2 OJEU notices that can be used as a call for competition. To be a valid call for competition you must have sent it for publication on the Online Journal of the European Unit (OJEU) and Contracts Finder web portals at least 35 days and not more than 12 months before you issue an invitation to confirm interest.

FAQS

What is a PIN?

The main use of a PIN is to give the market advance notice of our requirements. Some public sector organisations issue a PIN containing all of the EU tenders they intend to run within a twelve month period. Because we are not in central government, we can also use the PIN as a call for competition (as long as it has been sent within the timescales above).

What happens if you use a PIN as a call for competition?

If you use a PIN as a call for competition suppliers will respond to let you know of their interest in our requirement (the goods, services or works), and if you have asked for it, to provide any pre-qualification information we have asked for. When we come to run the specific tender process (open, restricted etc) we would send the suppliers an Invitation to Confirm Interest, together with any other pre-qualification information required (if it is a two stage restricted process).

What happens if you use a PIN not as a call for competition?

We can use a PIN to shorten timescales for open (one stage) and restricted (two stage) tender processes, and also the competitive procedure with negotiation. As long as we comply with the 35 day minimum/12 month maximum rule above when we send the contract notice for publication, we can reduce the timescales to 15 days in an open procedure and 10 days in a restricted procedure and competitive procedure with negotiation.

Are there any other uses for a PIN?

Yes. We can use PINS as part of marketing testing/sounding processes before we go out to tender, to inform us about the size, scale and circumstances of the current market for particular goods and services. It is especially useful where a supplier claims to be the sole source of supply.
Send invitation to confirm interest

If we have used a PIN as a call for competition, we are required to issue an invitation to confirm interest to those companies who have responded to the PIN, when we start the tender process. The minimum timescale for submissions is 30 days. The invitation requires the suppliers to confirm their interest in the tender, and also to provide any additional pre-qualification information that is required. The invitation to confirm interest cannot be sent earlier than 35 days from the date the PIN was sent to OJEU or later than 12 months.

Deadline for receipt of pre-qualification information

Because we use an e-tendering system (In-Tend) our tender submission dates must be a minimum of 30 days from the date that we send the Contract Notice to OJEU. If we have issued a PIN for publication at least 35 days before and not more than 12 months before the Contract Notice is dispatched, we can reduce the tender period to 15 days. We are required to make the procurement documents (i.e. the pre-qualification questionnaire including selection criteria, and sufficient information regarding the specification, and terms and conditions of contract to allow suppliers to decide whether they want to express interest) available on In-Tend after the Contract Notice has been published. Where a PIN notice is used as the call for competition the same timescales apply, and they start from the day after the invitation to confirm interest is issued to the companies who responded to the PIN.

Evaluate pre-qualification information against selection criteria and determine shortlist for ITT

The Public Contract Regulations do not specify a minimum length for the evaluation of pre-qualification questionnaires, although we always publish a provisional timetable with any tender. We state any minimum levels of requirement (such as insurances, financial capacity and so on) in accordance with the standard requirements issued by the UK government. The CPU will discuss these with you as part of putting the tender documentation together.

Pre-Qualification submissions are evaluated against a mixture of minimum (PASS/FAIL) and weighted scored selection criteria, and ITT submissions are evaluated against weighted award criteria.

FAQ

What is the difference between selection and award criteria?

Selection criteria examine the suitability of potential suppliers to carry out the contracts to be awarded; these can include assessment against minimum standards for legal, economic and financial standing, and technical or professional ability required for the contract.
Award criteria are aimed at identifying the tender submission which offers the most economically advantageous offer for the actual contract to be delivered to the College. Award criteria are listed in the Regulations, and can include: quality, whole life cost (not just the upfront price), technical merit, aesthetic and functional characteristics, and environmental characteristics. They relate directly to the goods/services offered.

There have been a large number of successful challenges bought against public bodies around the choice of selection and/or award criteria. Think carefully about which criteria you would want to evaluate at each stage, and discuss your options with the CPU.

How are the relative weightings between Price and Quality allocated at ITT stage?

The CPU will work with you to agree an overall ratio or split between the price and quality (non-commercial aspects) which reflects the relative importance of either element to the College.

The table below provides some suggested criteria and ratios depending on the nature of the commodity/service being procured, notwithstanding the need to exercise judgement:

<table>
<thead>
<tr>
<th>Commodity/Service Type</th>
<th>Description</th>
<th>Potential Price/Quality Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Routine&lt;br&gt;e.g. standard equipment and consumables</td>
<td>• Low Value/High Volume&lt;br&gt;• Many Existing Alternatives</td>
<td>90:10 to 80:20</td>
</tr>
<tr>
<td>Leverage&lt;br&gt;e.g. construction, maintenance</td>
<td>• High Spend Areas&lt;br&gt;• Many Sources of Supply&lt;br&gt;• Commercial involvement can influence price</td>
<td>70:30 to 60:40</td>
</tr>
<tr>
<td>Strategic&lt;br&gt;e.g. enterprise wide IT solutions</td>
<td>• Strategic to Operations&lt;br&gt;• Few Sources of Supply&lt;br&gt;• Large Spend Area&lt;br&gt;• Specification may be complex</td>
<td>60:40 to 50:50 to 40:60</td>
</tr>
<tr>
<td>Bottleneck&lt;br&gt;e.g. utilities</td>
<td>• Few Sources of Supply and alternatives available&lt;br&gt;• Complex specifications</td>
<td>40:60 to 10:90</td>
</tr>
</tbody>
</table>
Appendix G: Procurement Routes – The Restricted Procedure

If supply fails, impact on organisation could be significant

Issue Invitation to Tender

Invitations are issued to the shortlisted suppliers from the pre-qualification evaluation stage. For EU tenders we always shortlist a minimum of five suppliers (subject to the number of suitably qualified suppliers. Where there are less than five, you will need to seek permission to continue the process from the College’s Chief Financial Officer).

We issue written feedback to both shortlisted and non-shortlisted suppliers via the Intend system, before issuing the Invitation to Tender documentation.

This usually consists of an anonymised summary of the pre-qualification evaluation, together with comments from the evaluation panel regarding the individual company’s submission.

Deadline for receipt of tenders

The deadline for the receipt of tender submissions must allow the shortlisted bidders sufficient time to make a considered return. This must be a minimum of ten working days, however we usually allow between 15 and 30 days.

Evaluate tenders and determine winner

The evaluation of ITT submissions is on the basis of the award criteria published in the contract notice. There are no regulated timescales set for the evaluation of ITT submissions. Usually for an EU tender process, supplier presentations and or demonstrations are included during this stage of the process, before final scores for each shortlisted bidder are collated.

Issue Intention to Award Letters

Once you have completed the evaluation of the tender submissions and your recommendations have been approved by the Project Board, appropriate committee, or budget holder, the CPU will issue Intention to Award letters to all of the suppliers who submitted a tender, on your behalf. The information we are required to issue has to include:

- The award criteria for the contract
- The name of the winning supplier
- The winning supplier’s score
- The individual supplier’s score
• The reasons for the award decision (including the characteristics and relative advantages of the winning bid) and;
• Precise details regarding the start and end dates of the standstill period

The CPU has a standard format for the letters we issue.

PLEASE NOTE: The College DOES NOT provide verbal debriefing to any supplier as a part of any procurement process as this poses the single greatest source of legal challenges by unsuccessful and unsatisfied suppliers. If a supplier should contact you during the standstill period, please ask them to send us their question(s) via the Correspondence feature of the In-Tend system.

**Mandatory standstill period**

As we issue the Intention to Award letters and feedback to the suppliers we observe a minimum 10 day standstill period. If we issued the letters by post, then this time period would increase to 15 days. If one or more unsuccessful suppliers request further information regarding our decision to award, then the CPU can extend the standstill period via the In-Tend system. This helps to protect the College against potential legal challenges from unsuccessful suppliers on the grounds of Ineffectiveness.

**Issue Confirmation of Award Letters and conclude Contract**

Once the standstill period is finished, subject to any requests for further information, the CPU will issue Confirmation of Award letters to all suppliers, and award the tender via the In-Tend system. Once this is completed, you will be able to contact the winning supplier and start the induction and mobilisation process for your contract.

**Dispatch Contract Award Notice**

The College is also required to publish a Contract Award Notice on both the OJEU (within 30 days) and Contracts Finder (within 90 days) portals. The CPU will do this on your behalf.
The Competitive Procedure with Negotiation

Appropriate for:

- More complex procurement projects where the specification or particular outcomes cannot be well defined before the process starts.
- Where the College’s needs cannot be met without adaptation of readily available solutions
- Where the contract includes design or innovative solutions
- Where the requirement is complex in nature, in its legal and financial make-up or because of its risks
- Where the technical specifications cannot be established with sufficient precision
- Where unacceptable/irregular tenders have been received as part of a previous process

Specific Things to Think About:

- The main difference between the Competitive Procedure with Negotiation and the Competitive Dialogue procedures is that the Competitive Dialogue has flexibility for addressing any issues arising from the submission of final tenders, which may be ‘clarified, specified, and optimised’. Competitive Dialogue also provides greater flexibility to negotiation with the winning tenderer to confirm financial commitments or other terms contained in the tender by finalising the terms of the contract. The Competitive Procedure with Negotiation does not allow for any post tender negotiation at the final tender stage. Unlike the Competitive Dialogue process, the Competition with Negotiation process does allow us to reserve the right not to negotiate if we indicate this in the Contract Notice and other documents from the outset.
- To ensure equal treatment of tenderers and transparency of the process the UK government have added safeguards to the process, including:
  - You must set the minimum requirements for contract award at the start of the process, publish and not change them during the negotiations
  - Likewise, your award criteria and relative weightings must remain stable throughout the process
  - You must inform tenderers in writing of any changes you make to the technical specifications during the process
  - You must not reveal confidential information from a tenderer to other participants in the process without their specific consent
  - All stages of the process must be documented
  - All tenders must be submitted in writing
- With regards to the process itself negotiations may take place:
  - On all aspects OTHER THAN THE MINIMUM REQUIREMENTS, such as Quality, Quantity, Commercial Clauses, Social, Environmental and Innovative aspects;
  - In stages with successive elimination by applying the award criteria, and
  - On all tenders BUT THE FINAL ONE
• As with Competitive Dialogue, Competition with Negotiation requires skilled facilitation to get the best from the process, and also has specific requirements around documentation, including security and dissemination, which may incur additional costs.
• The reality is that the majority of procurements run by the College CAN be specified up front.
• Contact the CPU to discuss if you think the Competitive process with Negotiation may be an appropriate procurement route for your project
• Remember that you will still need to include a pre-qualification stage for the process to refine the list of bidders you enter into dialogue with.
• You must include an indicative time frame for the dialogue process at the start of the process

Option of contract notice as call for competition

A contract notice is one of 2 OJEU notices that can be used as a call for competition (the other notice is a PIN. See section below). Contact the CPU who will provide a template notice for you to complete.

This is the formal start of the process. The minimum timescale for responses to the notice is 30 days. If an accelerated procedure has been justified the minimum timescale becomes 15 days. PLEASE NOTE THAT accelerated procedures are only justifiable during extreme circumstances such as national emergencies such as war or following terrorist events, or natural disasters such as flooding, or epidemic outbreaks. It is extremely rare that these circumstances will apply, and the EU routinely investigates the use of the accelerated procedure.

It is common practice to provide a pre-qualification questionnaire to suppliers for completion and list the requirements in the contract notice that must be returned by the closing date for responses.

Option of PIN as call for competition

A PIN can also be used as a call for competition. To be valid the PIN must have been dispatched to OJEU at least 35 days and not less than 12 months before the issue of the invitation to confirm interest.

Send invitation to confirm interest

If a PIN is used as a call for competition, you are required to issue an invitation to confirm interest to the suppliers who responded to the PIN when the procurement procedure is commenced. The minimum timescale for responses is 30 days. The invitation requires the suppliers to confirm their interest in the individual procurement process, and also to provide any additional pre-qualification information that is required.
Appendix H: Procurement Routes – Competitive Procedure with Negotiation

The invitation to confirm interest cannot be sent earlier than 35 days from the date that the PIN was despatched to OJEU, or later than 12 months.

Deadline for receipt of pre-qualification information

The minimum timescale for responses to the notice is 30 days or 15 days if an accelerated procedure has been justified (see note above). It is common practice to provide a pre-qualification questionnaire to suppliers for completion, and provide a link to this via the Contract Notice (in our case the questionnaire and supporting documents would be uploaded onto Intend). As this is the case, the return date for the PQQ is the same as the closing date for responses stated in the notice. If a PIN is used as the call for competition the same timescales will apply, and will run from the day after the Invitation to confirm interest is issued to the suppliers who responded to the PIN.

Evaluate pre-qualification information

The Public Contract Regulations do not specify a minimum length for the evaluation of pre-qualification questionnaires, although we always publish a provisional timetable with any tender. We state any minimum levels of requirement (such as insurances, financial capacity and so on) in accordance with the standard requirements issued by the UK government. The CPU will discuss these with you as part of putting the tender documentation together.

Pre-Qualification submissions are evaluated against a mixture of minimum (PASS/FAIL) and weighted scored selection criteria.

A minimum of three suppliers is shortlisted, subject to there being sufficient, suitably qualified applicants. Where there are less than three, CPU will to seek permission to continue the process from the College’s Chief Financial Officer.

Issue invitations to participate in negotiation

Invitations are issued to the 3 shortlisted suppliers from the pre-qualification evaluation stage.

Deadline for receipt of initial tenders

A uniform tender return deadline may be agreed with tenderers, otherwise the tender return deadline is a minimum of 10 days from the day after the invitation to participate in negotiation is issued. In reality, deadlines will depend on the nature and complexity of the requirement.
**Negotiations**

Negotiations are held with tenderers on the initial tenders and any subsequent tenders, **EXCEPT** the final tenders, to improve their content.

The minimum requirements and award criteria **CANNOT** be the subject of negotiation. Any subsequent tender stages prior to final tenders, **MUST BE SPECIFIED** in the contract notice or invitation to confirm interest.

**Inform all remaining tenderers of conclusion of negotiations and issue ITT for final tenders**

When the negotiations are to be concluded, the College must inform all the remaining tenderers and set a common deadline for final tenders. The final tenders must be on the basis of the minimum requirements, and the Regulations expressly state that no negotiations are permitted to take place on final tenders. There is no prescribed minimum timescale for return of final tenders.

**Evaluate final tenders and determine winner**

The evaluation of the final tenders is on the basis of the award criteria, which are published at the start of the procedure.

**Issue Intention to Award Letters**

Once you have completed the evaluation of the tender submissions and your recommendations have been approved by the Project Board, appropriate committee, or budget holder, the CPU will issue Intention to Award letters to all of the suppliers who submitted a tender, on your behalf. The information we are required to issue has to include:

- The award criteria for the contract
- The name of the winning supplier
- The winning supplier’s score
- The individual supplier’s score
- The reasons for the award decision (including the characteristics and relative advantages of the winning bid) and;
- Precise details regarding the start and end dates of the standstill period

The CPU has a standard format for the letters we issue.
Appendix H: Procurement Routes – Competitive Procedure with Negotiation

PLEASE NOTE: The College DOES NOT provide verbal debriefing to any supplier as a part of any procurement process as this poses the single greatest source of legal challenges by unsuccessful and unsatisfied suppliers. If a supplier should contact you during any standstill period, please ask them to send us their question(s) via the Correspondence feature of the In-Tend system.

**Mandatory standstill period**

As we issue the Intention to Award letters and feedback to the suppliers we observe a minimum 10 day standstill period. If we issued the letters by post, then this time period would increase to 15 days. If one or more unsuccessful suppliers request further information regarding our decision to award, then the CPU can extend the standstill period via the In-Tend system. This helps to protect the College against potential legal challenges.

**Issue Confirmation of Award Letters and conclude Contract**

Once the standstill period is finished, subject to any requests for further information, the CPU will issue Confirmation of Award letters to all suppliers, and award the tender via the In-Tend system. Once this is completed, you will be able to contact the winning supplier and start the induction and mobilisation process for your contract.

**Dispatch Contract Award Notice**

The College is also required to publish a Contract Award Notice on both the OJEU (within 30 days) and Contracts Finder (within 90 days) portals. The CPU will do this on your behalf.
The Competitive Dialogue Procedure

Appropriate for:

- More complex procurement projects where the specification or particular outcomes cannot be well defined before the process starts.
- Where the College’s needs cannot be met without adaptation of readily available solutions
- Where the contract includes design or innovative solutions
- Where the requirement is complex in nature, in its legal and financial make-up or because of its risks
- Where the technical specifications cannot be established with sufficient precision
- In the case of unacceptable/irregular tenders

Specific Things to Think About:

- The main difference between the Competitive Procedure with Negotiation and the Competitive Dialogue procedures is that the Competitive Dialogue has flexibility for addressing any issues arising from the submission of final tenders, which may be ‘clarified, specified, and optimised’. Competitive Dialogue also provides greater flexibility to negotiate with the winning tenderer to confirm financial commitments or other terms contained in the tender by finalising the terms of the contract. The Competitive Procedure with Negotiation does not allow for any post tender negotiation at the final tender stage.
- In practice, Competitive Dialogue can be time consuming and resource intensive; depending on the size of the market and the number of rounds of dialogue required (usually a minimum of two) the process can take between six and eighteen months.
- Competitive Dialogue requires skilled facilitation to get the best from the process. Where the College has used it for previous projects, external resources have been engaged to assist with the management of the dialogue stages, and this obviously comes at a cost.
- The reality is that the majority of procurements run by the College CAN be specified up front.
- Contact the CPU to discuss if you think Competitive Dialogue may be an appropriate procurement route for your project
- Remember that you will still need to include a pre-qualification stage for the process to refine the list of bidders you enter into dialogue with.
- You must include an indicative time frame for the dialogue process at the start of the process
- There are specific requirements included in the regulations around supplier confidentiality, and information sharing during the process
- There are specific requirements included in the regulations around documentation and retention of information.
Dispatch Contract Notice

This is the formal start of the Open tender process. Contact the CPU who will provide you with a pro-forma contract notice to complete for your tender.

Under the terms of the UK Public Contract Regulations 2015 we must also advertise any opportunity over the OJEU limit on the government’s online portal ‘Contracts Finder’, however, we must wait until either the Contract Notice is live on the OJEU website or 48 hours after we have sent the notice to OJEU before we publish the procurement documents and advertisement on Contracts Finder. This is to protect us from claims of unequal treatment of suppliers where there might be interested companies in Europe.

It is common practices to provide a pre-qualification questionnaire to suppliers for completion, and we state minimum requirements within the contract notice. Contact the CPU who can provide copies of the up to date version of the UK Government’s standard questionnaires.

Deadline for receipt of Pre-Qualification information

The submission date for the return of PQQs is 30 days as suppliers can receive tender documents electronically. We state the submission date in the Contract Notice.

Evaluate Pre-Qualification information against selection criteria and determine shortlist to invite to participate in dialogue

The Public Contract Regulations do not specify a minimum length for the evaluation of pre-qualification questionnaires, although we always publish a provisional timetable with any tender. We state any minimum levels of requirement (such as insurances, financial capacity and so on) in accordance with the standard requirements issued by the UK government. The CPU will discuss these with you as part of putting the tender documentation together.

Pre-Qualification submissions are evaluated against a mixture of minimum (PASS/FAIL) and weighted scored selection criteria.

A minimum of three suppliers is shortlisted, subject to there being sufficient, suitably qualified applicants. Where there are less than three, CPU will to seek permission to continue the process from the College’s Chief Financial Officer.

Issue invitations to participate in dialogue

Invitations are issued to the 3 shortlisted suppliers from the pre-qualification evaluation stage.
Dialogue Stage(s)

The dialogue phase commences once the Invitations to Participate in Dialogue has been sent to the shortlisted bidders. The aim of the dialogue is to identify and define how the College’s requirements can best be met. The dialogue phase allows each of the shortlisted bidders to discuss potential solutions with the College, develop their ideas, and explore different options. Dialogue stage(s) can involve; formal presentations, dialogue sessions, design development meetings, discussions with different internal stakeholder groups and end users, and discussions around contract terms, finance and so forth.

As long as we include our intention within the Contract Notice, we can conduct the Competitive Dialogue in successive stages and reduce the number of solutions (and suppliers) involved as we go along. Reduction of solutions is carried out by evaluation in accordance with the Award Criteria which must also have been stated up front in the Contract Notice. There is no limit to the number of stages that can be included within the dialogue, although during previous procurements at the College, we have limited the number of (optional) stages to between two and three.

Close dialogue stage

Once the solutions which are capable of meeting the requirement have been identified, the dialogue stage is formally closed, and the remaining bidders notified in writing via the Intend system.

Issue invitations for final tenders

Once the College is satisfied that solutions have been devised which are capable of meeting our requirements, we issue an Invitation to submit Final Tenders via the InTend system.

Deadline for receipt of final tenders

There is no prescribed minimum timescale for the return of final tenders. In reality it will depend on the complexity of the contract.

May clarify, specify and optimise tenders

The regulations for the Competitive Dialogue procedure expressly allow for post-tender clarification.
Evaluate final tenders and determine winner

The evaluation of the final tenders is on the basis of the award criteria, which are published at the start of the procedure, and apply throughout the procedure.

May negotiate to confirm financial commitments or other terms

Once the evaluation is complete, and the winning bid has been identified, the College is permitted to negotiate the final terms with the successful bidder, as long as there are no material changes made to the bid.

FAQ

What is a material change to a contract?

An amendment counts as material if it:

- Alters the character of the original contract
- Introduces conditions which would have allowed for other potential suppliers to participate or be selected, or another tender to be accepted;
- Extends the scope of the contract ‘considerably’ (more than 50% maximum increase in contract value); or
- Changes the economic balance of the contract in favour of the contractor

Issue Intention to Award Letters, and feedback to unsuccessful bidders

Once the evaluation of the final tender submissions is completed in accordance with the award criteria, any final negotiations are completed and your recommendations have been approved by the Project Board, appropriate committee, or budget holder, the CPU will issue Intention to Award letters to the remaining suppliers who submitted a final tender, on your behalf. The information we are required to issue includes include:

- The award criteria for the contract
- The name of the winning supplier
- The winning supplier’s score
- The individual supplier’s score
- The reasons for the award decision (including the characteristics and relative advantages of the winning bid) and;
- Precise details regarding the start and end dates of the standstill period

The CPU has a standard format for the letters we issue.

PLEASE NOTE: The College DOES NOT provide verbal debriefing to any supplier as a part of any procurement process as this poses the single greatest source of legal challenges by unsuccessful and unsatisfied suppliers. If a supplier should contact you during any standstill period, please ask them to send us their question(s) via the Correspondence feature of the In-Tend system.
Mandatory standstill period

As we issue the Intention to Award letters and feedback to the suppliers we observe a minimum 10 day standstill period. If we issued the letters by post, then this time period would increase to 15 days. If one or more unsuccessful suppliers request further information regarding our decision to award, then the CPU can extend the standstill period via the In-Tend system.

Issue Confirmation of Award Letters and conclude Contract

Once the standstill period is finished, subject to any requests for further information, the CPU will issue Confirmation of Award letters to all suppliers, and award the tender via the In-Tend system. Once this is completed, you will be able to contact the winning supplier and start the induction and mobilisation process for your contract.

Dispatch Contract Award Notice

The College is also required to publish a Contract Award Notice on both the OJEU (within 30 days) and Contracts Finder (within 90 days) portals. The CPU will do this on your behalf.
EU Tender Process: Innovation Partnership

1. **Dispatch contract notice to OJEU and make procurement documents available on-line from publication date of notice.**
   - 30 days minimum

2. **Deadline for receipt of pre-qualification information.**
   - Evaluate pre-qualification information against selection criteria (capacity in the field of R&D and of developing and implementing innovative solutions) and determine shortlist to negotiate with.

3. **Issue invitation to submit initial tenders for research and innovation projects aimed at meeting the needs identified, that cannot be met by existing solutions.**
   - Deadline for receipt of initial tenders
   - Evaluate initial tenders on basis of best price: quality ratio and determine winner(s).

4. **Contract with 1-3 selected innovation partners to:** Develop product/solution/service/works based on Research and Development phases (number of phases not set but must reflect complexity of requirement. 2 phases used in this example) Include option to supply and deliver/maintain product/solution/service/works
   - Contract includes provisions on development phases, targets and instalment payments.

5. **Conclude Phase I Development Contracts with partner(s).**

6. **Innovation partners submit Phase I deliverables and further development proposals (tenders).**

7. **Evaluate deliverables and further development proposals (tenders) on basis of best price: quality ratio and determine innovation partners to move to Phase II.**

8. **Conclude Phase II Development Contracts with remaining partner(s).**

9. **Innovation partners submit Phase II deliverables and final tenders for delivery/maintenance of product/solution/service/works.**

10. **Evaluate Phase II deliverables and final tenders on the basis of best price: quality ratio and conclude contract with final winning innovation partner.**
The Innovation Partnership Process

**Appropriate for:**

- Where the product, works or services you require are not already available on the market
- Where the cost of investing in the development of such innovative products or services, without any likelihood that these could be taken through to final production/delivery unless you had to conduct further procurements after an initial Research & Development (R&D) services contract is high
- The Innovation Partnership process has been introduced to allow public sector bodies such as universities and suppliers/service providers to work together through a Partnership Agreement to develop and purchase the above as one whole process, alleviating potential problems relating to the disclosure of intellectual property rights of the developer supplier, or incumbent advantage in the subsequent procurement of the product/service.

**Specific Things to Think About:**

- This is a new EU process brought in under the Public Contract Regulations 2015
- The process is only applicable to Research and Development activities and may prove valuable to the College as a Research organisation. No two processes would be the same. The example provided in this document includes two phases but more may be appropriate
- The Innovation Partnership will need to be structured in successive phases, which could eventually include the manufacturing of the product or the provision of a service, and is likely to relate to tactical or strategic objectives for the College. Many different areas of the College are likely to be involved in any such procurement, including the Strategic Development team, Research Finance, and Research and Enterprise, in addition to the Central Procurement Unit. Stakeholder management would be a key consideration
- External expertise, including legal expertise is likely to be required with regards to the intellectual property/commercial aspects of the process
- This process largely follows the same elements as the Competitive Procedure with Negotiation but owing to the innovative nature of the requirements, individual innovation partnership processes may differ somewhat in structure.
- You will need to state the arrangements with regards to intellectual property rights within the procurement documents (contract notice, specification, terms and conditions and so on)
- You will need to be able to provide a description of the innovative product, service or works within the contract notice, which is sufficiently explicit to allow suppliers to know whether the opportunity will be of interest to them
• You will need to have identified which elements of the innovative product, service or works define the minimum requirements which all tenderers would need to meet. At each tender phase of the process, submissions will be evaluated on the basis of the same best price: quality ratio.
• You will need to agree the design of the phases for the partnership, including any staged payments and/or reduction of the numbers of partners and publish them up front
• Like the Competitive Procedure with Negotiation, the Innovation Partnership process does not allow for any post tender negotiation at the final tender stage
• As with the other negotiated processes, Innovative Partnerships requires skilled facilitation to get the best from the process, and also has specific requirements around documentation, including security and dissemination, which may incur additional costs.
• Contact the SDU/CPU to discuss if you think the Innovative Partnership Process may be an appropriate procurement route for your project
• Remember that you will still need to include a pre-qualification stage for the process to refine the list of suppliers you enter into partnership with.

Process Flowchart Key Points

Advertisement, selection of innovation partners and initial development phase

Despatch contract notice to OJEU

Innovation Partnerships must be advertised in the EU online journal (OJEU) and UK Government portal; Contracts Finder. Contact the CPU for current templates.

There is a 30 day statutory minimum time limit from the despatch of the contract notice to the OJEU and the closing date for initial requests to participate. This is the only mandated timescale within the Innovation Partnership process. The number and duration of phases within the process is at our discretion but must reflect the typical stages of research and development activities with regards to projects of similar scale and complexity.

Procurement documents must be available by electronic means from the date of publication of the OJEU contract notice. The College includes a link to the e-tendering system within the Contract Notice.

The procurement documents must define the College’s minimum requirements together with any other information available relating to the innovation partnership and how the process will be conducted. The information we provide must be sufficiently detailed to enable suppliers to understand the nature and scope of the required solutions, and decide whether they want to take part in the process or not.
Deadline for receipt of pre-qualification information

It is common to include a pre-qualification questionnaire.

Evaluate pre-qualification information against selection criteria and determine shortlist to negotiate with

Selection criteria for innovative partnerships must include capacity in Research and Development and developing and implementing innovative solutions.

Pre-Qualification submissions are evaluated against a mixture of minimum (PASS/FAIL) and weighted scored selection criteria.

A minimum of three suppliers is shortlisted, subject to there being sufficient, suitably qualified applicants. Where there are less than three, CPU will seek permission to continue the process from the College’s Chief Financial Officer.

Issue invitation to submit initial tenders

The provisions envisage the possibility of a series of tenders during the innovation partnership (initial, subsequent and final tenders), reflecting the phasing of the project. All tenders, except final tenders, can be negotiated with the partners. Negotiation is not permitted on minimum requirements and award criteria.

An Innovation Partnership can be structured in successive phases (following the sequence of steps in an R&D process. In the example provided, there are two phases, and the number of solutions (innovation partners) are reduced at the end of each phase (if we choose to reduce the number of solutions through the procedure, this must be stated up front in the Contract Notice):

- Phase I to initiate development of a product/solution/service/works
- Phase II to further refine the product/solution/service/works

The duration and value of the different phases must reflect the degree of innovation and sequence of R&D activities required.

Deadline for receipt of initial tenders

There is no minimum tender return date for the Innovation Partnership. In reality, deadlines will depend on the nature and complexity of the requirement.
Evaluate initial tenders

All tenders are evaluated on the basis of the Award criteria (best price: quality ratio). Award criteria must be disclosed in the OJEU contract notice, and procurement documents.

A minimum of three suppliers is shortlisted, subject to there being sufficient, suitably qualified applicants. Where there are less than three, CPU will seek permission to continue the process from the College’s Chief Financial Officer.

Conclude Phase I Contracts with partners (to Initiate Development of a product/solution/service/works)

The contracts will include provisions on the development phases, deliverables (targets), and any instalment (staged) payment mechanisms.

The innovation partnership shall set intermediate targets to be attained by the partners and provide for payment in instalments. Failure to meet targets can provide the basis for contract termination.

There are specific provisions within the regulations relating to notification of changes in specifications and procurement documents.

During negotiations contracting authorities must ensure equal treatment of all partners and maintain confidentiality.

Innovation partners submit Phase I deliverables/Further Development proposals (tenders)

There is no minimum tender return date for the Innovation Partnership. In reality, the College will agree deadlines (targets) with the partners, depending on the nature and complexity of the requirement.

Failure to meet targets can provide the basis for contract termination as long as this is identified within the contract notice and procurement documents.

Evaluate Phase I Deliverables and Further Development Proposals

All deliverables and tenders are evaluated on the basis of the Award criteria (best price: quality ratio) and capable solutions for further development are identified. Successful innovation partners are moved on to Phase II. If it has been identified in the Notice and procurement documents, the number of innovation partners can be reduced as the process moves through the phases.

The successful partners (and unsuccessful if applicable) are notified of the results of each phase.
Appendix J: Procurement Routes – Innovation Partnership Procedure

Conclude Phase II Contracts with partners (to further develop the product/solution/service/works)

The contracts will include provisions on the development phases, deliverables (targets), and any instalment (staged) payment mechanisms.

The innovation partnership shall set intermediate targets to be attained by the partners and provide for payment in instalments. Failure to meet targets can provide the basis for contract termination.

There are specific provisions within the regulations relating to notification of changes in specifications and procurement documents.

During negotiations contracting authorities must ensure equal treatment of all partners and maintain confidentiality.

Innovation partners submit Phase II deliverables and Final tenders for delivery/maintenance of the product/solution/service/works

There is no minimum tender return date for the Innovation Partnership. In reality, the College will agree deadlines (targets) with the partners, depending on the nature and complexity of the requirement.

Evaluate Phase II Deliverables and Final Tenders and determine winner

The evaluation of the Final tenders is on the basis of the Award criteria (best price: quality ratio), which are published at the start of the procedure.

Final tenders CANNOT be negotiated

The winning innovation partner (and unsuccessful partners if applicable) are notified of the results of the final tender phase.

Conclude contract with final winning innovation partner

The College contracts with the final winning innovation partner for the delivery/maintenance of the fully developed product/solution/service/works as identified in the original Contract notice and procurement documents.
The EU ‘Light Touch’ Regime

The EU and UK government recognise that some types of service contracts, including some social, health and education services, are of less interest to suppliers outside of the United Kingdom (this is known as ‘cross border’ interest).

Procurement of these services takes place under a specific area of the Procurement Regulations 2015, known as the ‘Light Touch’ Regime (LTR).

The Central Procurement Unit has access to a full list of services that fall under the LTR. They include some administrative, social, educational, healthcare and cultural services, hotel and restaurant services, legal services and postal services. They tend to be services that are provided ‘to the person or member of the public’. An example directly related to the College is the staff and student children’s nursery service, where the users are the parents of the children receiving the childcare services.

The financial threshold for these services is higher than for other EU regulated procurements and from January 2016 is set at £625,050.

What does this mean for my procurement?

If your procurement falls under one of the LTR service categories, and its total net value is less than £625,050, then you do not need to advertise the tender in the Online Journal of the European Union (OJEU), UNLESS you have identified that there will be definite cross border interest in the contract.

If your procurement falls under the LTR service categories, and its total net value is more than the threshold, you are required to:

- Publish either a Contract Notice (CN) or a Prior Information Notice (PIN) in the OJEU and on the Contracts Finder Portal, unless you can prove that there is only one provider capable of supplying the services you require.
- Run a procurement process which complies with the European Treaty of Rome principles of transparency and equal treatment of suppliers.
- Run a procurement process which follows the information published in the OJEU notice regarding:
  - Any conditions for participating in the process (selection or pre-qualification process/criteria).
  - Time limits for responding to the advert.
  - The award procedure (including criteria) that you are applying.
- The time limits for suppliers to respond to adverts and tenders, must be ‘reasonable and proportionate’. Unlike the other EU procurement procedures there are no mandated minimum time periods in the LTR rules, so the College can use its discretion and judgement on a case by case basis.
If you think that your procurement is for services that may fall under the Light Touch Regime, please contact the CPU at the earliest opportunity, to discuss the procurement options.

What are the benefits of the LTR?

- The College has the flexibility to use any process or procedure we choose to run the procurement as long as it meets the requirements above. We do not have to use the standard EU procurement procedures (such as open, restricted and so on), although we can do so if helpful. We can tailor them or design our own procedures if this is more appropriate.
- The LTR rules are more flexible on the types of award criteria that may be used, and make it clear that owing to the nature of the procurement, certain considerations can be taken into account. These include:
  - The need to ensure quality, continuity, accessibility, affordability, availability and comprehensiveness of the services;
  - The specific needs of different categories of users, including disadvantaged and/or vulnerable groups;
  - The involvement and empowerment of users; and
  - Innovation in the ways that the service(s) are provided
APPENDIX L: Declarations of Conflicts of Interest Relating to Procurement Processes (including Forms)
Appendix L: Declarations of Procurement Related Conflicts of Interest

Declarations of Conflicts of Interest in Relation to Procurement and Contract Management

Requirement to Declare an Interest

The College has an existing policy and procedure for managing Conflicts of Interest for Council Members and Senior Staff.

However, it is important that the College is able to conduct its business transparently, ethically and within the law specifically in relation to Procurement and Contract Management. The College lets and manages a large number of contracts and there is the potential for staff to find or put themselves in a difficult position where an outside interest may conflict, or appear to conflict with their duties. In order to manage or resolve that situation disclosure should always be made.

The College requires that any individual who has an interest, financial or otherwise, either directly or indirectly in the outcome of any tendering exercise or how contracts are managed declare such interest.

Any possible conflict of interest or potential for bias should be discussed with the Assistant Director - Procurement (Central Procurement Unit) as soon as it arises. If individuals are not sure whether an interest should be declared they should err on the side of caution.

What is a Conflict of Interest?

A conflict of interest is a situation:

- that prevents or may give a perception that it prevents you making an unbiased decision in the performance of your duties for the College;
- where you promote or pursue, or may be perceived as promoting or pursuing, your own interests ahead of those of the College;
- where you use, or may be perceived as using your position with the College for personal gain or purposes which are not in the interests of the College or which may damage the College’s reputation;

A conflict of interest can therefore be either perceived or actual. Its existence does not necessarily arise due to unethical or unlawful behavior; it may just be a coming together of circumstances.

Examples of conflicts of interest include:

- Having a financial interest (e.g. holding shares or options) in a potential tenderer or an existing supplier to the College;
- Having a financial or any other personal interest in the outcome of any tender process or the success of any existing supplier relationship;
- Being employed by (as staff member or volunteer) or providing services to any potential tenderer or existing supplier;
- Being a member of a potential tenderer’s or existing supplier’s management/executive board;
- Receiving any kind of monetary payment or non-monetary gain or incentive from any tenderer or existing supplier or its representatives;
- Canvassing, or negotiating with any person with a view to entering into any of the arrangements outlined above;
Appendix L: Declarations of Procurement Related Conflicts of Interest

- Having a close member of your family (which term includes unmarried partners), personal friend or other close relationship (current or historical) who is associated with a potential tenderer or an existing supplier to the College;
- Being a member of an organisation that has the potential to influence the outcome of a tender process or management of an existing supplier.

The above is a non-exhaustive list of examples, and it is your responsibility to ensure that any and all potential conflicts, whether or not listed above, are disclosed to the Assistant Director – Procurement, in the Finance Department.

Managing Conflicts of Interest

The Assistant Director – Procurement will decide on the appropriate course of action to ensure there is no real or perceived distortion of competition or potential for fraud and record the outcome accordingly.

The actions that might be taken include:

- **Avoidance**: the conflict, perceived or actual, could be avoided, for example you do not participate in the planned action.
- **Disclosure**: disclosing the conflict to all parties involved and being transparent may allow the relationship to go ahead.
- **Stepping back**: stepping back may be appropriate, for example, if a relative is involved, the employee could step back to ensure they are not involved in or be in a position to influence the relevant decision.
- **Refusal**: in some circumstances not accepting the circumstances may avoid the conflict, e.g. not accepting a personal gift.

This list is non-exhaustive and a combination of actions may be required to manage a conflict. However, if in doubt, always disclose the conflict.

Anybody involved in Procurement and/or Contract Management are required to complete an **Annual Declaration**, declaring any interests (which includes a “nil” return) by submitting the attached form to the Assistant Director - Procurement. This acts as an acknowledgement of their understanding of the policy and a declaration of their specific interests, if any.
Conflicts of Interest - Annual Declaration Form

(To be completed by the employee)

<table>
<thead>
<tr>
<th>Name</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Title</td>
<td></td>
</tr>
<tr>
<td>Department</td>
<td></td>
</tr>
<tr>
<td>Email</td>
<td></td>
</tr>
<tr>
<td>Telephone Contact No.</td>
<td></td>
</tr>
<tr>
<td>Line Manager</td>
<td></td>
</tr>
</tbody>
</table>

Option 1

“I do not have any conflicts of interest that prevent my full and unprejudiced participation in any procurement process or contract management.

I also declare that I will inform the Assistant Director – Procurement immediately, should my circumstances change in any way that effects this declaration.”

Signature of employee:

Date:

-----------------------------------------------

Option 2

“I do have a conflict of interest that may prevent my full and unprejudiced participation in a procurement process or contract management. The nature of this conflict of interest is described below.

I also declare that I will inform the Assistant Director – Procurement immediately, should my circumstances change in any way that effects this declaration.”

Description of actual or perceived conflict:

Signature of employee:

Date:

Please return this form to martin.mcdonald@rhul.ac.uk (Assistant Director – Procurement) – Central Procurement Unit, Huntersdale.
Selecting Suppliers and Awarding Contracts

The majority of complex procurements run at the College are two stage processes; supplier selection (or pre-qualification) and contract award (or tender). As part of developing the specifications for your procurement, you will need devise an appropriate evaluation methodology to assess the submissions you receive from suppliers at both stages of the process. The Project Working Group will also need to develop a list of the criteria under which the suppliers will be evaluated for both stages, and weight them out of 100% in accordance with their relative importance to the project outcomes.

The difference between selection and award criteria is crucially important. Selection criteria focus on the bidding supplier, and award criteria focus on the bid itself. The two must be treated completely separately. You must only raise issues or ask questions that are appropriate to the selection stage AT THAT STAGE. They CANNOT form part of the award stage of the process, and award criteria cannot form part of the selection stage.

Selecting Suppliers

Selection criteria assess the suitability and capability of potential suppliers to deliver the contract that will be awarded at the end of the process. They must be appropriate, relevant and proportionate to your particular procurement. The supplier selection process ‘looks backwards’ and allows the College to identify a number of suitability qualified and experienced businesses who will be invited to submit a tender during the award stage of the process.

<table>
<thead>
<tr>
<th>Sample Selection Criteria</th>
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</thead>
<tbody>
<tr>
<td>• Business Probity and Criminality Checks</td>
</tr>
<tr>
<td>• Relevant Technical and professional qualifications</td>
</tr>
<tr>
<td>• Capability, including previous experience (and references from other clients)</td>
</tr>
<tr>
<td>• Economic and financial standing</td>
</tr>
</tbody>
</table>

Unless you are running a further (also known as a mini) competition process, selection criteria should be applied prior to tender evaluation in an open tender procedure, and form part of pre-qualification in restricted, competitive dialogue and negotiated/innovation partnership procedures. Whatever procedure we are following, selection criteria establish the minimum (or 'must have') requirements and levels of capability a supplier needs to perform the contract. The criteria need to take account of the particular characteristics of your project and any associated risks.

The decision on whether to run a restricted process, whereby we shortlist only the most capable suppliers depends on the value of the contract, the size of the market and the number of potential bidders. Contact the CPU to discuss the options available for your project.
It is worth considering that issuing the full details of the requirement at the start of a process, allows suppliers that are unsuitable, or uninterested to rule themselves out early on in the process.

Under the both the EU and College’s Financial Regulations we must shortlist a minimum of five suppliers at the selection stage. To shortlist the suitable suppliers, the College uses a standard Pre-Qualification Questionnaire, devised by the UK government and now required for any two stage public sector procurement process. Contact the CPU who can provide you with the most up to date versions of the documents.

Awarding Contracts

Award criteria assess the merits of individual bids to identify which of the shortlisted suppliers will deliver best Value for Money for the College. Apart from the most straightforward tenders (which are usually for goods) which can be awarded on price alone, the majority of tenders are awarded on the basis of the Most Economically Advantageous Tender (MEAT). Value For Money is defined as ‘the optimum combination of whole life costs and quality (or fitness for purpose) to meet the users’ requirement’. Depending on the type of requirement, whole life costs can include implementation costs, ongoing operating costs and end of life disposal costs.

<table>
<thead>
<tr>
<th>Sample Award Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality/Technical Merit – Is the product/service/solution fit for purpose? How well does it perform?</td>
</tr>
<tr>
<td>Design, functional characteristics and aesthetics – How should the product look and feel? How easy is it to use?</td>
</tr>
<tr>
<td>Sustainability – such as social, economic and environmental considerations</td>
</tr>
<tr>
<td>Innovation, where appropriate</td>
</tr>
<tr>
<td>Maintenance, ongoing technical support or after sales service – What support is required, available from the supplier?</td>
</tr>
<tr>
<td>Delivery of period of completion – the guaranteed turnaround time from order to delivery or provision of service?</td>
</tr>
<tr>
<td>Price – the Whole Life Cost including: initial purchase price, operating costs, consumables and spares, and disposal costs. How cost effective will the goods/service prove to be over the term of the contract?</td>
</tr>
</tbody>
</table>

The CPU can provide you with examples of award criteria used in previous procurements.
Things to Think about when selecting criteria and designing evaluations

- You must ensure that the criteria you use at both stages of the procurement process are relevant to your project, objective and non-discriminatory
- Remember that any criteria (and sub criteria) that we use to assess suppliers at both selection and award stages, together with any relative weightings, MUST BE PUBLISHED AND MADE KNOWN TO SUPPLIERS at the time of publication of the procurement documents. Under the 2015 Regulations, as many of your procurement documents as possible must be published AT THE START of the process. This includes:
  - The Specification
  - Selection and award criteria
  - Pre-Qualification Questionnaire (PQQ) if used, including evaluation methodology
  - Invitation to Tender, including evaluation methodology, and the Terms and Conditions of Agreement

In reality this means that you must have sufficient information prepared to allow suppliers to decide whether they are interested in bidding for your requirement or not, BEFORE you publicise your procurement. The scope for making alterations as the process goes along is limited. It is worth remembering that the more information we make available to suppliers from the start, the less likely unsuitable and uninterested suppliers are to bid.

Publication of Criteria

- In order to meet obligations of transparency we publish details of the evaluation criteria to be used to either select the suppliers to be invited to bid for the contract and the evaluation criteria to be used to identify the supplier to whom the contract will be awarded.
- The information we publish consists of: the selection and award criteria, sub-criteria, weightings, minimum standards (critical ‘drop dead’ questions) at selection stage, and pass marks (if any)
- When we use an EU procurement process, we include/reference both sets of the evaluation criteria within the Contract Notice where possible, and set them out in the subsequent PQQ and ITT documentation.
- Once we have published the evaluation criteria and weightings, we ARE NOT PERMITTED to change them.
Weighting the Criteria

The CPU will work with you to agree an overall ratio or split between the price and quality (non-commercial aspects) criteria which reflects the relative importance of either element to the College, and also allocate weightings to any sub-criteria as appropriate.

The majority of tender processes run by the College are awarded on the basis of the Most Economically Advantageous Tender (MEAT).

The table below provides some suggested criteria and ratios depending on the nature of the commodity/service being procured, notwithstanding the need to exercise judgement:

<table>
<thead>
<tr>
<th>Commodity/Service Type</th>
<th>Description</th>
<th>Potential Price/Quality Ratio</th>
</tr>
</thead>
</table>
| Routine e.g. standard equipment and consumables | • Low Value/High Volume  
• Many Existing Alternatives | 90:10 to 80:20 |
| Leverage e.g. construction, maintenance | • High Spend Areas  
• Many Sources of Supply  
• Commercial involvement can influence price | 70:30 to 60:40 |
| Strategic e.g. enterprise wide IT solutions | • Strategic to Operations  
• Few Sources of Supply  
• Large Spend Area  
• Specification may be complex | 60:40 to 50:50 to 40:60 |
| Bottleneck e.g. utilities | • Few Sources of Supply and alternatives available  
• Complex specifications  
• If supply fails, impact on organisation could be significant | 40:60 to 10:90 |

Scoring Methodologies

- Contact the CPU who can provide you with examples of scoring methodologies used for previous tenders, at both selection and award stages.
- You will need to develop robust, clearly documented scoring methodologies in order to ensure there are satisfactory responses from suppliers and no inconsistencies in
both pre-qualification and tender evaluations, which could ultimately result in a legal challenge from dissatisfied suppliers. Any failure in this respect could leave the procurement suspect to audit scrutiny and legal challenge.

- Pricing submissions are usually scored in one of two ways:
  - The best price submission scores the maximum available and the other submissions are pro-rata’d in relation to this maximum score; or
  - Individual submissions are scored relative to the average of all of the pricing submissions received at tender.
- A sample scoring methodology for qualitative submissions, such as question responses, method statements, or demonstrations is provided below:

<table>
<thead>
<tr>
<th>Score</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - Unacceptable</td>
<td>Nil or inadequate responses. Fails to demonstrate an ability to meet the requirement</td>
</tr>
<tr>
<td>1 - Poor</td>
<td>Response is partially relevant and poor. The response addresses some elements of the requirement but contains insufficient/limited detail or explanation to demonstrate how the requirement will be fulfilled</td>
</tr>
<tr>
<td>2 - Acceptable</td>
<td>Response is relevant and acceptable. The response addresses a broad understanding of the requirement but may lack details on how the requirement will be fulfilled in certain areas</td>
</tr>
<tr>
<td>3 - Good</td>
<td>Response is relevant and good. The response is sufficiently detailed to demonstrate a good understanding and provides details on how the requirements will be fulfilled</td>
</tr>
<tr>
<td>4 - Excellent</td>
<td>Response is completely relevant and excellent overall. The response is comprehensive, unambiguous, and demonstrates a thorough understanding of the requirement and provides details of how the requirement will be met in full</td>
</tr>
</tbody>
</table>

- Remember that developing evaluation methodologies and criteria is an iterative process, and tends to vary depending on the characteristics of the individual project. Always allow sufficient time to ensure that your methodologies are thoroughly reviewed before publishing your tender.