

## **M&LE16 Select suppliers through a tendering process - SQA Unit Code FM5M 04**

### **Overview**

#### **What this Unit is about**

This Unit is about selecting suppliers to supply products and/or services through a formal tendering process against a specification.

In larger organisations there are often specialist departments which handle the supply-chain management and procurement functions across the organisation, working to specialist supply-chain management standards.

However, in many smaller organisations, non-specialist managers are required to draw up specifications for products and services, invite tenders and evaluate these against clear and fair criteria — the function described in this Unit. To do so effectively, managers need a good understanding of their organisation's procurement policy and procedures (where these exist) and the relevant statutory and sector-specific requirements. They also need the cognitive skills to be able to make fair assessments against established criteria and the interpersonal skills to maintain effective working relationships with suppliers.

#### **Who is the Unit for?**

The Unit is for non-specialist managers who are required to select suppliers through a formal tendering process.

It is **not** intended for purchasing and supply-chain management specialists, for whom specialist supply-chain management standards are available.

#### **Links to other Units**

This Unit is linked to Unit **E15. Procure Supplies** and **E17. Outsource Business Processes** in the overall suite of National Occupational Standards for Management and Leadership.

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### **Skills**

Listed below are the main generic 'skills' that need to be applied in inviting tenders to supply products/services to specifications. These skills are explicit/implicit in the detailed content of the Unit and are listed here as additional information.

- ◆ Assessing
- ◆ Communicating
- ◆ Decision-making
- ◆ Evaluating
- ◆ Presenting information
- ◆ Problem-solving
- ◆ Providing feedback
- ◆ Questioning
- ◆ Researching
- ◆ Reviewing
- ◆ Setting objectives
- ◆ Time management

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### **Performance Criteria**

*You must be able  
to:*

- 1 Comply with relevant organisational procedures and legal and ethical requirements when selecting suppliers.
- 2 Seek support from colleagues or procurement or legal specialists on any aspects of tendering about which you are unsure.
- 3 Draw up a specification which clearly describes the products/services required, including information on quality, time and cost constraints, where appropriate.
- 4 Invite suitably-qualified prospective suppliers to tender, selecting a number proportionate to the value of the contract and a range which is sufficiently broad to reflect the diversity of suppliers available.
- 5 Include full information about the tendering process, deadlines for receipt of tenders, contract details and how pre-tender queries will be dealt with.
- 6 Answer pre-tender queries in ways which ensure all prospective suppliers have the same information available to them.
- 7 Establish clear criteria to allow tenders to be evaluated fairly and the supplier that provides the optimal mix of quality, cost, timeliness and reliability to be selected.
- 8 Receive, record and open tenders in line with the stated tendering process.
- 9 Evaluate tenders, by yourself or with others as required, rigorously applying established criteria and seeking clarification from prospective suppliers where necessary.
- 10 Offer a contract to supply the products/services to the supplier whose tender was evaluated most highly.
- 11 Inform unsuccessful prospective suppliers of the outcome of the evaluation and provide them with clear and specific feedback where appropriate.
- 12 Resolve any post-tender queries with unsuccessful suppliers promptly and effectively.

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### **Behaviours**

*You will exhibit the following behaviours:*

- 1 You listen actively, ask questions, clarify points and rephrase others' statements to check mutual understanding.
- 2 You present information clearly, concisely, accurately and in ways that promote understanding.
- 3 You comply with, and ensure others comply with, legal requirements, industry regulations, organisational policies and professional codes.
- 4 You show integrity, fairness and consistency in decision-making.
- 5 You focus personal attention on specific details that are critical to achieving successful results.
- 6 You check the validity and reliability of information.
- 7 You make appropriate information and knowledge available promptly to those who need it and have a right to it.
- 8 You identify the range of elements in a situation and how they relate to each other.
- 9 You build a total and valid picture from restricted or incomplete data.
- 10 You take timely decisions that are realistic for the situation.

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### Knowledge and Understanding

*You need to know and understand:*

### General knowledge and understanding

- 1 The importance of following relevant organisational procedures and legal and ethical requirements when selecting suppliers.
- 2 How to draw up a specification that clearly describes the products/services required, including information on quality, time and cost constraints, where appropriate.
- 3 The importance of communicating information clearly, concisely and accurately, and how to do so.
- 4 How to identify suitably-qualified prospective suppliers to tender and the importance of inviting them and selecting a number proportionate to the value of the contract and a range that is sufficiently broad to reflect the diversity of suppliers available.
- 5 The importance of including full information about the tendering process, deadlines for receipt of tenders, contract details and how pre-tender queries will be dealt with.
- 6 How to deal with pre-tender queries in ways which ensure all prospective suppliers have the same information available to them.
- 7 How to establish clear criteria and how to evaluate the tenders fairly, using the criteria, and select the supplier that provides the optimal mix of quality, cost, timeliness and reliability.
- 8 The importance of receiving, recording and opening tenders in line with the stated tendering process.
- 9 How to evaluate tenders rigorously and the importance of seeking clarification from prospective suppliers, where necessary.
- 10 The importance of offering a contract to supply the products/services to the supplier whose tender was evaluated most highly.
- 11 The importance of informing unsuccessful prospective suppliers of the outcome of the evaluation and providing them with clear and specific feedback, where appropriate.
- 12 How to resolve any post-tender queries with unsuccessful suppliers promptly and effectively.

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**Knowledge and Understanding**

*You need to know and understand:*

**Industry/sector specific knowledge and understanding**

- 1 Industry/sector requirements for selecting suppliers.

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### **Knowledge and Understanding**

*You need to know and understand:*

### **Context specific knowledge and understanding**

- 1 Relevant organisational procedures and legal and ethical requirements for selecting suppliers.
- 2 Sources of advice, guidance and support from colleagues or procurement or legal specialists on any aspects of tendering for supplies about which you are unsure.
- 3 The limits of your own knowledge, skills and competence.
- 4 The details of the specifications and products/services required.

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### Evidence Requirements

PC	Evidence of Outcomes: ♦ possible examples of evidence	Behaviours	Knowledge and Understanding		
			General	Industry specific	Context specific
<b>Records of your actions to select suppliers through tendering process:</b>					
	♦ copies of policies, organisational policies and your notes or other records of legal requirements relating to selecting suppliers	3	1	1	1
	♦ notes, reports, e-mails and memos recording your meetings with or requests for help from colleagues or specialists in relation to tendering	1, 3, 6	-	1	2, 3
	♦ specifications you have drawn up for the purpose of tendering	2, 3, 5, 7, 8, 9	1, 2, 3	1	1, 4
PC1	♦ e-mails, notes, records of meetings and other methods of communication inviting suitably-qualified prospective suppliers to tender including full information about the tendering process, deadlines for receipt of tenders, contract details and how pre-tender queries will be dealt with	2, 3, 5, 7	1, 3, 4, 5	1	1
PC2					
PC3					
PC4	♦ e-mails, notes, records of meetings and other methods of communication answering pre-tender queries in ways which ensure all prospective suppliers have the same information available to them	1, 2, 3, 7	1, 3, 6	1	1, 3
PC5					
PC6	♦ notes, reports, e-mails and records of meetings showing the evaluation criteria for tenders	3, 4	1, 7	1	1
PC7	♦ examples of tenders you have received, recorded and opened in line with the tendering process	3, 9	1, 8	1	1
PC8	♦ notes, e-mails and records of meetings or other methods of communication seeking clarification from prospective suppliers	1, 3, 4, 5, 6, 8, 9	3, 9	1	-
PC9					
PC10	♦ copies of contracts drawn up with suppliers	2, 3, 4, 5, 10	1, 10	1	1
PC11	♦ notes, e-mails, records of meetings and other methods of communication informing unsuccessful suppliers of the outcome of the evaluation	2, 7, 10	1, 3, 11	1	1
PC12	♦ notes, e-mails and records of meetings and other methods of communication resolving post-tender queries with unsuccessful suppliers	1, 2	1, 3, 12	1	1
	♦ organisational reports recording the tendering process	2, 5, 8, 9	1, 3	1	1
	♦ personal statement (reflections on your role in selecting suppliers through tendering process)	1, 2, 3, 4, 5, 6, 7, 8, 9, 10	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12	1	1, 2, 3, 4
	♦ witness statements (comments from others on your role in selecting suppliers through tendering process)	-	-	-	-