

# PUBLIC TENDERING GLOSSARY

**Aggregation**

Adding together the value of separate contracts for the same supply, works or service

**Agreement**

The legally binding terms and conditions between the parties, another word for a contract

**Appraisal**

A detailed assessment of the general capacity of a contractor, supplier or service provider to meet certain general criteria or standards

**Audit Trail**

System or paper generated evidence showing how and by whom certain processes and functions were carried out

**Award**

The issue of an order or contract to a supplier

**Benchmarking**

Comparison of performance against other providers of similar services, particularly those recognised as adopting best practice

**Best Practice**

The most effective and desirable method of carrying out a function or process derived from experience rather than theory

**Best Value**

Arrangements to secure continuous improvement in the exercise of an Authority's functions, having regard to a combination of economy, efficiency and effectiveness as required by the Local Government legislation; the relationship between worth and cost.

**Call Off Contract**

A contract made following a formal tendering process with one or more contractors, suppliers or service providers for a defined range of works, goods or services covering terms and conditions (including price) which users 'call off' to meet their requirements. See also 'Framework Agreement'

**Collusion**

A fraudulent arrangement between two or more parties whereby prices or service requirements are manipulated to get round competitive tendering

**Competitive Tendering**

Awarding contracts by the process of seeking competing bids from more than one firm

**Consortium**

An group of organisations or individuals, often formed to tender for a contract with a view to working together

### **Contract**

A binding agreement made between two or more parties, which is intended to be enforceable at law

### **Contract Award Notice (Europe)**

Notice of an award of a contract published in the Official Journal of the European Union (OJEU), in fulfillment of the requirements of EU public procurement directives

### **Contract Documents**

Documents incorporated in the enforceable agreement between the Council and the contractor, including contract conditions, specification, pricing document, form of tender and the successful tenderers responses (including method statements), and other relevant documents expressed to be contract documents (such as correspondence, etc.)

### **Contract Notice**

Notice published which includes basic information about the service or product that the buyer is looking to purchase. The notice will also include the timescale for submitting a tender.

### **Contract Value**

The total monetary value of a contract over its full duration (not annual value)

### **Contractor**

An organisation or individual who has made a contract to undertake works, supply goods or provide services.

### **Default**

A breach of a contract condition, e.g. a delay in the promised delivery

### **Deliverables**

A collective name for the tangible goods and/or services that the supplier or contractor is required to supply under agreement

### **E-Procurement**

The use of electronic methods in every stage of the purchasing process from identification of requirement through to payment, and potentially to contract management.

### **ESPD (Europe)**

A standard document which applies to above threshold procurements. i.e. procurements governed by EU legislation. The document sets out qualification criteria which bidders must pass to progress in the tendering process.

### **Estimate**

A genuine and realistic price calculated by an officer that represents an estimate for defined works, goods or services, as required by EU rules or standing orders for the

purposes of determining the procurement process and ensuring adequate budget provision. This should not be confused with an estimate from a contractor, supplier or service provided for a defined piece of work

### **Framework Agreement**

An arrangement under which a contracting authority establishes with a provider of goods, works or services, the terms under which contracts subsequently can be entered into or called off (within the limits of the agreement) when particular needs arise.

### **Invitation to Tender**

An invitation to contractors, suppliers or service providers to bid for the provision of works, goods or services. Also known as an ITT or Request for Proposal.

### **KPI**

Key Performance Indicator. KPI's are tools that help us to measure the performance of suppliers against their contractual obligations. KPI's are normally detailed in the service specific.

### **Method Statement**

The document used in a tender process which sets out questions for the suppliers to answer which helps the purchaser or procurement officer to understand how the goods or services will be delivered

### **Most Economically Advantageous Tender (Europe)**

The tender that will bring the greatest benefit to the Council having taken a number of factors into consideration, including quality and cost

### **Offer**

A supplier's offer to provide goods and/or services for a consideration in response to a buyer's enquiry

### **OJEU (Europe)**

Official Journal of the European Union

### **Pre Qualification Questionnaire (PQQ)**

A questionnaire completed by companies that wish to be considered for a procurement activity. The purpose is to assess the company's general suitability in terms of financial and economic standing, technical capability and experience, quality assurance, health and safety procedures, environmental issues and equalities considerations. A prequalification questionnaire is sometimes referred to as a business questionnaire or a PQQ

### **PIN (Europe)**

A Prior Information Notice is a notice published in OJEU informing potentially interested parties that an advertisement will follow shortly – a way of informing potential bidders that a tender is forthcoming

**Procurement**

The process of acquiring goods, works and services, covering acquisition from third parties and from in-house providers. The process spans the whole life cycle from identification of needs, through to the end of a services contract or the end of the useful life of an asset.

**Quality Assurance (QA)**

A discipline to assess quality standards, covering all activities and functions concerned with the attainment of quality

**Quotation**

A written or verbal price given by a contractor, supplier or service provider, after being requested either orally or in writing. A quotation may be the written confirmation of an earlier, oral offer

**Request for Information (RFI)**

An RFI (request for information) is a formal process for gathering information from potential suppliers of a product or service. An RFI is more preliminary than, and usually precedes a request for proposal (RFP).

**Request for Proposal (RFP)**

A request for proposal (RFP) is a document that an organisation, often a government agency or large enterprise, posts to elicit a response - a formal bid - from potential suppliers for a desired product or service (see also Invitation to Tender).

**Risk**

The probability of an unwanted event occurring and its subsequent impact

**Shortlist**

A list of suitable prospective suppliers that has been drawn up through a preliminary evaluation exercise for a particular contract or procurement activity

**Service Manager**

An officer of the Council who has a responsibility to manage a particular service.

**Service Level Agreement (SLA)**

Service Level Agreement usually sits alongside a service or supply contract, enforcing KPI's of the agreement. This can be used internally between public body departments

**SME (UK and Europe)**

Small and Medium Size Enterprise. Used in context, this may indicate navigation away from larger global companies. Can also mean local businesses

**Sourcing**

The process of establishing potential suppliers of specified works, goods or services

**Specification**

A description of requirements and standards to which the goods, works or services should conform. Also known as a statement of needs, a statement of requirement, an operational requirement, or a brief. Its purpose is to present prospective suppliers with a clear, accurate and full description of the organisation's needs, to enable them to propose a solution to meet them

**Stage Payments**

An agreed percentage or part of the contract price, which is payable when specified stages of completion/delivery have been reached

**Standstill (Europe)**

For above EC threshold value procurements, the contracting authority must allow a period of 10 days between the date suppliers are notified about the outcome of the tender process and the date on which the contracting authority proposes to enter into the contract or conclude the framework agreement,

**Stakeholder**

An individual or organisation that has an active interest or a stake in a particular organisation or issue. For example, funders, members, contractors, purchasers, trustees, beneficiaries, volunteers and paid staff are all stakeholders in a voluntary organisation

**Sub-contracting**

The process where a contractor assigns part of the contract to another contractor(s)

**Sustainability**

The environmental issues to be considered in a procurement exercise

**Tender**

An official written offer that contains a cost proposal and, where appropriate, a description of method for perform the works, providing services or supplying goods in response to a tendering exercise or ITT. This normally involves the submission of the offer in an agreed format to a stated address or online portal by a specified time and date

**Tender Documents**

Documents provided to prospective tenderers when they are invited to tender and that form the basis on which tenders are submitted, including instructions to tenderers, contract conditions, specification, pricing document, form of tender and tenderers responses

**Tender Evaluation Panel**

A group of people who analyse tenders received and make final recommendations on the award of contracts

**TUPE Regulations (Europe)**

The Transfer of Undertakings (Protection of Employment) Regulations. The purpose of TUPE is to preserve continuity of employment and to safeguard employment rights of all employees whose employment transfers to a new employer as a result of a relevant transfer.

**Value for Money**

The provision of the right goods and services from the right source, of the right quality, at the right time, delivered to the right place and at the right price (judged on whole life costs and not simply initial costs)

**Whole Life Costs**

The systematic consideration of all relevant costs and revenues associated with the acquisition and ownership of an asset.