



EDIGROUP

**METHODOLOGY
ON PROCURING
THE SUPPLY CHAIN**

June 2012

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1.0 INTRODUCTION

The terms of reference of this paper is to specify EDI's procurement process to be adopted for all developments requiring to be procured.

2.0 PRINCIPLES OF PROCUREMENT

Although no projects will be required to follow the OJEU process of advertising, it is important to understand the key tenets of the procurement rules and their application.

The general ethos of the rule, noted below will be applied to projects accordingly.

- 2.1 Equality of Treatment - no discrimination*
- 2.2 Transparency - selection process known in advance*
- 2.3 Proportionality - measures chosen are necessary and appropriate in light of the objectives*
- 2.4 Mutual Recognition - acceptance of products and services from other EU countries*
- 2.5 Rights of Individuals - refusal to an operator must state the reasons, and, will be open to judicial law*
- 2.6 Exception to the Principles - when in the public interest*

3.0 PROCESS

The following sections explain the process to be followed.

3.1 Publication of Contract Notification

All notifications will be advertised in the National Media and an appropriate trade publication that is linked with the discipline/service being procured.

3.2 Expression of Interest Receipt

An allowance of 21 days from publication of the advert to the receipt of expressions of interest will be made.(This may vary depending on the service being procured.

3.3 Pre-Qualification Questionnaire

The PQQ document will be issued electronically, with the requirement that submissions are received in hard copy only. The PQQ document will generally consist of:

<i>SECTION 1</i>	-	<i>INSTRUCTIONS TO APPLICANTS</i>
<i>SECTION 2</i>	-	<i>PROJECT DETAILS (INFORMATION FOR APPLICANTS)</i>
<i>SECTION 3</i>	-	<i>PRE-QUALIFICATION QUESTIONNAIRE</i>
<i>SECTION 3.1</i>	-	<i>General Information (to be answered by applicant)</i>
<i>SECTION 3.2</i>	-	<i>Financial Information (to be answered by applicant)</i>
<i>SECTION 3.3</i>	-	<i>Technical Information (to be answered by applicant)</i>
<i>SECTION 3.4</i>	-	<i>Specific Project Information (to be answered by applicant)</i>
<i>APPENDIX A</i>	-	<i>Schedule of Work</i>
<i>APPENDIX B</i>	-	<i>Eligibility Certificate</i>
<i>APPENDIX C</i>	-	<i>Applicant Receipt and Submission Form</i>
<i>APPENDIX D</i>	-	<i>Commercially Confidential Information</i>
<i>APPENDIX E</i>	-	<i>PQQ Submission Further Explanatory Notes</i>

3.4 Assessment methodology to seek tender list

Sections 2 and 3 of the PQQ will have weighted scores against each question. A panel of EDI employees (generally a minimum of three) will mark accordingly. Scores will be collated and a tender list will be chosen. Time allowed for this section of work will range from 2 to 4 weeks (depending on size of project). Panel members will be issued with a guidance note containing the key elements of EDIs Principles of Procurement noted in section 2, plus the following statements for them to consider prior to marking the PQQ submissions, to provide continuity in the marking process:

PQQ PROCESS – instruction to panel members

- 1. All panel members will receive submissions relevant to the discipline they are evaluating.*
- 2. They will also receive a PQQ scoring sheet to record their individual scores.*
- 3. When the individual scores have been completed, they should be issued to EDI project management for inputting into the database.*

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4. *The combined scores will be re-issued back to the panel members.*
5. *Members will need to assess the overall results between them to satisfy themselves that the scoring was consistent. Any clearly identifiable 'rogue scores' should be considered by the panel to ensure parity with the general consensus of opinion.*
6. *As a final review the panels should discuss their findings with the EDI project management to ensure probity in the procurement process and confirm their tender list.*
7. *When marking PQQ's, panel members should consider the following:*
 - 7.1 *Does the previous experience of potential suppliers adequately reflect the future needs of the development to be undertaken?*
 - 7.2 *Do their answers satisfactorily address and show insight into the challenges of the specific developments for which they are being considered.*
 - 7.3 *Panel members should review their previous projects and understand what elements were satisfactory / unsatisfactory and why. Then, apply these "lessons learned" to the submissions being reviewed to help identify those organisations that potentially may deliver the required solution for EDI.*
 - 7.4 *Are there any matters which would bring into doubt their potential expected performance?*
8. *The final list of applicants to be invited to tender will be issued to the EDI Executive for information.*

3.5 Tender process and contract award criteria

All applicants who are successful in being chosen for the tender list will be issued a tender document (hard copy by guaranteed delivery). Tenders are received by one designated person within EDI who registers all tender openings on a proforma, witnessed by one other person. The principle content of the tender documentation will be as follows:

- SECTION 1 - Tender Instructions to Applicants*
- SECTION 2 - Project Details (Information for Applicants)*
- SECTION 3 - Tender Questions (Information to be submitted by Applicant)*
 - SECTION 3.1 - Management Structure*
 - SECTION 3.2 - Process and Programme*
 - SECTION 3.3 - Value for money*
 - SECTION 3.4 - Design Concepts / Options – (if a designer)*

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<i>SECTION 4</i>	-	<i>Fee (Information to be submitted by the Applicant)</i>
<i>SECTION 5</i>	-	<i>Award Criteria</i>
<i>SECTION 6</i>	-	<i>Interview Format (information for Applicants)</i>
<i>APPENDIX A</i>	-	<i>Commercially Confidential Information</i>
<i>APPENDIX B</i>	-	<i>Form of Tender</i>
<i>APPENDIX C</i>	-	<i>Applicant Receipt and Submission Form</i>
<i>APPENDIX D</i>	-	<i>Scope of Service</i>
<i>APPENDIX E</i>	-	<i>Appointment Documentation + management structure</i>
<i>APPENDIX F</i>	-	<i>Fee Matrix</i>
<i>APPENDIX G</i>	-	<i>Design Brief</i>

TENDER MARKING PROCESS

- 1. All panel members will receive submissions relevant to the discipline they are evaluating.*
- 2. They will also receive a Tender scoring sheet to record their technical scoring.*
- 3. When individual scores by the individual panel members have been completed on the quality submissions, they should be issued to EDI project management for inputting into the database.*
- 4. On completion of the interview process, panel members will again issue their individual scores to the EDI project management, and receive a combined score by return.*
- 5. Members will need to assess the overall results between them to satisfy themselves that the scoring was consistent. Any clearly identifiable 'rogue scores' should be considered by the panel to ensure parity with the general consensus of opinion.*
- 6. As a final review the panels should discuss their findings with the EDI project management to ensure probity in the procurement process and confirm their scores for the overall quality submissions.*
- 7. Fee scores will be evaluated by EDI project management and added to the quality score to compute an overall total score.*
- 8. EDI project management will then complete the procurement process. This will culminate in a tender report.*

NOTE: Apply the same ‘considerations’ to the submissions and interview, as in the PQQ process.

Award Criteria will be based on the “most economically advantageous tender”, with the split between quality and price being determined by the Service/Works being procured and the current market conditions. E.g.:

Quality = 80% (for both the quality submission and the interview)

Price = 20%

ENSURE THAT THERE IS FULL TRANSPARENCY IN THE TENDER DOCUMENTATION TO PROSPECTIVE CONTRACTORS / CONSULTANTS REGARDING HOW THEY WILL BE SCORED.

(This may change for Works contracts, depending on the complexity and size of the project).

Time allowed for Applicants to tender will be determined by the size of the service being procured. Interviews will be conducted after the initial quality submissions have been reviewed.

4.0 DE MINIMIS PROCESS

*There are occasions when certain contracts/ services are considered to be **de minimis** and are able to be addressed within the delegated powers from the Board. However, even in these circumstances EDI seek a minimum of three quotations prior to completing the tender process and awarding a contract. EDI make use of one or more of the following options, where appropriate, to seek potential applicants:*

- *Making use of maintained lists of suppliers such as Construction lines.*
- *EDI’s knowledge of appropriate suppliers of works, goods and services.*

5.0 BOARD APPROVAL

5.1 Recommendations are required to be made to the relevant Company Boards, seeking approval for the proposed contract awards.