

APPENDIX 3

CONTRACT PROCEDURE RULES

Sheffield City Region Mayoral Combined Authority

Tendering Processes Manual

Contract Procedure, Tendering Instruction
and Advice for those involved with
Procurement Activity within the Mayoral
Combined Authority

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Section 1.0: Introduction

1.1 Overview

- 1.1.1 This Tendering Process Manual has been written to assist your understanding and guide you when procuring external goods, services and works for Sheffield City Region Mayoral Combined Authority (SCRCA)
- 1.1.2 The manual is designed to cover the procurement of all goods and services and set out the broad procedural requirements in that context. The manual is based on the SCRCA procurement policy.
- 1.1.3 The guide acts as a quick and easy reference document and aims to give you the information you need to ensure that when buying external goods, services and works you understand the correct procurement process, help you achieve best value through effective procurement and comply with SCRCA procedural rules and European Union (EU) regulations
- 1.1.4 To achieve its aim the manual sets out specific instructions for those involved in procurement and provides step-by-step instructions on the tendering and procurement process.

1.2 What is Procurement?

- 1.2.1 Effective procurement is central to ensuring that SCRCA resources are put to best use that can be achieved through robust procedures and effective decision making which addresses:
 - i. What do we need
 - ii. How will we meet that need
 - iii. Who is best placed to deliver the goods and service
- 1.2.2 Efficient and effective procurement is at the heart of any successful organisation, but it is more than just buying; the process covers a full lifecycle of activities from the identification of needs through to tender evaluation, purchasing and contract management. Efficient and effective procurement helps to ensure that priorities are met
- 1.2.3 Procurement can be defined as the responsibility for obtaining (whether by purchasing, lease, hire or other legal means) the services, equipment, materials or supplies required by an organisation so it can effectively meet its business objective
- 1.2.4 An organisation as large and diverse as SCRCA buys an enormous range of goods and services. If you are responsible for spending money to buy goods or services for the SCRCA you must always bear in mind the procurement principles set out in this guide as these underpin the way SCRCA conducts its business

1.3: Procurement Policy

- 1.3.1 Sheffield City Region Mayoral Combined Authority (SCRCA) has a Procurement Policy which promotes effective procurement across the whole organisation. It provides a framework within which the organisation will
 - i. Obtain the best value for money;
 - ii. Maximise the wider social, economic and environmental benefits that can be realised through procurement;
 - iii. Meet its statutory obligations when procuring goods and services;
 - iv. Improve and develop relationships with suppliers and foster a culture of openness and transparency
 - v. Commit to implement best practice in procurement, and continuous improvement

Section 2: Procurement Rules and Regulations

2.1 Introduction

2.1.1 All public sector procurement is governed by both European legislation and UK National Law – the Public Contracts Regulations 2015 (PCR 2015). In addition, all SCRCA procurement must comply with our own internal regulations, known as ‘Procurement Procedure Rules’ (PPR). All tenders should comply with these rules and regulations.

The following sections summarised the main points and how they apply to the SCRCA

2.2 European Legislation (EU Procurement Directives)

2.2.1 The EU Directives require Public Bodies to advertise and award contracts in the Official Journal of the European Union (OJEU); follow specified minimum timescales; and award contracts, either on the basis of ‘lowest price’, or ‘most economically advantageous tender’ (a consideration of both quality and cost). Although the EU Directives take precedence over UK Laws, they only fully apply to contracts over a certain value. These thresholds apply to total contract value, not the annual value, and are reviewed every 2 years at the beginning of January. At 1st January 2018 the threshold values were:

- i. Goods: £181,302
- ii. Services: £181,302
- iii. Works: £4,551,413
- iv. Light Touch Regime: £615,278*

* The ‘Light Touch’ Regime for Health, Social, Education and other specific services allows for a specific set of rules for certain service contracts that tend to be of lower interest to cross-border competition. See Section 3.2.3.13 below for more guidance on ‘Light Touch’ Regime (LTR) for Health, Social, Education and Other Specific Services.

2.3 ESIF Projects

2.3.1 The purchase of goods, works and services in ESIF funded projects is subject to rigorous audits to confirm that processes comply with Public Procurement Law, the Treaty Principles or National Rules as appropriate. ESIF projects means the European Regional Development Fund and the European Social Fund in England

2.3.2 Failures by grant recipients to comply with Public Procurement Law and the Treaty Principles is the leading cause of claw back of funding. Depending upon the characteristics of the breach, up to 100% of the grant may be recovered from the Grant Recipient if a breach is identified.

2.3.3 There are separate penalties for breaches of the National Rules.

2.3.4 ESIF support therefore comes with a ‘health warning’: no organisation should apply for ESIF unless it has fully considered and planned how it will be able to demonstrate compliance with Public Procurement Law, the Treaty Principles or National Rules as appropriate in selecting the suppliers of goods, works or services part funded through ESIF.

2.3.5 More information on procurement rules for ESIF funded projects is given at:

<https://www.gov.uk/government/publications/european-structural-and-investment-funds-procurement-documents>

2.4 National Law

2.4.1 All public sector contracts, no matter what their value, must comply with UK Laws which requires Public Bodies to demonstrate ‘Value for Money (VFM),’ which means considering a balance of both

the price and quality of services. By asking organisations to submit competitive tenders the SCRCA can ensure that public money is spent in a way that is fair, open, honest, and accountable

2.5 Procurement Procedure Rules (PPR)

- 2.5.1 The sections above relate to how international and national laws influence how we procure goods and services. This section briefly outlines how organisational rules define how we are required to tender. Click on the link to see the [Procurement Rules & Processes Flowchart](#). See also appointing consultancy guidance notes at Appendix 2 below for additional information.
- 2.5.2 For a contract with a total value of less than £25,000 (Goods) & £50,000 (Services & Works), you must use a SCRCA Corporate Contracts or partnering arrangements where there is one; OR where there is no such existing provision, one of the following options (depending on the value)
- i. Less than £250 - obtain 1 verbal quote and record the details
 - ii. Between £251 - £2,500 obtain 3 competitive quotations, verbal or written, and record the details (for example if the goods/services/works you are buying can only be bought from one provider) you do not have to complete a Waiver of PPR but you must keep a full audit rail of the process you have followed for audit purposes.
 - iii. £2,501- £25,000 (GOODS) £50,000 (SERVICES & WORKS) – obtain a minimum of 3 competitive, written quotes and record details for audit purposes in accordance with the SCR Request for Quote ('RFQ') Template
- 2.5.3 You must agree your specification and procurement approach in advance with the Operational Contracts Team. If you are unable to obtain 3 quotations the Operational Contracts Team in conjunction with the procurement professional may agree a waiver.
- 2.5.4 Note that a tender process can be conducted for values below £25,000 (GOODS) or £50,000 (SERVICES/WORKS) if it is felt that competition can provide a better value for money outcome.
- 2.5.5 We must place a notification on the Contracts Finder website for any tender with a value of more than £25,000 which is "openly" advertised.
- 'Openly' advertised is defined as:
- "a contracting authority advertises an opportunity if it does anything to put the opportunity in the public domain or bring the opportunity to the attention of economic operators generally or to any class or description of economic operators which is potentially openended, with a view to receiving responses from economic operators who wish to be considered for the award of the contract"*
- Conversely, 'not openly' advertising is defined as:
- "a contracting authority does not advertise an opportunity where it makes the opportunity available only to a number of particular economic operators who have been selected for that purpose (whether ad hoc or by virtue of their membership of some closed category such as a framework agreement), regardless of how it draws the opportunity to the attention of those economic operators."*
- 2.5.6 For a contract with a value of more than £25,000 (GOODS) and £50,000 (SERVICES/WORKS) you must carry out a tender process and the tender must:
- i. Be run by a Procurement Professional
 - ii. Use the full competitive tender process
 - iii. Be appropriately advertised
 - iv. Be undertaken using an appropriate electronic tendering system
- 2.5.7 If, for whatever reason, PPR cannot be complied with, a Waiver must be agreed by the Managing Director or manager nominated by them or in their absence by their deputy.

2.6 Waiver of PPR

2.6.1 In exceptional cases it may be appropriate to award a contract without competition by applying for a Waiver of PPR. This provides an exemption from the normal procurement rules. A Waiver must be sought where you expect the value of the contract to be more than £2,500 and you are unable to follow PPR rules. The examples below provide an indication on when a waiver should be sought:

- i. Sole Supplier – the market has been investigated and this has shown that there is only one supplier of the product / service available.
- ii. The contract is one required because of circumstances of extreme urgency which could not reasonably have been foreseen
- iii. Continuity of existing work – where a change in circumstances within a service area may result in the completion of a full tendering process being unfeasible. Such examples could be, a situation where an anticipated change in legislation or where a service may be involved in an outsourcing process. Additionally, where an item repair or maintenance can only be completed by the original manufacturer / supplier.

The tender process can be complex and time consuming. Please ensure that you have allocated sufficient time for this process in your plan. Simply not allowing sufficient time is not a reason to grant a waiver and you will not be exempt from the normal procurement rules.

2.6.2 This list is not exhaustive, and the above circumstances are not guaranteed to result in a waiver being granted. In all circumstances you will be required to provide evidence to justify the case for a waiver. Certain types of expenditure are exempted from the competitive requirements of PPR, and as such do not require a Waiver. This includes things such as some forms of land acquisition, compensation payments and refunds.

2.6.3 If a Waiver is not sought and granted before operating outside of PPR requirements there could be the following consequences:

- Managers will not have the authority to spend money and/or award a contract
- Value for money may not be optimised
- If audited (either internally or externally), non-compliance will be highlighted and escalated
- Third parties may legally challenge the decision-making process
- It may open the Mayoral Combined Authority to reputational and financial risk
- Individual officers may face disciplinary procedures

2.6.4 Waivers are granted for a specified period of time. Should you require an extension beyond the given expiry date, you must apply for another Waiver providing full details on the reasons for the request. Conditions may also be applied to the sanctioning of a waiver e.g. that a formal tender arrangement, if required must be undertaken by the end of the waiver period.

2.6.5 A Waiver cannot exempt application of legislative requirements – for example, EU Directives.

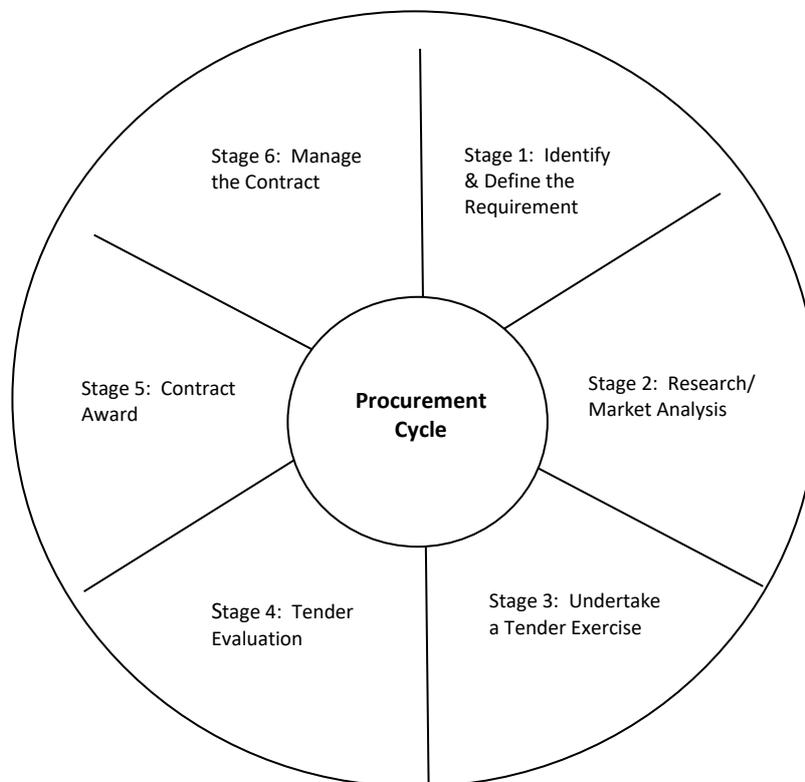
2.6.6 The Deputy Managing Director has the delegated authority to grant Waivers. All waivers under £50,000 must be agreed by the AD Operational Contracts in conjunction with the procurement professional. All waivers requests with a value between £50,000 - £100,000 must be approved by Deputy Managing Director before being submitted. For Waivers with a value more than £100,000 but less than the OJEU threshold value (see section 2.2.1) must be referred to the Mayoral Combined Authority

2.6.7 A link to the current Waiver template can be found [HERE](#)

Section 3: The Procurement Cycle

3.1 Introduction

- 3.1.1 It is crucial that all those involved in buying for the Mayoral Combined Authority understand the art of obtaining products and services. This process typically follows a number of well defined steps or stages often referred to as the “The Procurement Cycle”. The diagram below shows that this is an inclusive process covering the identification of requirements and needs through to the award and management of the contract
- 3.1.2 This manual focuses on stages 3, 4 and 5 shown in the diagram but an overview of each stage is provided below for your information. The activity at each stage is proportional to the value, complexity, and risk attached to the particular project.



3.2 Procurement Cycle Stages

3.2.1 Stage 1: Identify & Define the Requirement

- 3.2.1.1 Consider from the onset the full extent of what needs to be done, by whom, and by when. If necessary seek advice from others about possible contractors, types of contracts, technical advice, best practice etc. This is, in effect, the Commissioning stage, which is a continuous process through which Commissioners obtain business case and budget approval, identify need, plan, source, deliver and performance manage activity. The fundamental purpose of commissioning is to establish if there is a need to buy goods, works or services and to consider the various delivery options.
- 3.2.1.2 However, commissioning is not procurement; procurement is one possible outcome of the commissioning process. The following steps should always be undertaken at this stage:

- i. Map out the timetable for the process, including consultation, approval dates, Invitation to tender dates, evaluation, contract award, etc. If necessary establish a working group or project team to help you and clearly allocate roles and responsibilities of all involved. Get everyone to contribute to the planning process if possible via optional brainstorming sessions and meetings. Involve procurement professionals early in the process.
- ii. Carry out a systematic appraisal if this is thought to be appropriate. Best value cannot be achieved if we choose one preferred or default method of delivery without consideration of the full range of options. The range of delivery options may vary between 'do nothing', in-house delivery, competitive procurement through grant funding (and then the appropriate implementation and review). for the activity being considered.
- iii. Draft the specification. This should set out what you want people to quote / tender for (see below for more info) about the specification.
- iv. Use the top ten procurement tips to assist you through the procurement process (see Appendix 1.0)
- v. The results of the Commissioning Process will determine what procurement route to take.

3.2.1.3 **Agreeing the Specification:**

The specification is one of the most important elements of the procurement process. The purpose of the specification is to present potential suppliers with a clear, accurate and full description of SCRCA needs, and so enable them to propose a solution to meet those needs. The supplier's response to the requirement is evaluated to arrive at, depending upon the procurement strategy, either the supplier to be awarded the contract, or those suppliers invited to take part in negotiations. The requirements in the specification subsequently become incorporated in the contract with the successful supplier. More helpful information on drafting the specification can be found at Appendix 4.0.

3.2.1.4 **Key Points to note are:**

- i. For Service Contracts the specification should, where possible focus on required outcomes. With the exception of Regulatory requirements it is for the bidder to state how they will achieve their outcomes (via their Method Statements)
- ii. The specification must be fit for purpose and not over specified as this usually ends up with the bidder over pricing the contract. If there is a failure to agree on this matter it must be escalated to the responsible Director for resolution.

3.2.1.5 **Specification Standards**

The quality of the goods and services required shall be specified by reference to standards in the following order:-

- i. International; and if none available, then,
- ii. European; and if none available, then,
- iii. British.

- 3.2.1.6 Goods and materials shall not be specified by reference to a particular make, source, or process which has the effect of favouring or eliminating particular contractors or suppliers, except when this is unavoidable because of the subject matter of the contract or the absence of relevant specifications or standards. When goods and materials are so specified, the tender documents must permit tenderers to propose suitable alternatives by adding the words "or its equivalent" into the specification where the references are used.

3.2.1.7 Key Performance Indicators

In developing a specification of the requirement, you should also consider how the performance of the supplier is to be measured to ensure that the goods or services provided under the contract comply with the specification. Key Performance Indicators (KPIs) are:

- i. the critical measures which show if the contract is achieving the objective. They provide focus on the achievement of outcomes critical to the current and future success of an organisation.
- ii. KPIs will vary considerably depending on the requirement; however, KPIs should always be: Specific; Measurable; Achievable; Realistic; and Time-bounded (SMART).
- iii. All contracts must have KPIs attached to them; these must be defined and agreed when writing the specification.

3.2.1.8 KPIs and Management Information requirements are often confused and it is important to clearly differentiate between the two. The key differences are:

3.2.1.8.1 KPI's

- i. Relatively few and relatively constant.
- ii. Critical measures to judge the success or not of the contract.
- iii. May be linked to a price/performance mechanism.

3.2.1.8.2 Management Information

- i. Not the above
- ii. May be numerous
- iii. May be varied, developed, and dropped as driven by service management needs.

Further advice and guidance is available from the SCR Procurement Professional

3.2.2 Stage 2: Research/ Market Analysis & Agreement of Procurement Approval Strategy

3.2.2.1 Once we are clear what our requirements are, the next stage is to complete the SCR Procurement Approval form within the Commissioning document (see also section 3.2.2.5 below). This document is designed to ensure that a robust and agreed procurement approach has been established and that budget requirements have been agreed

3.2.2.2 The document is a fundamental part of the procurement; it ensures that both SCR Executive Commissioner and the SCR Procurement Professional are clear and agreed on the procurement route. It also ensures that where additional approval is required from, say the Board, individuals are fully briefed, involved and support the process.

3.2.2.3 To determine the appropriate source option for the procurement the following questions should be considered:

- i. Is there a similar requirement elsewhere in SCRCA? If so, consideration should be given to potential collaborative working.
- ii. Are there existing contracts/frameworks available that would meet the requirement and provide value for money? For example – YPO, PRO 5, Crown Commercial services, or existing contracts that are 'open' to us that have been awarded by a different Contracting Authority. Care should be taken to ensure that the correct

provisions were taken in the initial letting of the contract to allow SCRCA to join existing contracts.]

3.2.2.4 Having considered the above options the procurement approval strategy will be drafted. This will define the optimal sourcing option for the required needs and market conditions.

3.2.2.5 **Agreeing the SCR Procurement Approval Form**

Where there is a need to engage an external supplier, the SCRCA Procurement Professional will define the procurement route and where appropriate carry out market testing or research to benchmarking rates and prices. The document shall be completed in consultation with the SCR Procurement Professional at the outset of the procurement process. All project procurement approval documents must be approved by Managing Director (or delegated deputy). From submission of the completed SCR Procurement Approval Form document to receiving final approval or rejection is 10 days.

3.2.2.6 **Terms and Conditions of Contract**

You will need to agree in conjunction with the SCRCA Procurement Professional and the SCRCA Legal Advisor the Terms and Conditions attached to the resulting contract. The Model Terms and Conditions are the SCRCA's standard terms and conditions and should be used as a starting point; however, each contract may be different and should be amended as appropriate, only with the approval of the SCR Legal Advisor if this includes standard terms and conditions. For further advice on T&Cs of contract please contact the SCRCA Procurement Professional or Legal Advisor. The terms and conditions should be issued with the Request For quote (RFQ) or Invitation to Tender (ITT), as it is on those terms and conditions that the tenderers are bidding. When the tender process has reached the contract award stage, it is important that the resulting contract mirrors the terms and conditions issued with the Invitation to Tender (with the exception of any properly agreed amendments). Accordingly, an SCR Model Contract will mirror the Model Terms and Conditions.

3.2.2.7 **Inflation Index and Currency:** It is current practice that all new contracts DO NOT have an automatic RPIX inflation mechanism.

- i. The starting point will be that no automatic inflation mechanism is included in new contracts
- ii. Suppliers will be required to put forward a business case to prove real cost inflation which will then be considered
- iii. If negotiations fail on this point then other appropriate mechanisms (e.g. CPIX) will be considered but these still need to be proven rather than be an automatic contractual right for the Supplier.
- iv. All prices will be in GB Pounds Sterling

3.2.3 **Stage 3: Undertaking a Tender Exercise**

3.2.3.1 Tendering is the term used to describe going to the marketplace and asking suppliers to make you an offer to meet your requirements. Such an offer could be in the form of a quotation or if you have more detailed requirements it could be a bid.

3.2.3.2 Tendering is costly both for potential suppliers and SCRCA. You need to strike the right balance between ensuring that there is adequate competition (to demonstrate value for money) and avoiding unnecessary expense

3.2.3.3 There are six tendering procedures available to use that must be administered via the procurement portal. These are:

- i. Restricted Procedure
- ii. Open Procedure
- iii. Competitive Procedure with Negotiation
- iv. Competitive Dialogue
- v. Innovation Partnerships
- vi. Negotiated Procedure without prior publication

3.2.3.4 Restricted Procedure

- 3.2.3.4.1 The restricted procedure allows any interested party to request to participate in the contract tender but only those invited by the public body following a pre-qualification stage may submit a tender. This is therefore a 2 stage process; a contract is advertised, and, before submitting a tender, interested parties must first complete a Supplier Standard Questionnaire (SSQ). This the new name for what was formerly known as a Pre-Qualification Questionnaire (PPQ). The purpose of using a SSQ is to enable SCRCA to create a short-list of potential providers by obtaining sufficient information to evaluate the suitability of potential suppliers in terms of:
- i. Economic and Financial Standing
 - ii. Technical/Professional Ability and capacity
 - iii. Legal status
 - iv. Any suitability assessment questions proportionate to the contract opportunity
- 3.2.3.4.2 This stage enables SCRCA to shortlist potential providers who meet the minimum requirements.
- 3.2.3.4.3 The Restricted procedure and below OJEU threshold tenders: A Contracting Authority may not include a pre-qualification stage in any procurement where the value of the procurement is below the EU threshold for goods and services, currently £181,302. This means that SSQ used as part of a pre-qualification stage are not permitted. However contracting authorities may ask suitability assessment questions relating to a potential supplier provided that the questions are relevant to the subject matter of the procurement and are proportionate.
- 3.2.3.4.4 Shortlisted providers will be invited to the next stage of the procurement process, the Invitation To Tender (ITT) where specific proposals are submitted in response to the specification, including prices for the requirement. This will be evaluated to determine the potential provider(s) most appropriate to deliver the contract. There are restrictions on the use of post tender negotiation under the restricted procedures. The European Commission has issued a statement on post tender negotiations in which it specifically rules out any negotiation on price:
- 3.2.3.4.5 *“In open and restricted procedures all negotiations with candidates or tenderers on fundamental aspects of contracts, variations in which are likely to distort competition, and in particular on prices, shall be ruled out; however, discussions with candidates or tenderers may be held only for the purpose of clarifying or supplementing the content of their tenders or the*

requirements of the contracting authorities, and provided this does not involve discrimination”

3.2.3.4.6 When to use the Restricted Process: If you expect a high level of interest in a specific requirement you should undertake a ‘restricted’ tendering procedure. The procurement professional will use the SCRCA’s Model Tender Documentation, and amend as appropriate. The table below shows the stages of a restricted tender, and what is required at each stage:

Stages	Actions
Before the tender can be advertised	<ul style="list-style-type: none"> • Authority to proceed including sign off of the SCR Procurement Approval form • Background information/scope of contract • Market brief
Advertise on OJEU via YORTender/Contracts Finder and SCR website	<ul style="list-style-type: none"> • www.yortender.co.uk • SCRCA website • www.contractsfinder.service.gov.uk
Issue SSQ	<ul style="list-style-type: none"> • Upload documents into tender portal
Bidders return completed SSQ	<ul style="list-style-type: none"> • Clarification questions asked and responded to through Tender Portal dialogue function. A closing date for clarification questions should be included within the SSQ documentation
SSQ Evaluation	<ul style="list-style-type: none"> • Tender evaluation team required • Potential providers shortlisted • SSQ evaluation documentation must be retained to evidence decisions made (including the agreement of scores / supplier shortlisted for tender stage)
Invitation to Tender (ITT) docs issued to shortlisted bidders	<ul style="list-style-type: none"> • Specification • Instructions for competition • Evaluation criteria
Bidders return complete ITT	<ul style="list-style-type: none"> • Bidders may submit clarification questions up to an agreed date prior to tender submission deadline. All non commercially sensitive Q&A must be shared with all potential bidders
Evaluation of ITT	<ul style="list-style-type: none"> • Tender evaluation team needed. • Interviews and presentations for shortlisted bidders (if required).
Award decision and formal internal approval	<ul style="list-style-type: none"> • Allow sufficient time for internal sign off including the Contract Approval Award form
Award Notification	<ul style="list-style-type: none"> • Announce successful bidder to all bidders via tender portal • Alcatel period starts. • Feedback to unsuccessful bidders
Contract Award and Implementation	<ul style="list-style-type: none"> • Notify all parties • Agree implementation and contract start date in accordance with SCR procurement procedures
Contract Award Notice	<ul style="list-style-type: none"> • If the tender was OJEU compliant then the Contract Award Notice must be advertised on the Contracts Finder website within 48 Days of contract award. Publication on Contracts Finder is also required within 90 calendar days of the award. The Contracts Finder Award should not be published before the OJEU notice

3.2.3.5 The Open Procedure

3.2.3.5.1 The open procedure is a one-stage process where a contract is advertised and all interested parties may submit a tender. There will still be the distinct ‘selection’ and award’ stages to the evaluation; however, both stages will be

submitted at the same time by all interested providers. The selection section of the ITT will be used to assess which organisations meet the minimum requirements by obtaining sufficient information to evaluate the suitability of potential suppliers in terms of:

- i. Economic and Financial Standing
- ii. Technical/Professional Ability and capacity
- iii. Legal status
- iv. Any suitability assessment questions proportionate to the contract opportunity

3.2.3.5.2 If you tender for a contract using this procedure you will be required to evaluate all the bid submissions that meet the minimum Selection requirements. Caution should be taken when opting for the Open Procedure especially if it is anticipated that you will receive many responses to the tender notice.

3.2.3.5.3 Similar to the Restricted procedure above, there are restrictions on the use of post tender negotiation under the open procedures. The European Commission has issued a statement on post tender negotiations in which it specifically rules out any negotiation on price:

3.2.3.5.4 *“In open and restricted procedures all negotiations with candidates or tenderers on fundamental aspects of contracts, variations in which are likely to distort competition, and in particular on prices, shall be ruled out; however, discussions with candidates or tenderers may be held only for the purpose of clarifying or supplementing the content of their tenders or the requirements of the contracting authorities, and provided this does not involve discrimination”*

3.2.3.5.5 **When to use the Open Procedure:** The Open procedure should be used when the known market place is limited. The table below shows the stages of an Open tender, and what is required at each stage:

Stages	Actions
Before the tender can be advertised:	<ul style="list-style-type: none"> • Authority to proceed including sign off of the SCR Procurement Approval form and Commissioning Document • Agree scope and specification of contract • Agree evaluation criteria
Advertise on OJEU via YORtender/Contracts Finder and Council website	<ul style="list-style-type: none"> • www.yortender.co.uk • SCRCA website • www.contractsfinder.service.gov.uk
Invitation To Tender issued	<ul style="list-style-type: none"> • Upload documents to tender portal
Bidders return complete ITT	<ul style="list-style-type: none"> • Bidders may submit clarification questions up to an agreed date prior to tender submission deadline. All non commercially sensitive Q&A must be shared with all potential bidders
Evaluation of ITT	<ul style="list-style-type: none"> • Tender evaluation team needed. • Interviews and presentations for shortlisted bidders (if required).

Award decision and formal internal approval	<ul style="list-style-type: none"> • Allow sufficient time for internal sign off
Award Notification	<ul style="list-style-type: none"> • Announce successful bidder to all bidders • Alcatel period starts. • Feedback to unsuccessful bidders
Contract Award and Implementation	<ul style="list-style-type: none"> • Notify all parties • Agree implementation and contract start date in accordance with SCR procurement procedures
Contract Award Notice	<ul style="list-style-type: none"> • If the tender was OJEU compliant then the Contract Award Notice must be advertised on the Contracts Finder website within 48 Days of contract award

3.2.3.6 Competitive Procedure with Negotiation

- 3.2.3.6.1 This is a procurement procedure under which contracting authorities may award a contract following evaluation of the bidders' initial tenders. However, they may also conduct the procedure in successive stages and carry out negotiations on the initial and any subsequent tenders. This procedure should only be used where a contracting authority wishes to award a particularly complex contract and considers that the use of the open or restricted procedure will not allow the award of that contract.
- 3.2.3.6.2 In brief, the competitive procedure with negotiation is a new procedure replacing the negotiated procedure with prior publication of a contract notice. It has been described as a hybrid procedure because, as with the restricted procedure, it allows the contracting authority to award a contract on the basis of an initial tender but it also enables negotiation with bidders who submitted an initial tender, and any subsequent tenders, until it decides to conclude those negotiations.
- 3.2.3.6.3 A prior information notice (PIN) (see section 3.2.3.12) as a call for competition and the contract notice must specify that the authority is using the competitive procedure with negotiation and state whether it reserves the right to award the contract based on initial tenders.
- 3.2.3.6.4 Please discuss your requirements with the procurement professional if you are thinking of using this procedure

3.2.3.7 Competitive Dialogue (CDP)

- 3.2.3.7.1 The procurement procedure whereby a contracting authority enters into a dialogue with bidders about its requirements before inviting them to submit a *final tender*. It is used in complex projects where the contracting authority cannot adequately specify its requirements.
- 3.2.3.7.2 A benefit of the CDP approach is that contracting authorities can refine significantly refine the final tender. The Regulations are fairly broad and say that it may be clarified, specified and optimised. However, these may not involve changes to the essential aspects of the tender, including the needs and requirements set out in the contract notice, where variations to those aspects, needs and requirements are likely to distort competition or have a discriminatory effect". A further benefit is that a contracting authority may

carry out further negotiations with the highest-scoring bidder, following an evaluation of the final tenders. This can be to confirm financial commitments or other terms contained in the tender by finalising the terms of the contract as long as this does not materially change the essential aspects of the procurement or risk distorting competition or causing discrimination

- 3.2.3.7.3 Please discuss your requirements with the procurement professional if you are thinking of using this procedure

3.2.3.8 When to use the Competitive Dialogue and Competitive Negotiated Procedures: The CDP and the Competitive Procedure with Negotiation can be used where any of the following apply:

- i. The needs of the contracting authority cannot be met without adaptation of readily available solutions
- ii. The contract includes design or innovative solutions
- iii. The contract cannot be awarded without prior negotiation because of specific circumstances related to the nature, the complexity or the legal and financial makeup or because of risks attaching to them
- iv. The technical specifications cannot be established with sufficient precision by the contracting authority with reference to a standard, European Technical Assessment, common technical specification or technical reference
- v. The CDP and competitive procedure with negotiation may also be used where only irregular or unacceptable tenders are submitted in response to an open or a restricted procedure. In this case, there is no requirement to publish a new contract notice as long as all tenderers who met the selection criteria and submitted a tender in accordance with the formal requirements of the procedure are invited to participate.

3.2.3.9 Innovation Partnerships

3.2.3.9.1 The innovation partnership is a procedure designed to allow contracting authorities to establish a long-term partnership for the development and subsequent purchase of a new, innovative product, service or works.

3.2.3.9.2 This is a relatively new concept in EU procurement law. They are intended to be long term partnerships which allow for both the development and subsequent purchase of new and innovative products, services or works. The term "partnerships" is not used in a technical sense to mean legal partnerships as defined under UK law; rather, the term is used to indicate the partnering type approach to working together.

3.2.3.9.3 A selection is made of suppliers responding to an advert and the contracting authority uses a negotiated approach to invite suppliers to submit ideas to develop innovative works; products or services if there is no suitable existing 'product' on the market. The contracting authority is allowed to award partnerships to more than one supplier.

3.2.3.9.4 There are a number of key features of the procedure, these are:

- i. The structure of the process should follow the sequence of steps in the research and innovation process, which may include the manufacturing of the products, the provision of the services, or the completion of the works.

- ii. Candidates should be selected in particular on the basis of their capacity in the field of research and development and of developing and implementing innovative solutions.
- iii. The innovation partnership must set intermediate targets to be attained by the partners and provide for payment in appropriate instalments. Based on those targets, the authority may decide, after each phase, to terminate the innovation partnership or, where there are several partners, to reduce the number of partners by terminating individual contracts, as long as this has been provided for in the procurement documents.
- iv. The procurement documents must define the arrangements applicable to intellectual property rights (IPR).
- v. The structure of the partnership, its duration and the value of the different phases, must reflect the degree of innovation of the proposed solution and the sequence of research and innovation activities required for the development of an innovative solution not yet available on the market.
- vi. The estimated value of the supplies, services or works must not be disproportionate in relation to the investment required for their development.

3.2.3.9.5 Please discuss your requirements with the SCRC Procurement Professional if you are thinking of using this procedure

3.2.3.10 Negotiated Procedure without prior publication

3.2.3.10.1 The negotiated procedure without prior publication may be used for public works contracts, public supply contracts and public service contracts. In specific cases and circumstances laid down in the regulations, contracting Authorities may award public contracts by a negotiated procedure without prior publication in the following cases:

- i. Where no tenders, no suitable tenders (as defined in regulation 32(3) to the PCR 2015), or requests to participate are received in response to an open or restricted procedure, provided the original conditions of the contract are not substantially altered (and a report is sent to the Commission, if requested).
- ii. Where the contract can only be performed by a particular supplier:
- iii. Where the contract is for a unique work of art or artistic performance.
- iv. Where competition is absent for technical reasons, or due to the protection of exclusive rights including IPR (where no reasonable alternative exists and the absence of competition is not due to an artificial narrowing down of the parameters of the procurement).
- v. In cases of extreme urgency brought about by events unforeseeable by the authority where the time limits applicable to other procedures cannot be complied with, as long as such circumstances are not in any event attributable to the authority.

3.2.3.10.2 Please discuss your requirements with the SCRC Procurement Professional if you are thinking of using this procedure

3.2.3.11 Light Touch Regime (LTR)

- 3.2.3.11.1 In addition to the procedure outlined above there is a further procedure called the “Light-Touch Regime” which is a specific set of rules for certain service contracts that tend to be of lower interest to cross-border competition. In brief these are a range of service contracts include certain social, health and education services, which are defined by Common Procurement Vocabulary (CPV) codes. The SCRCA Procurement Professional will advise on this process if you are thinking about using it.
- 3.2.3.11.2 LTR rules cover contracts over a £615,278 threshold. They must follow a set of mandatory requirements. These are as:
- i. OJEU Advertising: The publication of a contract notice (CN) or prior information notice (PIN). Except where the grounds for using the negotiated procedure without a call for competition could have been used, for example where there is only one provider capable of supplying the services required.
 - ii. The publication of a contract award notice (CAN) following each individual procurement, or if preferred, group such notices on a quarterly basis.
 - iii. Compliance with Treaty principles of transparency and equal treatment.
 - iv. Conduct the procurement in conformance with the information provided in the OJEU advert (CN or PIN) regarding: any conditions for participation; time limits for contacting/responding to the authority; and the award procedure to be applied.
 - v. There are no stipulated minimum time periods in the LTR rules, so contracting authorities should use their discretion and judgement on a case by case basis. But time limits imposed on suppliers, such as for responding to adverts and tenders etc., must be reasonable and proportionate.
- 3.2.3.11.3 There are significant flexibilities associated with using this route to market. For example:
- i. A contracting authority have the flexibility to use any process or procedure they choose to run the procurement, as long as it respects the other obligations above. There is no requirement to use the standard EU procurement procedures (open, restricted and so on) that are available for other (non-LTR) contracts.
- 3.2.3.11.4 Below the LTR threshold, contracts do not normally need to be advertised in the OJEU. The Directive recognises that only services above a threshold of £615,278 covered by the LTR would normally be likely to be of cross border interest. Following from this, services below this threshold do not need to be advertised in the OJEU, unless there are concrete indications of cross-border interest. It is however prudent to advertise these opportunities (as well as contract award) on the Tender portal, SCRCA website and Contracts Finder

3.2.3.12 Prior Information Notices (PIN)

- 3.2.3.12.1 A PIN, or Prior Information Notice, is a notice published in the OJEU which sets out a contracting authority's purchasing intentions. It does not oblige the contracting authority to proceed with a procurement process, but informs the market that they should expect a procurement to be commenced within the

next 12 months. Publishing a PIN is not mandatory unless the contracting authority is seeking to use a PIN to reduce procurement timescales.

- 3.2.3.12.2 Publishing a PIN provides the option of shortening the time limits. Where a valid PIN has been published at least 35 days and not more than 12 months in advance of a contract notice, the contracting authority may shorten the timescales under the open, restricted and competitive with negotiation procedures, (see below for more detail).
- 3.2.3.12.3 The shortest possible timescale available (without having to justify using an accelerated procedure) can be achieved by having a PIN in place, and ensuring that the OJEU notice and contract documents are in electronic form.
- 3.2.3.12.4 A PIN can also be used as part of a restricted or competitive with negotiation procedures as a call for competition in itself instead of an OJEU advertisement.

3.2.3.13 Timescales

- 3.2.3.13.1 The OJEU compliant contract award procedures come with a confusing array of minimum timescales, and possible reductions to those timescales. Some of these are set out below but please note that these are the minimum timescales permitted by the legislation. The overriding requirement when setting timescales is to allow sufficient time for suppliers to prepare appropriate responses, taking account of the subject of the proposed contract, the contract award procedure to be used and the need, for example, for site visits. An appropriate time period will also need to be allocated for other aspects of the procurement process, e.g. evaluation of tender responses etc.

Procedure / stage	Standard Timescale	If submitted electronically	PIN published >35 days but <12 mths before despatch of Contract Notice	Requirement is Urgent (see note below)
Open Procedure				
Despatch of Contract Notice	35 days	30 days	15 days	15 days
Standstill	10 days	None	None	None
Restricted Procedure				
Despatch of Contract Notice	30 days	None	None	15 days
ITT to receipt of Bids	30 days	25 days	10 days	10 days
Standstill	10 days	None	None	None
Competitive with Negotiation Procedure				
Despatch of Expression of Interest	30 days	None	None	15 days
ITN to receipt of initial tender	30 days	25 days	10 days	10 days
Standstill	10 days	None	None	None
Competitive Dialogue				
Despatch of Contract Notice to EOI	30 days	None	None	None
Standstill	10 days	None	None	None
Innovation Partnership				
Despatch of Contract Notice to EOI	30 days	None	None	None
Standstill	10 days	None	None	None
Please note that the Regulations do not define "Urgent". All that is said is: "Where a state of urgency duly substantiated by the contracting authority renders impracticable the time limit laid down..."				

3.2.3.14 Tender Documentation

- 3.2.3.14.1 There are 3 sets of tender documents for non-construction related contracts:
- i. RESTRICTED Procedure – To be used for above OJEU Threshold Procurements/Tenders
 - ii. OPEN Procedure – To be used for above OJEU Threshold Procurements/Tenders
 - iii. OPEN ITT/Suitability Questionnaire – To be used for below OJEU Threshold Procurements/Tenders
- 3.2.3.14.2 Please note that the below OJEU threshold OPEN ITT is almost identical to the OPEN Procedure (above OJEU) document and includes the suitability questionnaire which must be passed before the method statement is evaluated.
- 3.2.3.14.3 The rationale for using an almost identical OPEN ITT for below OJEU Threshold procurements/tenders is to provide suppliers with consistency in documentation and terminology.
- 3.2.3.14.4 The above tender documentation incorporates the Crown Commercial Services (CCS) Standard Questionnaire (SQ) which all Public Sector Organisations are required to use.

3.2.4 Stage 4: Tender Opening & Evaluation

3.2.4.1 Tender Verification (Opening) Procedure:

- 3.2.4.1.1 All OJEU compliant tenders must be opened by an appointed 'Tender Opening Officers'. This can be any responsible person not linked to the tender. The Officer should open the Tenders and sign and date the front page of the Tender Documents.
- 3.2.4.1.2 All OJEU compliant Tenders must now be undertaken electronically, using tender portal. However, there will be some hard-copy Tenders in the following circumstances:
- i. A bidder may request that they submit their Tender in hard copy. Although we strongly encourage all bidders to use the portal, it is their prerogative to submit a paper Tender, if they so wish.
 - ii. In exceptional circumstances a Tender may be deemed to not be suitable for using the portal. This route must be requested via a Waiver.

3.2.4.2 Tender Evaluation Stages

- 3.2.4.1 There are two types of Evaluation to consider. These are evaluation at the Selection stage and at the Award stage; Selection criteria should not be used at Award stage, and vice-versa.

3.2.4.1.1 Selection Stage Evaluation

- i. This focuses on the potential provider's characteristics and suitability in principle to provide the requirement. The SCRCA may require potential providers to satisfy minimum levels of economic and financial standing, and/or technical or professional ability.

- ii. The stage will either take the form of a Supplier Standard Questionnaire, if using a Restricted or Competitive Dialogue Procedure, or a Selection Questionnaire, if using an Open procedure. Standard questions to ask at this stage are included within the Model Tender Documents.
- iii. The questionnaire should ordinarily be evaluated in 'stages' to provide a natural sifting of potential providers that do not meet the minimum requirements. For example, evaluating finance at the final stage means that any potential provider that doesn't meet the minimum requirements prior to that (compliance, H&S etc) will be rejected and not have their financial standing evaluated. It is imperative that this is detailed to potential providers in the tender documents.
- iv. Minimum requirements" referred to above are as follows:
 - a. Scoring 50% or more in each section of the questionnaire
 - b. Passing of all Pass / Fail questions
 - c. Submission of fully compliant bid (e.g. insurance, H&S etc.)
- v. Achievement of this threshold qualifies a Potential Provider to be invited to tender.
- vi. Scoring methodologies and weighting must be disclosed to bidders when the contract opportunity is initially advertised. This should include information about any questions that are sufficiently critical that an unsatisfactory answer may lead to exclusion, irrespective of the score on the rest of the questionnaire.
- vii. The Tender documents provide a legally compliant scoring methodology and matrix within each tender document; this provides a framework within which you can allocate the appropriate scores and weightings for individual requirements when evaluating tenders.
- viii. Under the Restricted and Competitive Dialogue Procedures it is permissible to rank Potential Providers' scores and create a short list of a specified number. The advantage of this approach is that only the top scoring bidders are invited to tender thus ensuring a manageable number of tenders are received and evaluated. If ranking is to be used, this must be specified in the tender documents and Contract Notice, if applicable. Both a range and minimum number can be stipulated, but again this information must be in the Contract Notice. Please discuss this with the SCRC Procurement Professional if you are considering using this approach. **Ranking may not be used when using the Open Procedure; all Potential Providers that meet the minimum requirements must have their tender submission fully evaluated.**

3.2.4.1.2 Award Stage Evaluation

- i. The Award stage considers the merits of the eligible tenders in order to assess which tender offers the best terms for your organisation. When evaluating tenders at award stage, you can only use criteria linked to the subject matter of the contract; these criteria are commonly known as the 'award criteria'.

- ii. The starting point for the evaluation in respect to contract award will always be the specification and the consideration of how close the offer is to the specification. In most cases evaluation will consider issues such as costs, quality, delivery etc. In each case however, you will need to demonstrate that the offer has been assessed and an objective judgement reached based on the merits (or not) of each bid against the declared criteria.
- iii. Since the introduction of the 2015 Regulations we can only award a contract on the basis of Most Economically Advantageous Tender (MEAT). However, the 2015 Regs definition of MEAT does include a price or cost only category, so a tender can be awarded on the basis of 100% price if this is applicable.
- iv. The legislation lists the following criteria (although this list is not exhaustive):
 - a. quality
 - b. price or cost using a cost-effectiveness approach
 - c. technical merit
 - d. aesthetic and functional characteristics
 - e. accessibility
 - f. social characteristics
 - g. environmental characteristics
 - h. innovative characteristics
 - i. after-sales service and technical assistance
 - j. delivery conditions such as date, process and period
- v. By taking into consideration a range of factors like these when evaluating the quotations or bids you should be able to identify the most economically advantageous tender.
- vi. All criteria, sub-criteria, sub-sub-criteria etc. etc. which will be used in evaluation must be defined here, and weighting attributed to each; if it is not defined here then it cannot be evaluated. An example of a worked scoring matrix for contract award is provided below. The main criteria should always be Price and Quality

Example Award Criteria	Weighting
Price	30%
Quality <i>(broken down into the following sub-criteria)</i>	70%
<i>Method Statement</i>	20%
<i>Relevant experience of those delivering the proposal</i>	35%
<i>Sustainability</i>	5%
<i>Innovation</i>	5%

<i>Aesthetics</i>	5%
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- vii. The Award criteria (and sub-criteria) are not fixed and dependent on the requirements being tendered for. Generally though, the Quality element should (as a minimum) always include an assessment of method statements and experience (often referred to as “Technical Capability”). All criteria should be relevant to the requirements being tendered for.
- viii. The Weightings associated with the Award criteria and sub-criteria are not fixed either. A general rule of thumb is that they typically reflect risk. Therefore if price is critical, or there is some level of uncertainty about the amount we might pay, it should be given a higher score (usually more than 50% of the total). Similarly if the quality elements are more critical, they should be assigned more than 50% of the total. There are no limits to the range of the price / quality weighting ratio but this generally extends from 80% Quality / 20% Price to 20% Quality / 80% Price. The Procurement professional will advise on the best ratio if you are unsure about where to pitch this.

3.2.4.3 Conflict of Interest Declaration

- 3.2.4.3.1 Evaluation should be carried out by appropriate personnel who are suitably experienced and qualified to undertake a robust and objective assessment against the criteria, using the scoring matrix.
- 3.2.4.3.2 In bringing the evaluation team together, consideration must be given to ensuring the issue of Conflict of Interest (COI) is managed. A COI arises when an individual or organisation is in a position to exploit a professional or official capacity, including information or by being involved in processes connected with the procurements, for their personal or business benefit. The existence of a COI does not, in itself, indicate that a person or organisation has acted in an unprofessional manner or done something wrong. In some situations COI are unavoidable.
- 3.2.4.3.3 Each member of the evaluation team must complete and sign the Declaration Form (Appendix 6.0) to state whether they have a vested interest in or links to, any potential supplier who has submitted a bid. It is the responsibility of the SCRCA Procurement Professional to manage this process by ensuring the forms are completed by all members of the evaluation team at the start of the process and recorded for audit purposes. Where there is a conflict of interest involved the SCRCA Procurement Professional must then consider the declared COI and manage this appropriately. If a COI is declared by a member of the evaluation panel, then this person/persons must be excluded from the evaluation panel to avoid exposing the Authority to any commercial risk i.e. supplier challenge.

3.2.5 Stage 5: Contract Award

- 3.2.5.1 For tender where a Project Procurement Approval proforma has been completed the Contract Award Approval should be completed by the SCRCA Procurement Professional in conjunction with the Project Lead and all approval signatures obtained before all bidders are notified of the Award Decision.

- 3.2.5.2 For procurements above the EU threshold the award decision must contain the following information:
- i. the award criteria
 - ii. the tenderer's score
 - iii. the winning tenderer's score
 - iv. the name of the winning tenderer(s)
 - v. the reasons for failing to meet the technical specification (if applicable)
 - vi. the 'characteristics and relative advantages' of the winning tender(s)
 - vii. a precise statement of either:
 - a. when the standstill period is expected to end and, if relevant, how the timing of its ending might be affected by any and, if so what contingencies, or
 - b. the date before which the contracting authority will not enter into the contract.
- 3.2.5.3 When notifying candidates at the selection stage the notice to them should include the reasons why they were unsuccessful and the information above (excluding the 'relative advantages of the successful tender'). Although this is a requirement of tenders above the EU threshold it is considered to be good practice to use a similar approach for tenders below the threshold as well.
- 3.2.5.4 Standard templates are available for this stage of the process
- 3.2.5.5 Standstill Period
- 3.2.5.5.1 The standstill period provides for a short (at least 10 calendar day) pause between the point when the contract award decision is notified to bidders, and the final contract conclusion, during which time suppliers can challenge the decision. It is a legal requirement for tenders above OJEU threshold values.
 - 3.2.5.5.2 The purpose of this is to ensure that the contract award decision is open to review before contract conclusion. This enables the award decision to be set aside by a court where an aggrieved bidder has been prejudiced by a breach of the rules. By properly applying the standstill period, we can protect ourselves from potential ineffectiveness claims (a very serious post-contractual remedy).
- 3.2.5.6 Supplier Challenges
- 3.2.5.6.1 When a decision has been reached through a tendering exercise to award a contract to a supplier, there will obviously be unsuccessful bidders. For whatever reason, any bidders may submit a challenge against the award decision.
 - 3.2.5.6.2 Whilst challenges are usually submitted by unsuccessful suppliers, they can also be received from other stakeholders. Such challenges could be against any element of the process, although usually this is against the scoring and evaluation methodology. Under normal circumstances, the requirement of the SCRCA Procurement Professional to lead on tendering activity, utilising the correct documentation held in the restricted area, should minimise the incidences of a challenge arising, however as this cannot be entirely eliminated, a Dispute Resolution process (see Appendix 3.0) has been established to manage this. This process aims to establish a standard

approach to dispute resolution, to successfully conclude tendering activity and to identify and implement any necessary adjustments or improvements to the tendering process.

3.2.5.7 Award Notice

- 3.2.5.7.1 An Award Notice is published after the standstill period has finished. A notice is required for any contract which is entered into as a result of a contract award procedure (open; restricted; negotiated; competitive dialogue) under the Public Contracts Regulations 2015 for which an OJEU notice was published.
- 3.2.5.7.2 The notice should be published within 48 days of the award of a contract. Publication is also required for above threshold Light Touch contracts.
- 3.2.5.7.3 All fields should be completed as much as is possible. Some organisations have in the past been reluctant to complete certain fields on ground of confidentiality. However post Freedom of Information Act this is less of a relevant justification. In particular the European Commission considers that there should be little reason to withhold price information. Section II.2 does permit authorities to state the lowest and highest offers as an alternative to providing actual award price

3.2.6 Stage 6: Contract Mobilisation

3.2.6.1 the following Contracts must be in writing:

- i. Any Contract awarded after a competitive process i.e. if the proposed purchase would provide better value through a more competitive process, tenders should be sought rather than quotes, irrespective of value.
- ii. Any Contract as specifically directed by the Managing Director of SCRCA

3.2.6.2 A Contract is evidenced in writing if all the terms agreed between the parties are set out in a number of documents which can then be produced to prove the terms of the agreement.

3.2.6.3 Model Contract Templates & Terms & Conditions

Model contract template must be used to draft your contract. There are 2 model contract templates covering Services and Consultancy including the relevant Terms & Conditions (T&Cs)

3.2.6.4 Printing, signing and dispatch of Contracts

- i. 2 hard copy contracts must be printed. Both copies must be sent to the supplier for signature. Once both copies are returned by the supplier they must be signed by the Authorised Signatories on behalf of SCRCA. 1 copy must be sent to the supplier and 1 copy retained by the Contract Manager.
- ii. For all Contracts, the Commercial Lawyer is responsible for quality assuring the Contract prior to signing by Authorised Signatories

3.2.6.5 Trade supplier set-up

Once a contract has been awarded it is the responsibility of the Contract Manager in conjunction with the Finance Officer to set the supplier up on the finance system (OEO) to allow for payment. Guidance is available on how to check OEO to establish whether a supplier record exists or to create a new Trade Supplier record

3.2.6.6 Contract Handover

The Procurement Professional must ensure that the Contract Manager responsible is clear on how they should manage the contract for the contract period. High risk contract components such as proof of agreed annual insurance cover should be checked either by the Contract Manager

- 3.2.6.7 Guidance on the corporate approach to Contract Management can be located in the Contract Management Toolkit maintained by the SCR Contract Management Team.

Appendix 1.0: Handy Top 10 Procurement Tips

This short guide is for those undertaking a procurement exercise. The guide sets out the basics that you need to consider when buying goods and services. It's important that you spend time to get your procurement right. Quickest and cheapest is seldom best, we should make sure that whole life costs are taken into account, not just the cheapest price. We also need to make sure that our buying processes are clear, fair and open to scrutiny. We must also consider users' needs at the outset of any tendering process.

1: Spend plenty of time planning

- Consider at the outset the full extent of what needs to be done, by whom, and by when. Who needs to be involved? Are they being consulted?
- Seek advice from others. It's always harder if you start with a blank piece of paper.
- Establish and use the procurement checklist to produce a timetable with consultation periods, approval dates, invitation, receipt and evaluation of tenders, interviews, contract award etc.
- Ensure adequate time is allowed for the whole process.
- If you think that the project might be right for a partnering or framework agreement (i.e. where a number of contractors are appointed), build this in at the start.

2: Establish roles and responsibilities in choosing new suppliers

- Establish the roles and responsibilities of all involved. For example, who is to decide/approve the short list of potential suppliers? Who will be responsible for the quality and price evaluations?
- Get everyone to contribute to the planning process. Be clear what approvals are required from senior managers and Board members (if appropriate) and their role in the whole process.

3: Ensure you keep a clear evidence trail

- Be seen to be fair to all potential tenderers and that the process is conducted without favoritism.
- Engage widely with stakeholders (e.g. customers and staff) and existing suppliers in advance of formal proceedings.
- Get all internal players to contribute to the critical success factors (i.e. what matters most); set evaluation criteria, and record these
- Allow sufficient time for tenderers to 'put their case' during evaluation, at interviews, presentations etc.

4: Observe legalities

- Contact the appropriate officers at the outset of the process, you will need procurement and possibly legal advice.
- Ensure compliance with EC Procurement Directives, domestic legislation, PPR etc., particularly in respect of advertisements, invitations, and receipt/opening of tenders, evaluation procedure and approvals.

5: Encourage innovation and secure 'Best Value'

- The lowest tender price is not always the best. Tenders must always be evaluated on a balance of price and quality. You should consider 'whole life costs' where appropriate, rather than the cheapest up front price. Whole life costs include capital, maintenance, management, operating and disposal costs, which fall within the life of the contract.

- Do not 'handcuff' tenderers. Do not be too prescriptive in how you want the work to be delivered. Describe the 'outcomes' you require.
- Try to find ways in which specialist suppliers and contractors can contribute their expertise; allow tenderers to innovate and offer you their best solutions.
- Make sure you secure Best Value by considering quality, design, and Whole Life costs, and not just lowest tender price

6: Prepare sound and complete tender documents

- Specify clearly what you want and describe in detail how tenderers are to price their submissions.
- Give sufficient thought to various pricing mechanisms such as lump sum or schedules of rates, and how good these will be at accommodating changes.
- Remember, the more information you provide, particularly on the desired outcomes, the greater your chances of success.

7: Consider monitoring and payment arrangements at the outset

- Be clear as to how payments to the successful tender are to be calculated once they have been awarded the contract, and make payments on time.
- Establish the monitoring procedures that are required to ensure that the service is being delivered in accordance with that specified.
- Consider 'default' procedures, performance incentives and profit sharing.
- Incorporate these processes within the tender documents, as they will provide the basis of the subsequent contract document

8: Ensure procedures provide for probity and accountability

- Ensure that the whole process is adequately documented and recorded to demonstrate the decision-making processes to others.
- Ensure all key documents are signed, dated etc. and retained so that those responsible for making decisions can be held accountable.
- Communicate all decisions to the whole team that have been involved in the selection process – or who will be the prime users of the goods or services

9: Think before you act

- Review your plans before commencing. Do not 'rush' things – unless it is a real emergency. Inadequate time in the planning stage will lead to problems.
- Think what can go wrong. Deliberately consider the risks. What if delays occur? What contingencies do you have? (e.g. slack in the timetable)? What if a key person leaves or goes off sick?
- Is the price/quality model mix correct? And will it deliver Best Value? Ensure you test it thoroughly.

10: Learn from the Process

- Learn, experiment, and don't fear mistakes. Ask yourself and the rest of the team, how would you do it better next time? How can we repeat what went well, and not what went badly?
- Develop your skills. Above all else – ENJOY IT!

Appendix 2.0: Appointing Consultants Guidance Notes

1.0: Overview

- 1.1 The use of consultants can be of considerable value in the right circumstances – for example where there is a specific expertise that is not available in-house or where there are peaks of workload that it is not sensible to staff up to internally. However, we also have to ensure that the reasons for using external resources are clear and fully justified.
- 1.2 This protocol should provide a means of demonstrating that the appointment of consultants is open to scrutiny. It is also intended to be a practical guide to anyone thinking through the stages necessary for a successful appointment.
- 1.3 In accordance with PPR all consultancy contracts must have an approved Business Case. For each consultancy appointment you should address the questions shown in the checklist below either as part of the Business Case.

2.0 Consultancy Checklist Questions

Why is a consultant being used?

In general consultancy requirements should:

- Be time limited or Ad hoc
- Not form part of “BAU” operations
- Not replace a role that would have been carried out by an Officer

Moreover, you should only appoint a consultant when:

- The work cannot be handled internally or as part of an existing contract where the existing contract offers better value
- The consultant can bring relevant new knowledge and experience that adds value
- There is demonstratable and achievable value for money as a result of employing the consultant
- All necessary authorities have been obtain, including the Assessment of Proposals for the SEP Development Budget proforma

Do the skills exist in-house, or subject to existing contract arrangement?

If such skills do exist, you need to demonstrate why the decision has been made to engage external service providers and any implications.

Has direct recruitment on a temporary or fixed term basis instead been considered?

Consideration should be given as to whether the timescale or nature of the work means that direct appointment of staff on a temporary or fixed term basis would be a more effective use of resources.

Is the budget available?

Ensure budget is available for the full amount required

Has a proper process been followed in approaching the market?

Before approaching the market, you need to have researched it and have answers to certain key questions, such as:

- What knowledge is available about the market?
- Has the service been tendered previously?
- What can the market offer (investment, economies of scale, innovation, supply of specialist skills and resources)?
- Are references or benchmarking information available from other local authorities?

Is the basis for and method of payment clear and concise?

The basis for payment should be clear and agreed as part of the contract. Wherever possible, it should link to outcomes, rather than to simple inputs such as hours spent. There are exceptions, but a fixed rate will usually leave the risk of overruns with the consultant. Obviously, any risk of a consultant “padding” a bid to allow for this risk have to be avoided but if proper tendering is undertaken with a number of bidders, this risk can be minimised.

IR35 liabilities need to be clear

Recent changes to tax legislation means that all public sector bodies now have a number of legal responsibilities relating to the Tax and National Insurance contributions of workers who are engaged through an intermediary, usually a Limited company classified as a ‘Personal Service Company’ (PSC). These are likely to be individuals (e.g. consultants) working for us, who have not been supplied by an agency.

It is essential that the IR35 status of those we contract with is clear so that the SCR does not incur fines and additional charges.

In brief, these HMRC ‘Off Payroll Working Reforms’ (IR35) apply from 6 April 2017. They move the responsibility for determining the employment status of workers engaged through PSCs to the public sector. Where it is determined that the worker is a deemed employee of the public sector body, then it is the public sector body’s responsibility to operate PAYE (for directly engaged workers).

As part of these changes, it is essential that we have identified anyone we have directly engaged who could potentially be classified as a PSC under these rules.

Although there is no clear definition in law, it is generally accepted that a PSC is a limited company that typically has a sole director, the contractor, who owns most or all of the shares. The contractor’s PSC generally supplies professional services to end user clients, either directly or via an agency.

If you engage an individual/company to deliver services to the Council that are not paid through the Council’s own payroll (so are normally paid through an order and invoice arrangement), you are required to complete the following process to ensure we have identified all directly engaged PSCs within the Council:

Please speak to SCR Legal Adviser or procurement professional for more information

Is the consultant connected in any way to those awarding the contract?

As a general rule, employment of friends, relatives or partners of officers involved in the decision or service area concerned is discouraged. In exceptional cases there may be a good reason but this should be fully explained and open to scrutiny.

Do the consultants have clear terms of reference?

As part of the contract process consultants must be set clear terms of reference against which their performance can be measured. Terms of reference would normally be drawn up as part of the initial decision to seek to appoint consultants and shared with all those invited to bid.

What are the main outcomes expected from their work?

As part of the appointment process, clear outcomes should be set that link to the terms of reference and, where possible, the payments schedule.

What is the value of the contract? Over what period of time?

There should be a clear value put on the contract, either as part of a fixed price or an assumed number of days work, if priced on an input basis. There should be a clear timescale for the work and, if on a fixed price basis, an indication of the expected days input.

If payments exceed agreed costs at what level will further approval be sought?

There will be circumstances where additional costs are incurred due to unforeseen circumstances. Whether the cost of this is borne by the consultants will partly depend on how the contract was framed (see pricing issues above) but also by exercising judgement as to the circumstances. In principle, any increase of 10% or more should be reported back through the same process that the original appointment was made. This will ensure that cost increases are open to scrutiny.

Appendix 3.0: Dispute Resolution for Tendering Activity

Challenges to procurement decisions can be time-consuming and may lead to litigation, which can add significant delays or even the postponement of a project.

Dealing with procurement challenges is a reality of the procurement process. They are most likely to come from unsuccessful bidders but can also come from companies who wanted to participate in the process but feel that they were denied the opportunity. As a Public sector organisation we can also be subject to Freedom of Information requests.

Whatever the situation, we need to deal with challenges quickly and efficiently

Once a challenge has been received it will be flagged as a dispute and will need resolving through the following process. This will ensure that:

- An appropriate level of investigation is undertaken
- A decision made on the findings is made, and;
- Any subsequent action is implemented for the future.

A central database of all challenges received will be maintained by the SCRCA Procurement Professional. A reference number will be allocated to the challenge and all documentation relating to this will be held within this database.

3.1: How We Will Handle a Challenge / Dispute

Upon receipt of any challenge (which needs to be submitted in writing) the details should be sent to the SCRCA Procurement Professional for recording onto the SCR Dispute Database.

Dependent upon the severity of the challenge it will be allocated to an Appropriate Manager. Where necessary, an alternative investigating officer will be identified to carry out the review.

- The parties involved at Stage 1 will be as follows:
 - The 'owner' of the challenge – either the SCRCA Procurement Professional or the Appropriate Manager
 - The investigator – an officer designated by Managing Director or Deputy Managing Director.
 - Other appropriate stakeholders as deemed necessary to the investigation / process.
- During an investigation, all tendering/commercial activity **must** stop.
- Written communication should be sent to all relevant parties / stakeholders notifying them of the situation, including where practicable details on the anticipated timescales.
- The Procurement Professional will liaise with the parties for information sharing.
- The parties involved should meet to discuss the issues surrounding the challenge.
- Where there are issues around service continuity, there should be negotiations with the incumbent supplier for an extension of the current contract (if required), whilst the investigation is concluded, even if the current contract has expired.
- There could be up to 3 stages involved in the dispute resolution process. A challenge may be resolved at Stage 1, however in the event that this is not the case the process allows for an escalation of the challenge to senior officers at stages 2 & 3.

- Where the challenge is escalated, notification letters should be sent to all bidders involved in the process to update them on the investigation and to provide anticipated timescales for completion (at both stages 2 & 3 if applicable).
- Dependant on the outcome/conclusion of the investigation and after seeking legal advice from SCR Legal Adviser (if deemed necessary), the following courses of action should be undertaken:
 - **Go ahead** with new contract award & let client/complainant and new contractor know results, or;
 - **Complaint Upheld** – agree action going forward, work with SCRC Procurement Profesional to determine what part of the process went wrong and which will be the starting point for going forward with the tender. Let the client / complainant and the winning bidder know.
- Any recommendations arising from the investigation must be entered onto the Challenge Database. This includes any suggested actions for documentation amendments.

3.2: Investigation Process

The following process should be followed for managing a challenge, however dependent upon the nature / seriousness of the challenge (i.e. who is raising this, level of contact within the organisation) a judgement should be made by the SCRC Procurement Professional as to whether this should be escalated immediately.

All procurement activity for this exercise **MUST** stop. An acknowledgement letter must be sent to the challenger and notification letters also sent to all other bidders.

Stage 1	
Action	Timescale
Challenge logged and forwarded to Line Manager	1 working Day
Acknowledgement letter sent	1 Working day
Initial investigation / findings / decision	10-15 Working Days
Notification of investigation outcome to challenger and other bidders	5 Working days
Resolved: <i>notification of any recommendations i.e. training provision or amendments to processes / documents noted and necessary action taken.</i>	5 Working days
Not Resolved: <i>challenge escalated to Stage 2 if necessary</i>	1 Working day
Stage 2	
Challenge forwarded to Director of Programme Assurance and Performance	
Action	Timescale

Written notification provided to bidders to explain the status of the challenge	1 working Day
Review of Initial investigation / findings / decision	5 Working Days
Any further investigation / decision of Stage 1 findings – seek advice from SCR Legal Adviser prior to notifying bidders	5 Working days
<p>Stage 1 decision upheld Challenge rejected - suppliers & SRO notified. Progress with contract award.</p> <p><i>Notification of any recommendations i.e. training provision or amendments to processes / documents noted and necessary action taken.</i></p>	5 Working days
<p>Stage 1 decision reversed Challenge upheld – Suppliers & SRO notified. Agree action going forward and escalate to stage 3 if necessary</p>	1 Working day
<p>Stage 3 – Final Stage Challenge escalated to Managing Director or Deputy Managing Director</p>	
Action	Timescale
Written notification to bidders to explain the status of the challenge	1 working Day
Review of Stage 1 and Stage 2	5 Working Days
Any further investigation / decision of Stage 2 findings – seek advice from SCR legal Adviser prior to notifying bidders	5 Working days
<p>Stage 2 decision upheld Challenge rejected - suppliers & SRO notified. Progress with contract award.</p> <p><i>Notification of any recommendations i.e. training provision or amendments to processes / documents noted and necessary action taken.</i></p>	5 Working days
<p>Stage 2 decision reversed Challenge upheld – Suppliers & SRO notified. Agree action going forward</p>	1 Working day

Appendix 4.0: Further information on drafting the specification

Drafting a specification to meet your requirements is critical to a successful procurement outcome. You need to draft a clear and complete specification at the start of the process, which defines what you require in terms of what you want done - it should not specify how it should be done.

The specification forms a key part of the documentation that you send to prospective suppliers. Incomplete or unclear specifications will inevitably lead to an unsatisfactory outcome. For example, you may get a poor response to your request, or worse still, unsatisfactory performance from a supplier you select.

Each specification will have a different content, which will depend on:

- The type of goods or service you require
- The complexity of the goods or services
- Its relative importance to Sheffield Homes
- The availability of the goods or services in the marketplace.

Your specification should clearly define your requirements in respect of:

- Performance
- Quality
- Quantity
- Timescales

Any specification should also cover consideration of the requirement's impact on Equalities, Health & Safety and the Environment. Always keep an open mind as to how the requirements will be met by potential suppliers as new or innovative solutions could lead to better value for money.

If you want detailed advice on what a particular specification should include, contact the Finance & Procurement Team who will be pleased to help. We do have some model specifications already prepared which may be capable of adaptation for your Service area.

DOs and DON'Ts when writing a specification

- DO concentrate on required outputs, not inputs. Tell people what you want, but not how to achieve it
- DO allow potential suppliers scope to submit innovative solutions
- DO clearly state any time limits on the production of outputs and/or key deadlines that need to be met
- DO give details of any design requirements or limitations
- DO take account of equalities and/ or environmental issues
- DON'T over or under specify your needs.
- DON'T be ambiguous and use confusing terminology and/or abbreviations
- DON'T specify by brand name unless absolutely necessary
- DON'T opt for non-standard items when not necessary

Appendix 5.0: Frequently Asked Questions (FAQ)

Q: I have a family member who is a supplier to SCRCA. What should I do?

A: You need to declare this on the Declaration of Interest form and must ensure that the SCRCA is notified of this whenever any business dealings may be impacted by this relationship.

Q: A supplier has phoned for a discussion on a tender, what should I do?

A: If the tender has been put out via the procurement portal (Yortender), the supplier should put their queries in writing and submit via the messaging portal. This will then be reviewed and if necessary a response will be provided to all suppliers. This helps us to keep a comprehensive audit trail.

If this is a low value RFQ (less than £25k total value). Ask the supplier to put their queries in writing, review the query and if necessary provide a response to the supplier. Always consult with the Procurement Professional if you are unsure how to respond to the supplier.

Q: Why must all suppliers be given the same information?

A: This is to ensure openness and transparency, and to ensure that no supplier is given an unfair advantage over another.

Q: What information is deemed to be confidential?

A: The SCRCA Procurement Professional will review this in conjunction with the supplier and guidance in relation to the Freedom of Information Act.

Q: A supplier has offered to take me out for lunch, what should I do?

A: Meals or refreshments may only be accepted in the following circumstances:

- Only such meals or refreshments as are a necessary part of the business in hand and which are immediately and directly connected with and wholly incidental to SCRCA business can be accepted. Even then, they must be of a modest kind and wherever possible the employee should pay for himself/herself, or if practical, should be paid for by the SCRCA.
- Such meals or refreshments as are connected with a public or semi public occasion, such as an opening ceremony associated with new premises in which the SCRCA have an interest such as owners or partners in the scheme and where the employee attends in an official capacity as representative of the SCRCA and obtains prior authorisation from the appropriate officer.
- Where it is determined that Alcohol is made available at official SCRCA functions, Employees should act responsibly, particularly if they are acting in an official

Q: I have been offered a gift by a supplier, what should I do?

A: Gifts may only be accepted in the following circumstances:

- Those gifts which are of a modest kind (i.e. under £10 retail value), such as a calendar, diary, pen or other inexpensive item of office equipment, and which can be regarded as in the nature of advertising matter, can be accepted. Such gifts must bear the name or insignia of the organisation concerned.
- All other gifts must be politely but firmly refused. If gifts are received through the post they must be returned immediately to the donor with a suitably worded covering letter.

Q: What is value for money?

A: Value for money is a detailed and complex evaluation that takes place to review the value that the University will derive from a purchase, whether that is additional value in terms of additional warranty, additional functionality, energy consumption, whole life costs, total cost of ownership or the price that will be paid.

Q: How is spend analysis conducted?

A: Spend information is taken from all financial systems, This is then reviewed to look at off-contract spend, and these are then categorised into short-term (contract needed within 12 months, perhaps where there is a legal requirement or there is likely to be an increase in spend); medium-term (contract needed within 24 months) and long-term (contract needed, but not urgent as there are other contracts available that can be used).

Q: I need to write my first specification and I don't know where to start.

A: Sample specifications can be provided to assist, and the Procurement Professional can also offer training in how to write specifications.

Q: How will I know what to include in the specification?

A: The tender process will be discussed with you as soon as you have highlighted the requirement to the SCRCA Procurement Professional. As part of this process, the specification and requirements will be discussed, and it will be agreed with you the kind of information you need to include within your specification.

Q: What happens if I realise I have missed something from the specification after the tender document has been issued but before the tender documents have been received from suppliers?

A: This needs to be discussed with the SCRCA Procurement Professional who will be able to advise on the best course of action. It may be necessary to re-issue the tender, or in the case of an EU tender, re-advertise.

Q: What happens if I realise I have missed something from the specification after the tender documents have been received from suppliers?

A: This needs to be discussed with the SCRCA Procurement Professional who will be able to advise on the best course of action. It may be necessary to re-issue the tender, or in the case of an EU tender, re-advertise.

Q: Why do evaluation criteria need to be agreed in advance?

A: In EU tenders, there is a legal requirement that selection and award criteria are notified to suppliers in the notice and documentation, so they understand the importance that we have placed on each section. In non-EU tenders, it is still good practice to do this.

Q: Can we score interviews?

A: Interviews cannot be scored in their own right. They should be used to clarify the information that has been received in the tender submission is factually correct, and scores can be adjusted accordingly.

Q: Can we negotiate to bring the suppliers price down?

A: Negotiation or bartering on price is not ethical, however there are techniques that can be adopted to influence a change in a proposal, for example value engineering. If price is very

important, it may be possible to carry out an eAuction. This must be decided in advance of the tender.

Q: What happens if I do not want to award the contract or tender to the supplier ranked in first position?

A: The reason for agreeing the evaluation criteria in advance is to ensure that the correct weightings have been given to those areas of most importance. Through the detailed evaluation undertaken, the supplier ranked in first position should therefore be the correct supplier, and an award will be made.

Q: Can I be involved in the de-brief to suppliers?

A: De-briefs must only be carried out by qualified procurement staff who are trained in this area and can ensure that SCRCA does not receive a challenge to the decision made. Should unsuccessful suppliers contact stakeholders directly they must be referred to the SCRCA Procurement Professional.

Q: Can I be involved in contract management?

A: Stakeholders can and will be involved in contract management and review meetings, where appropriate.

Q: Why does it take so long to do an EU tender?

A: There are timescales stipulated within the legislation that relate to the time the supplier has to review and submit documents. These timescales are deemed to be reasonable. The remainder of the time is linked to the process that SCRCA undertakes in order to ensure a fair process and correct award. This would be undertaken regardless of whether it was an EU tender or not.

Q: I am not sure of the exact spend for my requirement, but it is likely to be close to £160K. Does this need to be an EU tender?

A: As the limit is so close to the threshold (£181,302) set in the legislation, it would be appropriate to treat this as an EU tender. Failure to do so may result in the tender having to be aborted if costs escalated over the EU threshold.

Q: Who decides which EU process will be undertaken?

A: The SCRCA Procurement Professional will make recommendations on the process, whether that will be a one stage or two stage, but the stakeholder is able to provide their own thoughts on this as part of the planning phase.

Q: Why do we need to address social issues within tenders?

A: The Public Services (Social Value) Act 2012 stipulates that public authorities need to have reviewed the social value of the service prior to tendering it. Failure to consider this may result in a legal challenge

Appendix 6.0: Conflict of Interest Declaration Form

Instructions:

Each member of the evaluation panel must complete and sign the document/table below to declare any potential Conflict of Interest (COI) and agree to an undertaking of confidentiality in relation to this tender.

If member(s) of the evaluation panel declare a COI then they will be excluded from the tender evaluation.

A conflict of Interest is determined as;

- Employment by a potential bidder/provider (substantive or casual)
- Shareholding in a potential bidder/provider
- Position as board member or Governor of a potential bidder/provider or associated organisation.
- Partnership in a potential bidder/provider
- Advisor to a potential bidder/provider
- Membership of a committee that may discuss service provision
- Family member/partner and family (to sons and daughter level) who may be covered by any of the above.

Form of Confidentiality Undertaking;

In consideration of participation in the Evaluation Group, you agree, at all times, to keep the information, and all other information received as part of the Evaluation Group, confidential and agree not to disclose, make any copies of, or discuss it with any person who is not directly involved in the Evaluation Group.

Tender Name:

Procurement Professional:

Date:

Evaluator Name	Team/Portfolio	Contact Details/Telephone Number	Potential Conflict of Interest Identified Yes/No	If Yes, please document	Signature	Date

Appendix 7.0: A Glossary of Terms Frequently Used in Procurement

Term	Definition
Best and Final Offer (BAFO)	The detailed and fully priced offer submitted by the bidder for the contract following an invitation to submit BAFO documentation. Where the offer is accepted it becomes legally binding on both parties.
Business Case	<p>The Business Case is the justification for the project. It should explain clearly and concisely what the costs are and what improvements in business performance will result from delivering a successful outcome. Even on small projects the Business Case is crucial because it drives decision making.</p> <p>The Business Case needs to cover the totality of the business change and include all the costs. It may be that your project is part of a larger project or programme in which case it is normal for the Business Case to be documented at the higher level. If this is the case then you should make sure the Business Case for your project accurately reflects the contribution you are making to the larger undertaking</p>
Call off contract	A contract made following a formal tendering process with one or more contractors, suppliers or service providers for a defined range of works, goods or services covering terms and conditions (including price) which users 'call off' to meet their requirements. See also "framework agreement".
Competitive Dialogue Procedure	This tender procedure is only used in particularly complex or highly specialised procurements where a specification for the goods, works or services cannot be established. A contract is advertised and interested parties complete a Pre-Qualification Questionnaire. The questionnaires are evaluated and a shortlist is drawn up. The short-listed organisations are then invited to develop one or more solutions with Sheffield Homes to meet the requirements.
Competitive Tendering	Awarding contracts by the process of seeking competing bids from more than one organisation.
Consortium	An unincorporated group of firms or individuals, often formed to tender for a contract, with a view to forming an organisation or working in some other way in the event of winning.
Contract	A binding agreement made between two or more parties, which is intended to be enforceable by law.
Contract Value	The total monetary value of a contract over its full duration (not annual value)
Contracts Finder	The Government's one-stop shop for suppliers to find new procurement opportunities across the public sector. PCR

	<p>2015 requires public bodies to advertise new opportunities here with a value greater than £25,000. It also requires all Contract Award notices to be published here.</p>
E-procurement	<p>The use of electronic methods in every stage of the purchasing process from identification of requirement through to payment, and potentially to contract management.</p>
EU Procurement Directives	<p>The European Union (EU) Procurement Directives, and the Regulations that implement them in the UK, set out the law on public procurement. Their purpose is to open up the public procurement market and to ensure the free movement of goods and services within the EU.</p> <p>The rules apply to purchases by public bodies and certain utilities which are above set monetary thresholds. They cover all EU Member States and, because of international agreements, their benefits extend to a number of other countries worldwide.</p> <p>Where the Regulations apply, contracts must be advertised in the Official Journal of the EU (OJEU) and there are other detailed rules that must be followed. The rules are enforced through Member States' courts, and the European Court of Justice (ECJ).</p>
EU Thresholds	<p>These thresholds indicate above which value the EU Procurement Directives apply. The current levels can be found in section 2.2 above.</p>
Evaluation	<p>Detailed assessment of contractor, supplier or service provider offers, against financial and quality criteria.</p>
Framework agreement	<p>An arrangement under which a contracting authority establishes with a provider of goods, works or services, the terms under which contracts subsequently can be entered into, or 'called-off' (within the limits of the agreement) when particular needs arise. See also 'call-off contract'.</p>
Ineffectiveness	<p>A remedy which can be obtained by suppliers where a contracting authority has failed to place a mandatory OJEU notice; has breached requirements relating to the standstill period thereby denying a supplier the opportunity to challenge an award decision; or has failed to follow call-off requirements under a framework for a call-off over the EC procurement threshold.</p>
Invitation to tender	<p>An invitation to contractors, suppliers or service providers to bid for the provision of works, goods or services.</p>
Market Brief	<p>The Market Brief is for information only, and provides an outline of the requirements for the contract.</p>
Method Statement	<p>Tenderers' proposals for dealing with aspects of the work which are outlined in the specification, and where detailed operational information about the delivery of the contract is required.</p>

MEAT	Means Most Economically Advantageous Terms and refers to the tender that will bring the greatest benefit to an organisation having taken a number of factors into consideration, including quality and cost.
Offer	The supplier's offer to provide goods and/or services in response to a buyer's enquiry.
OJEU	The Official Journal of the European Union. This is the publication in which all contracts from the public sector which are valued above a certain threshold must be published.
Open Procedure	The open procedure is a one-stage tender process, where a contract is advertised, and all interested parties may submit a tender. If you apply for a contract that is tendered under this procedure you will receive all of the tender documents to complete by a specified deadline.
Post-Tender Negotiation	Discussions with a supplier, or suppliers, after their offers have been received, with the aim of achieving clarifications and/or improvements. (Strict guidelines apply to conduct during this process.)
Private Finance Initiative (PFI)	A route for procurement where, instead of owning the assets needed for their services, public authorities arrange for private sector bodies (often in the form of consortia) to provide and own them. These bodies then make the assets available, under operating leases, to enable public authorities to deliver the services required.
Procurement	The process of acquiring goods, works and services, covering acquisitions from third parties and from in-house providers. The process spans the whole life cycle, from identification of needs, through to the end of a contract or the end of the useful life of an asset.
Qualified Tender	A tender which is qualified because it does not fully meet the intended contractual requirements. Such tenders are not normally acceptable.
Quality Assurance (QA)	A discipline to assess quality standards, covering all activities and functions concerned with the attainment of quality.
Quotation	A written or verbal price given by a contractor, supplier or service provider, after being requested either orally or in writing. A quotation may be the written confirmation of an earlier, oral offer.
Remedies Directive	Directive 07/66/EEC, which sets out the remedies which a supplier is entitled to for breach of the procurement regulations, and implemented by Part 3 of the Public Contracts Regulations 2015.
Restricted Procedure	The restricted procedure is a two-stage tender process, where a contract is advertised, and interested parties must first complete a Pre-Qualification Questionnaire. Following this evaluation, a shortlist of the organisations that meet

	our criteria is drawn up. These organisations are invited to submit a tender and will be sent full tender documents to be completed by a specified deadline.
Services	Services provided by an external service provider (an individual or organisation).
Soft Market Testing	Taking your requirements out to the marketplace and identifying the level of interest in the business. It is sometimes called Market Solicitation or market development
Specification	The specification details our requirements and standards for individual contracts, including the scope and specific activities required. It should present you with a clear, accurate and full description of our needs, so that you can propose a solution to meet them. The specification must be read carefully; if you are not sure about what is being asked for, contact the named contact in the tender for clarification.
SSQ	Supplier Standard Questionnaire
Sub-Contracting	The process where a contractor assigns part of the contract to another contractor(s).
Supplies	Goods, either purchased or hired. Those that have a value exceeding the current threshold defined by the EU rules will be subject to the European tendering requirements. Standing orders may have different values covering works, services or supplies.
Tender	An official written offer to an invitation that contains a costed proposal to perform the works, services or supplies required, and is provided in response to a tendering exercise. This normally involves submission of the offer, in a sealed envelope, to a specific address, by a specified time and date.
TUPE Regulations	The Transfer of Undertakings (Protection of Employment) Regulations 1981 (as amended from time to time) implementing the Acquired Rights Directive on the acquired rights of workers.
Value for Money	The provision of the right goods and services from the right source, of the right quality, at the right time, delivered to the right place and at the right price (judged on whole-life costs and not simply initial costs).
Works	Building, construction and engineering related to works. Those that have a value exceeding the current threshold defined by the EU rules will be subject to the European tendering requirements. Standing Orders may have different values covering works, services or supplies.