

Tender Terminology / Tendering Glossary

Here are some of the most common terms and abbreviations used in the tendering process. NB you may need to cross-reference to more than one term as the public sector tender process is full of jargon.

A

Accelerated, Restricted or Negotiated Procedure

For high-value public sector contracts (see OJEU) – the length of time of the tender or procurement response process may be shortened to accommodate special circumstances and/or emergencies.

Added Value Services

Often referring to additional services 'over and above' the basic contract specification.

Authorities Buying Consortium – ABC

The largest non-profit making purchasing agency in Scotland, serving the buying needs of the public sector, charities and voluntary organisations.

B

Benchmarking

A process of continuously measuring and comparing an organisation's processes against comparable organisations to gain information to help performance improvement eg "best-in-class" achievement.

Best Practice / Good Practice

Proven and documented working practices that provide optimum operational performance within a specific business environment eg 'best in field'.

Better Quality Services – BQS

The guidance for central government departments on the creation of public/private partnerships through market testing and contracting out.

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Best Value – BV

The Government's alternative to the old Compulsory Competitive Tendering (CCT) system. The principles make clear that the duty of best value applies to all local authority services. The framework to put it into effect should promote local accountability and continuous improvement in service performance.

BiP Solutions Ltd – BiP

This new service aims to help you gain visibility amongst public sector buyers who can view your status and pre-qualification information online with a view to adding you to their supplier lists. The Society of Procurement Officers in Local Government (SOPO) endorses the BiP Select service. You can register & complete an on-line PQQ (pre-qualification questionnaire) FREE or pay to get qualified. Run by the same people as Supply2.gov.

C

Central Buying Consortium – CBC

The Central Buying Consortium is the largest local authority purchasing consortium in the UK. It has seventeen local authority members and represents most of the major authorities from the midlands to the south-east, outside London.

Commission for Racial Equality – CRE

Set up under the 1976 Race Relations Act, it receives a grant from the Department for Communities and Local Government, but works independently of government, to remove discrimination and help racial harmony.

Common Procurement Vocabulary (Codes) – CPV

Codes used throughout the European Union to generically describe products or services. The use of CPV codes by public sector purchasers to define their requirements in a Contract Notice is mandatory. CPV's can also be used in Non-OJEU Contract Notices as a means of classifying expenditure. (See OJEU).

Competitive Contract Addendum

Notification showing changes, amendments or cancellation of a published Competitive Contract Notice (see below).

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Competitive Contract Notice

OJEU public sector contract opportunity advertised via TED, OJEU, Supply2.gov etc (see other definitions). These are classified by one of four 'Nature of the Contract' categories: Works, Services, Goods or Research (scientific).

Competitive Contract Notice Award

Publish details of the company(s) which have been awarded a public sector contract subject to Competitive Contract Notice (see above).

Constructionline

For public sector contracts in construction – the UK's register of local and national construction and construction-related contractors and consultants. The subscription involves pre-qualifying and so is used by many public sector buyers to select suitably qualified (local) suppliers.

Consortium for Purchasing and Distribution – CPD

A national procurement and fulfilment business focussed on meeting the needs of its many customers in the Education, Training and Social Care Sectors. They are leaders in the school supplies market and are very strong in the South West of England & Wales.

Contract Notice Opportunities

These are formal calls for competition for public sector contracts and are classified by procedure type: Open Procedure, Restricted procedure, Negotiated Procedure (see relevant term).

Core competencies

What an organisation does well – its key business – as opposed to other products or services that it can or could offer.

Corporate Governance

An organisation's system of rules, procedures etc used to manage and fulfil its legal, financial and ethical obligations.

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Corporate Social Responsibility

The Government sees CSR as the business contribution to our sustainable development goals. Essentially it is about how business takes account of its economic, social and environmental impacts in the way it operates – maximising the benefits and minimising the downsides.

Culture

An organisation's management, ethics, style and values.

D

Defence Electronic Commerce Service – DECS

Ministry of Defence and Capgemini committed to a ten year PPP Public Private Partnership for the provision of e-commerce and e-business services, which are made available to the Defence community via the Defence Electronic Commerce Service (DECS).

Defence Estates – DE

Responsible for the properties and lands owned by the MOD.

Direct Electronic Links for Tender Administration – DELTA

BiP's (see above) modular internet based electronic tendering suite of applications, DELTA is in daily use across much of the UK public sector. It is based on the EU Procurement Directives and best practice in public sector procurement, providing open competition and transparency and reducing discrimination through simple, user-driven processes.

E

e-Procurement

The Office of Government Commerce (OGC) defines e-Procurement as "The term used to describe the use of electronic methods in every stage of the purchasing process from identification of requirement through to payment, and potentially to contract management." OGC specifically identifies that electronic enablement of the purchasing process can include e-Sourcing, e-Procurement and e-Payment (including e-Invoicing).

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Eastern Shires Purchasing Organisation – ESPO

A joint Committee of Local Authorities and operates within the Local Government (Goods & Services) Act 1970. It acts as a purchasing agent for its member authorities and other customers and provides a professional cost effective procurement and supply service.

Electronic Tendering Online – ELTON

A system to issue tenders electronically and allow companies to submit bids and proposals via email.

Empowerment

Giving employees the necessary skills, knowledge, information and authority to enable them to produce the specified outputs in the most effective and efficient way.

Expression of Interest

See Initial Expression of Interest.

Equal opportunities

The practice of ensuring that all employees and users of services receive fair and equal treatment.

External Customers

The external customers of the organisation eg your customer's customers.

E

Framework Agreement

A formal agreement with selected (or short-listed) suppliers. The purpose is to establish the terms of contract – in particular with regard to price and quantity. In other words, a framework agreement is a general term for agreements with a number of suppliers which set out terms and conditions under which specific purchases (call-offs) can be made throughout the term of the agreement.

G

Governance

The framework of authority and control within an organisation.

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H

Health and Safety Executive – HSE

Government body responsible for health and safety regulation in Great Britain.

I

Initial Expression of Interest – IEO

High value public sector contracts are advertised via OJEU and usually start with asking parties interested in bidding to write and express their interest in bidding. This is different to a Periodic Indicative Notice (or Prior Information Notice). (See also PIN).

Innovation

Genuinely new ideas for products, services, processes, systems and social interactions – typically giving benefits to the contract.

Intellectual Capital

The value of an organisation that is not shown in its traditional financial accounts – the intangible assets of an organisation and is the difference between market and book value eg know-how, people, structure etc.

International Standards Organization – ISO

An international standard-setting body composed of representatives from various national standards bodies producing world-wide industrial and commercial standards.

Investors in People – IIP

The Investors in People Standard is a recognised (audited) standard showing the use of the IIP business improvement tool designed to advance an organisation's performance through its people.

Invitation to Tender – ITT

The paper or electronic documentation issued to organisations invited to tender for a contract. Typically it includes a background, rules of tender, contract specification, questions or information required and a draft contract.

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J

Joint Ventures – JV

A formal or informal partnership created to achieve a specific aim – typically to win a tender or PFI, PPP etc.

K

Key Performance Indicators

Specific measurements of service delivery within a Service Level Agreement (see SLA).

M

Management Information System - MIS

The mechanism for measuring and reporting information relevant to the management of service delivery; typically information that assists both the supplier and customer.

Materials, Buildings and Equipment

Physical items in all their forms including stocks of raw materials and finished products, material in progress and fixed assets.

Mission Statement

A short statement that describes the purpose of an organisation, why it exists and its aims. (Also see Vision).

Most Economically Advantageous Tender – MEAT

The optimum combination of whole life costs and benefits assessed against pre-determined evaluation award criteria which will normally be detailed in the Invitation to Tender (ITT) or equivalent documentation.

N

National Audit Office – NAO

Its role is to audit the financial statements of all government departments and agencies, and many other public bodies. They report on how well the expenditure of public money achieves value for money (VFM) and improvements in the delivery of public services.

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National Supplier Vocabulary (Codes) – NSV

CPV numbers have been specially developed by the European Union for public procurement. Their main purpose is to provide a standardised vocabulary to help procurement personnel properly classify their contract notices (in the Official Journal of the European Union – OJEU) and to aid suppliers find the notices which are of interest to them.

Negotiated Procedure

For high-value public sector contracts (see OJEU) – only chosen suppliers are invited to negotiate for a contract(s). This has limited use only eg extreme urgency, failure of open/restricted procedures or repeat of similar contract.

Nomenclature of Statistical Territorial Units – NUTS

A hierarchical classification of administrative areas, used across the European Union for statistical purposes eg Northern Ireland is one of 12 “NUTS 1” areas in the UK.

O

OGCbuying.solutions – OGCbs

The Government's leading procurement services organisation for the UK; it is a non-profit Executive Agency of the Office of Government Commerce in the Treasury.

Official Journal of the European Union (formerly OJEC) – OJEU

The publication in which all high-value public sector contracts in the EU must be advertised. (Also see TED)

Open Procedure

For high-value public sector contracts (see OJEU) – suppliers can apply without prior selection ie going through a Pre-Qualification Questionnaire (see PQQ). The EU Directives lay down the type of criteria which can be used to eliminate unqualified or unsuitable suppliers.

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P

Partnerships

A working relationship between two or more parties either creating added value for the customer or as a means to win contracts that individually they may not be successful with. Partners can include suppliers, distributors, joint ventures, and alliances. Note: Suppliers may not always be recognised as formal partners. (Also see Joint Ventures.)

Periodic Indicative Notice, Prior Information Notice – PIN

An advance warning of a public sector contract to be tendered at some time in the future. The issue of a PIN does not guarantee that a contract will be placed. This is different to an Initial Expression of Interest (See also IEO).

Pre-qualification Questionnaire - PQQ

A set of questions designed to help buyers select the most suitable bidders to be invited to tender.

Private Finance Initiative – PFI

Private sector investment into public sector projects (eg hospitals) provides a way of funding major capital investments, without immediate recourse to the public purse.

Public Private Partnership – PPP

Similar to PFI (above).

R

Request for Information – RFI

An alternative term for PQQ (see Pre-qualification Questionnaire).

Request for Proposal – RFP

A formal request for a proposal –can range from a simple proposal to a complex tender.

Request for Quotation – RFQ

Similar to RFP (above).

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Restricted Procedure

For high-value public sector contracts (see OJEU) – suppliers are selected by an open first-round invitation eg a PQQ (see Pre-qualification Questionnaire). Any prospective supplier can apply to be included in the restricted list for the contract. Those suppliers who then meet the required criteria or ‘qualify’ will then be invited to tender. NB This is the most common type of tender for high-value contracts.

S

Service Level Agreement

A mechanism for helping a service provider and its customers achieve a shared understanding about services and service delivery. An SLA is a tool that helps manage the expectations, clarify responsibilities, and provide an objective basis for assessing service delivery. See also Key Performance Indicators.

Small and Medium-sized Enterprises – SMEs

Official term – SME’s are firms that employ less than 250 people and have a turn over of less than €50m.

Society of Procurement Officers in Local Government – SOPO

With over 2,500 members, SOPO engages in a range of activities to promote its strategic purchasing, contracting and supplies functions. It is also a platform to share best practice and influence the national agenda on how "Best Value" is to be achieved.

Stakeholders

Individuals, groups or organisations that are affected by and/or have an interest in a particular issue or organisation eg customers, partners, employees, shareholders, owners, government, and regulators.

Supplier Engagement

In simple terms, working with suppliers to achieve mutual goals – as opposed to ‘them and us’.

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Supply2.gov

The website for accessing low-value public sector contracts www.supply2.gov.uk. You can register for free and get free notification of opportunities in your local area for your business (if you want to get notifications outside of your local area or detailed alerts, you need to pay to upgrade).

Supply Chain

The flow of resources into and out of the enterprise's collective operations eg an IT supply chain is the flow of resources into and out of its IT operations. The chain can be said to start with the suppliers of your suppliers and ends with the customers of your customer.

Sustainable Development

A widely-used and accepted international definition is: 'development which meets the needs of the present without compromising the ability of future generations to meet their own needs' eg the environmental and social impact of today's actions that may affect the ability of future generations.

Sustainable Procurement

The application of sustainable development principles to procurement (see above).

I

Tender / Tendering

A formalised process of bidding for work or contracts. See ITT.

Tenders Electronic Daily – TED

The official website for EC tender information and publishes the Official Journal of the European Union (see OJEU above).

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Transfer of Undertakings (Protection of Employment) – TUPE

These regulations are designed to protect the rights of employees in a transfer situation eg when there is a change in supplier (often when contracts are tendered) or when a facility is first outsourced. This enables affected employees to enjoy continuity of employment keeping the same terms and conditions. TUPE 2006 entirely replaces the Transfer of Undertakings (Protection of Employment) Regulations 1981 (SI 1981/1794) which have often been referred to as the TUPE regulations.

V

Values

Represent the beliefs within an organisation and are demonstrated through the day-to-day behaviours of its employees.

Vision

A statement describing how an organisation wishes to be in the future. Also see Mission Statement.

E&OE

If you come across anything which is not explained in this glossary please contact us and we will endeavour to help.

You may also want to read our [Guide to Getting Fit to Tender](#)

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