

Types of Tendering Procedures

1. Open

This is a single-stage process where one fully priced proposal is submitted by any interested supplier.

The tender will be evaluated on set criteria and awarded to the highest scoring bidder according to the award criteria

There is also the open accelerated procedure, which allows the same process to be conducted with shorter timeframes in times of urgency.

2. Restricted

Is a two-stage procedure which involves creating a shortlist of the most suitable suppliers, by having them first complete a selection questionnaire.

This full tender will be completed in the Invitation to Tender (ITT) stage and companies will be assessed based on pre-set criteria with the highest scoring tender being awarded the contract. There is also an accelerated restricted procedure as with the open procedure.

This type of procedure is generally used if a high volume of bidders is expected, and in England the use of the restricted procedure must be justified to the Cabinet Office.

3. Competitive Dialogue

This is used for more complex procurements, such as where the authority is unable to define the technical means or the legal/financial make-up of the requirement. This is also a two-stage process.

Shortlisted suppliers who have successfully pre-qualified are involved in a dialogue with the authority in order to develop suitable solutions. Subsequently the suppliers are invited to submit a bid.

4. Competitive Procedure with Negotiation

Is a multi-stage procedure which allows negotiation with suppliers after they have submitted their bids. The contracting authority must indicate the minimum requirements for tenders to participate upfront, and no alternatives to these minimum requirements will be accepted.

Contracting authorities have a requirement to negotiate all tenders to improve content, except final tenders, unless they have reserved the possibility not to do so in the prior information notice (PIN) or invitation to tender. They are also prohibited from changing the award criteria and recitals once the competition is underway.

5. Negotiated Procedure without Prior Publication

This type of procedure is reserved for exceptional circumstances and involves contracting authorities directly approaching one or more suppliers to negotiate a contract.

The use of this procedure can be approved if any of the following situations occur:

- No bids, suitable bids, requests to participate or suitable requests to participate have been received following an open or restricted procedure.

- The requirements can only be met by a particular supplier because it involves the purchase or creation of art, there are no other competitors/alternatives, or there is a need to protect exclusivity rights.
- Unforeseeable events have created a procurement need that must be addressed with extreme urgency.

6. Innovation Partnership

This is a unique procedure which is used when no goods, services or works exist to meet the procurement need. Contracting authorities can select partners on a competitive basis by having them develop an innovative solution tailored to their requirements. The competitive phase of the tender will take place up front and once selected, tenderers develop a new solution, as required, in collaboration with the contracting authority.

This research and development phase can be divided into several stages, during which the number of partners may be gradually reduced, depending on whether they meet certain predetermined criteria. The partner(s) remaining will then provide the solution for the contracting authority.

Other Procurement Tools

Framework Agreement

A framework can be established using any of the above procedures, however the end result is an umbrella agreement with all of the successful suppliers. This agreement sets out the terms – particularly relating to price, quality, and quantity – under which individual contracts (call-offs) can be awarded at any point during the lifespan of the framework. Frameworks are typically used when the buyer has identified a need for specific products or services but is unsure of the scope or time-frame.

The agreements created give buyers access to a range of qualified suppliers, allowing them to avoid the need to continuously re-tender. Being in a framework does not guarantee work, as there may be multiple suppliers offering the same goods, works or services - in such instances, mini competitions or best value will determine who wins the work.

Frameworks typically last for 5 years, and during this time no other suppliers can be added to the agreement.

Dynamic Purchasing Systems (DPS)

A DPS is like a framework, however new suppliers can join at any time, and is used for goods, works and services commonly available on the market. A DPS must be set-up using the restricted procedure, and the process is required to be entirely electronic. Unlike a framework, there is no limit on the number of suppliers that may join a DPS, and any supplier may join during the tender's lifespan.

DPS are used to streamline procurement for both buyers and suppliers, as suppliers only need to demonstrate suitability once - allowing buyers to award contracts quicker than other methods.