NHS Confederation
Procurement Procedure - "a toolkit"
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SECTION ONE: INTRODUCTION

1. This procedure should be read in conjunction with the NHS Confederation purchasing policy [LINK]; the NHS Confederation Scheme of Delegation [LINK]; and the NHS Confederation gifts and hospitality policy [LINK]

1.1 Who is this guide for? This procedure should be followed by all NHS Confederation staff; those on secondment into the NHS Confederation; and external consultants working within the organisation. External consultants in this context are those people we have commissioned to undertake a role working within the organisation rather than deliver on behalf of the business (i.e. they are most likely to have an NHS Confederation or NHS Employers email address).

1.2 When should it be used? Adherence to the procurement policy and the procurement procedure is mandatory.

1.3 When should we buy goods and services from a third party? We should only buy goods and services from a third party when all of the following apply:

- the purchase enables us to meet our objectives as stated in the business plan.
- the goods and services cannot be supplied in-house because for example, we do not have the expertise or other commitments take priority
- there is an approved budget to meet the financial commitment

1.4 What do we mean by goods and services? By goods we mean a manufactured product, a piece of software, hardware or equipment. By services we have made the distinction between a contract of service; and a contract for service.

1.5 A contract of service is used to employ someone who is an employee for payroll and employment rights purposes. In the Confederation staff working under a contract of service are paid through payroll or are a secondee into the organisation with a secondment agreement. Staff working under a contract of service are not covered by this procedure and you should refer to the Recruitment policy available on FedNet.

1.6 A person sourced through a recruitment agency on a temporary basis is similarly not subject to the procurement procedure except where the total value of the commitment to the recruitment agency for a single placement is over £15,000

1.7 A contract for services can be for services such as research; consultancy; exhibition services; reviews; audit; payroll; insurance; conference venues; and web development and the contract can be with a single person or a company or other entity such as a partnership.

1.8 Where a contract for services is with a single person they will normally be self employed. It’s important that individuals are classed as self employed to ensure that the Confederation is not open to challenge that the individual should be classed as an
employee. HMRC defines someone as self employed if they can answer yes to all of the following questions:

- can they hire someone to do the work or engage helpers at their own expense?
- do they risk their own money?
- do they provide the main items of equipment they need to do their job, not just the small tools that many employees provide for themselves?
- can they decide what work to do, when to do the work and where to provide the services?
- do they agree to do a job for a fixed price regardless of how long they take?
- do they regularly work for different people?
- do they have to correct unsatisfactory work in their own time and at their own expense?

1.9 If there is any doubt about an individual’s status you could ask the individual to certify that they are self employed or to seek advice from HR or Governance.

1.10 **When is a contract or agreement needed?** Whenever we buy goods and services – irrespective of the value – some sort of agreement should be put in place. A contract or agreement protects both the customer and the supplier by making it clear what is expected to be delivered or supplied and how much it will cost etc. As a starting point suppliers should be asked to sign up to the Confederation’s standard terms and conditions, contract or consultancy agreement.
SECTION TWO: GOOD PRACTICE PRINCIPLES

2.1 Below are some good practice principles which should be at the forefront of your mind when approaching procurement.

**Competition**
Understand the market you are buying from and invite a range of potential suppliers to quote or tender for the work.

**Value for Money**
Demonstrating value for money is a priority. Think about whether there are any cost effective alternatives to externally procuring goods and services.

**Risk Management**
We must limit our exposure to risk and in the context of procurement this could be by being
- being tied into a contract that is too expensive;
- not being clear what it is we want to be delivered or supplied and so we pay for something we don’t want or don’t get what we need
- not being able to take action if things go wrong

**Transparency**
The Confederation is committed to being open and transparent in the way in which it conducts business. This means that the decision making process should be clear and well documented.

**Equality and Diversity**
Equality and diversity is integral to all aspects of the Confederation and the Equality Impact Assessment (available on FedNet) can help you identify any potential negative impact that your procurement may have.

**Ethical and Sustainable**
Whilst we do not have a formal ethical policy our purchasing decisions should, where practicable, consider the associated risks and implications for society and the environment. Procurement can make a contribution to sustainable economic development and resource minimisation by ensuring goods and services we but consider optimum environmental performance. Procurement has an additional role to play in minimising any risk of social exploitation in the supply chain.

**Proportionate**
Whilst the principles of proportionality in procurement is a well-established principle of EU law. For us it means that we should be clear that the action we are taking – particularly with regard to the information we ask bidders to provide – should be proportionate to the value of the services to be provided or the degree of risk. For example, any requirements we set in relation to performance should be both necessary and appropriate or any financial information requested as part of due diligence should not be disproportionately demanding so as to discriminate against smaller organisations.
SECTION THREE: THE PROCUREMENT PROCESS

1. Case for Procurement
2. Identifying the Market
3. Deciding whether to Tender?
4. Preparing the Specification
5. Evaluating the quotes and tenders
6. Awarding the Contract
7. Managing the Contract
SECTION FOUR: STEP 1 - THE CASE FOR PROCUREMENT

4.1 Before taking any action to secure what you want to buy the budget holder must make the case for buying goods and services and obtain the appropriate authorisation in accordance with the Scheme of Delegation [LINK]. Before you can do this you need to know what it is you want to buy, for how long and how much you can spend. Once you have the total time of the work and the total value of the goods and services you can establish what the appropriate sign off is.

4.2 The **total value of the goods** means the cost of the whole life of the contract including VAT and expenses.

4.3 The signing off levels for the total value of the goods/services is:

<table>
<thead>
<tr>
<th>Less than £15k</th>
<th>Budget holder</th>
</tr>
</thead>
<tbody>
<tr>
<td>£15k or more but less than £100k</td>
<td>Director</td>
</tr>
<tr>
<td>£100k or more but less than £250k</td>
<td>SMT</td>
</tr>
<tr>
<td>£250k or more but less than 1m</td>
<td>Corporate Board</td>
</tr>
<tr>
<td>More than 1m</td>
<td>Board of Trustees</td>
</tr>
</tbody>
</table>

4.4 Authorisation is recorded on a simple authorisation form (*Appendix 1*) and records confirmation. This form should be kept as part of the audit trail.

**Involving others**

4.5 If the procurement necessitates a non-standard contract or legal advice you should flag this with the governance team as soon as possible so that any additional time can be built into the process.

4.6 It’s a good idea at this stage to agree who will be involved in the evaluation / scoring of the proposals that are received; but note the comments about conflict of interest at paragraph 7.12.
SECTION FIVE : STEP 2 – DECIDING WHETHER TO TENDER

5.1 The total value of the goods / services that you want to buy dictates whether you need to go out to tender or can simply seek quotes.

5.2 Note that it is the total value of the goods that dictates the signing off levels. You must not, under any circumstances, divide up the work into separate chunks so the contract value falls below a signing off level.

<table>
<thead>
<tr>
<th>Estimated contract value</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below £15k and / or less than a 6 month commitment</td>
<td>Quotes</td>
</tr>
<tr>
<td>£15k or more but less than £250k or more than a 6 month commitment</td>
<td>Tender</td>
</tr>
<tr>
<td>£250k or more</td>
<td>2 stage process: seek expressions of interest and tender</td>
</tr>
</tbody>
</table>

5.3 Whilst there is no obligation to procure goods or services through a competitive tendering process it is good practice to invite 3 suppliers to provide a quotation and these can be supplied in writing or by email. You need to give the suppliers sufficient time to respond – 5 working days is normally the minimum.

5.4 The specification with an invitation to tender should be sent to a sufficient number of suppliers to ensure the best chance of receiving a minimum of 3 tenders. The details are also placed on the procurement web page. The response is normally in writing rather than by email.

5.5 Exceptionally you may seek to procure goods or services without going out to tender – this is called single tender action. This may be because – for example - you cannot identify a potential market of suppliers where specialist expertise is needed and only available from one source. In these exceptional cases a single tender action may be
authorised. Where single tender action is sought due to insufficient time to conduct a full tender process, single tender action will not be authorised if there is no good reason for the time constraints.

5.6 The signing off levels for single tender action are different than for tendered for contracts. They are:

<table>
<thead>
<tr>
<th></th>
<th>Budget holder</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than £15k</td>
<td></td>
</tr>
<tr>
<td>£15k or more but less than £100k</td>
<td>SMT</td>
</tr>
<tr>
<td>£100k or more but less than £250k</td>
<td>Corporate Board</td>
</tr>
<tr>
<td>£250k or more</td>
<td>Board of Trustees</td>
</tr>
</tbody>
</table>
SECTION SIX: STEP 3 – IDENTIFYING AND ENGAGING WITH THE MARKET

6.1 There are no hard and fast rules about how you identify the potential suppliers for your goods or services. You can invite suppliers the organisation has a good track record of working with; new suppliers who have been recommended to you; suppliers found through research; or you can advertise. The three main issues to bear in mind are transparency; equality and proportionality. The action you take should be proportionate to the value and type of goods / services; you should document your decision about who you are going to invite; and you should treat everyone equally.

To advertise or not to advertise?
6.2 This is one of the most commonly asked questions. Again there are no hard and fast rules and there are pros and cons. As we are not a public body we are not subject to the European rules on procurement and so we are not required to advertise.

6.3 On the one hand, advertising can introduce you to new suppliers but on the other hand you could end up with many more expressions of interest than you can handle. The costs of advertising can be high and should be built into the budget.

6.4 If you are seeking single tender action due to a limited market the decision maker may consider whether the work has been advertised.

6.5 All procurement activity is placed on the procurement pages of the NHS Confederation and NHS Employers’ websites.

Supplier engagement / market sounding
6.6 Depending on the complexity of the service you are procuring it can be advantageous to engage with the market prior to finalising the specification. It can help to clarify, for example, whether what you are seeking is feasible; whether the market is capable of delivering; and whether there is capacity in the market.

6.7 It is vital that any supplier engagement prior to issuing the tender remains open and that any potential suppliers involved are treated with fairness and equally and are not disadvantaged when the tender is issued. It is important that we do not disqualify a potential supplier from actually bidding for the work because of inappropriate pre-tender engagement.

6.8 It is important therefore that before you engage on any market engagement you seek advice of the Governance team.
SECTION SEVEN : STEP 4 - PREPARING THE INVITATION TO TENDER OR PRE-QUALIFICATION DOCUMENTS

7.1 The first step is to draw up a specification or description of what you want to buy. It’s good practice to draw up a specification irrespective of whether you intend to tender or not because it helps to clarify what it is you want to buy.

7.2 The level of detail in the specification will depend on the complexity and value of goods and services that you are buying. It could be one page or a longer document with a number of annexes. If you do need to go out to tender the specification will be the public document on which companies or individuals will base their response.

7.3 The specification forms part of the invitation to tender (ITT) which should include:

- Full details of the goods / services you wish to obtain
- Specific details of supplier requirements
- Scope of the requirement (timescales, location etc)
- Budget
- Contract conditions
- Instructions for responding
- Evaluation criteria

7.4 A specimen specification and sample letters are at Appendices 2; 2a and 2b.

7.5 As part of the ITT you should send a copy of our standard contract or terms and conditions which we will be asking the supplier to sign; these can be obtained from the Governance Team. This will allow the supplier to see our standard terms and raise any issues at the start rather than further down the line.

7.6 The ITT should be sent to sufficient number of potential suppliers to ensure the best chance of receiving at least three tenders.

7.7 At this stage you should know the criteria by which you will evaluate the responses and so you should set up a scoring sheet and a sample is at Appendix 3.

Procurement 250k or more – issuing a pre-qualification questionnaire

7.8 Procurement with a value of £250k or more should be conducted in a two-stage process. The first stage assesses the financial and business suitability of an organisation before we invite them to tender. At this stage they do not need to submit their proposal – simply answer the questions contained in the pre-qualification questionnaire which is at Appendix 4 along with draft letters at Appendices 4a and 4b.

7.9 The PQQs should be sent to sufficient number of organisations that, would yield a shortlist of at least 4 organisations.

7.10 Finance and Governance must be involved in the assessment of the PQQs.
**Timetable**

7.11 When preparing the timetable you will need to build in sufficient time to acquire the approval via SMT, Corporate Board or the Trustees. The meeting schedules are available on Fednet. [LINK]

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**How to interact with potential suppliers once the ITT has been issued**

7.12 It is exceptionally important that all potential suppliers are treated in the same way so there is no danger of being seen to be preferential to one supplier. The following points should be noted:

<table>
<thead>
<tr>
<th>There should be one designated contact point for all queries in relation to the ITT</th>
</tr>
</thead>
<tbody>
<tr>
<td>The same information should be provided to all suppliers. Where additional information is given to one invited supplier, the same information must be passed onto other invited suppliers so one does not have the advantage over the other</td>
</tr>
<tr>
<td>A detailed audit trail must be kept including details of all communication with potential suppliers including all phone calls.</td>
</tr>
<tr>
<td>Staff involved in procurement exercises should take particular care to ensure that there can be no criticism that unequal treatment has been given to one potential supplier over another. Any offers of gifts or hospitality – of whatever value – should be declined and should be recorded in the gifts and hospitality record.</td>
</tr>
</tbody>
</table>

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**Conflicts of interest**

7.13 Staff members responsible for or involved in a procurement should be aware of any conflicts of interest that might exist – examples include because a partner or family member is employed by one of the companies invited to tender or perhaps a staff member has worked in the supplier companies and has friends who still work there.

7.14 Any doubts about conflicts of interest should be discussed with Governance who will decide whether a conflict of interest should be declared or if the staff member should be excluded from the process.

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**Gifts and Hospitality**

7.14 The Confederation’s Gifts and Hospitality policy [LINK] states “staff responsible for or involved with procurement on behalf of the company should take particular care to ensure that there can be no criticism that unequal treatment has been given to external organisations involved in a tender process”.

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SECTION EIGHT: STEP 5 – RECEIVING AND EVALUATING THE TENDERS

8.1 All tenders should be returned to the person nominated in the letter. All of the tenders should be kept locked away until the specified time. No proposals should be accepted after the closing date unless there is proof that they had been received in the organisation.

8.2 All of the proposals should be opened at the same time in the presence of 2 people. Each copy should be noted with the date of receipt and the pages on which the financial information / quote is contained should be initialed by the staff present. This is to ensure that there can be no tampering with the financial information once the proposals have been received.

What if insufficient numbers of tenders are received?

8.3 Ideally we seek to achieve at least three tenders for the work. If after inviting potential suppliers to tender less than three tenders are received you should seek feedback from the suppliers invited to tender asking for their reasons. The person leading the tender should then seek the advice of Governance before proceeding.

8.4 If after this action only one tender is received and accepted then the procurement should be dealt with as a single tender exercise.

Evaluating the tenders

8.5 The tenders should be evaluated by a scoring panel who should meet in accordance with the timescale notified to potential bidders in the letter inviting them to tender.

The tender panel

8.6 There are no hard and fast rules about who should be on the tender panel, but note the comments about conflict of interest at paragraph 7.12. The panel should reflect the value, importance or risk of the goods and services being secured. The panel should ideally have a minimum of 3 people and can also have someone who:

- can be regarded as independent
- has a detailed knowledge of the goods/service being secured and
- will be working with the provider of the goods/service

along with

- a Governance or Finance representation
- an external stakeholder.

8.7 The evaluation must be based on the specification that was issued i.e. you cannot judge the respondents against criteria that you did not ask them about even if one respondent has mentioned it. If you have sent a copy of the scoring sheet with the then you must use this to evaluate the tender.
**Keeping a record**

8.8 Each member of the panel should complete a scoring sheet. The panel should meet – in person or by phone or video conference – to discuss and one person should take responsibility for writing up the results of the panel’s deliberations. This record will be used as part of the audit trail but it will also be useful in feeding back to respondents if they were not shortlisted.

**Shortlisting and interviewing**

8.9 Depending on the value and complexity of the goods and services being procured it is good practice to interview the shortlisted candidates and these interviews should take place in accordance with the timetable contained in the letter when the ITT was issued. Interviews are mandatory for procurement worth £250k or more.

8.10 It is usual practice that the scoring panel form the interview panel. Again the questions should be based on the specification and it is your opportunity to probe the potential supplier on how they will deliver the specification. You do not need to ask the same questions of each supplier as you may need to probe different aspects of their response. All potential suppliers must be treated equally.

8.11 Again a record of the panel’s deliberations must be kept as part of the audit trail and to allow feedback to the unsuccessful candidates.

**References**

8.12 Following the interview you should, if proportionate, take up references supplied before making a final decision about the contract. Depending on the value of the contract it may be that a due diligence exercise will be required and Governance can advise about this.

**Evaluating the Pre-Qualification Questionnaires**

8.13 The purpose of the pre-qualification stage to assess the capability of the respondents to deliver the goods and services. This is a paper exercise and you do not need to invite the respondents for interview. The PQQs are evaluated by a panel that should include a member of Governance and Finance.

8.14 The results of the deliberations of the panel should be recorded and maintained as part of the audit trail. You will need this information to be able to feed back to those organisations who did not pass the PQQ stage. Only those organisations / individuals who have proved their capability should be invited to submit a formal tender for the work.

8.15 The tender exercise should be conducted in accordance with the process outlined earlier in the document.
SECTION NINE: STEP 6 – AWARDING THE CONTRACT

9.1 The award of any contract must be agreed in accordance with the Scheme of Delegation.

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<thead>
<tr>
<th>Less than £15k</th>
<th>Budget holder</th>
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</thead>
<tbody>
<tr>
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<td>Director</td>
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<td>SMT</td>
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<tr>
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</tr>
<tr>
<td>More than 1m</td>
<td>Board of Trustees</td>
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</tbody>
</table>

9.2 In most cases a standard NHS Confederation Group Company or NHS Employers company contract can be used and this should be completed in association with Governance who will advise on whether any amendments are required. The standard contract will need to be completed with details of:

- the name, company number and address of the contractor
- details of the start and finish dates of the work
- insurance requirements
- the price, payment schedule and invoicing requirements
- the final specification detailing exactly what it is you are expecting to be delivered and timescales

9.3 Two copies of the contract should be sent to the supplier and work should not commence until the contract has been returned with the appropriate signature.

9.4 **All** contracts with a total value of £15k or more are signed centrally after first being approved by Governance. The details of the contract are entered onto the contracts register which contains a link to an electronic copy of the signed contract.

9.5 The budget holder should arrange for a purchase order to be raised for the total value of the contract. Finance will check that a contract is in place before paying any invoice from the supplier.

9.6 Governance will keep the signed copy of the contract and also keep an electronic copy on the z:drive.
The audit trail

9.7 All of the paperwork including:

- the authorisation form,
- all of the tenders received
- details of any contact with potential suppliers
- the completed scoring sheets
- the interview notes
- references
- written justification for the decision to award the contract or not to award the contract
- written evidence of the decision by the appropriate board

should be scanned and passed to Governance for filing centrally on the z:drive. We are required to keep records for 6 years.
SECTION TEN: STEP 6 – MANAGING THE CONTRACT

10.1 The contract should then be managed in accordance with the terms and conditions set out in the contract. This will include payment terms; notice periods; termination; managing the key performance indicators etc.

10.2 There may be occasions when you want to extend the contract beyond the original period in the contract. This can normally be done by writing a letter of extension which specifies the name of the contract, the term of the extension; the payment and the conditions of the extension. Governance can prepare a letter of extension and the details will be included in the contracts registers.

10.3 If, by extending the contract, the total value of the whole contract moves into a different signing band then the appropriate sign off should be obtained for the extension.

10.4 The contract manager needs to ensure that the contract is delivering according the specification and that any problems are dealt with early on.
## Appendix 1

### Procurement Authorisation Form

<table>
<thead>
<tr>
<th>Description of goods or services to be procured?</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total budget?</td>
<td></td>
</tr>
<tr>
<td>Total length of time the goods or services will be provided?</td>
<td></td>
</tr>
<tr>
<td>Appropriate signing off level? <em>(please tick)</em></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Trustees</td>
</tr>
<tr>
<td></td>
<td>Corporate Board</td>
</tr>
<tr>
<td></td>
<td>SMT</td>
</tr>
<tr>
<td></td>
<td>Employers’ Board</td>
</tr>
<tr>
<td></td>
<td>Director</td>
</tr>
<tr>
<td></td>
<td>Budget Holder</td>
</tr>
<tr>
<td>Is the procurement needed to be able to deliver your objectives? <em>(Delete as appropriate)</em></td>
<td>Yes / No</td>
</tr>
<tr>
<td>Give brief details:</td>
<td></td>
</tr>
<tr>
<td>Can the goods and services be supplied in- house <em>(Delete as appropriate)</em></td>
<td>Yes / No</td>
</tr>
<tr>
<td>Give brief details:</td>
<td></td>
</tr>
<tr>
<td>Name of budget holder:</td>
<td></td>
</tr>
<tr>
<td>Is the budget available to meet the financial commitment? <em>(Delete as appropriate)</em></td>
<td>Yes / No</td>
</tr>
<tr>
<td>Authorisation</td>
<td></td>
</tr>
<tr>
<td>In the case of budget holder sign off:-</td>
<td>Budget Holder signature</td>
</tr>
<tr>
<td>In the case of director sign off:-</td>
<td>Director’s signature</td>
</tr>
<tr>
<td>In the case of board sign off attach copy of board’s decision</td>
<td></td>
</tr>
</tbody>
</table>
Part A: Setting the scene

Introduction

**Overview of the NHS Confederation**
The NHS Confederation is an independent membership organisation and a charity whose charitable purpose is to relieve sickness and preserve and protect public health. We do this by supporting our members who are responsible for commissioning and providing NHS services.

We are the only body to bring together the full range of organisations that make up the modern NHS to help improve the health of patients and the public. We speak for the whole of the NHS on issues that matter to all those involved in healthcare. We also reflect the diverse views of different parts of the health system including all types of organisations that provide and commission NHS services.

**Overview of NHS Employers**
NHS Employers is part of the NHS Confederation which is a charity and the only body to bring together the full range of organisations that make up the modern NHS to help to improve the health of patients and the public. NHS Employers represents trusts in England on workforce issues and helps employers to ensure the NHS is a place where people want to work. The NHS workforce is at the heart of quality patient care and we keep employers up to date with the latest workforce thinking; provide practical advice and information; and help them network and share.

**Key aims**
[what are you aiming to achieve and what are you seeking to buy to help you]. The NHS Confederation / NHS Employers is [brief outline of work in business plan] and wishes to secure [details of the goods / service] in order to meet its objectives ............
We are seeking tenders / expressions of interest to provide [name/description of service]
Part B: Details of the service to be provided

Use the following headings:-

1. Name of service / goods

2. Aims and objectives
   [what it is you want to buy and why]

3. Specification
   [include in this section precise details of what is it you want and all of the other requirements that the bidder will need to think about – some sub headings that you can use include]:
   - Constraints or other ‘givens’ – are there things that are already in place that the bidder should know about that will impact on their quote/bid
   - Project management – do you require any elements of project management for the delivery of the services. How will we project manage it at this end
   - Key performance indicators
   - Accreditation and insurance
   - Technical requirements
   - Methodology
   - Options for future development
   - Potential for variation
   - Equipment
   - Other supporting services
   - Monitoring, reporting and review
   - Working arrangements

4. Experience
   [details of any specific experience you need]

5. Timescale
   [when do things have to be delivered – what are the key milestones – how long will the contract be for ?]

6. Presenting the bid
   [give instructions how you want the bids presented – ie should responses use the same headings in the specification. Will bidders need to attend for interview or a presentation and if so what will they need to do at the interview / presentation?]

7. Selection criteria
   [you should state on what criteria the bids will be evaluated and which are essential and desirable criteria]
8. Timeline for responses

[It's helpful to attach a timeline e.g.]

<table>
<thead>
<tr>
<th>Action</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specification published</td>
<td></td>
</tr>
<tr>
<td>Deadline for receipt of tenders / expressions of interest</td>
<td>Date plus time</td>
</tr>
<tr>
<td>Shortlisting and date shortlisted candidates notified</td>
<td></td>
</tr>
<tr>
<td>Presentations</td>
<td></td>
</tr>
<tr>
<td>Selection made and candidates notified</td>
<td></td>
</tr>
</tbody>
</table>

9. Next Steps

[number] of hard copies of your submission should arrive **by 12 noon** on the [date] addressed to [name] at [address] Proposals received after this deadline will not be accepted.
Appendix 2a
Letter to potential supplier with invitation to tender – NHS Confederation

[Name]
[Address 1]
[Address 2]
[Address 3]
[Post Code]

[date]

Dear

Invitation to tender: [name of project]

The NHS Confederation [NHS Employers] wishes to procure [name of service or description of goods] and this letter is an invitation to tender to supply the goods/services [delete whichever inappropriate].

Enclosed with this letter is:

- a specification of the goods/services [delete whichever inappropriate]
- a copy of the scoring sheet that we will use to evaluate the tenders received
- a copy of the NHS Confederation’s standard terms and conditions

If you would like to tender please send [No] hard copies of your proposal to [name], [title], NHS Confederation, 29 Bressenden Place, London, SW1E 5DD to arrive no later than noon on [date].

Short-listing will take place on [date] and you will be notified of the outcome by [date]. Shortlisted candidates will be asked to attend for interview on [date].

If you have any questions about the specification or the process please contact [name] by email at [email address].

Yours sincerely

[Name]
[Title]
[Name]
[Address 1]
[Address 2]
[Address 3]
[Post Code]

[date]

Dear

Invitation to tender: [name of project]

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Yours sincerely

[Name]
[Title]
[The scoring sheet will need to reflect the elements requested in the specification.]  

<table>
<thead>
<tr>
<th>Area of brief:</th>
<th>What we are looking for</th>
<th>Evidence provided</th>
<th>Comments</th>
<th>Weighting</th>
<th>Score (score x weighting)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interpretation of the brief</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capability</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>(experience, track record, skills to deliver)</td>
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<tr>
<td>Approach</td>
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<td>(methodology)</td>
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<td>Cost</td>
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<td>Timescales</td>
<td></td>
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<tr>
<td>Experience</td>
<td></td>
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<tr>
<td>Working relationships</td>
<td></td>
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</tr>
</tbody>
</table>

**TOTAL:**
## Appendix 4
### Pre-Qualification Questionnaire

<table>
<thead>
<tr>
<th>1. Basic information about the company</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Name of organisation</td>
</tr>
<tr>
<td>1.2 Contact name for enquiries about this PQQ</td>
</tr>
<tr>
<td>1.3 Job title</td>
</tr>
<tr>
<td>1.4 Company address</td>
</tr>
<tr>
<td>1.5 Post code</td>
</tr>
<tr>
<td>1.6 Telephone number</td>
</tr>
<tr>
<td>1.7 Email address</td>
</tr>
<tr>
<td>1.8 Website address</td>
</tr>
<tr>
<td>1.9 Company registration number</td>
</tr>
<tr>
<td>1.10 Date of registration</td>
</tr>
<tr>
<td>1.11 Charity number (if applicable)</td>
</tr>
<tr>
<td>1.12 Date of registration (if applicable)</td>
</tr>
<tr>
<td>1.13 Registered address if different from above</td>
</tr>
<tr>
<td>1.14 Are you registered for VAT</td>
</tr>
<tr>
<td>1.15 Is organisation:</td>
</tr>
<tr>
<td>A public limited company</td>
</tr>
<tr>
<td>A limited company</td>
</tr>
<tr>
<td>A partnership</td>
</tr>
<tr>
<td>Other <em>(please specify)</em></td>
</tr>
<tr>
<td>1.16 Are you acting as the lead organization for a consortium?</td>
</tr>
<tr>
<td>Yes / No</td>
</tr>
<tr>
<td>1.17 If members of your consortium or sub contractors are likely to deliver a significant (over 50%) of the contract please give company name(s) and addresse(s)</td>
</tr>
</tbody>
</table>
## 2. Financial information

<table>
<thead>
<tr>
<th>Section</th>
<th>Question</th>
<th>Year 1</th>
<th>Year 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1</td>
<td>What was your turnover in each of the last 2 financial years?</td>
<td>£ ………………… for year ended --/--/--</td>
<td>£ ………………… for year ended --/--/--</td>
</tr>
<tr>
<td>2.2</td>
<td>Please state which of the following you would be able to provide (please tick at least one)</td>
<td>A copy of your audited accounts for the most recent 2 years</td>
<td>A statement of your annual turnover, profit and loss account and cash flow for the most recent year of trading</td>
</tr>
<tr>
<td>2.3</td>
<td>If requested would you be able to provide a banker’s reference?</td>
<td>Yes / No</td>
<td></td>
</tr>
</tbody>
</table>

## 3. Business activities

<table>
<thead>
<tr>
<th>Section</th>
<th>Question</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1</td>
<td>What are the main business activities of your organization (max 100 words)</td>
</tr>
<tr>
<td>3.2</td>
<td>How many staff do you employ?</td>
</tr>
<tr>
<td></td>
<td>How many work in areas relevant to delivery of this contract?</td>
</tr>
</tbody>
</table>

## 4. Experience and References

<table>
<thead>
<tr>
<th>Section</th>
<th>Question</th>
<th>Contract 1</th>
<th>Contract 2</th>
<th>Contract 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1</td>
<td>Please provide details of up three relevant contracts in the last 3 years.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.2</td>
<td>Organisation name</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.3</td>
<td>Website</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.4</td>
<td>Contact name and contact details</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.5</td>
<td>Date of contract award</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.6</td>
<td>Date of contract completion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.7</td>
<td>Value</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Contract 1</td>
<td>Contract 2</td>
<td>Contract 3</td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>------------</td>
<td>------------</td>
<td>------------</td>
<td></td>
</tr>
<tr>
<td>4.8</td>
<td>Brief description (100 words)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.9</td>
<td>If you are unable to provide at least one reference – please explain briefly why (max 100 words)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5. **Professional and business standing**

Do any of the following apply to your organisation, or to any of the directors/ partners / proprietors?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1</td>
<td>Bankruptcy, insolvency, compulsory winding up, receivership, composition with creditors or subject to relevant proceedings? Yes / No</td>
</tr>
<tr>
<td>5.2</td>
<td>A conviction (or convictions) for a criminal offence related to business or professional conduct? Yes / No</td>
</tr>
<tr>
<td>5.3</td>
<td>Legal or administrative finding of commission of an act of grave misconduct in the course of business Yes / No</td>
</tr>
<tr>
<td>5.4</td>
<td>Failure to fulfill obligations related to the payment of social security contributions Yes / No</td>
</tr>
<tr>
<td>5.5</td>
<td>Failure to fulfill obligations related to the payment of taxes Yes / No</td>
</tr>
<tr>
<td>5.6</td>
<td>Failure to obtain and maintain relevant licenses or membership of an appropriate trading or professional organisation where required by law Yes / No</td>
</tr>
<tr>
<td>5.7</td>
<td>If the answer to any of the questions is “yes” please give brief details below including details of what has been done to put things right.</td>
</tr>
</tbody>
</table>

6. **Declaration**

6.1 I declare that to the best of my knowledge the answers submitted in this PQQ are correct. I understand this information will be used in the process to assess my organisation’s suitability to be invited to tender for the Confederation’s contract. I understand that the Confederation may
Possible additional questions

The following sections contain additional questions which can be included in the ‘Business Practices’ section of the PQQ. These questions can also be tailored where appropriate to meet the requirements of the procurement in question.

Where appropriate, evidence can be requested (for example, if you wish to examine policy or certification documents in a particular area), although care should be taken to ensure that any evidence that is requested is necessary, proportionate and not unduly burdensome for the potential supplier.

Many PQQs can usefully include questions under some or all of these headings.

Questions should be chosen based on the nature of the contract and should be relevant, proportionate to the size and scope of the procurement and necessary to the performance of the contract.

Health and Safety

These questions should help establish the potential providers’ health and safety management capability when that is important for the particular contract.

Any business employing five or more people has, by law, to prepare and bring to the attention of employees a written Health and Safety Policy Statement.

Sample Questions

<table>
<thead>
<tr>
<th></th>
<th>Does your organisation have a written health and safety at work policy?</th>
<th>Yes / No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
2. Does your organisation have a health and safety at work system*? Yes / No

3. If “No”, to either of the above please explain why:

Quality Assurance
These questions should help establish the potential providers’ quality assurance and management capability when that is important for the particular contract.

Sample Questions

1. Does your organisation hold a recognised quality management certification; for example BS/EN/ISO 9000 or equivalent? Yes / No

2. If not, does your organisation have a quality management system*? Yes / No

3. If you do not have quality certification or a quality management system, please explain why:

Environmental Management
This question should help establish the potential providers’ environmental management capability when that is important for the particular contract.

Sample Question

1. Provide evidence to show your organisation has the capability to deliver the environmental aspects of the contract. The environmental aspects are:- [include text]
**Equalities**

These questions should help establish the potential providers’ equalities management capability when that is important for the particular contract.

**Sample Questions**

<table>
<thead>
<tr>
<th></th>
<th>Question</th>
<th>Yes / No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Is it your policy as an employer to comply with anti-discrimination legislation, and to treat all people fairly and equally so that no one group of people is treated less favourably than others?</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>In the last three years has any finding of unlawful discrimination been made against your organisation by any court or industrial or employment tribunal or equivalent body?</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>In the last three years has your organisation been the subject of a formal investigation by the Equality and Human Rights Commission or an equivalent body on grounds of alleged unlawful discrimination?</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>If the answer to question 2 and / or 3 is “Yes”, what steps did your organisation take as a result of that finding or investigation?</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>What does your organisation do to ensure that equality and diversity is embedded within your organisation?</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Do you actively promote good practice in terms of eliminating discrimination in all forms through:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>instructions to your employees concerned with recruitment, training and promotion?</td>
<td>Yes / No</td>
</tr>
<tr>
<td>6b</td>
<td>making guidance or policy documents concerning how the organisation embeds equality and diversity available to employees, recognised trade unions or other representative groups of employees?</td>
<td>Yes / No</td>
</tr>
<tr>
<td>6c</td>
<td>appropriate recruitment advertisements or other literature?</td>
<td>Yes / No</td>
</tr>
<tr>
<td>7</td>
<td>If we asked, could you provide relevant examples of the instructions, documents, recruitment advertisements or other literature?</td>
<td>Yes / No</td>
</tr>
</tbody>
</table>
Dear

Pre-Qualification Questionnaire: [name of project]

The NHS Confederation wishes to procure [name of service or description of goods] which it intends to do via competitive tender. The first stage of this process is to invite organizations who are interesting in tendering for this work to complete a pre-qualification questionnaire (PQQ).

Enclosed with this letter is:

- a specification of the goods/services [delete whichever inappropriate]
- a copy of the PQQ for completion

If you would like to be considered for this process please complete the PQQ and return it to [name], [title], the NHS Confederation, 29 Bressenden Place, London, SW1E 5DD to arrive no later than noon on [date].

Assessment of the PQQs will take place on [date] and you will be notified of the outcome by [date]. Candidates who fulfil the PQQ will invited to submit a full tender and we will notify successful organizations by [date].

If you have any questions about the PQQ or the process please contact [name] by email at [email address].

Yours sincerely

[Name]
[Title]
Letter to potential supplier with pre-qualification questionnaire – NHS Employers

[Name]
[Address 1]
[Address 2]
[Address 3]
[Post Code]

[date]

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