

**TENDERING PROCEDURE**

This document is intended for the practical guidance of those wishing to place an order for **£50,000 or more** (excluding VAT). It reflects the Financial Regulations of the University but is not intended to re-state them.

Unless otherwise approved by the Vice Chancellor, contracts must be tendered in accordance with these procedures.

1. **Introduction**

The purpose of the tendering procedure as described in this document is to ensure that value for money is achieved through fair competition.

The procedures surrounding the opening and recording of the tenders ensure that all tenders have an equal chance to submit confidential tenders; tenders are not tampered with following receipt, that they are fairly considered without prejudice and that the most economical tender is chosen.

In addition, the process is fully recorded so that an audit trail exists and this is further confirmation of the fairness and objectivity of the competition.

# Procurement Thresholds

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The following thresholds and actions are applicable from 1st November 2018:

|  |  |
| --- | --- |
| **Aggregate Order Value**  **(ex VAT)** | **Action Required** |
| **Schools and Services** | |
| £1 - £5,000 | Budget Holder shall have the discretion to decide whether or not to obtain quotations, but value for money must always be obtained |
| £5,001 - £50,000 | Budget Holder shall be required to obtain at least three written quotations. |
| Over £50,001 | All items will require a minimum of three competitive tenders |
| **Estates & Facilities Only** | |
| £1 - £10,000 | Budget Holder shall have the discretion to decide whether or not to obtain quotations, but value for money must always be obtained |
| £10,001 - £50,000 | Budget Holder shall be required to obtain at least three written quotations |
| Over £50,001 | All items will require a minimum of three competitive tenders |

As a Public body, the University must comply with the Public Contract Regulations 2015 (PCR 2015) and follow strict rules when purchasing goods and services in excess of the applicable EU Thresholds.

The thresholds for the period 2018-2020 are:

|  |  |
| --- | --- |
| Supplies and Services Contracts | £181,302 |
| Works Contracts | £4,551,413 |

Tenders which fall into this category will be led by a member of the Procurement team in conjunction with the Project Manager. Failure to correctly apply the Public Contracts Regulations correctly could be very costly for the University.

1. **Procedures for Tendering**

Tenders must be raised when the anticipated annual value of business for a particular commodity (ex VAT) is £50,000 or more, or when the value of an individual purchase is in excess of £50,000 (ex VAT).

There are several procurement options available to the University. A member of the Procurement Team can advise on the most appropriate route:

3.1 Framework Agreements

Consideration should be given to whether an existing Framework Agreement could satisfy the requirement. A member of the Procurement team will be able to provide further advice regarding potential Frameworks and assist with production of the further competition documentation if appropriate.

* 1. Anticipated contract value is between £50,000 and relevant EU Threshold

Open tender exercise conducted in accordance with PCR 2015 and contract award notice advertised on Contracts Finder.

* 1. Anticipated value over relevant EU Threshold

Contract opportunity advertised in Official Journal of European Union (OJEU); open or restricted tender exercise in accordance with PCR 2015; contract award notice advertised in OJEU.

* 1. Sole Supply

Single source tenders for goods and services shall only be permitted when it has been satisfactorily established that there is only one supplier able to provide the goods or service or in exceptional circumstances. Evidence of negotiation with single suppliers must be recorded for audit purposes and kept with the copy order. The inviting of tenders from single source suppliers shall only be with the approval of the Director of Finance.

1. **Specification of Requirements**

The School or Service Project Manager or persons acting on their behalf must prepare a specification of requirements. In order to receive high quality tender responses, the specification should be clear, concise and generic. The specification must not carry any references which can be attributed to a specific supplier or product.

There are 2 main types of specification:

**Input Specification**

An input specification will set out in great detail how the University expects the supplier to meet the specification; identifying not only the standards the supplier is expected to achieve but also the exact means by which those standards are to be met.

*Advantages*

Suppliers are clear on the inputs required by the University. The University is able to determine and control the processes used in delivery of the contract.

*Disadvantages*

The specification requires a great deal of effort to produce and the University would take full responsibility for fitness for purpose of the end result. Suppliers have less opportunity to show innovation in their approach and there is limited opportunity to utilise a supplier’s expertise.

**Output Specification**

An output specification describes what the end result is expected to be. A supplier has the freedom to develop the best route to achieving the specified end result. Output specifications do not need to be any less informative or detailed, they simply take a different approach.

*Advantages*

Innovation is encouraged and niche expertise can be utilised to create more efficient solutions and added value. The responsibility for success sits with the supplier.

*Disadvantages*

The University needs to trust that the supplier has the capability to achieve the end result by whatever route they consider most appropriate. Suppliers may propose different approaches in their responses so evaluation criteria need to enable fair comparison.

Regardless of which specification type is selected, some examples of things that needs to be considered are:

* How will the requirement be priced?
* Required supplier experience?
* Minimum quality standards?
* Length of contract?
* Delivery requirements?
* Installation, maintenance, servicing, warranty?
* Technical requirements?
* Integration with existing goods / services?
* Software licences and training?
* Consumables?
* Health and Safety?
* Sustainability considerations?
* Compliance with the University's Terms & Conditions?

Advice on preparing specifications can be sought from the Procurement team.

1. **Electronic Tendering**

All tendering activity is conducted via the University’s electronic procurement system, In-Tend. Schools and Services should contact Procurement to discuss their requirements and once the specification document has been prepared this will be incorporated into the University’s standard tender document. Once all aspects of the tender package have been finalised, the tender will be made available to suppliers via the electronic procurement system.

The length of time that the tender document is available to suppliers will depend on the complexity of the requirement. It is recommended that 10 working days is the minimum for simple requirements and 30 days for more complex requirements. It should be noted that specific timescales apply to tender’s subject to PCR 2015; Procurement will advise in these cases.

Appropriate forethought must be given to the closing date & time of the tender. The deadline must not fall on a bank holiday, Saturday or Sunday. In general, tenders should have a closing time of 12:00 to allow sufficient time to resolve any technical issues which may prevent submission.

Procurement will monitor the electronic procurement system for incoming correspondence from suppliers and liaise with the Project Manager to provide appropriate responses. Responses to requests for specification clarification must be communicated to all suppliers involved in the tender exercise. Members of the Project Team can be given access to the electronic procurement system if requested.

1. **Receipt of Electronic Tenders**

Suppliers are required to submit tender responses via the electronic procurement system, where they will remain unopened until the deadline for responses has passed. The University will only accept responses submitted by other means in the event of unresolved technical issues.

If for any reason a supplier is unable to upload a tender response, they should create and send a correspondence via the electronic procurement system, prior to the deadline for receipt of responses. The University will only consider a late response due to technical issues, if this action has been taken.

1. **Opening of Electronic Tenders**

Only when the deadline for responses has passed will tender responses be opened on the electronic procurement system. A representative from Procurement, the initiating School or Service and Finance will be present for the opening. Depending on the anticipated contract value, a member of University Council may also be required.

1. **Evaluation of Tender Responses**

Tender responses must be evaluated in line with the evaluation criteria and scoring rationale specified in the tender document. The evaluation process should be fully documented and reasons for each score recorded.

Once the outcome of the tender exercise is decided and approved by relevant parties, an evaluation a report should be produced and held on file with the tender responses.

It should be noted that the Vice Chancellor reserves the right to reject any tender.

1. **Notification of Tender Outcome**

All suppliers will be notified of the tender outcome via the electronic procurement system.

Above threshold tenders need to comply with strict rules regarding the award of contracts. Full debrief information needs to be provided to unsuccessful suppliers, in the form of an Intention to Award notice, prior to conclusion of the contract award. Release of the debrief information triggers the mandatory standstill period during which suppliers have the opportunity to challenge the proposed award decision.

Providing the standstill period expires with no formal challenge being brought, the University is able to formally award the contract to the successful tenderer.

1. **Contract Documentation**

In most cases, no separate contract documentation is produced as the agreement between the University and the supplier constitutes the following documents:

* University’s Invitation to Tender document
* Suppliers complete tender response
* Post-tender tender correspondence

In some instances, a formal contract will be drawn up by the University’s legal representatives.