



Spelthorne Borough Council
Procurement Policies & Procedures

**DRAFT 07_Request for Quote (RFQ) and Tender
Processes**

07_Request for Quote (RFQ) and Tender Processes

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1. Introduction

The Contract Standing Orders (CSOs), the Council's Financial Regulations applicable to the procurement of works, goods and services, specify the procurement processes to be followed for specific procurement values.

Whilst lower value procurements may be carried out by just obtaining a price in advance with a Request for Quote (RFQ), larger value, more complex and strategic procurements require a full procurement Tender process, compliant with the Public Contracts Regulations (PCR) 2015 where applicable.

Projects classed as key decisions and those subject to PCR 2015 must be entered on to the Forward Plan in advance.

The CSOs can be found here:

<https://spelnet.spelthorne.gov.uk/CHttpHandler.ashx?id=3327&p=0>

2. Purpose

This procedure provides guidance to officers on the most appropriate procurement processes to be used. It provides templates to be used (where applicable).

3. Procurement Value thresholds

The Contract Standing Orders specify the following processes:

Value	Process
Up to £5k	Obtain a price in advance for the goods or services. (Must be sourced from a local provider unless this is not possible, and in such circumstances an exemption must be completed).
£5k - £40k	Obtain a minimum of three written quotes in advance. Keep these on record
Above £40k and up to threshold at which the PCR 2015 applies ¹	A full tender exercise must be undertaken, with support from Corporate Procurement.
Procurements with contract value at PCR 2015 threshold or above	A fully compliant public contracts procurement must be undertaken. Corporate Procurement must be consulted and will undertake the process.

For projects with a procurement value of under £40k a Request for Quote (RFQ) will suffice.

You must always ensure that you have an approved budget before proceeding to obtain quotes or tendering your requirement.

¹ The thresholds change every two years. In 2021, the thresholds are: Services - £189,330; Goods - £189,330 and Works - £4,733,252. These will change from 1 January 2022.

You will need to refer to the Projects Made Simple toolkit on Spelnet for details of other paperwork which your project may require, such as a Business Case, Equalities Impact Assessment or Privacy Impact Assessment. Details can be found here:

<https://spelnet.spelthorne.gov.uk/article/2897/Projects-Made-Simple-toolkit>

Details provided below refer to the process for sourcing your requirement from third parties / external suppliers.

4. Requests for Quote (RFQ)

A template for Requesting a Quote (RFQ) can be found at Appendix A. This can be used for low value (below £40k) simple procurements, which do not need to be supported by Corporate Procurement.

It is important to issue as much information as possible to the market in respect of your requirement. Wherever possible, and especially where certain specific criteria must be met, you should include a detailed Specification of Requirements. For example, include details of any technical, performance or quality requirements, or key dates which must be met. Environmental and / or Social Sustainability requirements should always be given the level of consideration appropriate to the project.

An RFQ can be used for any project with a value up to £40k. RFQ's must be sent to a minimum of three suitable providers, and ideally a minimum of three quotes received. In some circumstances, where few providers exist in the market, there may be fewer than three returns. In such circumstances, providing that value for money can be demonstrated, a compliant quote may be accepted.

Note that you will need to contact Legal Services for support in developing a contract for any procurements valued at £20k or above.

5. Tender Process

If your procurement has a whole life² value of £40k or more, you will need support from Corporate Procurement in conducting a tender.

You will also need to advise Legal Services that a contract will be required.

If your procurement represents a key decision³, it will have to be entered onto the Forward Plan via Committee Services.

² Whole life value refers to the total spend of your project. For example, this might be a one-off payment of £50k, or may be an annual spend of £15k per annum of 10 years (=£150k), etc.

³ A key decision is a decision which, in the view of the Head of Paid Service, is likely:

- (i) to result in significant expenditure or savings of £250,000 or more; and/or
- (ii) to be significant in terms of its effects on communities living or working in an area comprising two or more wards in the area of the local authority.

In order to provide you with support for a tender over £40k, you will need to first provide Corporate Procurement with a Specification of Requirements, which outlines the intended outcomes of your procurement. Provide as much detail as possible in this document.

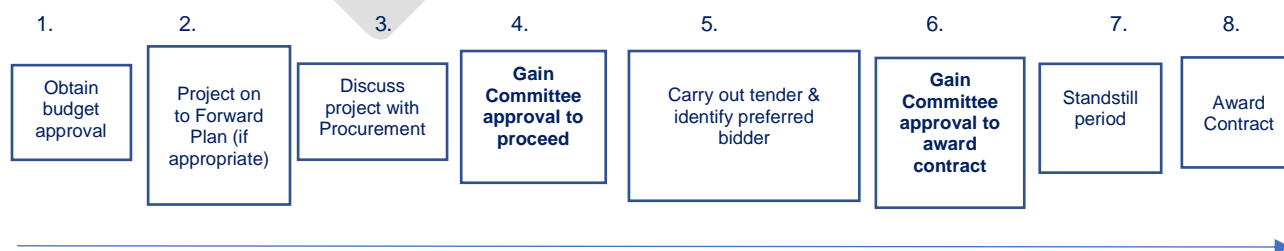
You will also need to provide details of your procurement timeframe, and in particular when the resulting contract will need to commence.

Bear in mind that if the whole life value of your procurement is such that a full, PCR 2015-compliant procedure needs to be undertaken, this may take some significant amount of time.

Timescales may vary, according to the type of procedure to be followed, but see the table below as general guidance for the tender periods⁴ for the most commonly used procedures:

Type of procedure	Description	Used	Timescales
Open	A one stage procedure. All tender documents issued to the open market and all tenders received must be evaluated	When the market is known to have limited numbers of providers, and where the burden of evaluating all tenders would be small.	Tender period is a minimum of 30 days after the despatch of the contract notice.
Restricted	A two-stage procedure, with a Selection Questionnaire used for expressions of interest and for shortlisting, and shortlisted providers invited to tender.	When the market is known to have a large number of providers, and where only shortlisted providers are invited to tender.	A minimum of 30 days after despatch of the contract notice for the receipt of expressions of interest (SQ), and the tender period is a minimum of 30 days (25 if tenders received electronically)
Competitive procedure with negotiation	A two-stage + process (any negotiations are based on the receipt of the initial tender). Requires a detailed specification.	To clarify bids with bidders after their submission of fully formed initial tenders. This procedure can be used if you are unable to define how your requirements may be met technically, or where if it is not possible to fully specify legal or financial terms.	A minimum of 30 days for expressions of interest and 30 days for the receipt of the initial tender. Thereafter, negotiations have no statutory time limit, but sufficient time should be allowed.
Competitive Dialogue	A two-stage + process Where a detailed specification is not available.	Competitive Dialogue may be beneficial for example complex, innovative projects which cannot be fully specified and where the market may need to provide its proposal. This procedure should not be used when the market is known to be able to fully satisfy your requirements. Focuses on the desired outcomes, rather than meeting a specification of requirements.	A minimum of 30 days should be allowed for the receipt of requests to participate. Further stages do not have statutory time limits and are based on the authority's requirements.

Any “PCR 2015” and / or any key decision procurements must gain approval from the appropriate Committee before they can proceed. The process – at a very high level – is outlined in the graphic below:



⁴ Note that these are just the statutory periods for each process. The whole process is a lot longer. Seek guidance from Procurement.

Given the potential complexity - and need to adhere to a number of statutory requirements - of higher value procurements, advice from Procurement should be sought at the earliest opportunity to ensure your timescales and other requirements can be met (see procedure 02_Developing the Procurement Plan).

6. References to other SBC Policies

01_Procurement Policy

02_Developing the Procurement Plan

04_Advertising and Reserving Spelthorne Procurement Opportunities

10_Drafting a Specification of Requirements

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REQUEST FOR QUOTE (RFQ)

[NAME OF REQUIREMENT]

1. BACKGROUND

[Insert high level details here of the Council and why the project team is now requesting quotes].

2. SPECIFICATION

Enter here the details of your requirement, as below:

- Services / goods description
- Works description (consult with FM/Assets/Procurement if a Works project)
- Timescales – when is this need and for how long
- Required standards of performance – KPIs, specific technical requirements, etc.

3. INSTRUCTIONS FOR RETURNING YOUR COMPLETED RESPONSE

[insert your email address if the project is under £40k, otherwise this will need to go through Corporate Procurement]

Return your response no later than [DATE].

Responses must include:

- Responses to all Method Statement Questions;
- Additional technical information / Methods of Work etc.
- Pricing

4. QUESTIONS TO BE COMPLETED BY SUPPLIER

QUESTION	WEIGHTING (%)	SUPPLIER RESPONSE

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Scoring matrix

0	Response fails to meet requirements / no proposal to the requirement is given
1	Response significantly fails to meet the requirements, or contains significant shortcomings
2	Response falls short of achieving expected standard in a number of identifiable respects
3	Proposal meets the most requirements but is lacking or inconsistent in others
4	Requirement is fully met in all respects
5	Requirement is fully met and exceeded in some or all of the major requirements

5. PRICING SCHEDULE (amend as required)

Description	Price (A)	Quantity (B)	Total Price A*B)
TOTAL PRICE			

Price quoted is available for days

Discounts: