Award Criteria

The Award Stage involves examination of the merits of the bids.

This will identify which of the eligible tenderers will deliver best value for money for the organisation, based on the Most Economically Advantageous Tender (MEAT), depending on the criteria agreed by the User Intelligence Group (UIG).

In accordance with **regulation 67 of The Public Contracts (Scotland) Regulations**, contracts must be awarded on the basis of both quality and price. Your Organisation must not therefore use price only or cost only as the sole award criteria. Instead, your Organisation must identify the Most Economically Advantageous Tender on the basis of the best price quality ratio, which must be assessed on the basis of criteria linked to the subject matter of the contract and must include the price or cost using a cost-effectiveness approach.

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Price-Quality Ratios

You may find it useful to refer back to the Strategic Positioning Action Plans, linked below at the bottom of the page, to help decide the appropriate price-quality ratio to apply.

The table below provides some suggested criteria and ratios depending on the nature of the commodity/service being procured:

Commodity Type	Description	Suggested Price/Quality Ratio
Routine	• Low value/high volume • Many existing alternatives	80:20

Leverage	• High spend area • Many sources of supply • Commercial involvement can influence price	60:40
Strategic	• Strategic to operations • Few sources of supply • Large spend area • Specification may be complex	60:40, 50:50, 40:60
Bottleneck	• Few sources of supply and alternatives available • Complex specifications • If supply fails, impact on organisation could be significant	40:60, 10:90

General Principles

At the contract award stage you should ensure that the contract complies with the conditions, requirements and criteria set out in the Procurement Documents. In addition, you may decide not to award a contract to the bidder submitting the most economically advantageous tender (MEAT), if their bid does not comply with the applicable obligations in the fields of environmental, social and labour law, established by national law, collective agreements and relevant international agreements.

Award criteria must be considered and linked to the subject-matter of the contract where they relate to the goods or supplies to be provided under the contract in any respect and at any stage including factors involved in the production, provision or trading processes of the goods or services. A cost effectiveness approach may include life-cycle costing.

The buyer should work with the UIG to agree appropriate award criteria, based upon their knowledge of the goods or services to be procured and the critical aspects of the requirement as identified in the specification.

The criteria identified must relate directly to the goods or services to be provided and not focus on the characteristics of the individual suppliers. Each award criterion should be clearly defined,

so that there is a common understanding of what it means.

Good criteria will ensure that responses from suppliers clearly address the most critical aspects of the specification and allow the evaluation panel to make a fair and equal comparison of the bids received. Award criteria must ensure the possibility of effective competition and be accompanied by specifications that allow the information provided by bidders to be verified during their award criteria assessment. Some examples of award criteria are given below:

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Award Criteria Examples

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A table listing examples and descriptions of award criteria that you could use.

Scoring Methodology for Award Stage Evaluation

The buyer should ensure that a robust methodology is developed to assist with the evaluation process.

The technical scoring criteria used by a organisation can be general or amended to be specific to certain criteria. Whichever approach is adopted, the scoring methodology must have been communicated in the procurement documents as part of the tender process and should enable the evaluation panel, following individual bid evaluation, to score responses based on the relative advantages and disadvantages of the bid.

If **PCS-Tender** is being used, the buyer should input the weightings in relation to the specified criteria. Please note that all sections should add up to 100 and all questions within each section should also add up to 100.

An example of scoring methodology is provided below and should be used when utilising PCS-Tender:

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Example Scoring Methodologies

An example of a scoring methodology that should be used in PCS-Tender is shown below:

0	**Unacceptable**	Nil or inadequate response. Fails to demonstrate an ability to meet the requirement.
25	**Poor**	Response is partially relevant and poor. The response addresses some elements of the requirement but contains insufficient/limited detail or explanation to demonstrate how the requirement will be fulfilled.
50	**Acceptable**	Response is relevant and acceptable. The response addresses a broad understanding of the requirement but may lack details on how the requirement will be fulfilled in certain areas.
75	**Good**	Response is relevant and good. The response is sufficiently detailed to demonstrate a good understanding and provides details on how the requirements will be fulfilled.
100	**Excellent**	Response is completely relevant and excellent overall. The response is comprehensive, unambiguous and demonstrates a thorough understanding of the requirement and provides details of how the requirement will be met in full.

If you are not using PCS-Tender, below is an example scoring methodology which should be used in conjunction with the Evaluation Matrix. This can be tailored to suit the specific requirements of your procurement exercise:

0	**Unacceptable**	Nil or inadequate response. Fails to demonstrate an ability to meet the requirement.
1	**Poor**	Response is partially relevant and poor. The response addresses some elements of the requirement but contains insufficient/limited detail or explanation to demonstrate how the requirement will be fulfilled.
2	**Acceptable**	Response is relevant and acceptable. The response addresses a broad understanding of the requirement but may lack details on how the requirement will be fulfilled in certain areas.
3	**Good**	Response is relevant and good. The response is sufficiently detailed to demonstrate a good understanding and provides details on how the requirements will be fulfilled.
4	**Excellent**	Response is completely relevant and excellent overall. The response is comprehensive, unambiguous and demonstrates a thorough understanding of the requirement and provides details of how the requirement will be met in full.

You can include special contract performance conditions as long as they are linked to the contract's subject matter. Such conditions may cover economic, innovation-related, environmental, social or employment-related conditions. If specific performance conditions are to be used they must be included in the Prior Information Notice or the Contract Notice and in the Procurement Documents.

At Award Stage bidders may be requested to supply the names and professional qualifications of the staff involved in the performance of the contract.

A clearly documented process must be followed in order to ensure there are satisfactory responses from suppliers and no inconsistencies in the procurement process. Any failure in this respect will leave the procurement open to audit scrutiny

and legal challenge.

Scoring Methodology for Fair Work Practices

See **Fair Work First in Procurement guidance,** for scoring methodology.

The Difference Between Selection and Award Criteria

Open or close

The distinction between selection and award criteria is crucially important. Selection criteria are focused on "the bidder" and award criteria are focused on "the bid". The buyer must maintain a clear distinction between both throughout the procurement process. This means that issues/questions which are appropriate to the selection criteria must be addressed at the selection stage and cannot form part of the award stage (even if they were omitted from the selection stage in error). However, you can apply different aspects at selection and award if relevant i.e. you can look at the bidder's general staffing in selection, and the qualifications and experience of those to be assigned to the contract at award if that is relevant.

Although the selection and award criteria must be developed and managed quite separately, it is possible for buyers to conduct these stages simultaneously or in any order where the procedure allows. For instance, when using an Open Procedure it may be desirable to assess the tenders (award stage) prior to checking minimum criteria are met when only a small number of bids have been received. Where this is done you must still ensure that you verify the absence of grounds for exclusion and of fulfilment of the selection criteria. This needs to be carried out in an impartial and transparent manner so that no contract is awarded to a bidder that should have been excluded or does not meet the selection criteria.

Example areas that are commonly known as "selection" and "award" criteria are listed in the table below:

Commonly Used Selection and Award Criteria

Selection Criteria	Award Criteria
Technical and professional qualifications, capability including experience	Price
Economic and financial standing	Quality

Contract Performance Requirements

Open or close

Organisations are required by law to include such conditions relating to the performance of the contract as are reasonably necessary to ensure that the bidder which is awarded the contract complies with environmental, social and labour law in performing the contract, providing that these are linked to the subject matter of the contract, and are indicated in the procurement documents. To help meet this requirement, organisations should consider the **Scottish Procurement Policy Note 09/2016** which includes guidance and contract conditions an organisation can adapt for use in its contracts. If specific performance conditions are to be used they must be included in the Prior Information Notice or the Contract Notice and in the Procurement Documents.

Bidders may be requested to state, in their tender or request to participate, the names and professional qualifications of the staff involved in the performance of the contract.

A clearly documented process must be followed throughout the award stage, as for the whole of the procurement process, in order to ensure there are no inconsistencies in the procurement process, which could ultimately result in a legal challenge.

Equality Legislation

Open or close

Equality legislation places duties on all public bodies. In exercising their functions, they must have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other prohibited conduct
- advance equality of opportunity between people who share a relevant protected characteristic and those who do not
- foster good relations between people who share a protected characteristic and those who do not

You should ask bidders to self-certify that they comply with all relevant equality legislation.

Where evidence is provided of equality legislation breaches, you must consider any remedial action the bidder has taken to address these.

For organisations working outside the UK, equality questions relate to the equivalent legislation in the country where the bidder is located / breach occurred.

Effective contract management and monitoring should be undertaken to ensure that the equality assessment continues to be applied throughout the contract duration.

Minimum Standards

Open or close

Where you have determined that minimum standards are applicable (either within selection or award criteria) they must relate to and be proportionate to the subject matter of the requirement. This must be clearly detailed in the appropriate documentation.

When you wish to apply minimum standards to limit the number of potential suppliers to be invited to tender, minimum standards or objective criteria must be specified or referred to in the Contract Notice. This must be detailed in the procurement documentation to allow the rejection of potential suppliers.

Similarly if a pass mark can only be obtained by a response that meets the minimum requirement, this must be clearly stated within the scoring guidance provided to suppliers.

Variants

Open or close

You may consider variants to the requirements as long as it has been specified in the Contract Notice and in the Procurement Documents, together with the minimum requirements and how the variant will be evaluated. Variants cannot be considered unless this has been done and they meet the minimum requirements. All variant bids should be evaluated using the same criteria as the standard bids and compared on a like-for-like basis.

An organisation should also consider whether to allow potential service providers to set out options in relation to different TUPE scenarios within its tenders. If so, it should provide clear directions to tenderers to ensure that bids can be compared on a like-for-like basis.

As with all aspects of the procurement process, such decisions and actions must be made in line with your own organisation’s governance procedures and in any event, be in line with any stated intentions that were advertised in the relevant Procurement Documents.

Publication of Criteria

Open or close

Organisations are required by law to publish details of the criteria to be used to identify the supplier to whom the contract will be awarded. The Contract Notice must provide a brief description of criteria to be used for award of the contract.

An Organisation must also specify in the relevant Procurement Documents the relative weighting which it will give to each of the criteria chosen to determine the most economically advantageous tender. The weighting and score given to an award criterion should be considered on a case-by-case basis taking into account the other relevant criteria and the relative impact that each will have on the quality of the service delivery or goods supplied. Weighting must ensure the appropriate balance between the quality and cost / price of the contract and be proportionate to the contract, taking care not to negatively affect the quality of the contract to be performed. It is best practice that respective weightings are agreed by the UIG before the Contract Notice is published and any documentation issued.

If there is any doubt as to the level of detail that must be disclosed/published, you should seek specialist professional procurement or legal advice and guidance.

The agreed and advertised award criteria and weightings **must not** be changed once they have been notified to the tenderers.

Prompt Payment

Open or close

If your contract will require sub-contractors (and sub-sub contractors) you should evaluate at award stage how bidders will ensure payment of these sub-contractors throughout all stages of the supply chain. Payment should be made within the standard 30 day payment terms and bidders should communicate how this will be managed.

All public bodies advertising requirements which may require the use of sub-contractors should adopt the statement:

Prompt Payment Award Statement

Confirmation that you will include the standard clause in all contracts used in the delivery of the requirements, ensuring payment of sub-contractors at all stages of the supply chain within 30 days, include a point of contact for sub-contractors to refer to in the case of payment difficulties and provide evidence and reports to the contracting authority on a regular basis.

If a bidder is unable to confirm acceptance of the award statement, they should not be awarded the contract unless there are extenuating circumstances.

Addressing Fair Work Practices

Open or close

See **Fair Work First in Procurement guidance**, for evaluation and award

Fair and Ethically Traded Goods

Open or close

Award criteria can also relate to the supply or use of ethically or fairly traded products. In all cases, award criteria must be proportionate and should relate to the work, supply or service being procured, and not to the general capacities or qualities of the bidder. A general corporate social responsibility policy is unlikely to demonstrate suitability to deliver a contract. For further guidance please refer to the Sustainable Procurement Tools.

Care and Support Services

Open or close

Additional guidance on award criteria can be found in C&SS Award Criteria Guidance document.

In accordance with **regulation 76(9) of The Public Contracts (Scotland) Regulations 2015**, an organisation may now also take account of some other issues when procuring these services including:

- the quality of the service;
- the continuity of the service;
- the affordability of the service;
- the availability and comprehensiveness of the service;
- the accessibility of the service;
- the needs of different types of service users;
- the involvement of service users; and
- innovation.

This is not an exhaustive list and there may be other considerations that an organisation may also take account of and which are relevant on a case-by-case basis.

Statutory Guidance has been published on Selection of Tenderers and Award of Contracts.

Any documents you need are listed below

CSS Award Criteria Guidance

(file type: docx)

Strategic Positioning Action Plans

(file type: ppt)