

DOCUMENT 1



TENDER SPECIFICATION E-PROCUREMENT SYSTEM

JUNE 2018

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Section 1 Southway and our Procurement Practices

The Southway Group

Southway Housing Trust is a Registered Social Landlord, with properties in South Manchester and the surrounding areas. www.southwayhousing.co.uk

Our Vision

We will work in partnership with others to make South Manchester a place that people are proud of – a safe place where people choose to live, work and play.

Our Purpose

Our primary purpose is to provide high quality affordable homes in desirable neighbourhoods where people are happy to live and have the opportunity to achieve their potential. We also have a wider purpose which is to make best use of our resources to achieve our social and community objectives.

Our Values shape how we do things. We are committed, ambitious, inclusive, collaborative, accountable and productive.

The Trust has two subsidiary companies and a separate brand for the delivery of property development and commercial activities.

Southway Plus is a subsidiary company that owns our portfolio of market rental and sale properties, and delivers commercial activities.

Southway DevCo carries out development activity on behalf of the Group.

Gecko is the brand under which we deliver non-core activities.

<http://www.geckohomes.co.uk/>

Gecko is a trusted provider of high quality family homes for market rent, sale and shared ownership, supported by a market-leading local maintenance and landlord 'service promise'.

Our Values dictate our focus. We pride ourselves on Quality, Responsibility, Trust, Customer-Focus and Reliability.

Procurement Activity

Southway will deliver a £100 million development programme over the coming four years, which will represent the bulk of our procurement activity. We will regularly need to appoint consultants and service providers through quick quotes, and there will be some larger scale tender exercises, including some over the EU Thresholds.

Excluding development activity, Southway's running costs are approximately £3.5 million per annum. We tend to carry out around 20 procurement exercises per year, most of which are around £20k-£50k in value.

Historically we have only procured works, goods and services above the EU Thresholds around 3-4 times per year. However, the growing scale of our development activity means this will increase.

In general OJEU procurements are lead by third parties – Employer's Agents, consultants or brokers. This will largely continue to be the case, but we will expect these third parties to utilise our e-procurement portal going forward.

We may engage with the market under the Southway brand or the Gecko brand. The way an opportunity is framed and the priorities and selection criteria are likely to differ when we are procuring services to support our core social landlord activities and our commercial activities. The appropriate brand will be used to clearly communicate this.

Our Approach to Procurement

Southway Housing Trust is subject to the Public Contracts Regulations 2015, and as a community based social landlord is committed to:

- Achieving value for money, to ensure we get the most out of our valuable resources;
- Adding value through procurement, to support our social objectives;
- Demonstrating probity and good governance;
- Working with contractors that complement our commitment to probity, fair working practices, customer care, safeguarding, valuing diversity, and environmental sustainability.

Our Procurement Policy, Procedure and Guidance are provided, for your reference. The Head of Governance and Performance is responsible for ensuring the Procurement Policy is adhered to. The Governance Officer usually takes responsibility for administration, advising colleagues, and managing tender exercises. Given the scale of activity within Development, a member of that team takes responsibility for administration and record keeping for their procurements.

We will procure works, goods and services for all of the three companies. Southway DevCo will carry out minimal procurement activity, but where it does it will comply with the Procurement Policy as it is a contracting authority of the Trust. Southway Plus is not subject to the same rules, but its approach will be shaped by the same principles.

Historically we have encountered some problems with making sure that every procurement is carried out in line with policy and properly recorded. Work has been done to bring requirements together into a single policy and provide easy-to-follow processes and procedures. However, there are a few issues which an e-procurement system should help us to deal with.

- We rely on email for sending ITTs and receiving tenders, and queries are sent to the same email address. This can be inefficient and, although access to the email account is limited, it is difficult to rule out fraud or incorrect processes.
- We are still using paper forms for internal approvals and record keeping, which have to be printed and signed then scanned. This is inefficient and can lead to mistakes. There can also be issues with version control and ensuring new staff know where to find the forms.
- In-house capacity and procurement expertise is limited, so processes need to be as efficient and easy to follow as possible and the Governance Team needs an easy way to apply checks and controls.
- A comprehensive training programme needs to be rolled out to staff once a computer-based system is in place.

Section 2 Services Required

Overall Aims and Objectives

In summary, Southway is seeking a system that provides the following:

- A step-by-step tool (or 'wizard') to allow staff to easily follow our procurement process
- A database of current and potential suppliers
- A public facing portal for the publishing of opportunities and submission of tenders/quotes
- Reporting mechanisms
- Staff training and guidance

Southway is looking to appoint a supplier for three years, with an opt out after the first and second year if we are not satisfied with our experience of the system.

We would like to begin work on implementing the system as soon as possible following appointment. The winning bidder will work closely with the Governance Officer to develop and implement the system.

The e-Procurement system should mean:

- Employees feel more confident about procuring.
- Improved efficiency, with no more wasted staff time and unnecessary printing.
- More effective procurement, enabling us to engage with suppliers and attract competitive tenders/quotes.
- It is easy to ensure, demonstrate and audit compliance with law and policy.
- The Governance Officer can spend less time on administration and more time advising and supporting colleagues on how to procure effectively.

Detailed Requirements

1.	A step-by-step tool (or 'wizard') to allow staff to easily follow our procurement process
1.1	It must be easy for employees to find what they need to know about procurement.
1.2	The tool should lead employees through the complete process, from the point they decide they need to procure something through to the signing of a contract.
1.3	The system must be tailored to match Southway's Procurement Policy and Procedures and Financial Regulations. The supplier should develop/adapt the tool to follow our rules and processes. They should liaise with us to understand our requirements and ensure we are happy with the outcome.
1.4	The supplier should ensure that any legal requirements (especially regarding above EU Threshold procurements) are incorporated, and must be able to provide advice on this.
1.5	The tool should lead employees through what they need to consider and do, providing hints and tips and linking to relevant sections of the Policy or guidance at specific points in the process.
1.6	The tool must control the process (and make it simpler for the employee to follow) by only showing relevant information and allowing appropriate actions based on the information entered (e.g. if someone estimates the contract value to be below £25k, they will not see information about OJEU procurement routes and will not be able to follow them).
1.7	At the points where approval is required, the tool must automate the process of seeking and recording that approval. It would be useful if the system could send an email to the selected approver, so they don't need to go into the system to find out they have been asked to do something.
1.8	Based on our Financial Regulations, the system should be able to identify who can take each decision and only allow people with the appropriate authority to give approval.
1.9	Our existing forms and templates should be incorporated, so information can be entered directly into the system rather than into separate documents.
1.10	The tool should contain or link to relevant standard documents, such as our standard template contracts.
1.11	The system must record the process that was followed and provide an auditable trail, so we can demonstrate compliance.

2.	A database of current and potential suppliers
2.1	The database should contain current suppliers and suppliers that we may wish to invite to quote/tender in the future.
2.2	The database needs to record a variety of information, such as: <ul style="list-style-type: none"> • Company name and type • Contact details of multiple contacts • Insurance cover – cover levels, renewal dates and uploaded copies of certificates • Agreement to criteria such as compliance with our Anti-Bribery Policy • The type/scale of business they may be interested in providing, from standard lists of options

2.3	We will require different information from different types of supplier (e.g. building contractors will have to provide information about Health and Safety that we do not require from other suppliers). The database needs to be flexible enough to cope with this.
2.4	The system should automate the process of requesting and recording information from suppliers. They must be able to complete an online form to directly input information into the system, and upload documents such as copies of insurance certificates.
2.5	New suppliers will need to complete all of the required information and existing suppliers should be able to check and update relevant parts.
2.6	The system must be able to highlight where information is about to become or has become out-of-date, in particular insurance cover.
2.7	We would like to be able to upload an existing spreadsheet of supplier information to the new system in a quick and easy way.

3.	A public facing portal for the publishing of opportunities and submission of tenders/quotes
3.1	The step-by-step tool should link to a public facing portal that allows information to be shared with potential tenderers, and allows suppliers to easily submit queries and quotes/tenders. As with the internal tool, it must provide control to ensure Southway's Policy is complied with, as well as relevant legal requirements.
3.2	The system must enable us to follow all of the potential OJEU procurement routes.
3.3	The system must enable us to seek quotes (for lower value/risk contracts) as well as tenders.
3.4	The system must give employees the option to send invitations to tender/quote directly to specified suppliers, or to advertise the opportunity openly, or both.
3.5	The system should push supplier queries through to the nominated employee to respond to. It would be useful if the system could send an email to the employee, so they don't need to go into the system to find out there is a query.
3.6	The system must ensure that query responses are recorded and are issued to all potential bidders (via email to invited bidders and/or published with the advert).
3.7	Occasionally a third party will be tasked with managing a procurement exercise on Southway's behalf. The system must be able to facilitate this. In particular it should be possible for queries to be directed to an external email address.
3.8	The system should automate the process of posting relevant notices to the OJEU and Contracts Finder.
3.9	The image presented to suppliers should be professional and should reflect Southway's brand and values. Ideally the portal will be accessible via Southway's website and branded with Southway's logo.
3.10	The process that suppliers have to follow to submit a tender/quote should be straightforward and should provide useful guidance and prompts to ensure suppliers submit everything correctly.

3.11	The system must lock down tender returns until a formal tender opening event takes place and must record who opens tenders and when.
3.12	All steps in the process must be recorded and there must be an auditable trail, so we can demonstrate compliance.
3.13	At the end of the process the system should be able to simplify the production of a contract, by bringing together the tender information into a useable format.

4.	Reporting Mechanisms
4.1	<p>The system must enable us to view and extract reports on the procurement activity that has been completed and is currently underway. It should act as Southway's 'Procurement Register', which we can report to the Audit and Risk Committee.</p> <p>Please outline how we would be able to view information in the system or pull information out of the system in order to report on the volume and type of procurement, and confirm compliance with legal requirements and with our Policy.</p>
4.2	'Super users' or administrators need to be able to see at any point in time which procurement exercises are underway and where they are up to.

5.	Staff training and guidance
5.1	We will need to train employees on how to use the system, when it is launched and later when new employees start or as refreshers. The supplier must provide materials to be used for this purpose and for employees to refer to as required. This might be an instruction manual, simple guides or an e-learning tool for example.
5.2	At least two staff members will need to receive training to act as 'super users' of the system. Ideally this would be done in person at Southway's office.
5.3	All staff need to be given training on procurement rules in general, as well as specific training on how to use the e-procurement system. It would be useful if the supplier could work with the Governance Officer to shape the training materials and content, and potentially to deliver training.

Section 3 Your Tender

Assessment of tenders will be based on the following criteria:

Criteria	Weighting
Cost	30%
Quality	70%
The level of process control provided	20%
Ease of use for employees	20%
Ease of use and impression for suppliers	10%
Development and implementation	10%
Training materials and on going support	10%

To be considered for this contract, you must return:

- The completed Form of Tender (Document 2)
- A description of your proposed solution, including specific responses to the Detailed Requirements
- A detailed cost breakdown

Description of Proposed Solution and Quality Factors

We will assess the quality factors based on:

- The overall quality of your proposed solution;
- How well you have addressed each of our specific requirements; and
- Your answers to the quality questions in the Form of Tender.

As well as an overview of how your system works, you are expected to provide a response against each Specific Requirement so we can easily assess how well you have met these. The Detailed Requirements are focussed on the outcomes we want from the solution; in your submission you should tell us how you would achieve those outcomes. These are also provided in a separate Word document to make it easy to incorporate these into your submission as you see fit.

Cost Breakdown

You should provide costs for the full three year period, bearing in mind that Southway will have the option to opt out after the first and second year if we are not satisfied with our experience of the system.

The quote must include all aspects of development, installation and training, and all on going commitments, and you should make it clear how the overall cost is broken down and the points at which phased payments would be expected.

Your Proposed Approach

We have engaged with three companies to establish what is possible and refine our ideas of what we want from the system, but we recognise that different suppliers will have different ideas and strengths. Whilst we want comparable responses in order to fairly assess quality, we also want to give bidders sufficient flexibility to propose their recommended approach.

Recognising that our decision will be based on a weighing up of cost and quality, your submission should set out how you recommend we should do things. You may wish to indicate aspects of your solution that are optional (and the cost implications of each option) or where costs could be reduced by taking a different approach.

Section 4 Tendering and Selection

Your completed Form of Tender (Document 2) and supporting information should be submitted via email to tenders@southwayhousing.co.uk by 4pm on Thursday 12th July 2018.

It is not expected that you will need to visit our office or meet with any of our staff in order to prepare your proposal.

Any questions should be submitted in writing to the above email address so that written responses can be provided to all suppliers.

Late tenders will not be considered.

No tendering expenses will be reimbursed by Southway Housing Trust.

The Panel intends to make its decision based on the tenders submitted. However, the Panel may decide that a demonstration or some further information is required from shortlisted bidders. If that is the case, shortlisted bidders will be contacted by Friday 20 July and presentations will take place during the following week.

It is anticipated that the firm selected for appointment will be notified by Friday 27 July.