

PROCUREMENT - GLOSSARY OF TERMS

ARFQ – Advanced Request for Quotation, done via the Chest where the specification is more complex/higher risk and a ‘mini tender’ exercise is undertaken to select and award.

Central Purchasing Body means a contracting authority which:

(a) acquires goods or services intended for one or more contracting authorities;

(b) awards public contracts intended for one or more contracting authorities; or

(c) concludes framework agreements for work, works, goods or services intended for one or more contracting authorities.

Contract – An agreement between the Council and any other party made by executing a Formal Agreement or issue of a Letter of Acceptance or Official Order for the procurement of all supplies, services or works by the Council, or carrying out works for the Council.

Electronic Procurement Systems – The process of tendering for goods and services via electronic media.

European Union Public Procurement Rules - The Public Contract Regulations specify a value threshold below which contracts are exempt. However, contracts are still bound by the general requirements of EU law including transparency and not to discriminate against contractors from other EU Member States. The Regulations also indicate how contract values should be estimated for these purposes. The thresholds are reviewed every two years.

Framework Agreements - A Framework Agreement is an agreement between one or more contracting authorities and one or more suppliers/contractors, the purpose of which is to establish the terms governing contracts to be awarded during a given period, in particular with regard to price and where appropriate, the quantity envisaged (call offs).

Invitation to Tender (ITT) – the invitation issued by the Council to potential suppliers to submit a tender for a specific service, works or goods.

Liquidated Damages - When the parties to a contract agree to the payment of a certain sum as a fixed and agreed upon satisfaction for not doing certain things particularly mentioned in the agreement, the sum is called liquidated damages.

Matrix – an approach to appraisal of tenders or quotations which records stated criteria to assist in selection of the successful provider and which where applicable indicates the weighting accorded to particular criteria. This usually takes the form of a table against which tenders are marked and the weighting of particular criteria applied.

Open Tendering – This method is used when it is considered cost effective and in the Council's interest to invite tenders from a wide range of potential contractors.

Partnering – A method of procurement. A relationship between two parties to a project in which they work openly and jointly to achieve common objectives, with defined performance targets. Partnering may be entered into as a one off project or a collection of projects.

Partnership – A Partnership is an agreement between two or more independent bodies to work collectively to achieve an objective.

Performance Bonds – Performance bonding is the process by which an Organisation requires a contractor to arrange for the provision of a bond, from a reputable finance institution, to provide the Council with financial compensation in the event of a contractor breaching its contractual obligations or going into receivership or liquidation.

Pre-Qualification Questionnaire (or PQQ) – the form of questionnaire approved by the Head of Procurement for completion by contractors who wish to receive an invitation to tender for a particular contract.

Procurement - The process of obtaining assets or services taking into account the life cycle of the assets or services.

Procurement Strategy – The Council has introduced a strategy that provides a framework for more effective procurement aligned with the requirements within the Constitution, namely Standing Orders Relating to Finance and Procurement Standing Orders.

Quotation – A request to a supplier for a price for goods or services.

RFQ – Request for Quotation. – done via the Chest for simple specified goods and services.

Special Select List – A delegated Officer with responsibility for a particular contract may draw up a select list from an existing approved list (e.g. Constructionline). This may be used in a specialist contract and should include a list of criteria used as a basis for selection and how those criteria have been applied.

Standard Select List – This method should be used if there is no central or standing list or when those lists and the open method would not produce advantages to the Council. Public notice is given using newspaper or journals and the Procurement Web pages, informing potential contractors of the contract into which the Council wishes to enter and inviting those interested parties to apply for permission to tender.

Standing List - Compiled and maintained by an authorised body, e.g., Executive Sub Board Committee for specific categories of works.

SPTF – Sustainable Procurement Task Force.

Sub-contractor – A supplier that provides work or services to a main contractor as part of the contract.

Tender - A document used to award the most appropriate contract to the most suitable contractor to the Authority, taking into account the principles of best value.

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