Selection Criteria

Selection criteria are the minimum requirements or standards that bidders must meet in order to progress further in the procurement exercise. Bidders that cannot demonstrate that they meet this baseline must be excluded from the competition. This applies to both single stage and multi-stage procurement exercises.

The selection criteria used must be relevant and proportionate to the procurement exercise being carried out. It’s important not to place a burden on bidders by setting criteria that are unnecessary or excessive compared to the value and risk of the contract.

It's important to understand that when setting selection criteria it is very different from award criteria. For example, you must avoid asking open questions of the bidder - in this case you would be making a statement about what is required and looking for bidder confirmation that they can meet this.

What Can be Used as Selection Criteria?

Buyers must only set selection criteria that are both relevant and proportionate to the contract. **The Public Contracts (Scotland) Regulations 2015** sets out a list of things that can be taken into account during the selection process.

These fall into three broad categories:

- Suitability to pursue a professional activity;
- Economic and financial standing;
- Technical and professional ability.

It is highly unlikely that you’ll ever need to use all of the available selection criteria in a single procurement exercise. You must make sure you only use criteria that are relevant to the contract.

What is the Difference Between Selection and Award Criteria?

Open or close

Selection criteria are focused on "the bidder" and award criteria are focused on "the bid”.

Selection criteria assess things like the bidders economic standing or technical qualifications whereas award criteria are concerned with how they will deliver the contract.

You should maintain a clear distinction between both throughout the procurement process and you should note that you cannot use the same criteria at both selection and award stage.

What Types of Selection Criteria Can I Use?

Further information on the various elements of selection criteria can be found below. It's extremely unlikely that all of the available selection criteria will be required in any given procurement exercise. Buyers must only include those relevant to their needs.

Suitability to Pursue Professional Activity

Open or close

In order to check the bidder's capability of delivering the contract, you may require bidders to be enrolled in certain professional or trade registers. For example, if the contract relates to the installation of gas boilers, the buyer may specify that the bidders need to be on the Gas Safe Register. You may also require bidders to prove they hold certain authorisation or memberships. You should state these requirements upfront either in the **Contract Notice** or the PCS SPD module.

Economic and Financial Standing

Open or close

You should assess the financial standing of bidders to ensure that they are financially stable enough to carry out the contract. In order to assess this you may ask for information such as financial ratios or turnover information from the bidders.

In all cases, care should be taken not to set minimum standards that are too high and/or which might exclude capable suppliers, especially SMEs and newly formed companies.

For lower-risk procurement exercises (for example: where there are numerous suppliers capable of carrying out the contract; no time constraints; payment is only to be made after the work completed) you should consider whether it is necessary to set any selection criteria relating to economic and financial standing

Turnover

The Procurement (Scotland) Regulations 2015 state that you must not ask bidders to have a minimum turnover which exceeds twice the estimated contract value. This helps to remove obstacles to SME involvement in public procurement.

However, you can ask in certain duly justified circumstances for a higher turnover such as high-risk contracts or where the timely and correct performance of the contract is crucial.

Accounts

You may require bidders to provide annual account information. For example showing the ratio between assets and liabilities. The PCS SPD module includes a list of commonly used financial ratios for you to pick from.

You can only exclude bidders on the basis of ratios identified in the Contract Notice so you should ensure that they are accurate and relevant.

You should also consider that not all bidders have an audited set of accounts. As a result you must determine, on a case by case basis, what is essential information. This should be specified in the contract notice.

Insurance Levels

It might be appropriate for bidders to have an appropriate level of insurance in place to carry out the contract. This must be relevant and proportionate to the value of the contract and the level of risk.

The bidder is not required to have the relevant insurance in place at the time of bidding. They only need to confirm that they would be willing to obtain the required insurance level(s) if successful in winning the contract. You must check that any such commitment has been put in place at the **Contract Award** stage.

You should consider what is required on a case-by-case basis. You must specify what insurance level(s) are required in the contract notice or in the PCS SPD module.

Note - it is a legal requirement that all companies (excluding sole traders) hold Employer's (Compulsory) Liability Insurance of £5M as a minimum

Technical and Professional Ability

Open or close

To assess the bidders capability you can ask them to provide relevant examples of previous work to demonstrate that they have sufficient experience to deliver the contract. For goods and services, the examples provided by bidders must only be from the previous three years. The examples requested should be relevant and proportionate to the procurement exercise.

You should be careful when creating the technical and professional ability minimum requirements to not exclude bidders who can demonstrate they have the capacity and capability to deliver the contract, but may not have delivered exactly the same goods or services previously. This will ensure opportunities are provided to bidders to access new markets or provide innovative solutions, no matter their size or status.

Remember that bidders do not need to submit examples from their existing organisation to meet the selection criteria. They can submit relevant examples which they worked on in previous employment to demonstrate their previous experience. This is particularly helpful to new businesses.

It is also acceptable for bidders to rely on other parties for certain parts of the selection criteria, for example, they may rely on a sub-contractor for experience in a certain area.

Qualifications

Depending on the requirement, it can be more appropriate to evaluate qualifications as part of the award criteria.

If you do decide to evaluate qualifications as part of the selection stage, you should ensure the required qualifications are set upfront and clearly stated in the Contract Notice (or PCS SPD module).

Use of References

Buyers may request references from bidders in order to review previous experience. If the bidder is unable to provide the reference required, it may provide other evidence which you consider appropriate.

Quality Management Procedures

Open or close

Depending on the nature of the contract, you may require the bidder to confirm they comply with certain quality management standards or hold specific certificates.

You should ensure that any minimum standards are proportionate to the contract and are not set too high.

For example, if you require BS EN ISO 9001 you should accept any accredited independent third party certificate of compliance in accordance with the relevant requirements. You should also accept other examples of equivalent measures provided by the bidder which proves the proposed measures comply with the required standards e.g. documented quality management policies and procedures.

Health and Safety Legislation

The degree to which health and safety requirements are required will vary according to the procurement exercise. Any measure you take must be relevant, proportionate (not set too high), and be stated in the Contract Notice. You must not select any bidders if they do not meet the stated health and safety legislation minimum requirements.

You should put in place on going monitoring procedures throughout the duration of the contracts to ensure compliance with health and safety requirements. Within the SPD, this should be specified as part of the quality management section.

Further help in setting these standards can be found in the **Standardised Statements**.

Environmental Management Legislation

Open or close

Depending on the nature of the contract, you may require the bidder to confirm that they comply with certain environmental management legislation.

You should ensure that any minimum standards are proportionate to the contract and are not overly onerous.

For example if you require BS EN ISO 14001 you should accept any accredited independent third party certificate of compliance in accordance with the relevant requirements. You should also accept other examples of equivalent measures provided by the bidder which proves the proposed measures comply with the required standards e.g. documented environmental management policies and procedures.

Further help in setting these standards can be found in the **Standardised Statements.**

Can I Score and Weight the Selection Criteria?

For single stage procurement exercises, it is recommended that selection criteria are assessed on a pass/fail basis. Here the bidder either meets or does not meet the required minimum standard. You must make it clear to bidders in the procurement documents that this is the case.

The rest of the bid can then be scored.

For multi-stage procurement exercises, some selection criteria can be assessed using a combination of pass/fail, and scoring and weighting. This approach can be useful when buyers wish to shortlist those who pass all of the pass/fail criteria with the highest scores. This approach must also be described clearly to bidders in the Contract Notice.

It is recommended that in this instance it is only the technical and professional ability section that is scored and weighted with all other sections being pass/fail.

An example of scoring methodology is provided below:

Score	Description
0 - Unacceptable	Nil or inadequate response. Fails to demonstrate previous experience/capacity/capability relevant to this criterion.
1 - Poor	Response is partially relevant but generally poor. The response shows so elements of relevance to the criterion but contains insufficient/limited deta explanation to demonstrate previous relevant experience/ capacity/capabi

2 - Acceptable	Response is relevant and acceptable. The response demonstrates broad previous experience, knowledge and skills/capacity/capability but may lac some aspects of similarity e.g. previous experience, knowledge or skills m not be of a similar nature.
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 cli
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 service similar clients.

Further information and an evaluation matrix to help you evaluate bid can be found in the Evaluation Matrix section.

Can I Add Selection Criteria to the SPD?

The SPD contains generic questions on selection criteria and you can add specific criteria to the contract notice. Further information on how to use the SPD can be found in the **SPD section.**

Publication of Scoring Criteria

Open or close

Organisations must publish details of the evaluation criteria to be used to either:

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

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

The evaluation criteria will comprise of (depending upon the stage of the competition):

- The selection or award criteria;
- 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 selection and award criteria and weightings **must not** be changed once they have been notified to the tenderers.

Evaluation criteria should be published under II.2.9 (Information about the limits on the number of candidates to be invited) of the Contract Notice or II.2.14 (Additional Information) of the Social and other Specific Services Contract Notice (if you decide to advertise your C&SS requirements) This allows bidders to see how their responses will be evaluated.

If the online PCS SPD Module is used, the scoring methodology needs to be detailed in the module. This does not need to be included in the Contract Notice.

If you are unable to publish these criteria in the Contract Notice or within the SPD Module, as an absolute minimum, you must state them in the Procurement Documents.

Prompt Payment

Open or close

You must consider if bidders may use a supply chain to deliver the requirements, and if so, the Single Procurement Document (SPD) question 4C.4 and its standardised statement should be included in your selection criteria.

Adding this will require bidders to provide evidence of:

- their standard payment terms;
- their payment performance in line with those terms; and
- an improvement plan, if necessary, detailing timely remedies to achieve good payment performance.

For examples of payment performance evidence and improvement plan guidance please reference the prompt payment page.

Fair Work Practices

Open or close

Selection criteria applied to individual procurement processes must be relevant and proportionate to the subject matter of the contract.

It is possible that selection criteria may address social issues by applying relevant criteria in respect of the technical and professional ability of those involved in the performance of the contract. For example, where high volumes of workers are involved, a public body may ask for evidence of capacity and capability to recruit and retain staff in a fair way or ask for evidence of staff development practices.

It may be more appropriate to include Fair Work practices in the award criteria. This will encourage bidders to explain how existing or new Fair Work practices will positively impact on the way the contract is performed.

The **Fair Work First in Procurement guidance** will help you consider how to structure and adapt a Fair Work practices criterion to the needs of the contract.

Care and Support Services

Open or close

You may choose to use the SPD for selection without amending the questions, and it is a matter of best practice to do so.

The evaluation criteria should be published under II.2.14 (Additional Information) of the Social and other Specific Services Contract Notice (if you decide to advertise your C&SS requirements) to allow bidders to clearly see how their responses will be evaluated.

Limiting the Number of Tenders/Shortlisting

Open or close

For the Restricted Procedure, the Competitive Procedure with Negotiation, Competitive Dialogue Procedure and Innovation Partnerships you may limit the number of candidates invited to participate at the tender stage, or to engage in dialogue with. This can only be done if the Contract Notice and relevant Procurement Documents specify:

- your intent to limit the number of bidders and the minimum number and (if applicable) the maximum number of bidders you intend to invite to the tender stage; and
- the objective and non-discriminatory criteria or rules to be used.

The Organisation should invite a sufficient number of bidders to generate competition. In limiting the number of bidders who will proceed through to the tender stage, the minimum number of qualified bidders should be as follows:

- Restricted Procedure – where an above **threshold** advert is required, the minimum number of bidders should be five. In other cases three or four may be regarded as sufficient;
- Competitive Procedure with Negotiation, Competitive Dialogue Procedure and Innovation Partnership procedure – the minimum number of bidders should be three.

These must be bidders who requested to participate and meet the minimum requirements set out in the Selection Criteria. However, where the number of bidders who meet the selection criteria is less than the minimum number listed above, the Organisation may continue the procedure with the lesser number or discontinue the procedure.

PINs

Open or close

Where an above **threshold** advertisement is required (this will be for all procedures other than negotiated procedure without prior publication), Contract Notices should be used to advertise all procurement procedures.

The PIN is published before the start of the procurement process. The PIN allows potential bidders to prepare themselves to bid in time for the contract's announcement. It can also be used by any buying organisation to reduce procurement timescales (if certain criteria can be met).

It is best practice that evaluation criteria for both selection and award stages are agreed, along with respective weightings, 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 selection and award criteria and weightings **must not** be changed once they have been notified to the tenderers.

Sub-Central Organisations must not use a PIN as a call for competition.

Any documents you need are listed below

CSS Selection Criteria Guidance

(file type: docx)