

TENDERING AND QUOTATIONS

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POLICY SUMMARY
<p>Procedure outlines how to invite organisations to tender, how to securely receive tenders, how to evaluate tenders and the financial limits around whether competitive quotes or tenders are required.</p>
<p>The Trust Monitors the implementation of and compliance with this policy in the following ways:</p>
<p>Internal Audit</p>

Services	Applicable	Comments
Trustwide	✓	

**The Director responsible for monitoring and reviewing this policy is
Executive Chief Finance Officer**

ESSEX PARTNERSHIP UNIVERSITY NHS FOUNDATION TRUST

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TENDERING AND QUOTATIONS

1.0 INTRODUCTION

- 1.1 These procedures are designed to ensure that the most competitive price for a contract is obtained by the Trust in the most competitive way without compromising the level of quality required of the goods or services being supplied. There will be occasions, however, when it is not practical to adhere to the competitive stance of the tendering process but guidance is also given for these situations. **STAFF RESPONSIBLE FOR TENDERING AND QUOTATIONS SHOULD BE FAMILIAR WITH THE DETAILED INSTRUCTIONS CONTAINED WITHIN THE STANDING ORDERS.**
- 1.2 For the avoidance of doubt, this procedure refers to a number of key staff within the Finance Department for the completion of a range of tasks. In the absence of these key members of staff, the task will be undertaken by the covering members of staff. In the event there are no suitable staff to cover the identified task, the decision will be referred to either the Deputy Chief Finance Officer, Head of Financial Accounts or Head of Financial Management.

2.0 OVERVIEW & AUDIT REQUIREMENTS

- 2.1 The procedure for obtaining and evaluating Tenders and Quotations can be seen in separate stages or sections and management should look to ensure that there is sufficient segregation of duties between the appointed officers in each section.
- 2.2 Management skill is also needed to select the best tenders in terms of applicant's financial and technical abilities. Where possible the evaluation panel for technical reasons, should include the Associate Director / Head of Service for the relevant area being tendered.
- 2.3 The Financial Limits are an important guide and management should ensure that these are understood and adhered to by officers involved before the tendering and quotation process begins. These financial limits are contained within the Detailed Scheme of Delegation.
- 2.4 The objectives of the Tendering process can be achieved by adhering to detailed procedures on:
- a) Selection and invitation to tenders;
 - b) Receipt and safe custody of tenders and records;
 - c) Opening and recording of tenders;
 - d) Evaluation and acceptance of tenders.

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- 2.5 Quotations are slightly different because formal tendering procedures do not apply. Quotations are sought for contracts which are below the financial limits set for tendering which are provided in the Detailed Scheme of Delegation. However, the key objective for quotations remains the same.
- 2.6 All requests for tenders and quotations should be carried out under the conditions detailed in the Standing Orders and Standing Financial Instructions of the Trust.
- 2.7 The minimum levels of control that the Trust would expect to be achieved will take into account the following:
- a) Tendering must be used in accordance with the circumstances and financial limits set by the Trust.
 - b) Segregation of duties must be adequate.
 - c) Applicants must be fully assessed with respect to the quality of their product or service as well as their financial and technical competence. An evaluation guide will be issued to all evaluators.
 - d) Adequate procedures must operate to ensure that all tender submissions are accounted for, safeguarded and given equal treatment.
 - e) Tenders must be evaluated in an effective manner.
 - f) Acceptance of tenders is properly authorised.

3.0 QUOTATION PROCEDURES

- 3.1 Where the financial limits stated in the Detailed Scheme of Delegation permits, the Trust should ensure that competitive quotations are obtained.
- 3.2 Although the processes around obtaining quotations are not as extensive as for competitive tenders, evidence of having obtained the relevant number of quotes needs to be scanned and appended to the requisition in e-procurement. This evidence would be subject to review by the Trust's Internal Auditors and if not available, could lead to disciplinary action being taken.

4.0 TENDER PROCEDURES

4.1 Under certain financial circumstances competitive tendering must be used (please refer to Detailed Scheme of Delegation for Financial Limits). These procedure notes presuppose that competitive tendering has been identified as the means of securing a contract.

4.2 Selection and Invitation to Tender

- a) Companies selected for tender must be reviewed for quality of product or service and for technical and financial competence.
- b) The Trust should ensure, where possible, that a sufficient number of invitations to tender are sent to firms to ensure adequate competition in line with the Detailed Scheme of Delegation.
- c) Conflict of interest forms must be completed, in advance, by all staff who are taking part in the tender process. This includes those staff involved in preparing the service specification and evaluation criteria, as well as those who are evaluating the technical and financial responses.
- d) As well as the contract specifications the invitation to tender must clearly indicate:
 - (i) The time and date for return of tenders.
 - (ii) That companies invited to tender should submit their tenders electronically using the e-tendering portal by the deadline specified in the Invitation to Tender document.
- e) Every tender for goods, materials, services or disposals shall embody such of the NHS Standard Contract Conditions as are applicable.
- f) Directors or Officers of the Trust who may be in a position to influence tender or quotation decisions, should regularly sign statements to declare that neither they nor any member of their family, have any interest in third parties with whom the Trust may engage.

4.3 Receipt of Tenders and Records

All tenders should be submitted via the e-tendering portal and must be uploaded by the time specified within the ITT documentation. Tenders received after this time may be rejected unless the potential bidder can provide acceptable evidence of why the deadline was not met. This would include technical issues with the e-tendering portal that prevented the upload of documents.

4.4 Opening & Recording of Tenders

- a) All eligible tenders should be opened electronically via the e-tendering portal at the same time, as soon as practicable, after the time prescribed for their receipt.
- b) As part of setting up the tender on the portal, a minimum of two Authorisers need to be established. As a minimum, one of the Authorisers should ideally be the Assistant Director / Head of Service for the relevant area being tendered.
- c) A member of staff from the contracting / procurement department may be present as an observer but must not take part in any of the procedures described in this section.
- d) The two authorised officers are responsible for opening all the tenders electronically using the e-tendering portal.
- e) The system automatically maintains an audit trail of actions undertaken on the portal and the Contracts Department should regularly review this for all current and closed tenders to ensure good practice is being followed. This audit trail can be made available, if requested, by the Contracts Department.

4.5 Tender Evaluation and Acceptance

The purpose of the evaluation is to ensure that the most appropriate tender is recommended for acceptance. It need not necessarily be the lowest price tender.

- a) The evaluating officer should observe the same degree of security and confidentiality as everyone else in the tendering process.
- b) The Trust should ensure that the evaluating officer has sufficient technical ability to evaluate the detail of the tender.
- c) All tenders should be evaluated on the same criteria.
- d) Particular attention should be given to:
 - (i) adherence to specification and other requirements
 - (ii) quality of product or service provided
 - (iii) rates and prices percentage adjustments and balancing items
 - (iv) ambiguities, qualifications and alternative offers
 - (v) the contractor's capacity to manage the workload within existing commitments
 - (vi) the contractor's financial ability to complete the contract
- e) If the lowest tender is not recommended for acceptance the reasons for this should be set out in a permanent record by the evaluating officer and should be available to the authorising group/person (and ultimately appended to the requisition)

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- f) Acceptance of a tender should be made within the validity period indicated in the Invitation to Tender.
- g) A letter of acceptance should be sent but should not seek to change the terms and amounts previously tendered by the contractor.
- h) Although the letter of acceptance forms the contract, it may be subsequently supported by a deed if the Trust wishes the contract to be under seal (see Section 3.8 - Financial Limits).
- i) Unsuccessful tenderers must be supplied with information so that they are aware of how their tender compared with others in line with EU Regulations. To maintain confidentiality with regard to the other tenderers a list may be published of the tenderers name in alphabetical order and a separate list of tender values in ascending or descending order.
- j) Once a recommendation is reached, the order can be raised and approved in accordance with the financial limits set out in the Scheme of Delegation. Suitable backup to evidence the outcome of the tender process and decision taken should be appended to the requisition in e-procurement.

4.6 Post Tender Negotiations and Admissibility of Tenders

- a) Tenders received after the due time and date may be considered only if the Chief Executive or nominated officer decides that there are exceptional circumstances. They should also decide whether such tenders are admissible and whether re-tendering is desirable. The Board should be notified of any late tenders accepted.
- b) Late tenders shall not be considered unless they were despatched in good time but arrived late through no fault of the applicant. This could be where the e-tendering portal was unavailable at point of submission due to severe technical difficulties.
- c) Amended tenders (i.e. those amended by the tenderer upon his or her own initiative either orally or in writing after the due time for receipt) shall not be considered.
- d) Incomplete tenders (i.e. those from which information necessary for the adjudication of the tender is missing) should be reported to the Chief Executive and Executive Chief Finance Officer who will decide whether and how further information should be sought, or whether the incomplete tenders should be regarded as inadmissible or whether re-tendering is desirable.
- e) Where only one tender/quotation is sought and/or received the Trust shall, as far as practicable, ensure that the price to be paid is fair and reasonable.

5.0 WAIVER OF QUOTATION / TENDERING REQUIREMENTS

- 5.1 The Trust's Standing Orders include a number of instances whereby the obtaining of formal quotations or tenders is not required.
- 5.2 In the event that a Project Manager needs to waive the obtaining of competitive quotes or tenders, and when one of the agreed exemptions outlined in the Standing Orders does not apply, then with prior approval from authorised personnel, these can be waived. In respect of the waiving of obtaining competitive quotes, appendix 5 to the Trust's policy and procedure on Purchasing (CP8 / CPG8) needs to be completed. All requests for the waiver of standing orders in respect of competitive tendering need to be made in writing to the Chief Executive.
- 5.3 All such instances of waiving of standing orders for obtaining competitive quotes or tenders will be reported to the Trust's Audit Committee on a regular basis.

6.0 FINANCIAL LIMITS

- 6.1 The financial limits provided in the Trust's Detailed Scheme of Delegation are the over-riding limits to be applied for all quotes and tenders.
- 6.2 Every contract for building and engineering works which exceeds the sum of £1,000,000 shall be executed under the common seal of the Trust
- 6.3 Every contract for supplies or services which exceeds the latest published financial thresholds for OJEU shall be subject to Public Procurement Rules as defined under European Community Public Procurement Directives Supplies and Services Contracts' guidelines.

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