

STAR

P R O C U R E M E N T

STAR
PROCUREMENT

GLOSSARY OF TERMS

Acronyms

AGMA Association of Greater Manchester Authorities

APO Authorised Procurement Officer

ASO Authorised Service Officer

CCS Crown Commercial Service

CPRs Contract Procedure Rules

CSR Corporate Social Responsibility

CPV Common Procurement Vocabulary

DBFM Design, Build, Finance & Manage

DPS Dynamic Purchasing System

EOI Expression of Interest

ESPO Eastern Shires Purchasing Organisation

FOI Freedom of Information (Act)

FPRs Financial Procedure Rules

GMCA Greater Manchester Combined Authority

GPA Government Procurement Agreement

IAA Inter Authority Agreement

ITT Invitation to Tender

JV Joint Venture

KPIs Key Performance Indicators

NEPO North Eastern Purchasing Organisation

OJEU Official Journal of the European Union

PCard Procurement / Purchasing Card

PID Procurement Initiation Document

PIN Prior Information Notice

PO Purchase Order

PQQ Pre-Qualification Questionnaire

PCRs Public Contracts Regulations

RFQ Request for Quotation

SAQ Supplier Assessment Questionnaire
SRO Senior Responsible Officer
SV Social Value

TUPE Transfer of Undertakings (Protection of Employment) Regulations

VCSE Voluntary, Community & Social Enterprises (including Co-operatives)
VFM Value for Money

WTO World Trade Organisation

YPO Formerly the Yorkshire Purchasing Organisation

Glossary of Terms

Accelerated Procedure

This is a standard procurement process, but can only be used in states of emergency. The contracting Authority must state in the tender the reason for the urgency.

Acquisition

Acquisition is a wider concept than procurement, it is the over-arching 'whole life-cycle' process, of which the procurement process is a sub-section. Involving suppliers in acquisition; particularly in the pre-procurement phase can add value to the procurement process.

Added Value

An improvement or addition that goes beyond the specification in the tender/contract documents

Aggregation

The process of adding together similar types of existing or likely contract requirements

Alcatel

Alcatel is the name of the case law that led to the creation of the 'standstill period' and 'standstill letter'

Alcatel Letter

A communication sent to successful and unsuccessful tenderers at the end of a (usually above-OJEU Threshold) procurement process. It sets out the evaluation criteria and how the respective tenderer scored in comparison to the successful tenderer. It is formally known as the Standstill Letter

Alcatel Period

A period of usually ten days between communicating the result of a tender exercise and the earliest date for signing the contract; any unsuccessful tenderer can use this period to raise an objection if it feels there are grounds for appealing its tender score. It is formally known as the Standstill Period

Approved List/ Approved Supplier List

A maintained list of suppliers that have previously been judged as suitable for providing required products/Services/Works; **this route to market is not used by STAR Procurement or STAR Councils**. See also Preferred Suppliers List and Dynamic Purchasing System

Audit Trail

A record of events within a procurement process to provide transparency and prove integrity

Authorised Procurement Officer

The relevant STAR Officer who is responsible for the Supplies, Services, execution of Works or Concessions Contract for which the Specification relates

Authorised Service Officer

The relevant Officer, within a directorate of the Council, who has delegated authority to undertake procurement functions

Award Criteria

The key measures used to evaluate a supplier's tender submission against the relevant requirements of the proposed contract. See also Most Economically Advantageous Tender

Award Notice

A public notice in the OJEU or Contract Finder that notifies the community / interested parties of an award of contract and brief information on the process that led to the award.

Benchmarking

Comparison of procurement requirements against targets, published prices, market position or contract deliverables held by other organisations

Best Value

The offer that shows best overall quality, experience, expertise and value; rather than just the lowest price.

Bidder

Any Economic Operator (company/ supplier) that submits a Quote

Call-off Contract

A contract awarded to a supplier or number of suppliers appointed to a Framework Agreement, to deliver the particular supplies, service or works required

Category Management

A strategic approach to procurement; which classifies procurement to help category managers to focus on specific areas of spend. This allows category managers to focus their time and prepare in depth market analysis to influence procurement decisions on behalf of the Council

Central Purchasing Body

Organisations that buy products or Services on behalf of more than one public body, for example YPO, CCS, ESPO, NEPO

Collaboration

An arrangement between organisations to maximise procurement efficiencies and power

Commissioning

The process of identifying needs within the population and of developing policy directions, service models and the market, to meet those needs in the most appropriate and cost effective way^{**}

Common Procurement Vocabulary

Common Procurement Vocabulary codes are an EU-wide definition of the subject matter of contracts / procurement needs. They are used when advertising above-Threshold tenders in the OJEU

Competitive Dialogue

This is used only in particularly complex procurement situations – usually where the buyer needs the help of suppliers to develop a suitable solution. Suppliers able to meet the established requirements are then invited to tender

Competitive Tendering

The process of requesting bids/tenders from more than one supplier to encourage fairness and competition

Competitive Procedure with Negotiation

Following the receipt of initial tender responses, the tenderer can now choose to negotiate with more than one before a final contract award is made. This might be beneficial where the requirement is complex or required innovative solutions

Concession

The granting of a right (exclusive or otherwise) to an Economic Operator to exploit Works or Services provided for their own gain with or without payment

Consortium

A partnership between suppliers pooling skills or resources to respond to a tender / deliver supplies, service or works contracts for the Council; see also Joint Venture

Contract

A legally binding agreement between the Council and a supplier for the procurement by the Council of all supplies, services, the execution of works or concessions and which incorporates the terms and conditions under which the supplies, services, execution of works or concessions will be provided

Contract Award Notice

A formal public announcement of the outcome of a public procurement exercise in the OJEU; mandatory for all above-(OJEU) threshold contracts, and to be made within 48 hours of contract award

Contract Documents

Documents relevant to a contract, such as the tender package, associated drawings or appendices, received tender submissions, and contracted supplier agreements

Contract Management Plan

This lays out key information about the way in which the contract will be managed throughout its duration. It is drawn up as part of the initial contract, and developed during the contract's life

Contract Notice

The manner in which the Council notifies potential suppliers of a contract opportunity; including publishing details of such opportunities on The Chest, Contracts Finder and in the OJEU

Contract Procedure Rules

The rules set out in a Council's Constitution to ensure that procurement activity is undertaken in a legally compliant, transparent, fair and competitive manner

Contract Value

The full value of a contract as agreed following any negotiations, calculated over the whole life of the Contract; including any allowed time extensions

Contracting Authority

The Council; described in procurement regulations as either 'public authorities' or 'bodies governed by public law'

Contractor

A person or organisation undertaking a contract to provide supplies or services at an agreed price and to an agreed quality

Contracts Finder

The UK Government search tool to identify any previous, existing and potential future contracts worth over a specific value. For local authorities any contract openly tendered with a value of £25,000 or above must be advertised here.

Contracts Register

The Council's register of current third party contractual liabilities and obligations, detailing the supplies, services, works or concessions procured, their value and length of contract

Controllable Spend

That proportion of the Council's annual expenditure with third party organisations which is subject to the Council's Contract Procedure Rules and capable of being controlled by the procurement function

Corporate Contract

A contract between the Council and supplier(s) where a cross-departmental requirement is fulfilled

Corporate Social Responsibility

See Social Value

Cost of Ownership

The total value that takes into account direct costs (e.g. initial outlay, delivery/ installation) as well as indirect costs (e.g. operating, service/repair) in determining the value of an investment

Cost Plus

A system of payment where a supplier's expenses are guaranteed to be covered, plus additional payment of agreed profit margin

Delegated Authority

Where a member of staff has been delegated with the responsibility to approve spend up to a certain budget value

Design, Build, Finance and Manage

A contract (often privately-funded) where the service provider designs, builds, finances and manages a service for an agreed period of time

Debriefing

Feedback sessions with unsuccessful tenderers at the end of a procurement process, their aim is to communicate honestly and openly to help tenderers prepare for future tender exercises, both for their benefit and that of the Council

Direct Award

Route to market for awarding a Call-off Contract under a Framework Agreement, where the Framework Agreement permits this mechanism, and the details of the supply price and quality for the Call-off Contract are pre-established. See also Mini Competition.

Dynamic Purchasing System (DPS)

An electronic system procured using the Restricted Procedure for the purchase of commonly used supplies, services or works which are generally available on the market. All bidders who meet the requirements of the selection criteria must be admitted during the entire period of the DPS. It allows entry into the supply market for new suppliers throughout the life of the opportunity, rather than restricting supply for a fixed time period

Economic and Financial Standing

The Council can use this assessment to gauge whether the supplier is of the necessary size and financial status to deliver substantial projects or handle associated risks

Economic Operator

Also known as a contractor or supplier, a capture-all term for the organisation delivering supplies, services or works contracts

E-procurement

The process of purchase/sale of supplies, Services or Works conducted online via specific portals, rather than by traditional postal submission/correspondence

Equal Treatment

One of the central principles of the EU Treaty, which requires the Council to make sure they do not make biased decisions (based on size, nationality etc.) when deciding who is awarded a contract. See also Proportionality and Transparency

(Tender) Evaluation

The process necessary to assess and compare tender submissions against agreed criteria before awarding a contract

Exemption

The mechanism by which the Council releases the obligation to comply with its Contract Procedure Rules; see also Modification

Expression of Interest

The process of seeking an indication of interest from potential suppliers who are capable of supplying or undertaking the Council's forthcoming needs and used as part of a wider market engagement exercise to assist the Council in defining its specific requirements

Freedom of Information Act 2000

The Freedom of Information Act 2000 provides public access to information held by public authorities

Framework agreement

An arrangement where the terms of purchase for the supply of supplies, services or works are agreed between parties, ready for when a purchase is required; such purchase being made via a Call-off Contract. Until call-off, no obligation to buy exists

Financial Procedure Rules

The written code of procedures forming part of the Council's constitution which provide a framework for proper financial management and which set out the rules on accounting, audit, administrative procedures and budgeting systems

Goods

See supplies

Government Procurement Agreement

An international agreement between sovereign nations put into effect by the World Trade Organisation, aiming to remove discrimination in international governmental procurement

Ineffectiveness

Under the EU Remedies Directive, unsuccessful bidders in a tender can claim ineffectiveness if certain mandatory practices have not been followed by the Council. This can result in a contract being deemed 'ineffective' by the court, requiring its immediate cancellation and re-procurement

Innovation Partnership

A new route to market permitted in procurement regulations, allowing Councils to work with suppliers to develop a new product or service, and to permit the subsequent purchase of that product or service without the requirement to undertake a new openly advertised tender

Instructions to tenderers

Assistance provided with the tender documents to ensure all tenderers have comprehensive and consistent guidance in preparing and submitting their bids

Inter Authority Agreement

The agreement entered into by Stockport Metropolitan Borough Council, Trafford Borough Council and Rochdale Borough Council to establish STAR Procurement

Interim Payments

Payments made to suppliers before the completion of a project. Interim payments may be defined at the start of the contract, and may be withheld until relevant milestones have been reached

Invitation to Participate In Dialogue

A document inviting potential suppliers to initial project procurement discussions to allow the Council to better understand capacity, interest and experience; part of a Competitive Dialogue procedure

Invitation to Submit Detailed Solutions

A document inviting potential suppliers to submit full details of their proposed solutions; the evaluation of these solutions can lead to reduction in the number of tenderers remaining in the procurement exercise. Part of a Competitive Dialogue procedure

Invitation to Submit Final Bids / Tenders

A document inviting potential suppliers still involved in the procurement exercise to table their final bids following the dialogue process. Part of a Competitive Dialogue procedure

Invitation to Submit Outline Solutions

A document that invites potential suppliers to submit initial details of their proposed solution. This allows the Council to evaluate (and potentially reduce) the number of participating suppliers in the tender process. Part of a Competitive Dialogue procedure.

Invitation to Tender

An invitation issued by the Council to Tenderers to submit a Tender or a quote for the provision of supplies, services, the execution of works or a concessions contract in accordance with the Specification or request for those supplies, services, execution of works or concessions contract

Joint Venture

An arrangement between parties, usually the Council and an Economic Operator, where skills and specialisms are shared for achieving an overall goal; see also Consortium

Key Performance Indicator

A measurement defined at the outset of a project or activity to determine level of success or impact of performance

Life-cycle Costing

An approach to assessing cost alternatives which factors in all incurred costs over the life of a product or service; calculations used in employing this method of selection should be clear and justifiable

Light-touch Regime

A new regime introduced in the Public Contracts Regulations 2015 affording some flexibility to Contracting Authorities in the advertisement and award of predominantly health, educational and social Services contracts of value greater than €750,000

Local Government Transparency Code

The Code issued to meet the UK Government's desire to place more power into citizens' hands to increase democratic accountability, to make it easier for local people to contribute to the local decision making process and help shape public Services. Places obligations on the Council to make certain information public, including details of Contracts awarded through the procurement process

Lot

A category of supplies or services sought within a procurement process. Used when a single procurement process seeks to source different suppliers for constituent parts of the Council's overall requirements and used predominantly in the establishment of Framework Agreements

Method Statements

A document required as part of a tender response that outlines the proposed process to complete the delivery of the supplies, services or works tendered

Mini Competition

Where the detail of the issued tender has proved insufficient to select a contractor within a Framework Agreement, a Mini-competition between appointed suppliers may be used to determine to whom the Call-off Contract will be awarded; see also Direct Award

Modification

Any variation to a Contract, DPS or Framework Agreement, including an extension of the contract period

Most Economically Advantageous Tender

The tender response best meeting the Council's requirements based on both cost and quality

Needs Assessment

The process by which a requirement for supplies or services is analysed and evidenced against potential risks

Negotiated Procedure

A tender procedure that uses a Pre-Qualification Questionnaire, but then allows negotiation with tenderers before Contract award and used only in certain circumstances of urgency or high degree of technical complexity

Negotiated Procedure without Notice

A Negotiated Procedure where the Council does not place an advertisement in the OJEU, as it intends to negotiate a contract with a specific (usually specialist) supplier and used only used in rare circumstances where supply is limited to one economic operator

Official Journal of the European Union (OJEU)

The EU Public Procurement Supplement, where all tenders from the public sector which are valued above a certain financial threshold (see Threshold) determined by EU legislation, are published

OJEU Notice

An advertisement in the European Union's Official Journal, notifying Economic Operators across the EU of the Council's intention to procure supplies, services or works

Open Procedure

The default procedure in accordance with procurement legislation whereby the Council invites any interested supplier to submit a tender response by placing an advert on The Chest and on other national or international advertisement portals. Usually used where the supply market (and therefore number of potential suppliers) is clearly defined; see also Restricted Procedure

Partnering

A long-term relationship between the Council and a supplier with mutually-beneficial objectives, such as best practice and competitive advantage

Pre-Qualification Questionnaire

See Supplier Assessment Questionnaire

Preferred Supplier List

A list of suppliers formed following a competitive tendering exercise. **This mechanism is not used by the Council.** See also Approved List and Dynamic Purchasing System

Prior Information Notice

The notification, via OJEU, of the Council's intention to procure supplies, services or works at a future date. In certain instances this can speed up the early stages of a tender exercise as suppliers are pre-alerted to the Council's future requirements and positioned better to respond more speedily to any subsequent tender advertisement

Pro Class

A UK Government nationally applied procurement classification for supplies, services, works and concessions contract requirements. Used by STAR Procurement and the Councils' finance Services to categorise requirements and allocate responsibilities. See also Common Procurement Vocabulary

Procurement / Purchasing Card

A Council charge card that allows supplies or services to be purchased from certain suppliers, up to certain values without the separate raising of a contract or purchase order

Procurement Directive

EU Directive 2014/24/EU on Public Procurement embodied into UK legislation by the Public Contracts Regulations 2015. Together commonly referred to as procurement legislation

Procurement Handbook

The document published on the STAR Procurement website which sets out the procedures to achieve the Council's procurement objectives

Procurement Initiation Document

A document providing details of the required procurement activity and the authority to commence it and to commission STAR Procurement where required

Proportionality

One of the central principles of the EU Treaty, which requires the Council to ensure that the content and form of any action must be in keeping with the aim pursued

Public Contracts Regulations 2015

The default legislation regulating public procurement in England and Wales, enacting the EU Procurement Directive and specifying the basis on which public procurement should be conducted

Purchase Order

A commercial document, specifying supplies, quantities, prices and terms and conditions, used by the Council to place an order with a supplier

Purchasing Organisation

See Central Purchasing Body

Qualified Tender

A tender submission in which the tenderer does not wholly accept the basis on which the Council intends to issue a Contract; such tenders are not accepted by the Council, which will require the supplier to remove any/all qualifications without materially altering the remainder of its tender submission

Quick Quote

The process used on The Chest for the procurement of supplies and services of low risk/low value and where evaluation is based on price alone

Quote

A formal offer submitted by an Economic Operator, to supply supplies, services, execute works or operate a concessions contract at a defined price

Services

The time, effort and expertise required by the Council, from time to time, which is not available in-house and is required to be provided by a third party supplier

Services Contract

A Contract for the supply of Services to the Council; see also Supply Contract and Works Contract

Scheme of Delegation

The scheme identified within the Council's constitution which delegates powers and duties of the Council to Officers under Section 101 of the Local Government Act 1972 and all other powers enabling such delegation necessary for the discharge of the Council's functions

Senior Responsible Officer

The Officer delegated in the Council's Scheme of Delegation for the relevant service with the responsibility for the award of the Contract

Senior Responsible Officer for Finance

The most senior Officer delegated in the Council's Scheme of Delegation for the Finance Services or in default of such delegation, the Officer appointed by the Council in accordance with s151 of the Local Government Act 1972

Senior Responsible Officer for Legal

The most senior Officer delegated in the Council's Scheme of Delegation for Legal Services or in default of such delegation, the Council's Monitoring Officer

Social Value (The Public Services (Social Value) Act 2012)

The process to be adopted throughout the procurement lifecycle requiring the Council people to consider how it can also secure wider social, economic and environmental benefits from its third party / Controllable Spend. It obliges Councils to consider whether the supplies, services, works or concessions they are going to buy, or the way they are going to buy them, could secure additional benefits for the Borough

Specification

The outputs, outcomes and the scope and nature of supplies, services, execution of works or concessions contract required by the Council from a procurement activity

Standstill Letter

A communication sent to successful and unsuccessful tenderers at the end of a (usually above-Threshold) procurement process. It sets out the evaluation criteria and how the respective tenderer scored in comparison to the successful tenderer. It is informally known as the Alcatel Letter

Standstill Period

A period of usually ten days between communicating the result of a tender exercise and the earliest date for signing the contract; any unsuccessful tenderer can use this period to raise an objection if it feels there are grounds for appealing its tender score. It is informally known as the Alcatel Period

STAR Procurement

The shared procurement service hosted by Trafford Borough Council on behalf of Rochdale Borough Council, Stockport Metropolitan Borough Council, Tameside Metropolitan Borough Council and Trafford Borough Council (and other public authorities as determined from time to time) whose function and remit is described in the Contract Procedure Rules, the Inter Authority Agreement and the Councils' constitutions

STAR Councils

Those local authorities who have resolved to delegate their Procurement Functions to STAR Procurement

Supplier Assessment Questionnaire

A questionnaire to be completed by suppliers interested in tendering for a specific contract and used as part of either an Open or Restricted Procedure tender; responses on subjects such as experience, turnover, technical expertise and in-house capacity enable buyers to assess suitability for tender invitation. The format and majority of the questions are mandated by the CCS. Formerly known as a Pre-Qualification Questionnaire

Supplies

Inherently useful, tangible items required by the Council, from time to time. Previously referred to as 'goods'

Supply Contract

A Contract for the supply of supplies to the Council; see also Services Contract and Works Contract

Tender

A supplier's formal response to an advertised contract for which they have been invited to bid. Contains the supplier's response to SAQ, price and quality questions

Tender Document

Information, often broken down into 'packages', relevant to the advertised contract, provided to suppliers who have been invited to bid; defines the Council's requirements in terms of specifications, terms and conditions, pricing and quality information

Tender Evaluation Panel

A team of mainly commissioners, assembled by STAR Procurement, with the job of analysing tender submissions against award criteria and making recommendations on contract award

The Chest

The Council's E-Procurement portal and the secure mechanism through which the Council advertises market engagement and tender opportunities, manages tender processes and ongoing contract management

Threshold

This governs the value above which contracts must adhere to more detailed procurement rules, including the requirement to advertise the contract in the OJEU. Values are established on a two yearly basis by the EU and are linked to World Trade Organisation international trade agreement thresholds

Transparency

One of the central principles of the EU Treaty, which requires the Council to ensure openness, honesty and clarity in conducting business with other parties such as suppliers and stakeholders. See also Local Government Transparency Code

Transfer of Undertakings (Protection of Employment) Regulations (TUPE)

The UK Government's interpretation of the European Union Business Transfers Directive; comprising rules designed to protect public and private sector employees in the event of a change of ownership of their employing company

Value for Money

The optimum combination of Whole Life Costs, price, quality and benefits to meet the Council's requirement. See also Best Value and Most Economically Advantageous Tender. The obligation for the Council to seek Value for Money is enshrined in the Local Government Act 1999 (as amended)

Variants or Variant Bids

Submitted bids which do not strictly align to the requirements defined in tender documents. They may seek to provide a more effective solution or pricing structure than those outlined, so need careful analysis and consideration. They are permitted only when specifically provided for in the tender document and must be accompanied by a tender which strictly complies with the Council's advertised requirements

Voluntary, Community & Social Enterprises (including Co-operatives)

Sometimes referred to as 'the Third Sector', 'Social Purpose Sector' or 'Civil Society', organisations that are independent of government and are constitutionally self-governing, usually with an unpaid voluntary management committee. They exist for the good of the community, to promote social, economic, environmental or cultural objectives to benefit society as a whole, or particular groups within it

Waiver

See Exemption and Modification

Whole-life costs

See Life-cycle Costing

Works

The provision of physical activity which is directed toward the production or accomplishment of a physical asset by the supplier

Works Contract

A Contract for carrying out Works (generally construction) for the Council; see also Services Contract and Supply Contract