



# VLA TENDERING AND BID EVALUATION PROCESS

## 1. Background information

- 1.2.1. The prime aim of our competitive tendering is to identify the supplier who will deliver the best value for money for the goods or services we require. Value for money is defined as the optimal combination of cost, quality and service over the whole life of the goods/service.
- 1.2.2. In conducting its tendering, VLA's Procurement Unit will abide by the Ethical Codes laid down by the Chartered Institute of Purchasing and Supply and by the Office of Government Commerce, and promote compliance with their guiding principles of impartiality, independence and integrity amongst the staff of VLA. Any members of staff involved in a tender evaluation will be required to declare any personal interest which may impinge or might reasonably be deemed by others to impinge on their impartiality. They will be made aware that commercially confidential information must not be disclosed outside the Agency without the client's consent and must not be used for personal gain or to prejudice fair competition.
- 1.2.3. Commercially sensitive documents will be stored securely.
- 1.2.4. Part of VLA's Procurement and Supply policy is to apply an appropriate level of competition to all requirements through tendering for specific goods or services, by arranging call off agreements for product groups and/or by collecting and comparing quotations.
- 1.2.5. Our tender processes are co-ordinated by VLA's Procurement Unit, in conjunction with scientific/technical specialists as appropriate. Users are responsible for technical evaluation, Purchasing for commercial evaluation and price negotiations. In addition to compliance with

specification, the evaluation will take account of existing contractual arrangements, supplier evaluation criteria as set out in the Procurement and Supply policy, tender evaluation criteria agreed for each tender, the acquisition cost of the item / service and its estimated running cost over its useful life or period of the contract.

1.2.6 It is VLA policy that where the value of a requirement exceeds the financial thresholds set out by the European Commission the Agency will adhere to the Public Procurement Regulations with respect to tendering procedures. Appropriately trained staff must be used to select the most appropriate procurement route within these regulations, based on their knowledge of the statutory instruments and legal guidance as to their interpretation, to meet the requirements of VLA in terms of urgency, availability and legislative compliance.

1.2.6 It is Government policy to assist small firms (<200 employees) to gain access to government business, within the framework of value for money objectives and our legislative obligations.

1.2.7 The VLA Procurement Policy states that goods and services will be purchased only from suppliers who have demonstrated their willingness and/or capability to supply to VLA requirements, adjudged on:-

- a) financial/economic standing,
- b) technical capabilities,
- c) technical support/expertise,
- d) quality management system (including third party accreditation)
- e) performance standards (including history of supply)
- f) quality and technical characteristics of the product
- g) organisational culture
- h) commitment to VLA as a customer

- i) price

## **2 Process**

Factors to consider in determining the approach to be used when tendering include the value of the requirement, the time and effort involved in administering the tender process, the business criticality of the goods or service being purchased and the structure of the supply market.

### **2.1 Low Value Requirements**

- 2.1.1 Low value requirements are not individually tendered. Where a framework agreement for a particular product area is in place the item / service must be purchased from a “preferred” or “approved” supplier at the pre-agreed price and terms.

### **2.2 Request for Quotation (RFQ)**

- 2.2.1 Requirements more substantial in value and/or business criticality but with limited technical complexity are tendered by either using a written RFQ, e-mail or telephone call. This approach is normally used for items where price is the primary (but not necessarily the only) selection criterion. The buyer responsible for administering the RFQ exercise will ensure competition by sending the RFQ to at least three selected suppliers of at least “designated” status (where possible).
- 2.2.2 The RFQ will comprise a generic technical description of the goods / services required and any other factors such as delivery timescales in sufficient detail for potential suppliers to give an unequivocal quotation.
- 2.2.3 A copy of VLA’s standard terms and conditions of purchase will accompany the RFQ documents. In cases of urgency the documents may be faxed to the suppliers, in which case it will be stated on the RFQ that quotations are subject to VLA’s standard conditions of purchase (a copy of these is available on request).
- 2.2.4 The order will be placed on the supplier offering the lowest priced

quotation that is compliant with the stated requirements.

## **2.3 Invitation to Tender (ITT)**

2.3.1 For more complex requirements not suited to a RFQ, a formal invitation to tender is prepared, which sets out an output based statement of requirement in detail and includes the terms and conditions under which VLA is prepared to contract. The ITT is sent to at least three selected suppliers of at least "Designated" status (where possible). Should there not be sufficient suitable suppliers on our lists to apply appropriate competition, we may include new supplier(s). In this case we will collect such information and conduct such investigations as is necessary to award designated status prior to awarding a contract or placing a purchase order.

2.3.2 Potential suppliers may also be used as a source of information to help us prepare a meaningful statement of requirement. This is on the understanding that there will be no breach of confidentiality by either party and that such involvement will not accord them preferential treatment.

2.3.3 For ethical reasons, in this more formal process we place responsibility for administering the tenders that are submitted with a person other than the responsible buyer. Submitted tenders are not released to the buyer until after the closing date for the return of tenders.

2.3.4 The ITT normally includes 6 Sections

1) details of the information tenderers are required to provide, and guidance as to how their bid will be assessed

2) a clear and detailed statement of VLA's requirements. Where technical issues are involved, input from VLA specialist(s) will be included. It is our policy that the statement of requirement will be output, not performance based; be written in generic terms and will not discriminate for or against particular suppliers for any reason or by any means.

3) the terms and conditions against which tenders must be submitted

4) Form of Agreement acknowledging acceptance of these terms and

Conditions, which must be signed and returned with the tender

5) is a Non Collusive Tendering Certificate which must be signed and returned with the tender

6) is a Model Pricing Schedule, which sets out the format in which the tender pricing must be presented.

2.3.5 Depending on the complexity of the requirement, potential suppliers may be offered the opportunity to discuss the requirement with us in more detail as part of the tender process. The purpose of this is to ensure that our requirement is clearly understood and to encourage a more innovative approach to meeting that requirement.

2.3.6 If we are asked a question, the answer to which could materially affect the basis of all tenders, that answer will be copied to all suppliers to whom we have sent an ITT.

## **2.4 Public Procurement Regulations**

2.4.1. It is VLA policy that where the value of a requirement exceeds the financial thresholds set out by the European Commission, the UK Public Procurement Regulations must be followed.

2.4.2 Our buyers responsible for tendering in accordance with the Public Procurement Regulations will have been appropriately trained to select the most appropriate procurement route within the regulations, based on their knowledge of the statutory instruments and legal guidance as to their interpretation, to meet the requirements of VLA in terms of urgency, availability and legislative compliance. The buyer will ensure that the appropriate timescales for the chosen procurement route are followed.

2.4.3 As required by the legislation, we will publish our contract notice in the Official Journal of the European Union (OJEU). Where we feel it would improve the chance of achieving better value for money, we will in addition publish further advertisements in appropriate trade journals and/or advise known sources of supply of the publication of the contract notice.

2.4.4 Should our chosen procurement route under the Regulations include seeking expressions of interest (XOI) from potential suppliers, these will

be opened as they are received. If the information requested of the potential supplier has not been provided in full, we will contact the supplier and advise the missing information that must be provided by the stated closing date for receipt of XOI's.

- 2.4.5 The financial and technical capacity information submitted as part of the XOI will be used to produce a shortlist of potential suppliers, conducting supplier audits if necessary to ascertain suitability.
- 2.4.6 Invitations to tender will be issued to the shortlisted suppliers, with the process then following that described in 2.3 above, but constrained by the timescales set out in the Public Procurement Regulations.

### **3 Evaluation of Tenders submitted under 2.3.and 2.4**

- 3.1 It is VLA's policy not to conduct post tender negotiation on price. We expect a tender to be the best and final offer available from the tenderer.
- 3.2 To maintain probity of the process, tenders are opened in presence of Bid Administrator; with both the responsible buyer and the Bid Administrator signing, dating any pages in the priced bid that contain pricing information. These signatures are then be over-embossed with a VLA stamp.
- 3.3 Evaluation of tenders is carried out by a tender evaluation panel, which includes procurement and technical specialists. Before the tenders are opened, the tender evaluation panel decide the weighting for each evaluation criterion as listed in the ITT and how each criterion will be scored.

The criteria and weightings are incorporated into a scoring matrix the purpose of which is to provide a means of quantifying value for money in terms of supplier suitability, technical compliance, quality service and price. Each tender is assessed against these criteria, scoring each out of 10. The evaluation matrix multiplies each score by its weighting and totals the scores. The whole life cost is calculated for the item or service being purchased and this is divided by the score. The figure calculated is called the conditioned bid score and we assess the tender with the lowest conditioned score as representing best value for money.

- 3.4 The evaluation process may include opportunity for tenderers to present bids face to face with panel.
- 3.5 Members of the panel responsible for the *technical* evaluation do not see the pricing until a consensus panel score has been agreed for all the tenders received.
- 3.6 The responsible buyer calculates the whole life cost of the goods / services and scores the commercial aspects of each tender.
- 3.7 Points requiring clarification will be handled by letter or at the presentation, and in any case prior to final award.
- 3.8 The panel discuss each tender in turn and reach a consensus panel score. The discussions are recorded to enable us to provide constructive feedback in any subsequent debriefing.
- 3.9 Award contract to supplier with lowest conditioned bid, which reflects best combination of technical aspects and price.
- 3.10 Once the decision has been made we write to all suppliers who submitted a bid, advising them of the outcome and a summary of the reasons for the decision of the tender panel.
- 3.11 We are always willing to provide a debriefing to unsuccessful tenderers.