Route 3 Introduction

Route 3 is designed for use by a buyer. If this does not apply to you, please contact your Procurement Function or Centre of Expertise.

This route of the Procurement Journey provides guidance for regulated procurements for goods and services at the **GPA procurement threshold** and above.

Route 3 does not apply to construction (works) or contracts that cover utilities e.g. running tramways. Please refer to the **Construction Handbook** for guidance.

Contract Notice, Procurement Documents and Contract Award Notice

Open or close

Contract Notice

Contract Notices must be used to advertise all Route 3 procedures. Exceptions to this include:

- use of the negotiated procedure without prior publication (only available in strictly defined and exceptional circumstances)
- a **defined list** of Care and Support Services contracts between £50,000 and the light touch regime **theshold**

The Contract Notice must contain the minimum and specific requirements for your procurement exercise.

Indicative Budget

You may choose to:

- indicate the available budget for delivering the service in question;
- specify the outcomes desired

- invite providers to submit proposals for achieving the outcomes within the resources available.

Stating an indicative budget ensures that bidders' tenders for delivering the service are affordable. This may be appropriate if, for example, a procurement exercise fails and the organisation moves to negotiation with suppliers.

Establishing a Timetable for the Procurement Process

This is particularly important if there is an expectation that suppliers will submit consortia bids to allow discussions between suppliers to take place.

With the exception of the scenarios stated in Contract Notice section above, all Contract Notices must be published on **Public Contracts Scotland** (PCS).

PCS is the national advertising portal which provides suppliers with free access to contract opportunities. It guides you:

- through the process of creating a Notice on its website
- automatically creates a Notice on the **Find a Tender Service**

If using **PCS-T** or the **SPD (Scotland)** word document, you must set out the specific requirements and minimum standards for your procurement. These must be relevant and proportionate and included in your **Contract Notice**. This is not necessary if using the online SPD (Scotland) Module on PCS as the relevant information is contained within this module.

If Using OJEU/TED:

If your procurement was advertised before 11 p.m. on 31 December 2020 (or is a call off from a Framework Agreement or a Dynamic Purchasing System that commenced before this date) you will receive a PCS alert after you have submitted the Contract Notice for publication on PCS. You will also receive a separate mail from Tenders Electronic Daily (TED) with your temporary OJEU reference number.

Once your Notice is published in the OJEU, TED will send you a permanent OJEU publication number. **You must retrospectively include your online SPD (Scotland) with this permanent OJEU number if using the PCS Module.**

If Using FTS:

If your procurement was advertised after 11 p.m. on 31 December 2020 you will receive an FTS email after you have submitted the Contract Notice for publication on PCS.

Your Contract Notice must contain details of how bidders can access your procurement documentation.

From the date you publish your Notice you must make your Procurement Documents available:

- on the internet;
- in unrestricted and full direct access form;
- free of charge

The Regulations define ‘procurement documents’ very widely. This includes all documents related to the procurement i.e. including technical specifications, terms and conditions and tender documents to be used at subsequent stages

In practical terms, it is not always possible to have all documents available at the start of your procurement exercise. Only in an **Open Procedure** are you required to have the ITT available from the outset. For all other procedures you must provide sufficiently precise information. This will allow bidders to understand the nature and scope of your requirement and decide whether to request to participate.

PCS-T Publication

Procurement documents must not be published in PCS-T until you have received your publication reference number from FTS.

The procurement documents should be published in PCS-T on the same day of whichever of the above events occurs first.

Contract Award

Contract Award Readiness Checklist

Before a buyer awards a contract they should check the following points:

Action	Checked?
Who was involved in the tender award process? Have there been any changes in staff from those involved during the tender evaluation?	
Did any of the tenderers drop out of the process and decide not to proceed with the tender? Consider if an unknown agreement was made.	
Review the list of proposed suppliers/sub-contractors to be used by the successful bidder? Did these organisations also bid directly for the tender exercise? Such circumstances can lead to a pre-determined outcome as it would be irrelevant who was awarded the work. This may identify cartel operating.	

Blank rows are provided for your use e.g. to add additional checklist items.

Using PCS

Open or close

Using PCS

If uploading Procurement Documents to PCS file size restrictions apply. These are:

- 10Mb per document a maximum of 40Mb for the buyer;
- 10Mb per document with a maximum of 30Mb for the Supplier

If you are using PCS-T, attachments cannot be added to the Contract Notice on PCS. You must add your documents to PCS-T.

Using PCS-T

Open or close

Using PCS-T

If you use **PCS-T** you must provide time limits for the receipt of tenders (bearing in mind statutory minimums).

Mixed Procurement Exercises

Open or close

Mixed procurements that contain any activity within the scope of the **Defence and Security Regulations** or the **Utilities Directive** must refer to their relevant legislation. Such procurement exercises do not come under the guidance of the Procurement Journey.

Where a procurement consists of a mix of activities:

- the main subject of the contract needs to be determined. This will establish which procurement rules apply e.g. a procurement with a goods and a works element, which has the provision of goods as the main subject matter, should be treated as a goods procurement exercise. (It is important to focus on what the main subject is i.e. there could be a contract with more goods supplied, however, the works element may still be the main subject/purpose of the contract or vice versa.) It is important to note that in this case, the value of the relative spend is not the only factor in identifying the main subject
- partly services (including Care and Support Services and those detailed in **Schedule 3**, and partly goods: the main subject of the contract is determined by which of the services or goods has the highest estimated value
- Care and Support Services and those listed in **Schedule 3** and partly for other services: the main subject of the contract is determined by which of the services has the highest estimated value.

Quickfire Guide

Contract Award - Recommendation Report Contents

A Recommendation Report should be used to obtain approval (if required) to award a contract. The report should contain reference to the following:

- a summary of the process to date
- ensure any decisions for supplier disqualification have been fully documented and that the paperwork is available for inspection
- recommendation of award & request for approval
- **Selection Stage** evaluation results (if not contained within previous report)
- technical & commercial evaluation (including any whole life costing) together with details of any clarifications conducted benefits and savings available
- details of any risks still present and mitigation plans
- **Sustainable Procurement Considerations** (life-cycle costing, social, economic and environmental)
- Cyber Security Considerations
- considerations in relation to Community Benefits
- details on how the tender outcome will meet the requirements identified in the Commodity/Service Strategy.

Once you have obtained approval, you can notify both the successful and unsuccessful tenderers of the outcome and they should be notified as soon as possible.

Information provided to tenderers must, where applicable, include the grounds for any decision:

- not to conclude a **Framework Agreement;**
- not to award a contract that has been advertised;
- to recommence the procedure;
- not to implement a **Dynamic Purchasing System (DPS).**

Consideration must also be given to **Planning**, **Sustainable Procurement** and **Risk Management** throughout this stage of the Procurement Journey.

Route 3 is not intended to replace training and it is assumed that individuals will have been trained in:

- the **Procurement Reform (Scotland) Act 2014** and any other legislative requirements;
- the procurement cycle;
- any applicable local procurement policies, guidelines and governance arrangements.

The main objectives of this route are:

- to provide a step-by-step guide to conducting a procurement exercise for goods and services;
- to provide a set of guides and templates that can be used to collate and analyse the data required when conducting the procurement exercise;
- to standardise the public sector procurement process across organisations;
- to highlight some key legal and policy obligations and considerations that apply throughout the procurement process

Before beginning Route 3, please consider the following:

- good procurement is not just about buying well but it's often about buying less or, indeed, **not buying at all**.

Depending on the specifics of your procurement exercise, the types of questions you might ask of stakeholders before starting your procurement could include:

- have alternatives to procuring been considered and ruled out?
- do you have a budget?
- is there a robust documented business case supporting this procurement?
- will this expenditure stand up to public scrutiny?
- has Procurement been involved in the development of the business case?
- can Procurement provide support with cost options; enabling flexibility; minimising risk; and/or to inform decisions regarding the way forward?
- are you aware of opportunities to buy your specific requirements through existing collaborative contracts? If so, do you know how to access them?
- can you use output information from the Prioritisation Tool

- for **Care and Support Services,** when considering continuing an existing service the Flowchart to Help Decision Making for the Continuation of an Existing Service provides additional guidance;
- for **Care and Support Services,** please also refer to Specific Considerations and Rules for CSS Contracts.

Consideration must also be given to **Planning**, **Sustainable Procurement** and **Risk Management** throughout the Journey.

Please note that purchases of goods and services may routinely be the subject of **Freedom of Information (FoI)** requests.

Please be aware that where the term 'commodity' is used within the Procurement Journey this can equally refer to categories of goods and/or services.

Please note that, other than on the final contract, there is no legal requirement for a "wet" signature at any point of the procurement process, **however, please check your individual organisation's policy regarding signatures**.

You should use Lessons Learned from previous contracts/procurement exercises to inform your new strategy. As you progress through the Journey you should constantly re-inform your strategy with any new information.

There are natural break points within the Procurement Journey. These can be used as review points for sign off and approval to proceed to the next stage of the process.

Quickfire Guide

Quickfire Guide

Procurement Exercise Review and Approval

Suggested review and sign off points are:

- at project initiation;
- after initial Opportunity Assessment;

- for approval of strategy, including budget;
- for contract management approach;
- for approval of Procurement Documents;
- at Contract Award stage;
- at implementation stage;

Throughout the Journey you will see reference to these sign off points at the relevant sections with supporting documents.

Any approval and review of the project plan should be subject to your organisation's governance arrangements.

You are now ready to begin Route 3 of the Procurement Journey.

Please ensure this guidance is used in conjunction with the internal governance, policies and procedures for your Organisation.

Any documents you need are listed below

Specific Considerations and Rules for CSS Contracts

(file type: docx)