

Tendering and Procurement Process

Increasingly funding from local authority and other public sector bodies is now likely to be in the form of contracts, usually awarded after a formal **tendering and procurement process**.

A contract is a legally binding agreement to supply a specified service, usually for a specified price. The provider is responsible for the service, and the risks associated with it, not the contractor.

Both EU and national regulations require public tendering and procurement processes to be fair, transparent and strictly time limited, thus enabling the commissioner to buy the best possible service available from the market of potential suppliers.

Tendering for a contract and delivery and is a multi-step process:

Step 1 – Commissioning

Allows the contractor to define the service required (this may be through a grant or contract), often following a consultation with service users and providers (sometimes known as suppliers). The service requirements are then set out in a service specification.

Step 2 – Tendering

i) How tenders are advertised

An Invitation to Tender (ITT) or to join a Framework Agreement (definition in page 3 of the link) will first be published. This is usually online and should include details of the service specification, the documentation required, the timetable for submission and the scoring criteria.

ii) The Procurement (buying) Processes

Some tenders will be Open meaning the competition is open to all comers; others will be Restricted meaning that Pre-Qualification Questionnaires (PQQ) will be used to identify those with the experience and ability to deliver.

iii) PQQ and Approved Provider/Supplier Registers

For some specialised services, for example, substance misuser support services, commissioners may operate a Register of Approved Providers/Suppliers, or will select only those suppliers they understand to have the ability to deliver the service to compete for the work.

Step 3 – Evaluation of tenders

Tenders submitted within the published timetable will be evaluated **ONLY** against the criteria detailed in the ITT.

Following evaluation, contracts are usually awarded on either the lowest price or the Most Economically Advantageous Tender (MEAT) basis. The latter being a balance between cost and quality, for example 60% quality 40% cost.

Step 4 – Contract Award

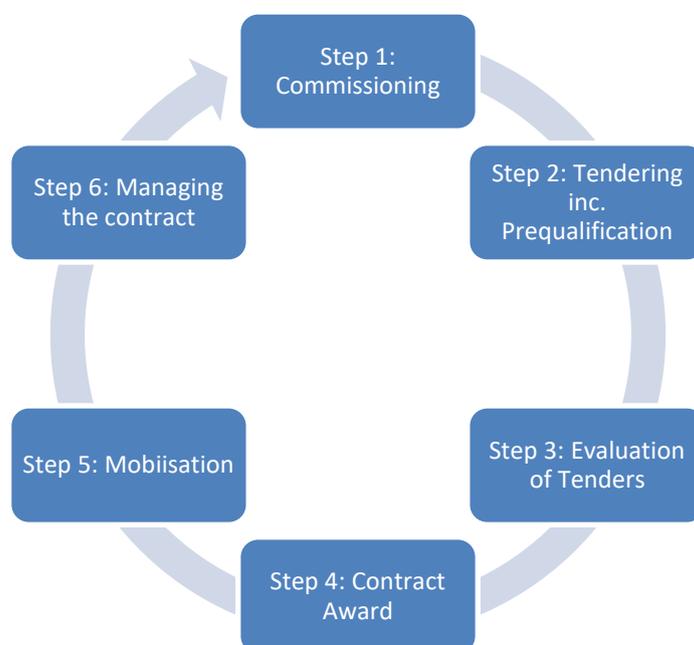
After evaluation, the commissioner will inform all those who tendered of the result. Following the notice of the award there is a 'standstill' period where unsuccessful suppliers can ask for feedback and/ or challenge the decision. If no challenge is made the contract is awarded to the supplier whose bid offered the best value for money proposal.

Step 5 – Mobilisation

This gives the opportunity to negotiate monitoring and performance indicators.

Step 6 – Managing the contract

The contractor's performance in delivering the contract is usually monitored throughout the life of the contract by a contract manager. The results of this monitoring will usually inform any future commissioning of a similar service. (Hence the cyclical diagram below).



Top tips

- Be aware of the risks, legal and reputational, of underperformance
- You may need to work in partnership/ consortia to deliver larger, more complex contracts (see Action Hampshire webpage on consortium working)

How we can help:

We offer a **Tender Ready Health Check**. For further information contact: elizabeth.donegan@actionhants.org.uk or telephone 01962 857 359.