

Overview

This unit is concerned with obtaining tenders from contractors and subcontractors, selecting the ones that you wish to accept, and negotiating contracts. The words “estimate”, “bid” and “tender” are all used in the industry, and are taken here to be synonymous. It is about selecting those whom you seek tenders and confirming that they will be bidding.

You must know about the bidders and their capabilities; and you must be able to decide on the selection criteria, evaluate the bids when they come in, and make recommendations accordingly.

It is about preparing the tender documents and sending them out to the bidders. You must have a deep knowledge of what they will be bidding for, and you must be able to deal with any queries, problems and drop-outs during the tender period.

It is about evaluating the bids received, choosing the one that you wish to accept, and negotiating the details so that a contract can be signed. You must be able to spot the key aspects of the bids, evaluate them against your selection criteria, choose the bid which is the client’s or your best interest, and finalise all the details, subject to contract.

Performance criteria

You must be able to:

Evaluate and select potential tenderers

- P1 identify the roles and responsibilities for project procurement in consultation with stakeholders
- P2 select an appropriate **type of tender** and deciding which potential **tenderers** could meet the contract specification
- P3 decide how many **tenderers** to invite, taking into account the value, size, type and **requirements** of the contract
- P4 send **tender** enquiries to potential **tenderers**, in accordance with contract **requirements**, and invite them to provide **evidence** about their experience, capability and resources
- P5 choose **selection criteria** which are suitable to weight and rate performance for the type of work described in the **tender**
- P6 evaluate potential **tenderers**, who respond to the invitation, against the **selection criteria**, place them in rank order and choose the number needed
- P7 offer advice and information to decision makers about potential **tenderers** and the **selection criteria** and modify the **tender** list to reflect any changes which are agreed
- P8 confirm that the selected **tenderers** are willing to **tender** and add more potential **tenderers** from the evaluation list where necessary

Obtain estimates, bids and tenders

You must be able to:

- P9 prepare **tender documents** which meet statutory regulations, codes of practice and the organisations policies
- P10 issue **tender documents** to all the **tenderers** on the agreed list, following the agreed procedures
- P11 respond to **queries** from **tenderers** promptly and pass on any additional **information** which they need
- P12 investigate any errors, omissions and ambiguities which are reported by **tenderers** and amend the **tender documents** to correct them
- P13 pass on to all the **tenderers** the **information** given to an individual **tenderer**, and **amendments to tender documents**
- P14 keep accurate records of **tender documents** issued, feedback, **queries and information** from **tenderers**
- P15 agree and implement action when **tenderers** withdraw from the process

Assess and select successful tenders and negotiate changes

You must be able to:

- P16 store the tenders received in a secure place and opening them at the agreed date and time in line with the organisation's procedures and **legal requirements**

**Performance
criteria**

- P17 review the tenders against the **criteria** for acceptance, including checking for discrepancies, omissions and errors, and taking **appropriate action**
- P18 evaluate the tenders which are accepted against the agreed **criteria** and choose the tender which best meets the **criteria**
- P19 check that the project team can meet the obligations of the contract and recommend a preferred tender to the client
- P20 negotiate and agree any **variations, adjustments and corrections** with the successful tenderer and confirm them in writing, subject to contract
- P21 accept the successful tender formally and notify tenderers who have been unsuccessful about the result
- P22 modify and repeat the tendering process if it has been unsuccessful

Knowledge and understanding

You need to know and understand:

Evaluate and select potential tenderers

- K1 what to identify as the roles and responsibilities for project procurement in consultation with stakeholders (understanding)
- K2 how and why to select an appropriate type of **tender** and decide which potential **tenderers** could meet the contract specification (evaluation)
- K3 how and why to decide how many tenderers to invite (evaluation)
- K4 how to send **tender** enquiries to potential **tenderers** and invite them to provide **evidence** about their experience and capability (application)
- K5 how and why to choose **selection criteria** which are suitable to weight and rate performance for the type of work described in the **tender** (evaluation)
- K6 how and why to rank potential **tenderers**, place them in rank order (analysis)
- K7 how and why to choose the number of **tenderers** needed (evaluation)
- K8 how and why to offer advice and information to decision makers about potential **tenderers** and the **selection criteria** (synthesis)
- K9 how to modify the **tender** list to reflect any changes which are agreed (application)
- K10 how to confirm that the selected **tenderers** are willing to **tender** (application)
- K11 how to add more potential **tenderers** from the evaluation list where necessary (application)

Obtain estimates, bids and tenders

You need to know and understand:

- K12 how and why to prepare **tender documents** which meet statutory regulations, codes of practice and the organisations policies (application)
- K13 how to issue **tender documents** to all the **tenderers** on the agreed list, following the agreed procedures (application)
- K14 how to respond to **queries** from **tenderers** promptly and pass on any additional **information** which they need (application)
- K15 how and why to investigate any errors, omissions and ambiguities which are reported by **tenderers** (analysis)
- K16 how to amend the **tender documents** to correct any errors, omissions and ambiguities (application)
- K17 how to pass on to all the **tenderers** the **information** given to an individual **tenderer**, and **amendments** to **tender documents** (application)
- K18 keep accurate records of **tender documents** issued, feedback, **queries and information** from **tenderers** (application)
- K19 how and why to agree action when **tenderers** withdraw from the process (evaluation)
- K20 how to implement action when **tenderers** withdraw from the process (application)

Knowledge and understanding

You need to know and understand:

Assess and select successful tenders and negotiate changes

- K21 how to store and open the tenders received (application)
- K22 how and why to review the tenders against the **criteria** for acceptance (analysis)
- K23 how to check for discrepancies, omissions and errors and take appropriate action (application)
- K24 how and why to evaluate the tenders which are accepted and choose the tender which best meets the **criteria** (evaluation)
- K25 how to check that the project team client can meet the obligations of the contract (application)
- K26 how and why to recommend a preferred tender to the client (synthesis)
- K27 how and why to negotiate any **variations, adjustments and corrections** with the successful tenderer (synthesis)
- K28 how and why to agree any **variations, adjustments and corrections** with the successful tenderer (evaluation)
- K29 how and why to accept the successful tender formally (evaluation)
- K30 how to modify and repeat the tendering process if it has been unsuccessful (application)

Scope/range

Evaluate and select potential tenderers

- 1 Type of tender:
 - 1.1 open competitive
 - 1.2 two stage
 - 1.3 selected list
 - 1.4 negotiated
 - 1.5 partnering
- 2 Tenderers:
 - 2.1 contractors
 - 2.2 sub/works/trade contractors
 - 2.3 suppliers
 - 2.4 consultants
- 3 Requirements:
 - 3.1 competitive tendering
 - 3.2 international (including European Union)
 - 3.3 in house
 - 3.4 national
 - 3.5 local
 - 3.6 statutory
 - 3.7 client
- 4 Evidence:
 - 4.1 documentary
 - 4.2 references
 - 4.3 interview
- 5 Selection criteria:
 - 5.1 quality and delivery record
 - 5.2 perceived added value (including reputation of potential contractors)
 - 5.3 acceptability of known sub-contracting arrangements
 - 5.4 acceptability to client
 - 5.5 financial resources
 - 5.6 references from previous clients and bankers
 - 5.7 health and safety
 - 5.8 competence of people

Scope/range

- 5.9 community benefits
- 5.10 BIM capability
- 5.11 resources (human, materials, facilities)
- 5.12 insurance
- 5.13 environmental policy and management
- 5.14 design quality and costing
- 5.15 inter-disciplinary working
- 5.16 information management
- 5.17 external assessment e.g. Considerate Constructors

Obtain estimates, bids and tenders

- 6 Tender:
 - 6.1 open competitive
 - 6.2 two stage
 - 6.3 selected list
 - 6.4 negotiated
 - 6.5 partnering
- 7 Tender documents:
 - 7.1 invitation to tender
 - 7.2 form of tender
 - 7.3 returns procedure
 - 7.4 evaluation criteria
 - 7.5 surveys
 - 7.6 specifications
 - 7.7 drawings
 - 7.8 schedules
 - 7.9 electronic models, graphical and non-graphical electronic data files
 - 7.10 bills of quantities
 - 7.11 health and safety plans
 - 7.12 scope of services
 - 7.13 terms and conditions
 - 7.14 schedules of rates
- 8 Tenderers:

Scope/range

- 8.1 contractors
- 8.2 sub/works/trade contractors
- 8.3 suppliers
- 8.4 consultants
- 9 Queries and information about:
 - 9.1 price
 - 9.2 quantity
 - 9.3 quality
 - 9.4 standards
 - 9.5 value engineering
 - 9.6 carriage and delivery
 - 9.7 completion
 - 9.8 maintenance
 - 9.9 after sales service
 - 9.10 method of payment
 - 9.11 terms of payment
 - 9.12 contract conditions
 - 9.13 survey information
 - 9.14 time
 - 9.15 contractual
 - 9.16 administrative
 - 9.17 technical
 - 9.18 design
 - 9.19 client amendment
- 10 Amendments:
 - 10.1 change to tender period
 - 10.2 changes resulting from queries

Assess and select successful tenders and negotiate changes

- 11 Legal requirements:
 - 11.1 statutes
 - 11.2 regulations, including EU regulations
 - 11.3 codes of practice and procedure

Scope/range

- 12 Criteria:
 - 12.1 quality
 - 12.2 technical viability
 - 12.3 programme
 - 12.4 cost (budgets, rates)
 - 12.5 loading and cash flow
 - 12.6 policies which offer added value
 - 12.7 comparative criteria (eg price indices, databases, trade journals, pre-tender estimates)
 - 12.8 organisational policies
 - 12.9 legal requirements
 - 12.10 competence of people
 - 12.11 BIM capability
 - 12.12 design quality and costing
 - 12.13 community benefits
 - 12.14 best whole life value
 - 12.15 inter-disciplinary working
 - 12.16 information management
 - 12.17 external assessment e.g. Considerate Constructors
- 13 Appropriate action:
 - 13.1 accept for evaluation
 - 13.2 invite clarification or amendment
 - 13.3 reject
- 14 Variations, adjustments and corrections:
 - 14.1 price
 - 14.2 quantity
 - 14.3 quality
 - 14.4 standards
 - 14.5 carriage and delivery
 - 14.6 completion
 - 14.7 maintenance
 - 14.8 after sales service
 - 14.9 method of payment

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Scope/range

- 14.10 terms of payment
- 14.11 contract conditions
- 14.12 scope of service
- 14.13 terms and conditions

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