

# PROCEDURES FOR VALUE BASED SELECTION OF CONTRACTORS

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## **PROCEDURES FOR VALUE BASED SELECTION OF CONTRACTORS**

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### **1.0 INTRODUCTION**

The Policy for Appointment of Consultants and Contractors outlines options for quality based selection and appointment. The processes described below set out the operation of: (1) restricted procedures aimed at obtaining the lowest price (only to be used as permitted by procurement legislation); and (2) balancing quality and price selection to establish the most economically advantageous tender. It is expected that the third option, a negotiated procedure without prior notification, will only be used to select contractors in limited circumstances.

*It is important that staff operating or involved in either procedure are clear from the outset which is being operated, including the award criteria.*

### **2.0 RESTRICTED PROCEDURE AIMED AT OBTAINING THE LOWEST PRICE**

- 2.1 A tender board may be formed, including appointment of a chair, or more usually the process will be led and managed by the design team.
- 2.2 Award criteria (i.e. lowest price) and criteria for selection to the second stage of the bid process are to be established by the relevant Sub Committee, or otherwise by default delegated to the tender board or design team.
- 2.3 The contract notice or invitation to tender is to be issued, usually on the Public Contracts Scotland web portal, after the agreement/establishment of selection and award criteria (criteria, weightings and scoring should be disclosed to interested parties as early as practicable in the procurement process). Refer to Section 4.0 below regarding operation of the Public Contracts Scotland web portal (including use of Quickquotes).
- 2.4 Information from interested parties should be returned in envelopes issued by the Association as below, and not opened until after the formal deadline; alternatively information may be required electronically, e.g. to comply with statutory requirements.
- 2.5 After first stage submissions are received tender board members, or relevant members of the design team along with Association staff, assess and score them individually on the basis of quality, i.e. ability to perform the proposed contract.

- 2.6 Unsuccessful applicants subsequently excluded before tender stage must be notified accordingly.
- 2.7 The tender list should be drafted, normally comprising a minimum of the 5 highest scoring parties from whom to invite priced tenders (note that this must be determined during the initial stages, along with selection criteria).
- 2.8 Tender documents are to be prepared and issued in order to obtain a price. Where necessary a pre-tender briefing meeting may be held. Parties are to be given a defined period to price the tender documents and notified of the date and time for return.
- 2.9 Tender documents shall be accompanied by a suitable envelope for their return by post or by hand; clearly marked to indicate that enclosed is a tender and for what purpose. The envelope shall be addressed to the Chief Executive, Lanarkshire Housing Association Limited, 191 Brandon Street, Motherwell, ML1 1RS. In addition, the date and time for return of tenders shall be indicated on the envelope. All tender return envelopes shall be marked with the date and time received and kept in a safe place until formally opened. When delivered by hand, a receipt shall be issued. Alternatively information may be required electronically, e.g. to comply with statutory requirements.
- 2.10 Whether received in hard copy or electronically, tenders will be recorded in the Association's formal Register of Tenders. Tender documents shall specify the date and time of return, the place of return, the period for acceptance of the contract, together with an intimation of the Association's right to accept any tender received or none of them. A Committee member, the Chief Executive and/or another senior staff member shall be present at the tender opening. In addition at least one professional consultant will be invited to attend.
- 2.11 A tender report is to be provided by the quantity surveyor or employer's agent. The tender report will form the basis for reporting to Committee with a recommendation on which offer to consider for acceptance.

### **3.0 ESTABLISH THE MOST ECONOMICALLY ADVANTAGEOUS TENDER**

- 3.1 A tender board may be formed, including appointment of a chair, or more usually the process will be led and managed by the design team.
- 3.2 Award criteria and criteria for selection to the second stage of the bid process are to be established by the relevant Sub Committee, or otherwise by default delegated to the tender board or design team. Specifically, the quality/price ratio and scoring methodologies to be used during each stage of the bid process are to be determined. It is important to clearly differentiate between: (1) selection criteria (which relate to the bidder and are used to assess the bidder's ability to perform the

proposed contract, e.g. in terms of technical and professional capabilities), which may only be applied at the pre-qualification stage; and (2) award criteria relating to the tender and which are used to identify the tender that is the most economically advantageous, e.g. in terms of price, technical specifications and project management proposals.

- 3.3 The contract notice or invitation to tender is to be issued after the agreement/establishment of selection and award criteria (criteria, weightings and scoring should be disclosed to interested parties as early as practicable in the procurement process).
- 3.4 Information from interested parties should be returned in envelopes issued by the Association as below, and not opened until after the formal deadline; alternatively information may be required electronically, e.g. to comply with statutory requirements.
- 3.5 After first stage submissions are received tender board members, or relevant members of the design team along with Association staff, shall assess and score them individually on the basis of quality.
- 3.6 Unsuccessful applicants subsequently excluded before tender stage must be notified accordingly (this may be done through the Public Contracts Scotland web portal at the appropriate stage).
- 3.7 The tender list should be drafted, usually comprising of either the 3 or 5 highest scoring parties (as appropriate) from whom to invite priced tenders.
- 3.8 Tender documents are to be prepared and issued in order to obtain a price along with any previously identified additional information required for a quality assessment of the award criteria; normally requested by means of an award criteria questionnaire. Where necessary a pre-tender briefing meeting may be held. Parties are to be given a defined period to price the tender documents and notified of the date and time for return.
- 3.9 If considered to be relevant and proportionate (and only if identified so at the start of the bid process), prospective tenderers will be interviewed. Interviews are to be chaired by the lead consultant or quantity surveyor. Scores from the interviews may form part of the award criteria score. Interviews may be timed to take place in parallel with issue of tender documents, and are to take place prior to the date for receipt of priced documents.
- 3.10 Tender documents shall be accompanied by a suitable envelope for their return by post or by hand; clearly marked to indicate that enclosed is a tender and for what purpose. The envelope shall be addressed to the Chief Executive, Lanarkshire Housing Association Limited, 191 Brandon Street, Motherwell, ML1 1RS. In addition, the date and time for return of tenders shall be indicated on the envelope. All tender return envelopes

shall be marked with the date and time received and kept in a safe place until formally opened. When delivered by hand, a receipt shall be issued. Alternatively information may be required electronically, e.g. to comply with statutory requirements.

- 3.11 Whether received in hard copy or electronically, tenders will be recorded in the Association's formal Register of Tenders. Tender documents shall specify the date and time of return, the place of return, the period for acceptance of the contract, together with an intimation of the Association's right to accept any tender received or none of them. A Committee member, the Chief Executive and/or another senior staff member shall be present at the tender opening. In addition at least one professional consultant will be invited to attend.
- 3.12 Prior to assessment of the prices submitted, all qualitative assessment and scoring (i.e. of the award criteria other than price) shall have been completed by individual assessors, and the final quality score established.
- 3.13 A tender report is to be provided by the quantity surveyor or employer's agent. The tender report will form the basis for reporting to Committee with a recommendation on which offer to accept.

#### **4.0 PUBLIC CONTRACTS SCOTLAND**

- 4.1 The Public Contracts Scotland web portal gives free access to contract opportunities in Scotland, and publication of tenders on it is the usual means of ensuring that they are properly advertised.
- 4.2 Quickquotes is a facility on the Public Contracts Scotland web portal to create online requests for competitive quotes for low value services or works, and may be used as a simplified method of obtaining a shortlist for smaller projects. The facility sends a request for tenders to a selected list of suppliers who have already registered on the portal.

LANARKSHIRE HOUSING ASSOCIATION LTD



## AWARD CRITERIA QUESTIONNAIRE

<b>PROJECT/Framework APPLIED FOR:</b>			
<b>COMPANY:</b>			
<b>OFFICE CITY/TOWN:</b>		<b>FORM COMPLETED (date):</b>	

Note that marks awarded in this assessment of this form will be used along with any price submitted, and scores awarded at any interview (if applicable) to establish the most economically advantageous tender. Any previously completed selection criteria questionnaire will not be taken account of at award stage.

### COMPANY DECLARATION

I, the undersigned, confirm that the information contained in this response is correct at the time of completion. Any changes relevant to this requirement will be notified to the Association contact concerned without undue delay.

I also confirm that there has been no material change to the skills, experience and resources available to the tenderer since submitting the selection criteria questionnaire for this procurement.

<b>Signed:</b>		<b>Date:</b>	
<b>Print Name:</b>		<b>Position:</b>	
<b>On behalf of:</b>			<b>Company Name</b>

**Question 1 (15 marks) : FUNCTIONAL REQUIREMENTS (e.g. specification, design, and aesthetics)**

Relative to the extent that you will have responsibility for meeting the project's functional (including general operational) requirements; explain how you will address them.

**Question 2 (15 marks) : QUALITY/TECHNICAL REQUIREMENTS**

Explain how you will meet the project's anticipated quality assurance and technical requirements.

**Question 3 (15 marks) : MANAGEMENT STRUCTURE**

Describe the management structure that your organisation would put in place to deliver the project, identifying key management staff and their qualifications (there is no need to enclose/attach CVs).

**Question 4 (15 marks) : NON MANAGEMENT STAFF**

List the non-management staff who will be involved in project delivery, including their jobs/roles and qualifications (there is no need to enclose/attach CVs).

**Question 5 (15 marks) : PROGRAMME DELIVERY PERIOD**

**Explain how you will meet any project requirements for completion within a set timescale.**

**Question 6 (15 marks) : DEFECTS, MAINTENANCE, AND ONGOING SUPPORT**

**Explain how you will provide any ongoing support required by the project, in particular including your approach to customer care where relevant.**

**Question 7 (5 marks) : INNOVATION**

**Describe how you envisage that innovation (e.g. use of ICT) may improve project processes.**

**Question 8 (5 marks) : SUSTAINABILITY**

**Describe your approach to sustainability (e.g. waste minimisation; energy efficiency) in relation to the project.**

Lanarkshire Housing Association Limited processes personal data to assist in its legitimate aims and those of certain third parties. The Association's principal aims are to provide, manage and maintain social housing and low cost home ownership. Secondary aims will include property management services for owner-occupiers and commercial leaseholders, and associated functions will include administering enquiries and complaints, the prevention and detection of fraud or other criminal acts and the recovery of debts.

This information may be disclosed to other bodies in certain circumstances. For example, there may be disclosures to contractors (to attend a property), to the police (to assist in their investigations), to the Local Authority (to assist them in the administration of housing benefit/council tax) or to the Scottish Housing Regulator (for the purposes of inspection and regulation). Further details can be found by consulting the Scottish Information Commissioner's website ([www.itspublicknowledge.info](http://www.itspublicknowledge.info)).

By providing us with this information you automatically give your consent for the purposes specified.