



Standard Operating Procedure

Procedures for Tendering and Proposals

(August 2019)

In relation to policy *CP0013 Procurement and Purchasing* the following Tendering and Proposal procedures should be followed.

Authorisation of Tenders/RFPs

1. Tenders are required where purchases are estimated to exceed \$50,000.
2. Tenders shall be approved and monitored by the Polytechnic Tender Board.

Types of Tendering

3. Open tendering allows the market to be tested and is the default option for Polytechnic procurement tenders.
4. Selective tendering may be appropriate where there is a need for specialised knowledge or expertise and there will be significant reduction of administrative costs. Selective tenders/RFPs will be used in conjunction with a register of suitable contractors or suppliers who have a proven track record with the Polytechnic.
5. Any decision to adopt selective tendering process should be fully documented.
6. Preferred suppliers – are to be selected using the same processes as documented in an RFP or through All of Government contracts.

Operation of the Tender Board

7. The Tender Board shall:
 - a. approve the Tender Document/RFP before issue;
 - b. ensure the principles of procurement as set out in the procurement policy are followed;
 - c. hear recommendations favouring selective tendering in preference to open tendering;
 - d. hear recommendations to waive the need to call for quotations or invite tenders/proposals;
 - e. review all disclosed conflicts of interest and the Deputy Chief Executive Corporate Services response;
 - f. consider recommendations from the panel responsible for assessing tenders/proposals;
 - g. accept tenders/proposals on behalf of the Polytechnic where they fall within an approved budget or recommend to the Chief Executive where appropriate;
 - h. report formally to the Chief Executive each quarter.
8. Membership shall comprise minimum of three (3) of the following members:
 - a. Chief Executive
 - b. Deputy Chief Executive Corporate Services (Chair)
 - c. Director Business Services (where requested)
 - d. Director External Relations, Communications and Marketing (where requested)
 - e. Deputy Chief Executive Learning and Teaching Services
 - f. Deputy Chief Executive People, Performance and Development
 - g. Deputy Chief Executive Learner Experience
 - h. Formal Leader of the requisitioning school/department (where relevant).
 plus one other co-opted Leadership Council member.
9. Secretarial assistance for Tender Board matters will be provided by the Deputy Chief Executive Corporate Services Office.
10. Meetings will be on an "as needs basis". Once a year the Board will meet to review its policies.

Tendering Procedure

11. The Tender/RFP Document should be developed using the approved Polytechnic template (modelled on the Government Standard RFP Template). The template can be obtained from the Otago Polytechnic Intranet site (Tūhono) or by contacting Otago Polytechnic Contracts Manager.
12. Tenders should be advertised and allow for sufficient time for prospective tenders to respond fully. Public Advertisements shall include:
 - a. description of work
 - b. where tender/RFP documents can be obtained (specify names, telephone numbers of contact people)
 - c. identify closing date and how tender/proposal should be lodged

- d. If the closing date is extended, all tenderers who have been issued with tender/RFP documents should be notified of this and a record kept of this amendment.
13. A register of telephone inquiries must be kept (name of caller, date called, name of person taking the call and nature of the inquiry).
14. Any background information given to one tenderer/proposer must be given to all tenderers/proposers. A record should be kept to show that this has taken place.
15. Tendering specifications should be clear, focused, specific, and in place before tenders/proposals are invited.
16. The tender/RFP should:
 - a. reflect the requirements of the user;
 - b. be written in a way that does not restrict them to a specific brand or supplier;
 - c. include "general conditions for tendering";
 - d. include any information that would help the tenderer better understand how they may better meet the needs of the Polytechnic.
17. Selection criteria tailored to the situation should be established prior to considering any submitted tenders/RFP proposals.
18. The tender/RFP should be structured in order to encourage tenderers/proposers to respond to specific requirements in the same or similar format in order to enable easy evaluation of submitted tenders/proposals.

Preferred Suppliers

19. Preferred supplier agreements can be set in place for either services and/or products, and enable mutual benefits to both organisations and result in strategic relationships. Besides meeting the selection criteria (clause 21) preferred supplier agreements also assist:
 - a. Faster turnaround times
 - b. A saving in time and money
 - c. Consistency of supply
20. Preferred supplier agreements should be reviewed every three (3) years with provision for earlier/later end dates if circumstances warrant this, including extensions

Selection Criteria

21. Potential tenders/proposers should be informed in writing of the principal selection criteria, such as:
 - a. quality of service design
 - b. quality of key staff
 - c. track record in the service being tendered or related areas
 - d. financial stability of the firm
 - e. quality of systems for control
 - f. price
 - g. health and safety systems
 - h. sustainable practices or criteria
 - i. where the tenderer provides clear regional economic impact
 - j. a willingness to provide training opportunities for the polytechnics students

Receipts and Registration of Tenders/Proposals

22. Procedures must be in place to ensure confidentiality of tenders proposals such as the following:
 - a. Details of received tenders recorded in a tender register.
 - b. Tenders/proposals received by fax placed in a sealed envelope which records the time and date received.
 - c. Tenders/proposals received by hand marked with the time and date received and stored securely.
23. No verbal tender/proposal price will be considered. However a record of any verbal tender will be kept with the other records relating to the tender/RFP.
24. An incomplete tender/proposal will not be accepted for consideration. The tenderer/proposer will be advised that the tender/proposal is incomplete and will not be considered but it will not be returned...
25. Late tenders/proposals will be marked "late tenders" and
 may be considered valid if the tender/RFP document made allowance for these to be accepted, and provided that the late tenders/proposals meet the conditions stated in the tender/RFP document for acceptance.

Tender/Proposal Evaluation

26. Evaluation of tenders/proposals should include the following:
 - a. **Track Record:** appropriate due diligence should occur to confirm the tenderer/proposer's expertise and track record in similar contracts and to establish the company's financial stability.

- b. **Technical Capability:** appropriate due diligence should occur to establish that the tenderer/proposer and the key personnel who will be involved in the project have the relevant expertise and capability to perform the contract.
- c. **Regional Economic Impact:** appropriate due diligence should occur to establish that the tenderer/proposer and the key personnel who will be involved in the project will bring economic benefits to the Otago region rather than outside it.
- d. **Sustainability:** appropriate due diligence should occur to establish that the tenderer/proposer and the key personnel who will be involved in the project demonstrate sustainable purchasing that aligns with Otago polytechnics sustainability aspirations. Refer to aspirations and key purchasing evaluations questions in *CP0013b Procurement and Purchasing_SOP002_Purchasing Procedures*
- e. **Training Opportunities:** wherever practical tenderers should provide training opportunities for the polytechnics learners such as internships, work place learning and project based learning.

Changes to Original Tender Document/RFP

- 27. If during the tender process a substantial change is made to the original tender/RFP by either party then it will be necessary to restart the tender process. The original tenderers/proposers must be given the opportunity to submit a new tender/proposal. The Polytechnic should detail why the original tender/RFP was changed.
- 28. The chair of the Tender Board has the authority to determine if the tender has to be re-tendered under a modified tender or has to be totally re-tendered as a new tender.

Acceptance of Tenders/Proposals

- 29. A letter of acceptance will be issued to the successful tenderer/proposer.
- 30. The Tender Board may authorise negotiations with a tenderer/proposer for an amended tender if none of the original tenders/proposals have been acceptable.
- 31. Unsuccessful tenderers will be notified by letter that they have been unsuccessful and advised of the successful tenderer/proposer.
- 32. For open Tenders/RFP the successful tenderer shall be announced in the public notices of the local newspaper within ten working days of conclusion of the tender/RFP.

Contract Between Polytechnic and Successful Tenderer/Proposer

- 33. A contract shall be drawn up between the polytechnic and the successful tenderer/proposer. Contracts should be developed or negotiated to fit with the existing Polytechnic contract templates wherever possible.
- 34. The Polytechnic signing authorities and delegations must be followed in signing any contract.
- 35. The contract document will include conditions and other important considerations. Before a contract is sent out, or signed on behalf of the Polytechnic, it may need to be vetted by the Polytechnic's Contracts Manager subject to any existing contracts management delegation. In general all contracts will include:
 - a. terms of the contract
 - b. roles of each person referred to in the contract
 - c. payment details
 - d. dispute resolution
 - e. termination procedures
 - f. assignment issues
 - g. confidentiality
 - h. deposits
 - i. security of monies over \$1000
 - j. insurance including insurance payments

Conflicts of Interest

- 36. All conflicts of interest will be disclosed and dealt with according to CP0012 Conflict of Interest Policy.