Award Criteria

The Award Stage involves examining the merits of the bids.

At the Award Stage you will identify which of the eligible tenderers will deliver best value for money for your organisation. This is based on the Most Economically Advantageous Tender (MEAT) depending on the criteria agreed by your User Intelligence Group (UIG).

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Award Criteria Examples

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A table listing examples and descriptions of award criteria that you could use.

The Difference Between Selection and Award Criteria

Open or close

The distinction between selection and award criteria is important.

Selection criteria are focused on "the bidder" and award criteria are focused on "the bid”. You should maintain a clear distinction between both throughout the procurement process.

This means that selection criteria should be addressed at the selection stage and should not form part of the award stage. This is the case even if the selection criteria were omitted from the selection stage in error.

However, you can apply different aspects at selection and award if relevant. For example you can look at the bidder's general staffing in selection and the qualifications and experience of those to be assigned to the contract at award, if that is relevant.

Although the selection and award criteria must be developed and managed separately, it is possible for you to conduct these stages simultaneously or in any order where the process you are undertaking allows for this. For instance you may wish to conduct the Award Stage prior to checking minimum selection criteria are met.

Commonly Used Selection and Award Criteria

Selection Criteria	Award Criteria
Technical and professional qualifications, capability including experience	Price
Economic and financial standing	Quality

You must identify the Most Economically Advantageous Tender (MEAT). This must be assessed based on the criteria linked to the contract's subject matter and include the price or cost using a cost effectiveness approach. A cost effectiveness approach may include **life-cycle costing**.

You should work with the UIG to agree appropriate award criteria. This will be based upon:

- their knowledge of the goods or services to be procured and
- the critical aspects of the requirement as detailed in the specification.

The criteria identified should relate to the goods or services to be provided and not focus on the characteristics of the individual suppliers. Each award criterion should be clearly defined, so that there is a common understanding of what it means.

Good criteria will ensure that responses from suppliers clearly address the most critical aspects of the specification. They will allow the evaluation panel to make a fair and equal comparison of the bids received.

Contract Performance Requirements

Open or close

You can include special contract *performance* conditions as long as they are linked to the contract's subject matter.

Such conditions may cover economic, innovation-related, environmental, social or employment-related conditions. If specific performance conditions are to be used they must be included in the Prior Information Notice or the Contract Notice and in the Procurement Documents.

At Award Stage bidders may be requested to supply the names and professional qualifications of the staff involved in the performance of the contract.

A clearly documented process must be followed. This will ensure there are satisfactory responses from bidders and no procurement process inconsistencies. Any failure in this respect will leave the procurement open to audit scrutiny and legal challenge.

Addressing Fair Work Practices

Open or close

You must consider the relevance and proportionality of Fair Work practices for its inclusion in the award criteria.

Please refer to the **Fair Work First in Procurement guidance** to determine relevance and proportionality. Example Invitation to Tender questions can also be found in the guidance.

Further information to consider can be found in **Fair Work Practices**.

At the contract award stage you should ensure that the contract complies with the conditions, requirements and criteria set out in the Procurement Documents.

In addition, you may decide not to award a contract to the winning tenderer, if its bid does not comply with social, environmental and employment law.

Fair and Ethically Traded Goods

Award criteria can also relate to the supply or use of ethically or fairly traded products.

In all cases award criteria must be proportionate and should relate to the work, supply or service being procured, and not to the general capacities or qualities of the bidder. A general corporate social responsibility policy is unlikely to demonstrate suitability to deliver a contract. For further guidance please refer to the Sustainable Procurement Tools.

Equality Legislation

Equality legislation places duties on all public bodies. In exercising their functions they must have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other prohibited conduct
- advance equality of opportunity - between people who share a relevant protected characteristic and those who do not-
- foster good relations between people who share a protected characteristic and those who do not

You should ask bidders to self-certify that they comply with all relevant equality legislation.

Where evidence is provided of equality legislation breaches, you must consider any remedial action the bidder has taken to address these.

For organisations working outside the UK, equality questions relate to the equivalent legislation in the country where the bidder is located / breach occurred.

Effective contract management and monitoring should be undertaken to ensure that the equality assessment continues to be applied throughout the contract duration.

Minimum Standards

Open or close

Where you have determined that minimum standards are applicable (either within selection or award criteria) they must relate to and be proportionate to the subject

matter of the requirement. This must be clearly detailed in the appropriate documentation.

When you wish to apply minimum standards to limit the number of potential suppliers to be invited to tender, minimum standards or objective criteria must be specified or referred to in the Contract Notice. This must be detailed in the procurement documentation to allow the rejection of potential suppliers.

Similarly if a pass mark can only be obtained by a response that meets the minimum requirement, this must be clearly stated within the scoring guidance provided to suppliers.

Variants

Open or close

You may consider variants as long as:

- it has been specified in the Contract Notice and the Procurement Documents.
- All variants meet the specified minimum requirements
- You specify how variants will be evaluated. All variant bids should be evaluated using the same criteria as the standard bids and compared on a like-for-like basis.

Variants cannot be considered unless the above are met. You should consider whether to allow bidders to propose different TUPE scenarios within their bids. If so, it should provide clear directions to tenderers to ensure that bids can be compared on a like-for-like basis.

Scoring Methodologies

You should ensure that a robust scoring methodology is developed.

The technical scoring criteria used by an Organisation can be general or amended to be specific to certain criteria. Whichever approach is adopted, the scoring methodology must have been communicated in the procurement documents as part of the tender process and should enable the evaluation panel, following individual bid evaluation, to score responses based on the relative advantages and disadvantages of the bid.

If PCS-Tender is being used, you should input the criteria weightings into PCS-Tender.

Please note: all sections should add up to 100 and all questions within each section should also add up to 100.

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Example Scoring Methodologies

An example of a scoring methodology that should be used in PCS-Tender is shown below:

0	**Unacceptable**	Nil or inadequate response. Fails to demonstrate an ability to meet the requirement.
25	**Poor**	Response is partially relevant and poor. The response addresses some elements of the requirement but contains insufficient/limited detail or explanation to demonstrate how the requirement will be fulfilled.
50	**Acceptable**	Response is relevant and acceptable. The response addresses a broad understanding of the requirement but may lack details on how the requirement will be fulfilled in certain areas.
75	**Good**	Response is relevant and good. The response is sufficiently detailed to demonstrate a good understanding and provides details on how the requirements will be fulfilled.
100	**Excellent**	Response is completely relevant and excellent overall. The response is comprehensive, unambiguous and demonstrates a thorough understanding of the requirement and provides details of how the requirement will be met in full.

If you are not using PCS-Tender, below is an example scoring methodology which should be used in conjunction with the Evaluation Matrix. This can be tailored to suit the specific requirements of your procurement exercise:

0	**Unacceptable**	Nil or inadequate response. Fails to demonstrate an ability to meet the requirement.
1	**Poor**	Response is partially relevant and poor. The response addresses some elements of the requirement but contains insufficient/limited detail or explanation to demonstrate how the requirement will be fulfilled.
2	**Acceptable**	Response is relevant and acceptable. The response addresses a broad understanding of the requirement but may lack details on how the requirement will be fulfilled in certain areas.
3	**Good**	Response is relevant and good. The response is sufficiently detailed to demonstrate a good understanding and provides details on how the requirements will be fulfilled.
4	**Excellent**	Response is completely relevant and excellent overall. The response is comprehensive, unambiguous and demonstrates a thorough understanding of the requirement and provides details of how the requirement will be met in full.

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Price/Quality Ratios

The table below provides some suggested criteria and ratios depending on the nature of the commodity/service being procured:

Commodity Type	Description	Suggested Price/Quality Ratio
Routine	• Low Value/High Volume • Many Existing Alternatives	80:20

Leverage	• High spend area • Many Sources of Supply • Commercial involvement can influence price	60:40
Strategic	• Strategic to Operations • Few Sources of Supply • Large Spend Area • Specification may be complex	60:40, 50:50, 40:60
Bottleneck	• Few Sources of Supply and alternatives available • Complex specifications • If supply fails, impact on organisation could be significant	40:60, 10:90

Publication of Criteria

Open or close

To meet procurement policy and transparency obligations, organisations must publish details of their evaluation criteria to be used to either:

- select the suppliers to be invited to bid for the contract or
- to identify the supplier to whom the contract will be awarded.

It is best practice that your evaluation criteria and respective weightings (for both selection and award stages) are agreed by the UIG before the Contract Notice is published and any documentation issued.

The evaluation criteria will comprise of:

- the selection or award criteria (depending upon the stage of the competition)
- sub-criteria, weightings
- minimum standards
- pass marks (if any) etc.

If there is any doubt as to the level of detail that must be disclosed/published, you should seek specialist professional procurement or legal advice and guidance.

The agreed and advertised award criteria and weightings **must not** be changed once they have been notified to the tenderers.

Care and Support Services

Open or close

Additional Care and Support Services guidance on award criteria can be found in **Care and Support Services**.

For Care and Support Services, it is best practice for an organisation to also take account of some other issues when procuring these services including:

- the quality of the service;
- the continuity of the service;
- the affordability of the service;
- the availability and comprehensiveness of the service;
- the accessibility of the service;
- the needs of different types of service users;
- the involvement of service users; and
- innovation.

This is not an exhaustive list and there may be other considerations that an organisation may also take account of and which are relevant on a case-by-case basis.

As with all aspects of the procurement process such decisions and actions about your Award Criteria must be made in line with:

- your own organisation’s governance procedures.
- any stated intentions that were advertised in the relevant Procurement Documents.

All award criteria must be relevant and proportionate to the subject matter of the contract.

Statutory Guidance has been published on Selection of Tenderers and Award of Contracts**.**
