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 tendering 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.

Alcatel Mandatory Standstill Period
Minimum 10 day period following a decision to award a contract tendered via OJEU. Its aim is to allow unsuccessful bidders the opportunity to challenge the decision before the contract is signed. Named after two linked European Court of Justice cases known as the Alcatel case.

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. It is used to gain information to help performance improvement e.g. "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'.

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Better Quality Services – BQS
Guidance for central government departments on the creation of public/private partnerships through market testing and contracting out.

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. It promotes local accountability and continuous improvement in service performance.

Central Buying Consortium – CBC
The Central Buying Consortium is the largest local authority purchasing consortium in the UK. It represents most of the major authorities from the Midlands to the south-east, outside London.

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 to classify expenditure. (See OJEU).

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

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
Published details of the company(s) 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 www.constructionline.co.uk. The subscription involves pre-qualifying. Therefore it 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 focused 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 strong in the South West of England & Wales.

Contract Notice Opportunities
Formal calls for competition for public sector contracts. Classified by procedure type: Open Procedure, Restricted Procedure, Negotiated Procedure (see relevant term).

Contracts Finder

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.
Corporate Social Responsibility
The Government sees CSR as businesses contribution to our sustainable development goals. How a 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 for the provision of e-commerce and e-business services. These are made available to the Defence community via DECS.

Defence Estates – DE
Responsible for the properties and lands owned by the MOD.

Direct Electronic Links for Tender Administration – DELTA
Internet based electronic tendering process, DELTA is in daily use across much of the UK public sector.

Diversity
Promoting equality and diversity is a duty the entire UK government takes very seriously. It is a responsibility shared by all government departments. Also see Equal Opportunities.

E
e-Procurement
The term used to describe the use of electronic methods of the purchasing process. It can include e-Sourcing, e-Procurement and e-Payment (including e-Invoicing). Also see Electronic Tendering / E-Tenders.
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.

Electronic Tendering / E-Tenders
Becoming increasingly more popular, the whole tendering process is conducted electronically. Various systems and processes are used and sometimes it is entirely paperless. Also see e-Procurement.

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 do their work 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.


F
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 is a general term for a contract with a group of suppliers. It sets out terms and conditions for specific purchases (call-offs) that can be made during the period of the contract.

G
Governance
The framework of authority and control within an organisation.

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. They 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). Also known as an Expression of Interest.

Innovation
New ideas for products, services, processes, systems and social interactions that bring benefit to the contract.

Intellectual Capital
The value of an organisation that is not shown in its traditional financial accounts. This intangible asset of an organisation is the difference between market and book value e.g. know-how, people, structure etc.

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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. It shows 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 contact.

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 – KPIs
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. Information that assists both the supplier and customer.

Materials, Buildings and Equipment
Physical items including stocks of raw materials, 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. Also see Best Value.

National Audit Office – NAO
Its role is to audit the financial statements of all government departments, agencies and many other public bodies. It reports on how well the expenditure of public money achieves value for money (VFM) and improvements in the delivery of public services.

National Supplier Vocabulary (Codes) – NSV
CPV numbers developed by the European Union for public procurement. Their main purpose is to provide standardised terms to help procurement classify contract notices (in the Official Journal of the European Union – OJEU). They also help suppliers find those 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 e.g. 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. e.g. Northern Ireland is one of 12 “NUTS 1” areas in the UK
OGCbuying.solutions – OGCbs
Now defunct, it was the Government’s leading procurement services organisation. Buying Solutions became Government Procurement Service which has subsequently become Crown Commercial Service.

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 e.g. going through a Pre-Qualification Questionnaire (PQQ). The EU Directives lay down the type of criteria which can be used to eliminate unqualified or unsuitable suppliers.

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 (e.g. hospitals). It provides a way of funding major capital investments, without immediate recourse to the public purse.

Public Private Partnership – PPP
Similar to PFI (above).

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).

Restricted Procedure
For high-value public sector contracts (see OJEU). Suppliers are selected by an open first-round invitation e.g. 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.

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. e.g. customers, partners, employees, shareholders, owners, government and regulators.

Standstill Period
See Alcatel Mandatory Standstill Period.

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

Supply2.gov
Replaced by Contracts Finder (see above).

Supply Chain
The flow of resources into and out of the enterprise's collective operations. e.g. 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’. e.g. 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).

T
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).

Transfer of Undertakings (Protection of Employment) – TUPE
These regulations are designed to protect the rights of employees in a transfer situation e.g. when there is a change in supplier or when a facility is first outsourced. This enables affected employees to enjoy continuity of employment keeping the same terms and conditions. Often 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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