

# Executive

**2 October 2009**



Report of Head of: **HR, IT and Customer Services**

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To: **VALE EXECUTIVE**     **2 October 2009**

To: **SOUTH CABINET**     **5 November 2009**

Report no. 52/09

Wards Affected:  
**ALL**

## Tender evaluation policy

### Recommendation

That South Cabinet and Vale Executive approve the joint tender evaluation policy accompanying this report

### Purpose of report

1. For South Cabinet and Vale Executive to separately approve a joint tender evaluation policy.

### Relationship with corporate plan

2. The proposed tender evaluation policy links to both councils' corporate plan's strategic objective of "managing our business effectively". It will help to deliver the corporate priority of "providing value for money services" by increasing the focus on price for large procurements of supplies, services and works.

### Background

3. The councils' contracts procedure rules in their respective constitutions set out the process for procurement of supplies, services and works at various financial thresholds, and require formal tenders when the overall contract value is likely to be above £50,001. While the rules describe the processes that officers must follow, they do not specify the weight to be

giving to any of the evaluation criteria used to decide on the selection of a preferred supplier and subsequent award of contract.

4. While the councils have always been successful in appointing good suppliers, councillors have now requested the creation and adoption of a policy which places a high degree of weighting to the evaluation on price.

## **A joint approach to tender evaluation**

5. As a consequence of the shared management arrangements, management team asked South's business improvement team to develop a common tender evaluation policy.
6. The adoption of a common policy by both South and Vale will benefit future joint procurements of supplies, services and works by introducing consistency, and avoiding the complication to both officers and potential suppliers of having different policies.

## **The tender evaluation policy**

7. The new joint approach to tender evaluation described in appendix one of this report:
  - ensures that the councils procure supplies, services and works which best meet the needs identified
  - enables the councils to select the quote or tender which offers the best value for money
  - requires that price forms at least 60 per cent of the evaluation criteria and award decision
  - makes the tendering process, open, transparent, fair and objective.
8. The policy was formulated by officers from South and Vale and incorporates best practice from each council.
9. The policy will be communicated to officers via the intranet and proactively managed during tender evaluations by the business improvement manager (South) and the organisational change group manager (Vale).
10. The policy will be communicated to potential suppliers by being made available on the councils' websites and included in invitation to tender/quote documentation.

## **Financial, legal and any other implications**

11. The adoption of the proposed policy should result in better value for money procurement, and thus help both councils meet their budgets. Apart from that, there are no direct financial implications arising from this report.
12. EU procurement rules require that tender evaluation criteria and their weighting are published in the OJEU Contract Notice/descriptive/invitation to tender documents. Hence bidders for EU contracts (current threshold £139,893) would see that the councils intend to evaluate all bids with at least 60 per cent of the weighting based on price. There is no such requirement to publish the evaluation criteria and their weighting for contracts below this threshold, although we will make all potential bidders aware of the councils' criteria through the tender evaluation policy.
13. All other aspects of procurement are governed by the contracts procedure rules (South) and contracts standing orders (Vale) in the councils' respective constitutions. Officers

propose to include reference to the tender evaluation policy in the next update to the constitutions, and in the forthcoming harmonisation of contracts procedure rules and contracts standing orders.

## **Conclusion and recommendation**

14. The proposed tender evaluation policy will ensure that price forms at least 60 per cent of all tender evaluations, and this in turn will help the councils achieve better value for money in procurements.
15. The adoption of this policy in both councils will make any future joint procurements simpler and clearer, by making clear to officers and potential suppliers the criteria that will be applied for each procurement.
16. Cabinet and Executive is recommended to approve the tender evaluation policy in appendix one of this report.

**See also:** Tender evaluation policy