

Commissioning/Procurement Policy

1. Methods employed in identifying sources of supply

1.1. NESEP seeks to choose its suppliers on the basis of overall value for money to NESEP. Value for money will entail a combination of factors that will vary from one product or service to another. In the area of Social Enterprise development there are a large number of potential suppliers for some types of work, and a smaller number of suppliers for other, more newly emerging, or niche types of work. It is important that NESEP continues to explore and develop its supplier base in the area of Social Enterprise Development in order to ensure the best possible solutions and to maintain and drive up the quality of NESEP's output.

1.2. NESEP currently employs a number of different methods of identifying new sources of supply for Social Enterprise Development products or services. Competitive tendering is NESEP's overall preferred course of action for supplier selection in order to ensure value for money for NESEP. The most suitable procurement option is usually defined by the expected cost of the products, services required, although technical complexity and the extent of existing market knowledge may also be an issue.

1.3. In some cases, NESEP may decide to put invitations to submit proposals into a number of national (and sometimes local) newspapers and Social Enterprise periodicals, in order to extend the reach of the invitation. In addition pan-European advertisements may be placed, if required. Such invitations or advertisements will additionally be referenced to via the NESEP website.

2. E.U. Level Procurements

2.1. NESEP will comply with the E.U. Level Procurement Regulations, these regulation include Restricted, Open, Negotiated, Competitive Dialog, Frameworks and covers

all the main principles of the E.C. Treaty.

3. Procurement thresholds

3.1. Purchases under £2,500 -Value for Money must be considered prior to the placement of an order.

3.2. Purchases between £2,500 and £20,000 -A minimum of three quotations are to be obtained. In this instance a simple one or two-page request for a bid from three suppliers with accompanying details of the specific requirement will generally be sufficient. NESEP will ensure that simple criteria are used in deciding on the award of any contract.

3.3. Competitive Tender -For the supply of all services or supplies in excess of £20,000 and no more than the OJEU thresholds (currently £144,459) and (£3,611,474) for works contracts. NESEP's Competitive Tendering procedures must be followed. This process requires a formal documented procedure for selecting offers from competing suppliers. A formal tender evaluation team is set up and an evaluation matrix based on pre-agreed criteria is used. Normally at least three capable tenderers are invited to bid and, where possible, a maximum of six tenderers dependent on the specific market and quality of responses. However, where a relevant NESEP Social Enterprise Development requirement exceeds the current financial thresholds prescribed by the UK Public Procurement Regulations NESEP's requirement may be advertised in the Official Journal of the European Union (OJEU), as required. Where the Regulations do apply, ideally a minimum of 5

companies will receive the Invitation to Tender, although this may be many more for some requirements and will depend on the company's suitability measured against pre-agreed criteria. The agreements put in place with successful tenderers, are usually NESEP framework agreements to run for a 2 to 3 year period.

4. Invitations to Tender

4.1. A standard Invitation to Tender's documentation normally comprises:

- The invitation to tender, including the specification and deadline for the submission of bids;
- The specification is the core of any tender. It defines a genuine NESEP need. It may detail either the products or services to be provided, or may describe the outputs required from service providers in terms which allow suppliers to detail how they will achieve the desired result and at what cost;
- A pro forma questionnaire requiring the bidding companies' financial and commercial details;
- An operational/technical questionnaire examining the specific requirements of the project;
- NESEP's contractual terms and conditions that will apply to the provision of the goods / services;
- Any other information on volumes of activity etc. that may, without commitment, assist tenderers to prepare their bids.

Successful tenderers will be those that most effectively address NESEP's specific criteria for a particular need, and are able to supply the requirement in accordance with NESEP's requirements at a competitive price.

5. Evaluation and Selection processes

5.1. Where a new requirement is identified, and a number of bids or tenders have been

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received, NESEP will evaluate the responses in an objective manner in accordance with the following guidelines:

5.2. Social Enterprise Development Procurements under £2,500: NESEP will use simple criteria to make its choice based on the nature of the work, Value For Money, and subject to NESEP Overall Management Group authority the business will be awarded accordingly and a NESEP contract for “Procurements under £2,500” will be issued for contractual agreement between NESEP and the contractee.

5.3. Social Enterprise Development Procurements valued at over £2,500 but under £20,000: Tenders for products or services in this category will be very similar to those tendered for under the Public Procurement Regulations, however, there is no requirement to advertise the tender in OJEU, and timescales for the tender process are set by NESEP. An evaluation team will be set up and objective criteria set taking into account any particular requirements for the project.

5.4. Social Enterprise Development Procurements will be awarded using the most economically advantageous tender criteria.

5.5. Social Enterprise Development Procurements (subject to the Public Procurement Regulations):

In the event that the Public Procurement Regulations apply in a particular case, NESEP will (when required) advertise across Europe in OJEU as a means of identifying suppliers. All OJEU advertisements are drafted, approved and placed by NESEP. All suppliers that respond to OJEU advertisements have a right to be considered for tender lists. However, owing to the number of responses received by NESEP, a pre-qualification is usually undertaken to produce a shortlist before a formal Invitation to Tender is sent out to the final tenderers. At the pre-qualification stage, relevant experience and capabilities, as well as financial status will be considered and suppliers will be advised whether or not they have been chosen

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to receive the full invitation to tender. At the full tender stage the criteria will be much more project specific but will include such aspects as technical and

operational capability, timescales to completion, pricing and commercial terms.

5.6. Contract award notification

On award of a contract, the unsuccessful tenderers will be notified accordingly.