

# Procuring goods and services for Audit Scotland Handbook



Audit Scotland is a statutory body set up in April 2000 under the Public Finance and Accountability (Scotland) Act 2000. It provides services to the Auditor General for Scotland and the Accounts Commission. Together they ensure that the Scottish Government and public sector bodies in Scotland are held to account for the proper, efficient and effective use of public funds.

# Contents

<b>Part 1. Introduction</b> .....	<b>5</b>
Purpose.....	5
Selecting suppliers .....	6
<b>Part 2. Overview of procurement process</b> .....	<b>9</b>
Contract award approaches .....	9
Using Public Contracts Scotland .....	11
<b>Part 3. Preparation and authorisation</b> .....	<b>12</b>
Prepare a business case .....	12
Write the supplier's brief/specification.....	13
Set evaluation criteria.....	13
Prepare a tender strategy.....	15
<b>Part 4. Identifying suitable suppliers</b> .....	<b>16</b>
Identifying several potential suppliers.....	16
Identifying one potential supplier .....	18
<b>Part 5. Obtaining tenders</b> .....	<b>20</b>
Issue the invitation to tender documents .....	20
Manage the tender process.....	21
Receiving and opening tenders .....	21
Evaluate tenders .....	22
Clarify queries .....	24
<b>Part 6. Appoint a supplier</b> .....	<b>26</b>
Notify successful and unsuccessful suppliers.....	26
Inception meeting.....	27
Award the contract .....	28
Post tender negotiation .....	28
Contract amendments.....	29
Additional services .....	29
<b>Part 7. Contract management</b> .....	<b>31</b>
Good supplier management and information exchange.....	31
Delivering on time .....	32
Managing costs .....	32

Managing risks and poor performance .....	33
Reviewing the project .....	34
<b>Glossary .....</b>	<b>35</b>

# Part 1. Introduction

## Purpose

1. This handbook has been developed to assist buyers in the procurement of goods and services, including commissioning external research and consultancy support. It supplements the Audit Scotland Policy and Procedures Manual, and includes information on using electronic tendering through the Public Contracts Scotland (PCS) procurement system.
2. Using PCS is optional at the time of writing for non-regulated procurements, i.e. less than £50,000, but the Procurement Reform Act 2014 (PRA 2014) states that 'A contracting authority must publicise its intention to seek offers as part of a regulated procurement on the Public Contracts website' (PRA 2014: Pt 3 Sect 23 (1)). Our staff are encouraged to use PCS irrespective of the value of the contract as it has additional benefits in retaining an audit trail for the procurement. A separate [PCS user guide](#) is available, giving step-by-step instructions on how to make use of the PCS system. Further information and guides are also available on [PCS](#).
3. The handbook sets out a consistent and transparent process for Audit Scotland staff to follow which is based on the good procurement practice detailed in the Scottish Government's 'Procurement Journey', more information on which can be found at <https://www.procurementjourney.scot/procurement-journey>
4. Following good practice when procuring will help us secure value for money by:
  - making our processes more efficient
  - improving our decision making
  - improving our market knowledge
  - and helping to ensure we meet all legal requirements.
5. The process should also consider the requirements of sustainable procurement. Our activities affect the environment in which we live, but through effective procurement we can minimise negative environmental and social impacts associated with the products and services we purchase. We acknowledge our responsibilities in delivering this policy and recognise the importance of engaging our suppliers and (internal) customers in its implementation.
6. In a similar way legislation encourages all procurement to consider the possibilities for community benefits. The opportunities to realise such benefits may be limited when the procurement is very specific and of lower value, but those engaged in procurement should always consider the possibility that community benefits may be achievable (PRA 2014, Pt 3 sect 24 et seq.).
7. The procurement process is rooted in legislation and, as such, the legislation may be subject to revision, or new legislation introduced. It would not be feasible for staff to

constantly keep up to date with these changes, therefore, Audit Scotland has engaged professional assistance, through the Scottish Government Procurement Shared Services initiative. Any staff tasked with carrying out procurement activity should make contact with our professional resource to discuss the process and receive such information and/or training as is necessary to help them with their task.(Contact Finance for help with this.)

## Selecting suppliers

8. The intention of this handbook is to assist members of staff tasked with procuring goods and services using the formal procurement process. There will be instances where staff will be tasked with purchasing goods or services on a 'one-off' basis, when no formal procurement will be necessary. Generally, this type of purchase will be of lower value and non-repeating. However, if the spend on the goods and or services should become a recurring demand, or the cost should become higher than anticipated then consideration should be given to using the procedures documented in this handbook.
9. There are usually two approaches that can be used when contracting with suppliers. An **open** or **restricted competition** can be run to find the best supplier for the contract ([Exhibit 1 page 6](#)).
10. There are three other procurement types: competitive dialogue, competitive procedure with negotiation and negotiated without prior publication, but these are unlikely to be used by Audit Scotland in the normal course of events.
11. A **direct award, or non-competitive action (NCA)** can be made to a supplier known to have the expertise to complete the work if it can be fully justified that competition is not applicable.

---

### Exhibit 1

#### Open and restricted competitions

*An open competition takes place where there is no attempt to limit the number of suppliers who may tender. Consequently, you may have a large number of suppliers submitting tenders which you will need to assess. This is referred to in Scottish Government literature and on PCS as a 'single stage procedure' for procurements under the OJEU threshold of £164,176.*

*In a restricted competition the number of suppliers from whom full tenders are obtained will be limited by using an expression of interest or pre-qualification process to restrict the number of tenders obtained. This is referred to in PCS as running a 'dual stage procedure' for procurements under the OJEU threshold of £164,176.*

12. **Under certain circumstances, competition is a legal requirement.** For example, from January 2019 any procurement of goods or services with an expected value of more than £181,302 (exc. VAT) must have a competition, to comply with EU tendering requirements. Information on EU procedures has not been included in this handbook; the procurement team should speak with the Chief Operating Officer, before proceeding, if the requirement is likely to breach the EU threshold. ([See also Scottish Government Procurement Journey – Route 3](#)). Note that EU thresholds are reviewed annually - you can check the current threshold through the OJEC website (a link is provided [here](#)).
13. Therefore, it is important when procuring that consideration is given to the costs and benefits of the different approaches. Costs will be incurred both by the procuring team and by those competing for the work:
  - The procurement team will need to spend time developing the tender documents, identifying suppliers, engaging with them during the competition and answering any questions they might raise, assessing the tenders received and dealing with successful and unsuccessful suppliers.
  - Suppliers are likely to spend at least a few days thinking about the project, preparing their tenders and producing a cost for the work. This can be minimised by preparing a clear supplier's brief, or by limiting the numbers tendering, where possible.
14. In deciding which approach to use, the expected advantage(s) from the competition (in terms of costs or quality of the supplier identified) should be sufficient to outweigh the costs of holding the competition and the time taken to organise the competition.
15. Audit Scotland guidelines allow a direct award (NCA) to be made for contracts with an expected **whole life** value of less than £10,000. However, there are exceptions to this general rule - Part 2 of this handbook explains when a direct award is appropriate and provides further guidance on when a competition should be used; it also details the different types of competition that can be held.
16. Competition can yield important benefits - suppliers keen to win the work will be encouraged to offer better ideas, approaches or competitive costs, for example, and competitions may provide an opportunity to work with suppliers not previously known to Audit Scotland. Importantly, competitions also encourage clearer and earlier thinking about what is needed and can produce a better outcome.
17. Procuring staff need to be very aware of the time required to conduct a commissioning exercise, regardless of the route selected. Typically, a restricted competition can be made within 11 weeks compared with about six weeks for a direct award.
18. Some tasks must be carried out regardless of the contract award approach used. [Exhibit 2](#), page 8, summarises the key steps when selecting a supplier through each of the main approaches. The non-shaded steps must be followed regardless of the approach used and the shaded boxes relate to steps that are used for direct awards (blue) and competitions (green).

**Exhibit 2**

**Key steps when procuring by direct awards and competition**

Handbook Reference	Time Taken (Direct Award)	Direct Award	Open Competition	Restricted Competition	Time Taken (Restricted Competition)	Relevant templates
<b>Part 3</b> Preparation and authorisation	2 weeks	Register on PCS, if required		Prepare advert Prepare expression of interest (EOI) form Advertise and evaluate EOI's Create a shortlist Inform participants of outcome	2 weeks	<b>Appendix 1</b> Business case <b>Appendix 2</b> Contractor's brief <b>Appendix 3</b> Tender strategy
		Write the contractor's brief				
		Set the evaluation criteria				
		Prepare the tender strategy (if costs exceed £50,000)				
<b>Part 4</b> Identify Contractors	2 weeks	Consult colleagues/review market for suitable contractors		2-3 weeks	<b>Appendix 4</b> Expression of interest form <b>Appendix 5</b> EOI evaluation form	
		Identify a suitable contractor	Identify 3 to 6 suitable contractors			
<b>Part 5</b> Obtain Tenders	2 weeks	Invite tenders, issue contractor's brief and related materials		4 weeks	<b>Appendix 2</b> Contractor's brief <b>Appendix 6</b> Terms and conditions <b>Appendix 7</b> Tender opening record <b>Appendix 8</b> Tender evaluation form	
		Deal with queries				
		Receive, open and evaluate tenders				
		Not required	Consider and organise due diligence checks on			
<b>Part 6</b> Appoint a contractor	1 week	Clarify queries and hold interviews if necessary		2 weeks	<b>Appendix 9</b> Letter to unsuccessful contractors <b>Appendix 10</b> Contract award letter	
		Set up inception meeting with successful contractor				
		Not required	Inform unsuccessful tenderers of the outcome			
		Conduct any post tender negotiation needed				
<b>Time Taken</b>		<b>6 Weeks</b>	<b>9 Weeks</b>	<b>11-12 Weeks</b>		

Notes on Exhibit 2

Open competitions are more likely to follow the same timescales as a direct award through the preparation and supplier identification stages, but will then follow a more similar route to restricted competitions for the remaining stages.

There are variations on these approaches - for example; if a framework contract exists some of the stages checking the capability of the supplier may be disregarded. The stages of the approach to use should be agreed with the relevant manager.



# Part 2. Overview of procurement process

## Contract award approaches

19. The choice of which contract award approach to use (competition or NCA action - direct award) should take into account the urgency of the need, the expected cost of the work, the complexity of the work and knowledge of who might supply the goods or services required.
20. Our guidance does not state a firm preference for either an open or restricted competition; rather we should consider the merits of each approach relative to the procurement to be undertaken when deciding between these two routes and decide on the most appropriate
21. Open competitions make sense for straightforward purchases where it is easy to assess the tenders, there are a limited number of suppliers and when the suppliers have a proven track record. If running an open competition, the supplier's brief should state clearly that the award will be made to the supplier best able to meet the exact specification cost-effectively.
22. The restricted process can involve an extra stage, in which the European Single Procurement Document (ESPD) is used to identify potential suppliers by gathering information about them, considering whether there are any grounds for excluding them from the process and assessing the financial, technical and/or the professional capability and capacity of suppliers. This can lengthen the initial stages of the process. However, as a result, there are likely to be fewer full tenders to evaluate (as you will have short-listed suppliers on the basis of their ESPDs) and for this reason the approach may require less of the procurement team's time overall. Advice with regards the use of the ESPD should be ascertained from Audit Scotland's Finance section or Audit Scotland's Central Government Procurement Shared Service resource.
23. For contracts involving a larger piece of work (over £10,000 including VAT and expenses), managers should usually test the market and have a competition. On some occasions, however, a competition may not be needed and one quote will be sufficient. For example, one quote only may be obtained where:
  - the service sought is specialist and competition may prove futile
  - there is an urgent and unforeseen need for the service.
24. Our guidance allows for direct awards to be used on rare occasions for a contract of more than £10,000. They also permit competitions to take place for contracts of less than £10,000. ([Exhibit 3](#) and [paragraphs 19 to 24](#)).

25. It may be appropriate to obtain more than one quote for a low value contract of less than £10,000 if:
- the requirement could be met using different approaches and you want to consider the pros, cons and costs of alternatives from different suppliers
  - the timescale for conducting the work is exacting and you want to be sure that you are not paying too high a premium for a fast service.
26. But, the use of a direct award to a supplier for contracts where the cost is expected to exceed £10,000 requires approval by the Budget Holder, or above, and notification to Audit Scotland’s Chief Operating Officer as Head of Procurement

**Exhibit 3**

**Tendering requirements for different contract values**

Up to £2,500	£2,501-£10,000	£10,001-£50,000	Over £50,000
Minimum expected requirement			
Direct award		Competition	
Where there is no contract/contracted supplier in place, the aggregated spend for the commodity does not justify the creation of a contract, and the spend does not exceed the thresholds set out below. The buyer should be satisfied that value for money has been achieved.	<b>Documentary evidence to be retained to show Value for Money has been obtained (eg through a price comparison of at least 3 quotes) Documentary evidence should also be retained when Non-Competitive Action (NCA)/Direct Award has been justified</b>	Public Contract Scotland quick quote portal should be utilised or an alternative procurement method. Non-competitive Action (NCA)/Direct Award up to the value of £25,000 will require explicit approval from Budget Holders and/or Audit Scotland’s Chief Operating Officer. NCA’s above £25,000 will need approval from the Chief Operating Officer.	These contracts should be advertised on PCS. The value of the contract is the total amount, net VAT, which Audit Scotland expects to pay over the duration of the contract (including any options to extend). Decisions not to use PCS should be objectively based and documented in the Procurement Brief. All contracts that exceed this value are classed as “Regulated Contracts” and shall be published in Audit Scotland’s Contract Register

Note: If there is uncertainty about the possible cost of the project and you expect it may be close to a threshold level, you should comply with the requirement for the next level up.

## Using Public Contracts Scotland

27. The Scottish Government has developed PCS to:
  - provide a portal for procurements, including procurements that require advertising in the EU Journal
  - make the tender process more open and transparent
  - facilitate the paper-free office
  - provide an electronic audit of the full tender process.
28. PCS is an electronic tendering portal that allows public bodies to advertise contracts for goods and services. Using it ensures that Audit Scotland complies with legal obligations for adequate publicity. PCS has been found to be easy to use and particularly helpful for competitions as the system is set up to help inexperienced buyers and prevent errors and mistakes. PCS can also provide other useful information. For example, it can be used at the planning stage to identify suppliers who may be able to undertake a project, which can help you to decide if a competition or a direct award should be made.
29. PABV staff have experience of using PCS to run restricted competitions and have developed a detailed user guide for it. This handbook contains links and references to different sections in the guide, as appropriate. If further assistance is needed, help can be obtained by contacting PCS on 0800 222 9003 or is available at [http://www.publiccontractsscotland.gov.uk/sitehelp/help\\_guides.aspx](http://www.publiccontractsscotland.gov.uk/sitehelp/help_guides.aspx).
30. To use PCS, you first need to register. [Part 1 of the PCS user guide](#) outlines the process for registering. Registered users will need to have their membership of the portal validated by one of our the Controllers in Finance (Stuart Dennis or Steve Murray).

# Part 3. Preparation and authorisation

31. Regardless of the type of approach to be used, key tasks to complete when preparing to appoint suppliers are to:
- prepare the business case
  - write the supplier brief
  - set the evaluation criteria.

## Prepare a business case

32. The process begins, for every procurement where a supplier is needed, with a business case. The business case should detail:
- the reason the goods or services are required
  - the type of goods or services needed
  - the type and quality of goods or the skills and knowledge that will be sought and the estimated budget requirement.
33. Having decided the approach to use to identify a supplier(s), the business case should be prepared using the template in [Appendix 1](#). It should be discussed with the relevant manager or assistant director and then formal approval should be obtained from the assistant director or director. Work on the business case should be started once the brief is approved, although there may be occasions when an earlier start can be made.
34. Where there is no intention to run a competition, the business case (and tender strategy, if required - see later) should clearly explain this. Reasons might be that the project has a low value, that the project team has a good knowledge and understanding of the market place and is able to compile a shortlist of suppliers, that the requirement is urgent and the time available is limited, or that there is only one supplier able to supply the unique service required.
35. At this stage, the project team should consider any ethical issues relating to the work, for example, where research might involve interviews with vulnerable people or equalities groups. The business case should state whether any ethical or equality considerations apply and how these will be addressed.
36. Consideration should also be given to sustainability; addressing the social, economic and environmental implications of product and service choices. Where relevant it should embrace whole-life costing and consider how aspects such as design, manufacturing materials, operating costs, energy consumption, waste and recycling options support a more sustainable approach.

37. Consideration should also be given to Fair Work Practices including the Living Wage and Scottish Government accredited Scottish Living Wage as well as potential Community Benefits and the utilisation of Supported Business.
38. The business case should be prepared in such a way that it can be lodged in the iShare Procurement library as a record for audit purposes and to record the formal acceptance by the budget holder (who has delegated purchasing authority). This will be required even where non-competitive action is contemplated.

## Write the supplier's brief/specification

39. A clear and unambiguous specification of requirements should be contained within the supplier's brief (a short guide is [available](#)). This is vital to the later success of the procurement. It will help ensure that the procurement team is clear about what it is expecting suppliers to provide and will also minimise the time spent dealing with suppliers' questions during any tendering process.
40. You should prepare the brief using the standard template and detailed instructions contained in [Appendix 2](#). It should be approved by the budget holder, their delegated representative or the person appropriate to the value (i.e. director or management team). The finalised brief is not required until it is to be released to potential suppliers, but preparing it in advance ensures that other tender documents are consistent with the brief and that there is time to gain the appropriate approval.
41. The brief should contain information about the budget for the goods or services, in the form of a monetary value. It should also ask that any expenses or additional costs are detailed separately, to allow you to compare costs between suppliers.
42. When ready, the brief should be uploaded to PCS as an 'additional document' or emailed/sent to potential suppliers ([see para 110 -114 in the PCS guide](#)).

## Set evaluation criteria

43. The brief should contain details of the criteria against which you will evaluate tenders. Managers should set the evaluation criteria and agree the approach to assessing quality and price when developing the brief and prior to issuing the tender or brief. Amending criteria after this point is not acceptable and could be challenged by unsuccessful suppliers.
44. Using a price/quality mechanism to ensure we achieve the best value for money from suppliers. The price/quality mechanism is based on a transparent numerical scoring and weighting system. The advantages of using this approach are:
  - it increases the objectivity of the evaluation process
  - it requires careful consideration of the criteria for selection
  - it can be audited.

45. The procurement team must establish first of all the importance assigned to price and quality in relation to each other. Then they must consider what criteria they will use to assess quality, and weight each of the criteria. Evaluating based on the most economically advantageous response takes into account technical and commercial criteria, e.g. quality and a rigorous assessment of price/quality ratios.
46. The table at [Exhibit 4, page 14](#), shows some indicative price/quality ratios, based on guidance issued by HM Treasury. Procurers should consider the nature of the work and use their judgement in assigning ratios.

---

## Exhibit 4

### Guidance on quality and price ratios

#### Weighting of quality against price

The weighting of quality against price may be influenced by the complexity of the project and the degree of creativity or flexibility that is required in its execution. For example the more complex the project, the harder the project will be to manage and control; the more unusual the project the harder it will be to make predictions about resource levels and the skill required of the supplier. Experience, technical competence, management skill and management systems will take on a far more significant level of importance for complex projects. For the price/quality mechanisms to reflect this, quality should carry a heavier weight than price.

A tender evaluation matrix example, produced by Scottish Government Procurement, can be viewed through this [link](#).

Indicative price/quality ratios for consultant services are as follows:

Type of project	Indicative price/quality ratio
Feasibility studies/option appraisal	20/80 to 10/90
Innovative projects	30/70 to 15/85
Complex projects	40/60 to 20/80
Straightforward projects	70/30 to 40/60
Repeat projects	90/10 to 70/30

47. Once there is agreement on the price/quality ratio, the information is added to the Excel scoring template which will be used after tenders are received (see [Part 5](#)). To keep it simple, price and quality are individually scored out of a 100 on the scoring template. (The price/quality ratio will then automatically be applied as a weight by the formula programmed into the spread sheet, prior to the final calculation).
48. An explanation of how price is scored can be found in [Part 5](#). The assessment of quality should take into account a number of criteria. Having agreed the individual quality criteria, the score is set for each so that they sum to 100. The score allocated to each quality sub-criteria should reflect its relative importance.

## Prepare a tender strategy

49. For any tender likely to cost over £50,000, a tender strategy is needed. A template can be found at [Appendix 3](#). The strategy should outline how you will identify the suppliers. Specifically, it should explain whether you will make a direct award, or run a competition and why you have chosen the route suggested. A justification for the choice, particularly, if the direct award has been chosen, as the expectation is for goods and services of this value to be subject to a full tender exercise. Decisions may be subject to challenge therefore a detailed explanation is important.
50. Where relevant, the strategy should also indicate if the PCS will be used and, if not, how potential suppliers are to be contacted or made aware of the tender opportunity.

# Part 4. Identifying suitable suppliers

51. When preparing the business case (and tender strategy) you should already have decided how many suppliers you intend to approach (i.e. one for a direct award, three or more for a competition) and outlined your plans for identifying them.
52. How you then identify your potential suppliers depends upon your knowledge of the market and the need to comply with the expected procurement processes. There are different strategies for identifying possible suppliers and you can choose one or mix strategies as long as your approach is fair and transparent.

## Identifying several potential suppliers

53. The general expectation is that competitions will be used to award contracts where it is beneficial to test the market. It is important that competitions are appropriate, open and fair. The best way to ensure this is by advertising the contract through PCS. For procurements of an overall value of less than £50,000 the Quick Quote process via PCS would may be utilised. For procurements where the overall value exceeds £50,000 then either an Open or Restricted procedure through PCS would be the recommended route.

### Open Procedure

54. In the open procedure any interested bidder may submit a tender which must be evaluated. The practicality of the Open Procedure will depend upon the number of tenders received and the nature of the evaluation criteria. The number of potential suppliers should therefore be identified by research.

### Restricted Procedure

55. It may be that there are a significant number of suppliers identified through research and that a screening down selection process would be helpful. If so the restricted process might be an appropriate route for procurement.

### Prepare an advert for PCS

56. The advert for the PCS website should be short, focused on key aspects of the goods or services required and be as clear as possible about the type of expertise needed.
57. Once approved by the appropriate authoriser, the advert can be added to the PCS system.



## Using the European Single Procurement Document (Scotland)

- 58. The European Single Procurement Document (ESPD) has replaced the PQQ form, previously used for screening down selection. The introduction of the ESPD is intended by the European Commission to reduce the administrative burden on bidders and to remove some of the barriers to participation in public procurement, especially for small to medium-sized enterprises (SMEs).
- 59. Note that ESPD can also be used in the open procedure allowing bidders to self-declare that they meet relevant selection and exclusion criteria.
- 60. Advice with regards to the use of the ESPD should be sought from Audit Scotland's Finance Section or Audit Scotland's Central Government Procurement Shared Service Resources, on a case by case basis.

## Publishing - Restricted Procedure

- 61. The PCS guide sets out how to advertise the contract (see Part 3 of the PCS user guide).
- 62. Once the advert has been placed with a submission date for completed ESPD forms, the procurement team may find there are queries to deal with from potential suppliers. It is important to allow time for responses - usually three weeks is given but this will need to fit with the overall project timings.
- 63. ESPD will be returned through the PCS website and not directly to managers. The project team should not look at the ESPD received until the submission date has passed.

## Evaluate ESPD's – Restricted Procedure

- 64. Sufficient time must be built into the process to both review the ESPD's received and provide whatever feedback is needed (see Exhibit 6 and related text).
- 65. Once the closing date has passed, a minimum of two people (usually the relevant manager and one other) assess the completed ESPD's in terms of how well the information contained in the ESPD meets the criteria as set out.
- 66. Assessors should independently score and rank suppliers in relation to each of the assessment criteria. They should then meet to discuss their scores, agree a final score and note it on the combined assessment form.
- 67. Managers should keep suppliers informed if there are delays in the ESPD's process.

## Create a shortlist of potential suppliers

- 68. The combined assessment form is used to shortlist those suppliers that will be invited to tender at the next stage. When shortlisting, it is important to respect the principles of procurement (openness, transparency, non-discrimination, equal treatment) and

the jurisprudence of the European Court of Justice. This means the shortlisting method must be objective and non-discriminatory.

69. The number of suppliers invited to tender should be sufficient to ensure competition, while providing value for money. Audit Scotland's guidance is that between three and six invitations to tender are usually sufficient. However, it may be that several suppliers cannot be separated after the ESPD stage and are ranked equal third or equal sixth. You should think carefully before you extend the shortlist beyond six. If it is proving difficult to decide about those ranked equal at the end of your shortlist, it is permissible to phone all of the suppliers on your short list to establish which are still interested. This will help you to determine how many tenders you will receive if you include more than the recommended number of suppliers.
70. Having completed the selection process the next step will be to provide feedback to unsuccessful suppliers, where necessary. You cannot do this through PCS and will have to email/mail them from Audit Scotland.
71. Best practice is to provide some feedback on the selection stage to each individual unsuccessful company (see [Exhibit 6 on page 27](#) for a broad outline of the detail that you should provide. Examples of feedback emails used can be found [here](#)). It can be very time consuming to provide feedback if a lot of suppliers express interest, so it is best to limit what you provide in the first instance and give more detailed feedback only if requested to do so.
72. Data from the ESPD should be used when preparing feedback for unsuccessful suppliers. The team of assessors should agree what points to feedback when they complete the template. Under Freedom of Information legislation, suppliers can request information about the assessment process so it is important to identify clear reasons for rejecting/selecting a supplier. The combined scores for each bid along with a note of key points to feedback should be saved in the project file. A short minute of the selection meeting will also help if there are enquiries under FOI.

### Identifying one potential supplier

73. If you are making a direct award you will simply need to identify a single suitable supplier. A suitable supplier is defined as '*an individual or firm which has relevant knowledge and experience AND a known track-record for delivery and good value for money*'.
74. You can use PCS to identify a suitable supplier (see [PCS users guide, Part 2](#)), you can discuss options with colleagues, or research to identify a suitable contact. Senior colleagues often know of suppliers who have worked with us previously.
75. Although only one supplier is being considered the supplier's brief should still be issued to the company, obtain a short, written quote and evaluate their submission before you commit to proceeding with them. The next steps to follow are detailed at [Part 5](#).

# Part 5. Obtaining tenders

76. In every instance where you appoint a supplier you will need to obtain a written proposal from each supplier and evaluate the proposal to ensure that it meets the procurement objectives. It is a good idea to go through this process, even if you are making a direct award to one supplier. However, you may streamline the process slightly for a direct award, by asking for a short submission from the supplier and cutting back on the time given to complete certain elements.
77. Key steps are to:
- issue the invitation to tender
  - manage the tender process
  - receive and open tenders
  - evaluate the tender
  - clarify queries.

## Issue the invitation to tender documents

78. The invitation to tender consists of:
- an invitation to tender notice – the ITT ([see PCS user guide Part 4](#))
  - the supplier's brief ([see template at Appendix 2](#)). You should append two standard documents to the brief - 'About Audit Scotland' (a copy can be found in [Appendix 2](#)) and 'Audit Scotland terms and conditions for the purchase of goods and services' ([Appendix 6](#))
  - any other relevant background information.
79. These documents should be loaded onto the PCS website or mailed direct to suppliers if you have chosen not to use PCS.
80. If the ITT is to go to a limited number of suppliers tendering companies may wish to know how many others are being invited to tender at this stage. They are likely to use this information to make a judgement about their chances of success and, if you are inviting a large number to tender, companies with reservations about their chances of success may opt out.
81. Where the procurement is restricted, suppliers selected to receive the invitation to tender on PCS will receive an email alert from the system inviting them to log-on and to download the tender documents. The PCS system will ask suppliers to note interest and reconfirm their intention to tender. If they do not confirm this within 1-2 working days, you should contact tenderers to ask if they have been able to access the documents. If the procurement is open, all suppliers who have indicated they wish to be alerted if tenders for certain commodity codes are issued will receive an alert.

The suppliers will be able to decide if they wish to submit a response to the tender once they have accessed the tender documents.

### Manage the tender process

82. During the tendering period, questions raised by suppliers and your responses to them can be viewed by all those invited to tender on the secure question/answer area on PCS. You should set a deadline for receiving and answering queries (we would suggest at least one week before the closing date). If not using PCS, you will need to establish an effective process for responding to questions and make them available to all suppliers.
83. You should avoid extending the deadline for tender submission unless there are exceptional circumstances - for example, you are unable to deal with their questions and queries by the date you set. You must contact all suppliers to tell them about the extension.
84. It is good practice to allow potential suppliers four weeks to submit a tender. In some circumstances, such as a direct award, or when the project need is straightforward or there is limited time, a shorter timescale may be feasible. But suppliers need sufficient time to prepare a good tender – as they will be working on many other projects during the tender period.

### Receiving and opening tenders

85. All tender documents must be opened at the same time and only after the tender return deadline. Upon opening each tender, the name of the tendering organisation and the total contract price (if readily available) should be noted on the tender opening record form ([Appendix 7](#)). It is a good idea to ask someone not involved in evaluating the tenders to open the tenders and complete the tender record. The form should then be signed by the person completing the tender record, witnessed, scanned and saved into the project file.
86. When a tender has been submitted through PCS, you will receive an email notification. The system records the time of opening. Late tenders will not be accepted on PCS.
87. In the event of any technical difficulties or problems with the system, tenderers should also be instructed to submit their tender (on the date when the competition closes) by email to the project team. All tenders submitted in this way should be saved in the project file. Audit Scotland's guidelines detail how you should proceed if tenders are submitted late ([see para 7.22 – 7.28 in document referenced at footnote 1, page 5 for further information](#)).

## Evaluate tenders

88. At least two people should evaluate tenders – one of these should be the project manager; others who were previously involved in evaluating the ESPDs may continue to be involved, if available. It is important that those evaluating tenders are impartial - those with a possible conflict of interest (i.e. previously worked for the supplier) should declare this and not participate. Members of the evaluation panel should assess and score each tender independently of each other, using the template provided at [Appendix 8](#) and then meet to discuss and agree an overall assessment. The main steps are:

- Read each proposal and score its quality against the agreed evaluation criteria (see [Exhibit 5](#) for how to score each criterion), using the evaluation spreadsheet. The spreadsheet provides an easy way for the panel to score and record their evaluation scores and demonstrate the basis of the final recommendation.
- Submit individual evaluator's scores so that they can be added to the combined sheet.
- Meet with other evaluators and discuss the individual scores. Agree upon a final score that all the evaluators are comfortable with.
- Record the cost of each proposal and calculate the price/quality score using the separate sheet in the evaluation spreadsheet.

## Exhibit 5

## How to score tenders in terms of quality

The tender evaluation criteria and relative weightings should have been decided at the initial stage. When assessing each tender, a score should be given to each criterion as follows:

Score	Description
4 -Excellent	Response is completely relevant and excellent overall. The response is comprehensive, unambiguous and demonstrates thorough experience, knowledge or skills/capacity/capability relevant to providing similar services to similar clients
3 - Good	Response is relevant and good. The response is sufficiently detailed to demonstrate a good amount of experience, knowledge or skills/capacity/capability relevant to providing similar services to similar clients
2 - Acceptable	Response is relevant and acceptable. The response demonstrates broad previous experience, knowledge and skills/capacity/capability but may lack in some aspects of similarity e.g. previous experience, knowledge or skills may not be of a similar nature.
1 - Poor	Response is partially relevant but generally poor. The response shows some elements of relevance to the criterion but contains insufficient/limited detail or explanation to demonstrate previous relevant experience/ capacity/capability
0 - Unacceptable	Nil or inadequate response. Fails to demonstrate previous experience/capacity/capability relevant to this criterion.

89. Our guidance would be that the quality assessment of the tender is made before prices are looked at so that price does not affect the assessor's view of the quality of the tender. They would also suggest that the scores are entered onto the spreadsheet, where possible, by an independent person, before the evaluators meet to discuss them.
90. The Excel spreadsheet in [Appendix 8](#) should be used in all instances. You should add the quality criteria that apply to your procurement and the price and quality weightings which you decided on earlier to the spreadsheet. Once the criteria are set and added to the spreadsheet, they should not be altered.
91. The spreadsheet contains all the formulae needed to weight the competitive bids and to calculate a final score. For the assessment of price, the lowest cost quote is assigned a score of 100 and other tenders then have their score adjusted in relation to this cost. One point is deducted for each percentage point above the lowest cost. For example:
- Tender A is the lowest price option and costs £20,000. Score = 100
  - Tender B costs £30,000. Score = 100 minus (30,000 – 20,000 divided by 20,000 x 100) = 50

- Tender C costs £21,250. Score = 100 minus (21,250 - 20,000 divided by 20,000 x 100) = 93.75
92. The scoring sheets templates will do this calculation for you. All you are required to do is insert each tender price in the appropriate place.
  93. If only one tender is received, the assessment panel must still evaluate it against the criteria. If you want to go ahead with a contract, the project team must demonstrate that there has been a genuine competition and that the tender satisfies the criteria. You must also document reasons why other suppliers who were invited to tender have not done so.
  94. If no tenders meet the evaluation criteria, then a new tendering exercise should be considered.
  95. Where the brief states a monetary value or range against the project budget, it is unlikely that the tender will be priced higher. If this does occur, you should discuss the appropriate action with the senior manager. Where all tenders contain prices higher than the stated budget the manager should speak to individual tenderers to find out the reasons for this and discuss how to proceed with the relevant senior manager. Options might include altering the project specification or the budget, before you start again.
  96. For companies that we have not previously worked with, AND where there is a degree of risk attached to the project (a value of more than £30,000, or a high profile or time sensitive project) due diligence work is advised. A credit check is advised for all contracts with a value of over £30,000 where Audit Scotland has not previously worked with the company – Corporate Finance will arrange to do this for you before you commission the work.

## Clarify queries

97. The price quoted in the tender should represent the fixed and firm price for the work. Options may be offered, but the additional cost of these should be identified separately. When assessing tenders, you may also contact tenderers to ask for clarification of any other points, but the principles of open, fair and transparent dealing with all suppliers must be adhered to. These communications should be documented.
98. Provided the option has been stated in the ITT, following the evaluation of written tenders, you may decide to invite the shortlisted tenderers for interview. Interviewing can be resource intensive and managers should exercise judgment when deciding to interview suppliers. An interview is usually used when there is no clear winner of the tender evaluation exercise or if further clarification is needed. The purpose of the interview is to enable the evaluation panel to make a more informed decision. The assessment criteria used at interview should be identical to the criteria used to

assess the written tenders. If you think you may wish to interview suppliers you should mention this in the project brief and specify a likely date.

99. As well as interviewing, it may be desirable to see a demonstration of the product to be supplied (this can be important when purchasing equipment or software, for example). This will add to the overall time required by each supplier, but it is important that each supplier has an equal opportunity to demonstrate their product.
100. The manager should agree a standard set of questions with the evaluation panel in advance (although it is recognised that some follow-up questions may be needed). An interview should last no longer than 40 minutes, but the process may be longer if a demonstration is also included.
101. Following the interviews/demonstrations, the evaluation panel should re-examine the combined scores allocated to each of the suppliers on the basis of the written proposal. They should amend scores as required to reflect performance at interview/demonstration, using the evaluation spreadsheet, so that the final score reflects the overall view formed after the meeting.



# Part 6. Appoint a supplier

102. The tenderer offering the best value for money (i.e. the tender that scores highest on the combined price and quality assessment) should usually be recommended for appointment to the assistant director or director. But note, there is no legal obligation to award a contract if none of the tenders received are of the required standard.

## Notify successful and unsuccessful suppliers

103. Once the supplier's appointment is approved, you should inform all those who took part in the tendering exercise of the outcome. The successful supplier should be notified by telephone in the first instance, in advance of any contract letter being issued. Advise the supplier that they have won the tender competition and will receive more information formally following the inception meeting – the contract should not be issued at this stage.<sup>1</sup>
104. After speaking to the successful candidate, you should notify unsuccessful suppliers of the result of the tender exercise by email or letter. A sample letter is provided in [Appendix 9](#). All tenderers (i.e. successful and unsuccessful) may contact the manager for feedback which you should provide; it should be provided verbally, should be constructive, honest and tactful and should be based around the tender assessment criteria. [Exhibit 6](#) summarises Scottish Government advice on the amount of detail that can be given to unsuccessful tenderers.
105. In recent competitions held by PAG, unsuccessful tenderers have asked for (and received) copies of other supplier's tenders and/or for information about:
- The strengths and weaknesses of their submissions and a comparison with others.
  - Details of their companies overall positioning within the assessments
  - Information on who the winning tenderer was or who the short listed companies were after the ESPD stage
  - Details of the scores allocated on each assessment criteria for their company and for each tenderer.
106. When responding to specific information requests, the procurement teams may use scores from the evaluation matrix, but anonymised, on the specific scores achieved by competitors. By listing all the competitors separately by name and also providing a spreadsheet showing each tenderer's score overall and on each criteria, but the tenderers only identified as company 1, 2, 3, etc. The enquirer will know where it sat within the league table of outcomes, but will not know which competitor gained which score.

---

<sup>1</sup> Scottish Government guidance suggests a ten day 'standstill' period before the contract is issued to allow time for unsuccessful suppliers to consider if they wish to take any further action, but this is more likely for larger value contracts.

## Exhibit 6

### Scottish Government's advice on debriefing unsuccessful tenderers

Public bodies should provide sufficient information for candidates to be able to identify why they have not been invited to tender and for tenderers to be able to identify why they have not been awarded the contract. In the Scottish Government's view, this requires public bodies to provide:

- the candidate's or tenderer's score against the published criteria
- a basic narrative explanation (it is not sufficient for public bodies to provide only numerical information)
- an explanation of why the successful tenderer was awarded a higher score in the relevant area
- the name and characteristics and relative advantages of the successful tender, if the unsuccessful tenderer has not already received this information by some other means.

Some exemptions apply and Scottish Government states that suppliers may withhold information where for example, its disclosure would impede law enforcement; would otherwise be contrary to the public interest; would prejudice the legitimate commercial interests of any economic operator; or might prejudice fair competition between economic operators.

Managers should also be aware that they may be asked to disclose information under the Freedom of Information (Scotland) Act 2002. Managers are responsible for deciding whether information should be disclosed or withheld and must be able to justify their rationale for any non-disclosure.

## Inception meeting

107. Although the inception meeting is actually part of the contract management process, it should take place soon after the preferred supplier is identified and *before* the final contract award letter is issued. The meeting sets the direction and enables managers and supplier to check they have a shared understanding of the aims and objectives of the work. The inception meeting should cover:

- aims and objectives
- background; potential sensitivities or constraints
- methodology and work planning
- team roles
- reporting mechanisms
- key milestones.

108. All detailed reporting arrangements should also be agreed at the inception meeting.

## Award the contract

109. The contract with the successful supplier is made up of:
- the supplier's brief
  - the supplier's tender document
  - the contract award letter
  - Audit Scotland terms and conditions, including space for signatures (see end of [Appendix 6](#)).
110. There is no need to send all of these documents again to the successful supplier - they will already have the brief and their own tender document. It is sufficient to send the contract award letter and the terms and conditions- for signing and return to Audit Scotland.
111. A standard contract award letter is available in [Appendix 10](#). You should ensure that this letter includes:
- a note of the goods or services outlined in your brief and the supplier's tender submission
  - any formal clarifications and agreed changes or outcomes from the inception meeting
  - a project timetable
  - key outputs and payment points including details of the amount to be billed at each payment point and the purchase order number to quote on invoices
  - contract management arrangements
  - a requirement that the supplier confirm acceptance of the award and our terms and conditions to the named Audit Scotland manager.
112. Where required, the manager should ensure that an appropriate number of payment points are included in the letter and that these are linked to milestones for the work. A copy of the contract award letter and the signed terms and conditions should be provided to admin for their later use, when invoices are received.
113. Experience suggests that the contract award letter should be issued after the inception meeting has taken place (see below) as this allows the letter to reflect some of the details on contract management agreed at the meeting. The letter should be signed by an assistant director or the director.
114. If using PCS, it should also be updated to show that the contract has been awarded (see [PCS guide Part 5](#)).

## Post tender negotiation

115. Post tender negotiation may be required to take account of changes in the project specification, but should not be used where the nature of the work has changed fundamentally. As an example, you may find after tenders were received that the

original timescales cannot be adhered to or that technical details have changed unexpectedly and want to discuss the impact of this with the supplier.

116. Post tender negotiation will allow the supplier to respond to more minor eventualities. It can usually be undertaken at the project inception meeting, although if it occurs later in the project, a separate meeting may be required. Any post tender negotiation should be fully documented and may require a formal amendment to the contract (see below).
117. Post tender negotiation can only take place after a preferred supplier has been selected and can only proceed on the basis that the contract will be awarded to this supplier regardless of the outcome of further negotiation. Negotiation that is only about the price submitted by suppliers is prohibited - it could result in a legal challenge.

## Contract amendments

118. There are some circumstances where amendments to contracts may be made after they have been awarded. This may be due to:
  - changes in the make-up of the supplier's team
  - significant changes in the timetable (milestones and payment points)
  - changes in the method
  - change in the final outputs.
119. To amend a contract, a letter must be drafted which sets out the nature of the proposed amendments with reference to the original contract. The manager may choose to deal with this using email rather than a formal letter where there are just small changes to be made.
120. Contract amendments should not be used to extend the scope of an existing contract by adding additional services.

## Additional services

121. The supplier's brief should have detailed the full nature of the work required. However, there may be occasions when there is a need to carry out additional work not specified in the original contract. This might include, for example, additional information gathering, further data analysis, or unanticipated presentations.
122. In deciding how to proceed, the manager should consider whether this is additional work which can be added to the original contract or if it is a separate piece of work needing a separate competition/award process. Services can be added to an existing contract only when, through unforeseen circumstances, the additional services have become necessary

**AND:**

- for technical or economic reasons the work cannot be carried out or provided separately from work under the original contract

**OR:**

- it is necessary to do the work to allow later work (included within the contract already) to be completed.
- 123.** Adding additional services to the original contract should not increase the contract value by more than 50 per cent of the original cost. If it does, a new award process should be used. Assistant director approval is needed for increases of more than £2,500 (including VAT).
- 124.** Managers should receive and approve a written quote for the additional services and obtain authorisation, if required, before the work can start. A copy of the written quote should be given to admin, for invoice checking. An example of a written quote for additional services can be found [here](#).
- 125.** Once the whole process is agreed and the contract signed off Audit Scotland is required to maintain a contract register. The procurement team/manager should inform Finance of the contract award, the anticipated costs over the contract life, the end date, details of any extensions possible to the contract and notes on how the contract will be managed during its lifetime.
- 126.** To support the whole procurement process documents related to the procurement should be lodged in the procurement library in iShare, or passed to Finance to carry out this activity on your behalf.

# Part 7. Contract management

127. Managers should ensure they allow themselves time to actively manage suppliers working on their projects and ensure that this is accommodated within the overall project budget and plan. If the manager does not dedicate sufficient time to managing the contract, this can lead to projects going off-track, suppliers cutting corners, delays, poor quality outputs and cost over-runs.
128. Contracts will require different levels of project management depending on a number of factors such as:
- complexity
  - duration (tighter timescales = greater risk)
  - links with other work/cross-cutting issues
  - track record of the service provider
  - experience of the manager.
129. Documentation relating to contract management activity (e.g. minutes of meetings, letters) should be lodged in a suitable place such as the procurement library in iShare, or passed to Finance to carry out this activity on your behalf.

## Good supplier management and information exchange

130. Good contract management requires good communication. There should be clear communication between the Audit Scotland manager and the supplier's appointed contact.
131. Formal reporting arrangements should be agreed at the inception meeting. Informal progress discussions should take place regularly, by telephone, as often as needed. It should not be assumed that no news from the supplier means that everything is going to plan.
132. The manager should always be aware of how the supplier's work is progressing and be prepared to provide advice and help to the supplier throughout the project. The type of support you will need to offer suppliers will vary from contract to contract and reflect the nature of the project or service being delivered, but may involve some of the following activities:
- commenting on methodology
  - facilitating access to information and stakeholders
  - anticipating and addressing issues as they develop
  - keeping research focussed on aims and objectives
  - agreeing analysis approaches and techniques
  - participating in briefing sessions and key analysis meetings

- ensuring the project proceeds to timetable
  - agreeing and commenting on research outputs and providing style guides and relevant Audit Scotland reports
  - ensuring compliance with legislation (for example, data protection)
  - ensuring consideration of sustainability and equalities issues
  - checking invoices received against the agreed amounts and milestones, passing them for payment as soon as possible and updating both the cost and monitoring and consultants databases with the invoiced amount
  - supply chain issues
  - key personnel movements.
- 133.** As well as assisting suppliers, for relevant contracts, the procurement team should take advantage of opportunities to learn from them. This will aid the team's subsequent use of the information provided by the supplier and allow knowledge transfer that may be of use in other projects. Obviously, taking advantage of the opportunities for skills transfer from suppliers needs to be appropriate. You cannot devote vast amounts of time to shadowing suppliers as this will increase project costs and potentially delay progress. But project teams should take advantage of opportunities to attend key interviews or focus groups, for example, or to attend supplier's project debriefs. As well as providing an early insight into likely findings, this type of activity can also allow the Audit Scotland team to focus more of the project team's attention on key areas of interest at an early stage.

## Delivering on time

- 134.** It is important that managers set realistic timescales when writing the supplier's brief. Some stages often take longer than anticipated; for example, the time taken to agree a final report or to identify snagging, etc.
- 135.** To help ensure the contract is delivered to time, you should:
- re-confirm and agree the timetable at the inception meeting
  - where possible, assist the supplier to set up meetings with internal colleagues by letting people know about their involvement in advance
  - anticipate where slippage may occur
  - build in sufficient time to comment on outputs
  - have a contingency plan.
- 136.** The manager should set contract milestones. This will help to identify problems so that remedial action can be taken. It is important to be aware that suppliers will be working on other contracts and so, to ensure the contract is given the priority expected, the manager should communicate with the supplier on a regular basis (within reason).

## Managing costs

137. The manager should review each staged payment on a contract before the invoice is sent (via admin) to the assistant director or director to be authorised for payment. Payments are linked to performance and are dependent upon suppliers having completed the tasks specified in the contract. If a request for payment is not authorised the manager should let the supplier know that it has not yet been passed and explain the reason. Final invoices for project costs must not be paid until the task has been completed. However, it is not acceptable to withhold the final payment beyond the agreed date because you are late in clearing a supplier's report; you should prioritise your work to ensure that this does not happen.
138. When invoices are received they are passed, after checking, to admin to action. Admin will raise a purchase order number and ensure that they are sent on to finance for payment, when it is appropriate to do so.
139. Occasionally, suppliers may claim that they have under-budgeted for the work and request additional payment. For example, they may have budgeted five days for a task that has actually taken eight days to complete. **Any claims for additional payment based on under-budgeting on the part of the supplier should be rejected.**

## Managing risks and poor performance

140. Managing suppliers is not always straightforward. Potential problems, which should be included in the project's risk register, include:
  - staff changes and illness (supplier side)
  - poor quality work
  - lack of supplier focus (due to over-commitment)
  - poor quality sub-contracted suppliers (you should ensure that the use of sub suppliers occurs only with your prior approval)
  - poor project management (on the supplier's side).
141. Managers may want to think of strategies for dealing with these issues. Unfortunately, there are not always straightforward or easy solutions. Other staff may have dealt with some of these problems and have suggestions about how to overcome them. Seek advice from colleagues or from our Shared Services representative.
142. You may wish to obtain a reference for the appointed supplier to help you manage them. There is no need to obtain a reference before appointment as references cannot be used in the assessment of a supplier's tender. To do so is contrary to good procurement practice as you are involving a third party and have no means of knowing under what circumstances they formed their view of the supplier. There are many reasons why a reference may be unreliable. It may have been some time ago or the work commissioned from the supplier may have been poorly specified or managed, for example.



- 143. The value of obtaining a reference on suppliers is to yield information that can help avert problems by allowing you to alter your management approach. For example, you may learn that a supplier 'delivered late' and so you build in extra time.
- 144. If the supplier fails to meet the obligations set out in the contract, the manager should take prompt remedial action (though they should consult with the manager or assistant director before doing so). Remedial action is likely to include, as a minimum, withholding payment and writing to the supplier outlining all concerns.
- 145. Project termination should only be considered as a last resort and the manager should take advice from an assistant director or director before proceeding with this action.

## Reviewing the project

- 146. Following the end of the contract, the team should reflect on what worked well and what could be improved, in terms of overall contract/project management and the quality of the final outputs. Where the supplier's work formed part of a performance audit, this should be captured in the project review process.
- 147. If a supplier asks you for feedback on their performance after the work has been completed, you must provide this.
- 148. In line with our guidelines, when reviewing the project, the manager should record and compare invoices against the quoted costs and note any reason for variation.
- 149. External suppliers may contact the manager and ask them to act as a referee for other work that they are tendering for. You may provide verbal references but should not provide written references – this reduces the risk that references will be misattributed or selectively quoted.

# Glossary

- **Supplier** – an individual or organisation that supplies goods or services.
- **Research** – the process of systematically gathering, analysing and interpreting information about a given subject.
- **Social research** – the process of systematically gathering, analysing and interpreting information about behaviour, knowledge, beliefs, attitudes and values of human populations, social systems and social structures.
- **Consultancy** – the provision of specialist information and advice
- **Supplier's brief** – a specification detailing the work required to be carried out by a supplier.
- **Tender exercise** – a process that invites several suppliers to compete for a contract
- **Tender** – a document prepared by the supplier in response to the brief issued by Audit Scotland.