St. Michael's House

Procurement Policy

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Person Centred • Professional • Honest • Ethical • High Standards of Governance • Innovative
All Policies and Procedures are in line with *St. Michael's House* ***Values***

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Versions of Policy

Version	Date	Amendments	Written By / Reviewed by
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1 Procurement Definition

Procurement is defined as the acquisition, whether under formal contract or otherwise, of works, supplies and services. It ranges from the purchase of routine supplies or services to formal tendering and placing contracts for large projects.

Public procurement refers to the process by which publicly funded bodies purchase supplies, services or works from suppliers selected for this purpose.

Under the various regulations and guidelines issued by the Irish Government and the EU, St. Michael's House (SMH) is obliged to operate within Government and EU Public Contract

Guidelines (including EU Procurement Directive 2014/24/EC and EU Remedies Directive 2007/66/EC) when it comes to the award of its supplies, services and works contracts.

It is a basic principle of public procurement that a competitive process should be used unless there are justifiably exceptional circumstances for not doing so. This will help ensure that SMH achieves value for money on all its services and works procurements. In addition, it will help to avoid breaches of procurement rules and demonstrate that SMH carries out its procurement in an open and transparent manner. The type of competitive process can vary depending on the size and type of the purchase/contract.

The Policy applies to all employees as well as contractors or consultants working for and/or on behalf of SMH.

All employees, engaged in procurement activity, are expected to familiarise themselves with relevant legislation, circulars and guidelines in respect of Public Procurement, which are available from the links below:

www.etenders.gov.ie
https://www.hse.ie/eng/about/who/finance/nationalfinance/procurement/
gov.ie - Office of Government Procurement (www.gov.ie)
www.constructionprocurement.gov.ie

This is a live document and subject to change where changes to national policy are made or evolving European and domestic case law, European Commission communications and amendments to EU and Irish legislation.

1.1 Abbreviations:

Most commonly used abbreviations referenced within Public Procurement, including but not limited to:

- SMH – St. Michael's House
- OGP – Office of Government Procurement
- HBS Procurement - Health Business Service Procurement
- HBS PASS – Health Business Service Procurement Assisted Souring System
- RFT – Request for Tenders
- RFQ – Request for Quotations
- ITT – Invitation to Tender
- PQQ – Pre-Qualification Questionnaire
- EOI – Expression of Interest
- SRFT – Supplementary Request for Tenders (related to Frameworks)

- Mini Tender – A mini tender process can only be run under an already established Framework, it is the same as an SRFT (above).
- MEAT – Most Economically Advantage Tender
- OJEU – Official Journal of the European Union
- EMT – Executive Management Team (Director of Service)

2. Objectives

The objective of this document is to ensure that transparency and fairness is applied by all SMH staff in their tendering procedures at all times, in addition to ensuring that best value for money is obtained.

This document is intended as a guide for St.Michael's House (SMH) staff involved in the procurement of supplies, services and works to ensure public funds are spent in the right way. The advantages of Procurement being carried out correctly can be summarised as follows:

- Emphasis put on value for money
- Adherence to governance and compliance to directives
- Associated risks of the purchase are taken into account and managed / mitigated
- Optimum whole life cost and sustainability are factored into the process
- Fit for purpose specification ensures needs are met
- Relationships with high performing suppliers are built and managed
- Accountable
- Fair and transparent, operating to the highest ethical standards and conducted with probity and integrity.

Procurement within the SMH must be carried out in compliance with the relevant European Union Procurement Directives, National Procurement Regulations, Office of Government Procurement and Health Service Executive requirement and obligations and Government Circulars including:

- EU Public Procurement Directives (principally EU Directives 2014/24)
- Irish Procurement Regulations (S.I. No. 284 of 2016)
- OGP Public Procurement Guidelines for Goods and Services, Version 2: January 2019 Click Here
- National Public Procurement Policy Framework 2019 Click Here
- Circular 05/2023: Initiatives to assist SMEs in Public Procurement, Department of Public Expenditure NDP Delivery and Reform Click Here
- Department of Public Expenditure and Reform Circular 06/12: Public Procurement (Framework Agreements) Click Here

- Circular 40/02 Public Procurement Guidelines – revision of existing procedures for approval of certain contracts in the Central Government sector Click Here
- Circular 02/16 Arrangements for Digital and ICT-related Expenditure Click Here
- Circular 20/19 Promoting the use of Environmental and Social Considerations in Public Procurement Click Here
- HSE Procurement Guidelines
- OGP Green Public Procurement **Click Here**

This Policy must be read in conjunction with the above. This policy must be seen in the context of the above-listed documents, and should be read in conjunction with the Procurement Procedure (Works, Supplies & Services) outlined below in the document.

Breaches of public procurement rules can result in **significant financial penalties and reputational damage and must be avoided**. Conducting procurement in compliance with this policy and the Directives, Regulations, rules and guidelines set out above will mitigate these risks.

Procurement is subject to audit and scrutiny by the Office of the Comptroller General and the Chief Executive Officer is publicly accountable for expenditure incurred.

SMH will develop procedures to promote best practice and consistency of application of the public procurement rules in relation to the purchase of supplies and services.

3. Ethics Statement

It is the policy of the St. Michael's House to maintain its high reputation for ethical behaviour and fair dealing in the context of its business.

All SMH employees involved in any way in procurement activity shall act ethically in the course of the role that they hold and in particular have regard to:

a) Conflicts of Interest
b) Hospitality
c) Inducements

All personnel who are involved in procurement activities must ensure that:

i. they do not solicit gifts, hospitality or other benefits or transfers of economic value from a person, group, or organisation for personal benefit.
ii. they avoid or withdraw from activities or situations, including procurement actions, that could place the employee in real, potential, or apparent conflict of interest with his or her official duties due to ownership of assets, liabilities, family relationships or other such circumstance; and

iii. they must declare any relationship that they or family members have with current or potential suppliers which could result in either a conflict or a perception of a conflict of interest.

In particular, personnel who are required to participate in the evaluation of tenders (evaluation teams) will be required to sign a declaration that none of the above circumstances apply prior to commencement of the tender process.

The National Public Procurement Policy Unit (now the OGP)/Government Contract Committee have issued information in June 2005 in relation Ethics in Public Procurement Click Here

4. General Data Protection Regulation

The General Data Protection Regulation (GDPR) came into force on the 25th of May 2018. Staff must ensure compliance with GDPR in respect of all procurement activity and ensure that all data provided is treated as confidential.

5. Sustainable Procurement Policy

SMH is committed to making a measurable contribution to the national policy objectives of reducing greenhouse gas emissions and improving energy efficiency having regard to:

- the Climate Action and Low Carbon Development (Amendment)Bill 2020 adopted in March 2020

Through the adoption of the measures below, SMH will seek to leverage its purchasing power to drive Ireland's transition to a low-carbon economy by encouraging suppliers and rewarding those with an economic sustainable approach to business by:

1. Complying with prevailing Government and EU rules and guidelines on Green Procurement (GPP)
2. Applying green and sustainable selection criteria where appropriate to ensure selection of suppliers who comply with relevant and applicable environmental and social legislation.
3. Adopting award Criteria, where practicable, to include an element that is responsive to companies and products that have a reduced impact on the environment.
4. Use life cycle costing methods in considering costs that can include energy efficiency, operational costs, maintenance costs, disposal, and final removal costs.
5. Consider "sustainability" in the design of buildings, vehicles and plant & equipment.
6. Inclusion of sustainability considerations in the development of requirements specifications.

7. Require suppliers to hold certifiable standards in environmental and energy management where appropriate.
8. Use appropriate, internationally recognized product and service GPP standards
9. Require suppliers to identify the carbon impact of their business and how they are taking action to decarbonise.
10. Require suppliers to identify how they will comply with the principle of the Circular Economy.
11. Require suppliers to confirm sustainable sourcing of raw materials and sustainable employment practices where appropriate
12. Require suppliers to provide data in a standardized agreed format in order to integrate and automate where possible sustainability datasets and systems.

For more information, please access the OGP Green Public Procurement policy:

Click here

Click here

Click here

Click here

6. Procurement Responsibilities

The board members of St. Michael's House are ultimately responsible for ensuring that effective internal Codes of Governance are in place[1], to ensure compliance with the above laws, regulations and guidelines. The Chief Executive Officer (CEO) is responsible for ensuring that all stakeholders are fully aware of the organisation's procurement policy and procedure, as well as for their appropriate implementation. The relevant Directors are responsible for maintaining these systems within their respective service areas.

Procurement Compliance, it is the responsibility of each of the EMT Member which can be delegated(as appropriate) to their staff incurring and approving expenditure, to satisfy themselves that the supplies, services or works in question are being and/or have been acquired in accordance with the terms of this policy.

Director of Service/s, Admin Manager, Service Managers and Head of Departments (EMT Members) as budget holders, are responsible for their overall budget expenditure in isolation (to include aggregated category expenditure within their service area). The responsibility for aggregated category expenditure across the Service, exceeding quotation limits into tender territory will rest with the assigned Category Owner i.e., relevant Director or committee, see ***Appendix C - Category Owner(s).***

[1] HSE Compliance Statement 2015, Part 2 (page 17), as amended.

Finance Departments will support compliance with this policy by monitoring expenditure of their relevant regions, querying compliance status of expenditure with budget holders and notifying Procurement Dept. of any non-compliance, while also promoting the need for Procurement compliance for any new expenditure identified within annual budgets.

Director of Services shall identify all staff members authorised to source suppliers and to contract/place purchase orders and ensure:

1. That each authorised officer is registered on www.hbspass.ie which has details on all contracts awarded by the HSE and the Office of Government Procurement (OGP) and on approved suppliers.
2. That they use SMH Intranet /Downloads/ Procurement contracts as their primary source and **www.hbspass.ie** as their secondary source for identifying sources of supply of products and services.
3. Any contract to be entered into will be approved by the Procurement Manager.

It is the responsibility of all to implement this policy, supporting procedures and guidelines. Failure to implement and comply with this policy may be considered a disciplinary matter.

7. Role of SMH'S Procurement Manager:

The role and objective of the Procurement Manager is to drive compliance in accordance with this policy throughout the organisation by:

- Setting up SMH's Procurement structure, culture and supporting systems for the Service as outlined in this Policy.
- Support and monitoring of SMH Procurement structure and culture in its implementation and operation.
- The development and implementation of SMH's Corporate Procurement Plan (CPP)
- To Provide training and support to SMH categories owners on:
    - Public procurement rules and obligations
    - Use of the www.HBSPASS.ie system and the OGP website www.OGP.gov.ie allowing local category owners to identify relevant Centralised Contracts and Frameworks
- To Ensure National and EU Tender processes comply fully with statutory and EU regulations and directives.
- To provide support, advice and training to all stakeholders withing SMH who will be procuring goods and/or services, as and when required.
- To run tender processes & mini tenders under OGP Frameworks above the EU Threshold.

- Highlight any non-compliances with this policy.
- Audit internal/local procurement processes and report to Audit and Finance Committee
- Review, and where possible, streamline existing procurement practices.
- Identify opportunities for social or green procurement
- Promote open and effective competition.
- Input into SMH in-house tender processes being published on eTenders.
- Publish all SMH tenders on the eTenders website.
- Maintain contract and tender registers.

8. Board Audit & Risk Committee

The role of the Board Audit & Risk Committee is to monitor all expenditure and major contracts and to ensure the efficiency of the processes involved. SMH will report on the following to the Board Audit & Risk Committee:

iv. Procurement Policy
v. Annual Corporate Procurement Plan
vi. Annual report outlining all procurement contracts awarded without a competitive process in excess of €25,000.00 (exclusive of VAT), in accordance with Department of Finance Circular 40/2002: Public Procurement Guidelines – revision of existing procedures for approval of certain contracts in the Central Government sector.

9. St. Michael's House Procurement Model:

SMH will operate a hybrid procurement model incorporating both centralised and decentralised procurement to achieve procurement objectives.

1. Expenditure < €50,000 Excl. VAT relating to goods and services, and <€200,000 Excl. VAT relating to works will be procured locally in accordance with this policy. Local service areas are required to proactively use the HBS PASS system and OGP (Buyerzone) as the primary sourcing model. An in-house quotation or tender process should only be initiated once it has been confirmed that no central contract or framework is available for use.

2. The Procurement Manager will review ongoing contracts and expenditure >€50,000 Excl. VAT relating to goods and services, and >€200,000 Excl. VAT relating to works, to ascertain if there is a suitable HSE or OGP contract in

place to join, which will bring about compliance and/or value for money. In the event that there is no central contract in place, or the relevant central contract is deemed not suitable, SMH will be required to run an in-house procurement process in line with this policy.

3. Where SMH is required to run an in house tender processes or "supplementary request for tenders" (SRFT) to drawdown from an OGP Framework, an internal collaborative approach will be taken, with the relevant Category Owner(s) Department(s) taking the lead on the tender in question supported by the Procurement Manager.

Tender specifications can only be drafted by those who know the specific detailed requirements of the good(s), service(s) or works required, therefore those requiring the good(s) or service(s) will be required to draft the detailed technical specification of requirements in generic terms.

9.1 Tender Register Procedure

A central tender register will be kept by the Procurement Manager, and all tender projects must be registered to receive an internal reference identifier, prior to publishing of the tender.

To register a tender process, the Procurement Manager should be emailed and provided with the following details: a Tender ID will be issued in return;

1 Tender/Project Name
2 Contract Description
3 Estimated Contract Value ex VAT
4 Contract Term, including any possible extensions
5 Service Area / Region
6 Tender Lead
7 Contract Owner

Upon completion of the tender process, the Procurement Department will require the following data to recorded in the tender register:

8 Contract Awarded – Yes / No
9 Contracted Company
10 Total Contract Value

10. Public Procurement Environment

10.1 Key principles of Public Procurement:

Procurement processes must ensure the key principles of equal treatment, mutual recognition, proportionality, transparency and accountability are applied in the awarding of contracts.

i. Procurement transactions and decisions must in all respects be non-discriminatory, fair, equitable and ensure value for money.
ii. SMH must be able to justify decisions made and actions taken.
iii. Generally, a competitive process must be carried out in an open and transparent manner and deliver best value for money while ensuring compliance.

10.2 The Office of Government Procurement (OGP):

The Office of Government Procurement was officially launched in July 2013 and operates as an office of the Department of Public Expenditure and Reform. The Office of Government Procurement is responsible for procurement policy and procedures and, together with four key Sectors (Health, Defence, Education and Local Government) for sourcing all goods and services on behalf of the public service.

The OGP has assumed responsibility for putting contracts and framework agreements in place in the areas of; Professional Services, Facilities Management and Maintenance, IT and Office Equipment, Utilities, Marketing Print and Stationery, Fleet and Plant, Travel Transport and HR Services and Laboratory Diagnostic and Equipment. It is anticipated that all public bodies will look to buy from agreed contractors for all their goods and services.

OGP frameworks are fully compliant with Public Procurement requirements, and in accordance with SMH's annual Service Level Arrangement with the HSE, it is the official policy of the SMH to avail of these contracts, where suitable.

There may be circumstances where for particular reasons the OGP framework is unsuitable or impractical. In this instance compliance with procurement obligations must be met by applying the appropriate in-house procedure in line with this policy.

All OGP contract and framework listings are available from www.ogp.gov.ie. A login is required for access. Logins are created from the OGP website, see Section 7.4 on how to register.

The OGP also provide a suite of best practice guidance notes, standard contracts and template tenders documents, which will be implemented by SMH.

10.3 Health Business Service Procurement (HBS Procurement):

Health Business Services is a division of the HSE and was established in February 2014 to provide high quality business services and solutions. HBS Procurement retained a sourcing and contracts function, whose function is to procure health specific products as distinct from general products procured by the OGP. The strategy of HBS Procurement is **One Voice Speaks for All** to the market on common goods and services, Therefore, in addition to the OGP, SMH will also avail of HBS framework and contracts, where suitable.

10.4 HBS PASS System:

This online portal system was launched in 2018 to provide Section 38's, outside the HSE network, access to HSE/OGP Contract and Framework information. As per our annual SLA with the HSE, HBS PASS is to be used as "our primary source for identifying products and services. All staff members authorized by EMT to source suppliers and place purchase orders must now register at www.hbspass.ie.

10.5 Capital Works Management Framework (CWMF):

The Capital Works Management Framework (CWMF) is a structure that has been developed to deliver the Government's objectives in relation to public sector construction procurement reform. It consists of a suite of best practice guidance, standard contracts and generic template documents that form the four pillars that support the Framework, as shown below.

The standard suite of contracts in the Capital Works Management Framework consists of eleven generic forms (Contract Conditions) that can be used in different situations. Before embarking on a public works project, the Contracting Authority/Employer needs to identify the contract type that is most suitable. It is at this stage, before significant design decisions are taken, that the type of contract should be selected. This will determine what client activities will take place in the planning stage.

It is for use by contracting authorities involved in the expenditure of public funds on construction projects and related consultancy services. A full suite of predefined tender and contract temple documentation is provided and available for download from https://constructionprocurement.gov.ie/capital-works-management-framework/

10.6 HSE Estates National Design Framework:

HSE Estates, National Design Team Services Framework 2019 consisting of 7 Lots, should be noted and explored for use as appropriate. Access to this Framework can be requested by emailing frameworks@hse.ie.

10.7 The Government Tender Portal Website (www.etenders.gov.ie)

The eTenders website is the central repository for all Irish public sector contracting authorities to advertise procurement opportunities and award notices. The website is designed for public sector contracting authorities to advertise their tender competitions.

The national tendering platform, eTenders, will be changing on 15 May 2023.

Users can log on and confirm their details to access the platform from 15 May onwards, and new competitions will be published on the platform from 22 May 2023 onwards, to allow time for suppliers to make sure that their information is up-to-date, and that they are registered for relevant alerts. More information will be provided by the OGP, **click here**.

10.8 Facilitating SME Participation in Public Procurement

SMH is committed to helping prospective suppliers to make accessible its procurement requirements. SMH is guided by Department of Public Expenditure & Reform Circular 5/ 2023 (Initiatives to assist SMEs in Public Procurement) in all of its procurement activities. This Circular is designed to further enable SMSs in competing for public contracts and replaces Department of Public Expenditure and Reform Circular 20/2014. This Circular should be read in conjunction with the Public Procurement Guidelines for Goods and Services and the Capital Works Management Framework as appropriate.

This Circular is primarily targeted at structuring tender opportunities for public contracts in a manner that facilitates increased participation by SMEs, whilst continuing to ensure that our purchasing is carried out in a manner that is legal, transparent, and secures optimal value for money, **click here.**

10.9 Social and Labour Provisions

All suppliers of supplies, services and works should comply with all applicable laws including but not limited to all obligations in the field of environmental, social and labour law that have been established by EU law, national law (including the European Convention on Human Rights Act), collective agreements and by international, environmental, social and labour law listed in the 2016 Regulations.

10.10 FOI Obligations

SMH is subject to Freedom of Information legislation and is required to provide the following details in relation to public procurement, under the Model Publication Scheme, published by the Department of Public Expenditure and Reform in July 2016, on the SMH corporate website:

- Procurement Policies
- A link to all current tender competitions on the eTenders website
- Public contracts awarded including contract type, contractor, value, award date, duration and brief description of contracts awarded over €50,000 for both ICT and other contracts.

11. SMH Procurement Procedures

As SMH is obliged to avail of SMH/HSE/OGP central contracts and framework agreements (**click here**), prior to initiating any internal process, SMH staff must satisfy themselves and document that no existing contract or framework agreement has been put in place for the specific supply or service required.
It is government policy that public bodies, where possible, should make use of all HSE and OGP framework agreements. Where public bodies/ SMH do not utilise these arrangements, they should be in a position to provide evidence of value for money and justification for not doing so, including staff's time to run an alternative procurement process.

Where an OGP Framework requires the running of a Mini or Supplementary Request for Tenders (SRFT), details on running said process will be particular to each Framework and will be detailed in each Framework User Guide, available from the OGP website. The procurement Manager can provide guidance if required.
Any contract to be entered into will be approved by the Procurement Manager.

11.1 House Support Monies (Residential Units)

Routine household purchases such as groceries, cleaning materials and stationery must be made using the house support allowance provided to the unit. Payment will be made via debit card(Soldo).

11.2 Standard items

Other routine purchases must be made in accordance with centralised arrangements as outlined in the table below. All info in relation to the OGP and HSE contracts can be found on SMH Intranet / Downloads / Procurement / **click here**

Examples of Standard Items

Item	Procedure
General stationery and office supplies	Central contract (OGP framework)
Utilities (gas and electricity)	Central contract (OGP framework)
Vehicle fuel refills	Central contract (OGP framework)
Electrical appliances	Central contract (OGP framework)
Cleaning materials	Central contract (HSE framework)
Disposable gloves, hand sanitizer. Etc.	PPE Department (HSE)
Taxi Services	Central contract (HSE)
ICT Consumables (tonners, Cartridges, Sundries)	Central contract (OGP)

11.3 Non – Standard Items

Non-routine purchases (non-standard items) should be sourced according to the procedure outlined in this document, which requires that competitive tenders/quotes are sought in all but exceptional circumstances.

Examples of Non-Standard Items

- One off /specialised medical equipment
- Furniture/furnishings
- One off maintenance, electrical and painting works
- I.T. and office equipment
- Security equipment outside the central contract
- Vehicles and vehicle repairs

The type of procurement procedure to be used will depend on the value and nature of the proposed contract and should be considered on a case-by-case basis. The value of the contract must not be artificially split in order to negate use of a procurement procedure. The Regulations expressly state that procurement may not be subdivided with the intention of excluding a contract from the scope of the Regulations. The value of the contract is based on the value over the full term of the proposed contract, (excluding VAT), including any form of available options and any renewal of the contract.

11.4 Authorised Limits & Administrative Requirements

The following requirements apply:

- All purchases must be approved in advance of ordering by the relevant personnel in accordance with the authorised limits outlined below.

- All bills/invoices must be checked for accuracy of billing amount, signed by the party responsible for placing the order and countersigned by the relevant approver(s).
- Patterns of usage and bill amounts to be monitored by the relevant approver(s) on a quarterly basis.

Responsibility of Managers who approve expenditure

1. The expenditure is appropriate to meet the need.
2. Proper procurement if applicable has taken place.
3. The expenditure is within the available budget.
4. The Financial Regulations have been complied with.
5. It is in needed to provide required goods/services.

SMH do not have a Purchase to Pay system, which will be a compulsory requirement by the HSE, by Q1 2024.
There are plans in place to implement SAP in SMH by Q1 - 2024.
Until then all Purchase Orders will be placed by email with the following details:

Date	PO Number	Supplier Name	Description of Purchase & Expenditure	Requester	Total Cost Ex VAT	Total Cost Inc. VAT

The following tables outlines the value and corresponding procedure which must be adhered to by the SMH

1.5 SMH and National Procurement Thresholds - Supplies and Services

Overall contract / purchase value ex VAT: for Goods and Services	Expenditure Authorised by:	Procedure:	Regulation(s):	Managed by:	Minimum Evaluation Team Size (Excl Procurement Manager)	Advertising Time limits
€0-€500	Debit Card or Invoice	1 quote (minimum)	HSE Guidelines	Local	1 person	There are no prescribed time limits for quotation processes. However, sufficient time must be permitted for preparation and submission of quotations to allow for genuine competition and SME's to participate in the quotation process. Requestors should consider the complexity of the contract/purchases when placing time limits on the receipt of quotations.
€501-€25,000	Director of Operations & Director of Finance & Director of Estates	3 written quotes (minimum)	HSE Guidelines	Local	2 person	
		Written quotations including a brief specification of requirements from **not less than three** reputable suppliers/service providers. Lowest Price or Most Economically Advantageous Tender (MEAT)	HSE Guidelines	Local	2 person	
€25,001-€50,000	Director of Operations & Director of Finance & Director of Estates	5 written quotes to include specification of requirements from not less than five reputable suppliers/services provides. (MEAT)	HSE Guidelines	Local	2 person	Contract award information for all procurement over €25,000 must be published on etenders or provided to the suppliers involved in the competition.
€50,001 - €215,000	Finance Committee[2] >€100,000) CEO (> €50,000excl VAT)	Formal Tender process. Must advertise on eTenders www.etenders.ie	National Guidelines	Relevant Category Owner, with input and support of Procurement Manager as agreed with responsible Director.	3 persons	21 days (minimum) electronically
€215,001[3] - and above	SMH Board	Formal Tender process. Must advertise on eTenders www.etenders.ie Above threshold – Must advertise in OJEU	EU Directives	Relevant Category Owner, with input and support of Procurement Manager as agreed with responsible Director.	3 persons	30 days (minimum) electronically

Notes:

A. Approval limits apply to all expenditure, including expenditure of monies generated from fundraising.

B. Approval is required at two stages, i.e. prior to commencement of the procurement process, and again prior to contract award.

C. Duplication of Expenditure Authorisation/Evaluation roles is not permitted.

[2] expenditure above €100,000 to be notified to Finance Committee/SMH Board as appropriate.

[3] Official Journal of the European Union (OJEU) threshold for Supplies and Services (2018-2019): €215,000. OJEU threshold for Works: €5,382,000.

11.6 SMH and National Procurement Thresholds – Works and (Works related Services)

Overall contract/ purchase value ex VAT:	Expenditure Authorised by:	Procedure:	Regulation(s):	Managed by:	Minimum Evaluation Team Size (Excl Procurement Manager)	Advertising Time limits
€0- €500	Technical Services / Maintenance / Housing / Administration Manager	Debit Card	National Guidelines	Local	1 person	There are no prescribed time limits for quotation processes. However, sufficient time must be permitted for preparation and submission of quotations to allow for genuine competition and SME's to participate in the quotation process. Requestors should consider the complexity of the contract/purchases when placing time limits on the receipt of quotations.
€501 - €5,000	**Director of Estates** **Residential-** Director of Estates **Non-Residential** Director of Finance & Director of Estates & Director of Operations To meet fortnightly and review / approve capital Expenditure submissions	Seek a minimum of 1 written Quote from one or more interested and competent contractors (Best Practice – Seek a minimum of 3 written quotes)	National Guidelines	Local	1 person	
€5,001 - €50,000	Director of Finance & Director of Estates & Director of Operations To meet fortnightly and review / approve capital Expenditure submissions	Direct Invitation* Seek a minimum of 5 written Tenders/Quotations from interested and competent contractors/consultants.	National Guidelines	Category Owner	2 person	
€50,001* - €100,000	As per above, plus CEO approval required.	Direct Invitation* Seek a minimum of 5 written Tenders/Quotations from interested and competent contractors	National Guidelines	Category Owner	2 persons	Contract award information for all procurement between €50,000 - €200,000 must be published on etenders or provided to the suppliers involved in the competition.
€100,001 - €200,000*	As per above, plus approval from the Finance Committee[4]	Direct Invitation* Seek a minimum of 5 written Tenders/Quotations	National Guidelines	Category Owner	2 persons	

Notes:

A. Approval limits apply to all expenditure, including expenditure of monies generated from **fundraising.**

B. Approval is required at two stages, i.e. prior to commencement of the procurement process, and again prior to contract award.

C. Duplication of Expenditure Authorisation/Evaluation roles is not permitted.

D. The party managing the procurement process (Local/Procurement) will be responsible for all record-keeping. For audit purposes, records should be kept for a period of at least six years.(suggestion: more than three years)

E. *Works-related Services - €215,000 (applies to Local and Regional Authorities and public bodies outside the Utilities sector) (from 01/01/2022).Contracts for works – related services with an estimated value equal or greater than€50,000 (excl of VAT) should be advertised as part of a formal tendering process on eTenders

F. In relation to works projects below €200,000 (excluding VAT), while there is no requirement to advertise on eTenders or elsewhere, the principle of transparency and non-discrimination still needs to be satisfied. So the Contracting Authority should give serious consideration to publishing the Contract Notice for such projects on the eTenders website, bearing in mind that the response might be disproportionate with regard to the value of the project. Where a Contracting Authority does not advertise for projects below €200,000 and has satisfied the principles in some other way, five firms should be invited to tender with the expectation that five tenders will be submitted. If fewer than five firms submit tenders, the Contracting Authority may only proceed with the award if it considers that there has been genuine competition and that the tender selected represents value for money (**https://constructionprocurement.gov.ie/capital-works-management-framework/**) **Circular 05/2023** Click here

		from interested and competent contractors				
€200,001 - €5,382,000	As per above, plus approval from the Finance Committee[5] and then SMH Board (approval)	Formal advertised Must Advertise on eTenders – **www.etenders.gov.ie** – Open or Restricted Procedure	National Guidelines	Relevant Category Owner, with input and support of Procurement Manager as agreed with responsible Director.	3 persons	21 days (minimum) electronically
€5,382,001 and above (OJEU)	Estates Executive Committee – recommendation to CEO CEO. - approval Finance Committee[6] & SMH Board (approval)	Above threshold must advertise in OJEU via eTenders - **www.etenders.gov.ie** Choice of procedure and MEAT to Award	EU Directives.	Relevant Category Owner, with input and support of Procurement Manager as agreed with responsible Director.	3 persons	30 days (minimum) electronically

11.7 Open Procedure:

The Open Procedure is a single stage procedure where all interested parties may submit a tender. The advantage of this procedure is that it invites an unlimited amount of offers and, therefore, encourages competition. Its main disadvantage to contracting authorities is the potential administrative burden of having to examine a large number of tender documents. Accordingly, this procedure may not be appropriate for complex procurements. While any party may submit a tender, only tenders of those deemed to meet minimum levels of technical (e.g. previous experience) and financial (e.g. turnover, insurances) capacity should be evaluated against the award criteria.

11.8 Open Tender Procedure workflow:

Notes:

G. Approval limits apply to all expenditure, including expenditure of monies generated from **fundraising.**

H. Approval is required at two stages, i.e. prior to commencement of the procurement process, and again prior to contract award.

I. Duplication of Expenditure Authorisation/Evaluation roles is not permitted.

J. The party managing the procurement process (Local/Procurement) will be responsible for all record-keeping. For audit purposes, records should be kept for a period of at least six years.(suggestion: more than three years)

K. *Works-related Services - €215,000 (applies to Local and Regional Authorities and public bodies outside the Utilities sector) (from 01/01/2022).Contracts for works – related services with an estimated value equal or greater than€50,000 (excl of VAT) should be advertised as part of a formal tendering process on eTenders

L. In relation to works projects below €200,000 (excluding VAT), while there is no requirement to advertise on eTenders or elsewhere, the principle of transparency and non-discrimination still needs to be satisfied. So the Contracting Authority should give serious consideration to publishing the Contract Notice for such projects on the eTenders website, bearing in mind that the response might be disproportionate with regard to the value of the project. Where a Contracting Authority does not advertise for projects below €200,000 and has satisfied the principles in some other way, five firms should be invited to tender with the expectation that five tenders will be submitted. If fewer than five firms submit tenders, the Contracting Authority may only proceed with the award if it considers that there has been genuine competition and that the tender selected represents value for money (**https://constructionprocurement.gov.ie/capital-works-management-framework/**) **Circular 05/2023** Click here

Advertise requirement under OPEN procedure on www.etenders.gov.ie
Manage any clarifications requested during tender phase and issue responses to all tenderers
Receive tenders, open and register after closing date and time
Evaluate Tenders against Selection Criteria and Award Criteria
Carry out clarifications if required Seek evidence of any information that was provided on a self-declaration basis Agree winning tenderer based on evaluation under award criteria Issue outcome letters and commence Standstill Period
Once Standstill Period is complete, formally conclude contract with successful tenderer
Complete Tender Report and Regulation 84 Report Publish award notice
Manage contract, ensuring successful delivery against terms and conditions of contract

11.9 Restricted Procedure:

The Restricted procedure is a two-stage process. This procedure tends to be used where there is a need to pre-qualify suppliers where there is evidence that the number of potential suppliers is very large or where a contracting authority wants to limit the number of economic operators who will have access to certain confidential and/or sensitive information. The procedure can be used to reduce the number of candidates (and the paperwork) to be examined by the contracting authority. The disadvantage of the procedure is that it takes longer and is sometimes more complicated to run.

Step 1

Selection criteria are requested and assessed via a Pre-Qualification Questionnaire (PQQ).

The selection criteria in the PQQ should include, but is not necessarily limited to; Insurance, Annual Turnover, Tax Compliance, Previous Contracts, Health & Safety, Business Continuity. Responses from candidates will be scored, with at least the top 5 (or other appropriate number) scoring applicants being invited to tender at Step 2. The Insurance, Turnover, Tax Compliance criteria are given a pass/fail result, while the Previous Contracts etc. criteria are weighted. This will assist SMH in determining the relative ranking of candidates in the event of numerous PQQ submissions being received.

The invitation to tender should indicate that a short listing of applications might take place and also the criteria that will be used to narrow down the applicants.

Step 2

Issue complete specifications with an invitation to submit a tender only to those shortlisted candidates that have met the minimum requirements. The successful tenderer will be chosen by assessing the tenders received against the predetermined award criteria.

11.10 Restricted Tender Procedure workflow:

Advertise requirement under RESTRICTED procedure on www.etenders.gov.ie Use a Pre-Qualification Questionnaire with criteria, rules and weightings
Manage clarifications requested during Expression of Interest / Pre-Qualification Questionnaire phase and issue responses to all candidates
Receive applications, open and register after closing date and time
Evaluate against Financial Criteria and Technical Criteria
Select tender list of at least 5 and issue Invitation to Tender to chosen tenderers including specification, award criteria and weightings
Receive tenders, open and register after closing date and time
Evaluate tenders against Award Criteria
Carry out clarifications if required Agree winning tender based on evaluation under award criteria Issue outcome letters and commence Standstill Period
Once Standstill Period is complete, formally conclude contract with winning tenderer
Complete Tender Report and Regulation 84 Report Publish award notice
Manage contract, ensuring successful delivery against Terms & Conditions of the contract

When using both Open and Restricted procedure, SMH must advise the candidates/tenderers in the Invitation to Tender of the award criteria to be used to evaluate and identify the most economically advantageous tender (MEAT). The MEAT approach takes into account both qualitative and cost related criteria.

As stated above in respect to Open and Restricted procedures appropriate Selection and award criteria must be used. Selection Criteria is designed to assess the ability of the tenderer to provide the services required and Award Criteria is used to determine which tenderer has provided the most suitable or Most Economically Advantageous Tender (MEAT) tender.

Under EU Procurement Directives in respect of tenders with a value in excess of €215,000 a European Single Procurement Document (ESPD) must be accepted. This is a self-declaration

of compliance with selection and exclusion criteria by economic operators. Since October 2018 all Public Bodies including SMHCS are required to carry out their procurement fully by electronic means.

Mandatory and Discretionary Exclusion Grounds: if any of the mandatory exclusion grounds as set out in the Directives apply to an economic operator, the economic operator will be eliminated from the competition, subject to the provisions of Regulation 57. Broadly these include organised crime, corruption, fraud, money laundering, terrorism, child labour and human trafficking. If any of the discretionary exclusion grounds as set out in Directives apply to an economic operator, the economic operator may be eliminated from the competition, subject to the provisions of Regulation 57.

Selection Criteria: selection criteria may relate to suitability to pursue a professional activity, economic and financial standing and technical and professional ability. All selection criteria must be related, and proportionate, to the subject matter of the contract. SMH may seek proof of evidence of fulfilment of the selection criteria. With regard to economic and financial standing, SMH may require that the economic operator has a certain minimum yearly turnover.

Award Criteria: St.Michael's House must base an award of public contracts on the most economically advantageous tender (MEAT). MEAT shall be identified on the basis of the price or cost, using a cost-effectiveness approach, including life-cycle costing, and may include the best price-quality ratio, which shall be assessed on the basis of criteria, including qualitative, environmental or social aspects, linked to the subject matter of the public contract in question. The Regulations contain guidance on these criteria. The cost element may also take the form of a fixed price or cost on the basis of which economic operators will compete on quality criteria only. Award criteria must be considered to be linked to the subject matter of the contract. Award criteria shall;

Ensure the possibility of effective competition, and be accompanied by specifications that allow the information provided by thetenderers to be effectively verified in order to assess how well the tenders meet the award criteria

As soon as possible after a decision has been made to award a contract above the EU thresholds, all tenderers must be told of the outcome in writing by the most rapid means of communication practicable (i.e. by email through eTenders), including the grounds for any decision not to award a contract for which there has been a call for competition or any decision to recommence a procedure.

For contracts above the EU thresholds, a contract must not be awarded to the successful tenderer during the Standstill Period. A contract must not be concluded with a successful tenderer until at least 14 calendar days (or 16 calendar days if notice is not being sent electronically) have elapsed since the date on which the tenderers were informed of SMH decision to award the contract. The notification to the successful tenderer does not trigger the

creation of a contract and therefore formal award of the contract can only take place after the 14/16 days period has elapsed.

The standstill period can only end on a working day. Therefore, if the standstill period is due to end on a non-working day, it must be extended to midnight on the next working day (i.e. if standstill was due to end on a Saturday, it would need to be extended until midnight on Monday).

Standstill notices trigger the start of the standstill period. The standstill notice must give sufficient information to enable an unsuccessful bidder to decide whether there are grounds for seeking a review.

A standstill notice to an unsuccessful tenderer must inform concerned tenderers and concerned candidates of:

- decision reached and the name of the successful tenderer
- the exact standstill period
- summary of reasons for rejection which should be bespoke and not generic
- characteristics and relative advantages of tender selected and
- Statement why works, supplies or services do not meet performance or functional requirements

SMH standstill letter detail must be sufficiently precise to enable a tenderer to ascertain the matters of fact and law on the basis of which SMH rejected one offer and accepted another. Indeed, the statement of reasons must be sufficiently detailed to explain how the preferred tender was advantageous by reference to particular matters of fact.

If standstill notices are not drafted in accordance with the Regulations, there is a risk that the standstill period may be deemed not to have commenced. An unsuccessful tenderer may seek further information about the reasons for their rejection and this request must be responded to positively.

Other procurement procedures are available for use in certain specific circumstances. Contact the Procurement Manager in the event that one or other of the following procedures are being considered the advice of the Procurement Officer should be sought at the outset;

7 Competitive Procedure with Negotiations
8 Competitive Dialogue
9 Innovation Partnership
10 Negotiated Procedure without a call for competition

11.11 Minimum Timescales

There are minimum timescales set down in respect of National level and EU level procurements. These timescales are set out in the table below;

National Tenders	Receipt of Expressions of Interest	Receipt of Tenders
Open Procedure	N/A	21 days (minimum)
Restricted Procedure	21 days	21days (minimum)
Above Threshold Tenders (OJEU)	**Receipt of Expressions of Interest**	**Receipt of Tenders**
Open	N/A	35 days (hard copy receipt of tenders) 30 days (if electronic tenders permitted) 15 days (if preceded by suitable Prior Indicative Notice* (PIN))
Restricted	30 days (minimum)	30 days (hard copy receipt of tenders) 25 days (if electronic tenders permitted) 10 days (if preceded by suitable PIN)
Competitive Procedure (with negotiation & innovative partnerships)	30 days (minimum) 15 days minimum (if preceded by suitable Prior Indicative Notice (PIN))	30 days (hard copy receipt of tenders) 25 days (if electronic tenders permitted) 10 days (if preceded by suitable PIN)
Competitive Dialogue	30 days (minimum) No reduction for PIN	No explicit time limit for initial/subsequent tenders
Innovation Partnership	30 days (minimum) No reduction for PIN	No explicit time limit for initial/subsequent tenders
Dynamic purchasing system	30 days (minimum) No reduction for PIN	10 days

Note: *A Prior Indicative Notice (PIN) is a notice which may be published in advance of the Contract Notice. It serves as advance notice that a tender opportunity will be published at a future date. Subject to certain conditions, the publication of a PIN provides an opportunity to the Contracting Authority to reduce tender timescales should circumstances dictate.

11.12 Accounting Procedures

Before any contract can be awarded, suppliers and service providers must supply up to date tax clearance certificates/Tax Clearance Numbers.

11.13 Record Keeping Procedure

Appropriate detailed records of all procurement process and decisions undertaken must be kept, along with supporting documentation justifications, approved derogations etc.

Article 84 of the Public Procurement Directives specifically outlines the minimum information contracting authorities are obligated to retain for above EU threshold procurement. While the Directives do not explicitly set out the levels of record keeping required for other procurement types i.e. quotations, the ability to provide documentary evidence to support decisions made is integral to demonstrating compliance with procurement rules. Managers and those involved in procurements must retain and be in a position to provide documents relevant to the procurement process being undertaken.

Records should provide an audit trail of the reasons for making a particular procurement decision. The type and detail of the record keeping will depend on the value of the procurement and the complexity or sensitivity of the purchase:

- Quotation process documentation, to include but not limited to.
- The Request for Quotation (RFQ) issued to all suppliers invited to quote,
- Quotations received in response to the RFQ, or where no response is received a copy of the email inviting the supplier to quote will suffice as an attempt to seek a quote
- Note on the decision of awarding the quotation process, particularly if not based on lowest price.
- Tender Evaluation Report to be retained locally and centrally

An optional quotation summary report is contained in **Appendix A and B FORM– (Summary Report)**, for use to document the required information and records.

Records must be kept and destroyed, in line with SMH's retention Policy

Category	Retention Period	Responsibility to Hold Documentation
Quotation Process Documentatior	Hold for current year, plus 6 years.	Local Service Area / Department
Tender Files (Supplies & Services)	Hold for current year, plus 6 years.	Procurement Department

Tender Files (Works)	Hold for current year, plus 6 years.	Estates Department
Original Signed Contracts and Contract Management Files	Hold for the current year plus 6 years after contract expiry.	Relevant Department as per above.

12 Public Procurement Process

12.1 Introduction

Public Procurement comprises the award of contracts (formal or informal) for the purchase of supplies, services and works by public bodies. These purchases can range from acceptance of quotations for small value transactions through to acceptance of tenders for single major projects. Public Procurement rules set out different requirements to be followed depending on the value of a proposed contract. Generally, procurement is conducted by seeking quotations or tenders.

A **quotation** procedure may be used where contract values are less than €50,000 (€200,000 for works) **and** centralised purchasing arrangements are not in place. It should be noted that these thresholds apply to the organisation as a whole for the procurement of similar supplies, services or works.

12.2 Quotation Process Guideline:

There are no set procedures governing a quotation process however, you must be able to show by way of documented evidence, an open and transparent process was applied, while also ensuring the equal treatment of suppliers. By ensuring the below process is applied you will meet compliance requirements:

1. Send specification by e-mail to a number of suppliers required seeking e-mailed quotes. The same Request for Quotations (RFQ) should be sent to each supplier, detailing as much as possible about the goods, services or works required, contract term and/or quantities of goods required, to ensure like for like quotations (in so far as is possible) are received.
   Also state a deadline for receipt of quotations if applying. Details of how the quotation will be assessed for suitability i.e. lowest price or combination of award criteria (known as MEAT,)
   e.g. cost, experience, delivery availably etc.

2. Evaluate offers objectively against specified requirements and award criteria set.
   When you wish to evaluate quotations proposals on merit and not solely lowest cost, you must inform suppliers in the RFQ of the award criteria and scoring being applied. All quotation scoring should be out of 100, if not solely based on cost/lowest price.

Examples of award criteria

- Cost & Quality (of proposed product/service)
- Cost, Quality and Delivery Timeframe

3. Notify suppliers on whether their quote was successful or unsuccessful.
4. File and keep quotation process documentation. Appendix C can be used to summarise quotation process.

12.3 Preparing Tender Documents:

A **tender** procedure is used where contract values exceed €50,000 (€200,000 for works) and centralised purchasing arrangements are not in place. The procedures set out relate to the running of a full tender process. The running of a tender process under a Framework Agreement may vary slightly depending on what is set out in the Instructions to Tenderers (ITT) and the signed Framework Agreement between qualified suppliers and the contracting authority.

Template documents in respect of Supplies and Services are available on the OGP website at the following link Click Here

All tender documents should be drafted to make it clear and simple with regard to the tender requirements. This will reduce the need for clarifications and enable the evaluation team to evaluate and score the tenders received on a comparative basis.

12.4 Services/ Supplies:

A suit of template tender documents in respect of supplies and services are available internally from the Procurement Manager or downloaded directly from https://ogp.gov.ie/templates-2/.

12.5 Capital Works:

The Capital Works Management Framework (CWMF) template documents must be used for all works/construction projects (national threshold of €200,000) and works related consultancy above the national threshold of €50,000. Template documentation is available download from www.constructionprocurement.gov.ie
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All tender documents should be drafted to make it clear and simple with regard to the tender requirements. This will reduce the need for clarifications and enable the evaluation team to evaluate and score the tenders received on a comparative basis.
All works tenders should be drafted in consultation with the Director of Estates

12.6 The Procurement Cycle

A procurement project will follow various stages of a procurement cycle as it proceeds as outlined below:

12.7 Identify the Need / Analyse the Requirement

Each individual department should have a comprehensive understanding of their purchasing requirements, including existing arrangements with current suppliers. Historical spend data should be used when analysing requirements.

When a requirement for supplies, services or works has been identified, a Procurement Project Manager should be selected by Head of Department to lead the procurement project. At this stage an evaluation team should be established which will have responsibility for reviewing the request for tender documents prior to publication and the evaluation/scoring tenders are received.

Sourcing strategy refers to a systematic process aimed at achieving savings and other benefits such as improved supplier performance, quality and risk minimisation. The focus is to gain maximum advantage in terms of cost, process, quality and technology by leveraging the organisation's buying power. Consideration should be given to the type and duration of the contract arrangement that would be most appropriate.

This process represents best practice for the establishment of an individual contract or framework agreement for a specific category of spend. The strategy to be used for the purchase of supplies, services and works to meet requirements should be determined only after detailed analysis has been conducted. It is at this stage where the maximum benefits can be achieved from procurement

12.8 Specification

When developing or setting out the specification of requirements, the Project Manager should ensure that specifications should be drafted as follows:

- requirement to be stated clearly, concisely and logically.
- state the function that the requirement must meet;
- allow for equal opportunity;
- specification to form the basis of the contract;
- eliminate use of brand names.

There can be a tendency to over specify the requirements, and this can cause additional cost to the overall tender and not achieve VFM. Needs should be identified rather than the nice to have options. Specifications should be performance based where possible with the option of using variants, this can allow for innovate solutions to be proposed. The tender documentation and award criteria need to cater for this.

12.9 Selection Criteria (Qualifying Criteria)

Selection criteria must be clearly indicated in the tender documents. Selection criteria tests the suitability of the candidates, it examines their previous experience and has minimum rules that must be passed in order to proceed further in the evaluation process. Transparent and non-discriminatory selection criteria should be used to test suitability.

Selection Criteria has two elements; (a) Economic and Financial and (b) Technical and Professional. In the Open Procedure, selection criteria are evaluated on a pass/fail basis to decide which tenderers are suitable. In the Restricted Procedure selection criteria are usually evaluated on a weighting and scored to decide which candidates should proceed to the tender invitation stage. Selection Criteria on economic and financial and technical and professional, needs to be proportionate and related to the subject matter of thecontract.

Circular 05/2023 requires a “self-declaration” approach for the provision of the necessary financial evidence. This requires documentation to be submitted to the contracting authority when requested upon the completion of the evaluation process but prior to issue of standstill letters.(**click here**)

12.10 Examples of Selection Criteria

Economic / Financial Criteria		
Criteria	**Rule or Minimum Level**	**Pass / Fail**
Evidence of Turnover/Financial Standing	Demonstrate turnover of €x for the previous x years. Note: Annual turnover level must not be set greater than twice the value of the contract	Pass/Fail
Completion of self- declaration form in respect of insurances, tax clearance etc.	Provide evidence or complete self-declaration form (documentary evidence must be provided prior to awarding of contract or including on a tender list).	Pass/Fail

Technical / Professional Criteria		
Criteria	**Rule or Minimum Level**	**Pass / Fail**
Organisation Details: Skills, Manpower numbers	Provide information confirming access to minimum manpower levels / skills.	Pass/Fail
Previous contracts of similar nature successfully delivered during last 2- 3 years	Provide satisfactory previous experience – submit no. of contracts and supporting references in the last 3 years with comprehensive information to enable assessment of comparability.	Pass/Fail
Quality Control systems – ISO standard or equivalent	Provide satisfactory evidence of Company Quality Control systems	Pass/Fail
Health & Safety Statement	Provide evidence that company has a current Health & Safety Statement.	Pass/Fail

Each of the selection criteria must achieve a pass in order to proceed to evaluation of award criteria.

12.11 Award Criteria

Award criteria are required to be clearly indicated in the request for tender documents. The award criteria examine the capability of the tenderer to meet the requirements set out in the tender specifications. They should also be set relative to the risk and nature of the contract being awarded.

With regard to the use of most economically advantageous tender (MEAT) award criteria are based on a combination of financial cost and quality. Each award criteria must specify the relative weighting to be used for evaluation. Examples of award criteria applicable to MEAT:

- Ultimate cost (acquisition, operational and disposal costs)
- Period of completion
- Reliability and continuity of supply
- Quality, quantity and balance of resources offered
- Technical merit
- Environmental characteristics
- Functional characteristics
- Project plan
- After sales service
- Technical assistance
- Sustainability

12.12 Example of Award Criteria – Supplies and Services contracts

Criteria	Weighting	Total Score Available	Minimum Score Required
Ultimate Cost €	50%	5,000	n/a
Quality of product offered	20%	2,000	1,200 (60%)
Delivery Schedule Proposed	15%	1,500	900 (60%)
Contract Management	10%	1,000	600 (60%)
Reliability and Continuity of Supply	5%	500	300 (60%)

12.13 Example Scoring System

Weightings	Meaning
80% to 100%	A response with very few or no weaknesses that fully meets or exceeds requirements, and provides comprehensive, detailed, and convincing assurance that the Tenderer will deliver to an excellent standard
60% to 80%	A response that demonstrates real understanding of the requirements and assurance that the Tenderer will deliver to a good or high standard
40% to 60%	A response which demonstrates a reasonable understanding of requirements and gives reasonable assurance of delivery to an adequate standard but does not provide sufficiently convincing assurance to award a higher mark.
20% to 40%	A response where reservations exists. Lacks full credibility/convincing detail/ and there is a significant risk that the response will not be successful.
0% to 20%	A response where serious reservations exist. This may be because, for example, insufficient detail is provided, and the response has fundamental flaws, or is seriously inadequate or seriously lacks credibility with a high risk of non –delivery.
0%	Response completely fails to address the criterion under consideration.

12.14 Advertise and Conduct Tendering Process

In accordance with Circular 05/2023, all supplies and services contracts with a value equal or greater than €50,000 (Excl. VAT) and works contracts greater than €200,000 (Excl. VAT) must be advertised on eTenders.
There are prescribed timescales for advertising tender notices (please see Minimum Timescales in section 11.11 of this Policy – page 27). A set time period for the submission of clarifications by the tenderer should be built in. The period for clarifications should end a minimum of one week prior to the closing date of the tender.

12.15 Questions and Clarifications

Tenderers should be instructed to submit questions and clarifications via eTenders only. Clarification/information provided in response to a question by a tenderer should be replied to all tenderers using the questions and answers facility on eTenders. No other consultation/communication should be held with tenderers once the tender process is underway (i.e. once the contract notice has been advertised on eTenders). This is to ensure the principle of equal treatment is consistently applied.

12.16 Submission of Tenders

The recommended method for submission of tenders is electronically via the eTenders website.
The recommended designated closing time for all tenders is 12 noon any business day. Guidance on the rules in relation to the tender competition should be clearly outlined in the Instruction to Tenderers (ITT) or the Request for Tenders (RFT). Tenders submitted electronically via the eTenders website can only be accessed after the expiry of the closing time and date for the receipt of tenders. At least two persons should open the electronic tenders and keep the evidence on file.

12.17 Evaluation of Tenders

It is the responsibility of the Project Manager or nominated person to commence the evaluation process. The evaluation team should ideally consist of at least three people, with a chairperson appointed. The evaluation of tenders must always be carried out by a competent team, who possess the appropriate technical knowledge and expertise to fully

understand SMH's requirements and to robustly assess responses in accordance with those requirements. For some procurement processes it may be necessary to retain the services of an external subject matter expert to assist with the development of specifications and the evaluation of tenders.

Conflict of interest & Confidentiality declarations must be signed by all members of the evaluation team. Tenders must be evaluated objectively and transparently against the published (selection and award) evaluation criteria. Objectivity and transparency are best achieved by the use of a scoring system or marking sheet based on the published criteria and weightings.

The Project Manager/ Procurement Manager is responsible for the administration of the evaluation process and for presenting the recommendation of the evaluation team. Individual and summary evaluation sheets must be signed by all members of the evaluation team and retained on file. The reasons for the scores given and the relative characteristics recorded against each tender submission will form the basis of the notification to tenderers. These records are subject to Freedom of Information.

12.18 Notification to Tenderers (Standstill Letters)

All tenderers must be informed of the outcome of the competition at the same time. Tenderers that do not meet the minimum evaluation (selection and/or award) criteria are deemed "Inadmissible" under Public Procurement rules and are subject to different notification requirements where they are only entitled to receive their own scores, reasons for failure and the name of the successful tenderer.

Tenderers who meet the minimum evaluation criteria are ranked based on scores achieved. Public Procurement rules specify that the unsuccessful tenderers must be provided with their scores as well as the name and scores of the successful tenderer in the notification.

For EU value contracts, the characteristics and relative advantages of the successful tender must also be provided. For national (below EU threshold) contract values, it is recommended this information be provided.

12.19 Formal or Informal Debriefing of Tenderers

Formal or informal debriefing of candidates or tenderers is not recommended. All necessary information required to be given should be set out in the written notification issued to candidates

or tenderers at the conclusion of the tender competition. The holding of informal or formal debriefing meetings increases the risk of introducing new information. If any new information (other than that contained in the notification) is provided it may thereby delay the expiry of the standstill period and the subsequent award of contract. In order to mitigate risks of accidental disclosure of new or commercially sensitive information and protect the integrity of the process already completed it is recommended not to conduct personal debrief meetings with unsuccessful tenderers.

12.20 Contract Award Notices

The Project Manager/ Procurement Manager is responsible for ensuring a contract award notice is posted on eTenders within 30 days of the award of the contract.

12.21 Contract Management

After the expiry of the standstill period, the successful tenderer and SMH must sign a written agreement setting out the terms and conditions of the contract, prior to commencement of services. This is to ensure that there is a clear understanding between the parties in respect of their agreement and will mitigate against disputes arising during the performance of the contract.

In the case of drawdown contracts under the terms of a Framework Agreement, the prescribed drawdown contracts must be put in place. Service level agreements may also be required for certain procurements.

The awarding of contracts to suppliers/service providers places legal obligations on SMH. All employees are bound to ensure that SMH is not placed under any undue form of legal exposure.

The execution and management of a contract is the responsibility of a Contract Manager to be identified in respect of each contract to be awarded.

Appendices

Appendix A: Overview of Authorised Limits and Procurement Procedure for Goods and Services;

Appendix B: Overview of Authorised Limits Procurement Procedure for Works and Related Services

(Appendix A Form - Goods & Services - Procurement Expenditure approval less than €50,000 Excl. VAT);

(Appendix B Form: Works - Procurement Expenditure approval form less than €200,000 Excl. VAT)

(Appendix B1 Form: Works *related Services* – e.g. Architects Consultancy; Procurement Expenditure approval form less than €50,000 Excl. VAT) - Estates Department Only);

Appendix C: Expenditure Category Owner (s)

APPENDIX D – Contract Award Recommendation Template (contracts valued at/above €50,000 Excl.VAT)

APPENDIX E – Circular 05/2023: Initiatives to assist SMEs in Public Procurement - issued on 28/03/2023 by the Department of Public Expenditure

APPENDIX A – Overview of Authorised Limits and Procurement Procedure for Supply and Services

Overall contract/ purchase value ex VAT: for Goods and Services	Expenditure Authorised by:	Procedure:	Regulation(s):	Managed by:	Minimum Evaluation Team Size (Excl Procurement Manager)	Advertising Time limits
€0-€500	Debit Card or Invoice	1 quote (minimum)	HSE Guidelines	Local	1 person	There are no prescribed time limits for quotation processes. However, sufficient time must be permitted for preparation and submission of quotations to allow for genuine competition and SME's to participate in the quotation process. Requestors should consider the complexity of the contract/purchases when placing time limits on the receipt of quotations.
€501-€25,000	Director of Operations & Director of Finance & Director of Estates	3 written quotes (minimum)	HSE Guidelines	Local	2 person	
		Written quotations including a brief specification of requirements from **not less than three** reputable suppliers/service providers. Lowest Price or Most Economically Advantageous Tender (MEAT)	HSE Guidelines	Local	2 person	
€25,001-€50,000	Director of Operations & Director of Finance & Director of Estates	5 written quotes to include specification of requirements from not less than five reputable suppliers/services provides. (MEAT)	HSE Guidelines	Local	2 person	Contract award information for all procurement over €25,000 must be published on etenders or provided to the suppliers involved in the competition.
€50,001 - €215,000	Finance Committee[7] >€100,000) CEO (> €50,000excl VAT)	Formal Tender process. Must advertise on eTenders www.etenders.ie	National Guidelines	Relevant Category Owner, with input and support of Procurement Manager as agreed with responsible Director.	3 persons	21 days (minimum) electronically
€215,001[8] - and above	SMH Board	Formal Tender process. Must advertise on eTenders www.etenders.ie Above threshold – Must advertise in OJEU	EU Directives	Relevant Category Owner, with input and support of Procurement Manager as agreed with responsible Director.	3 persons	30 days (minimum) electronically

Notes:

A. Approval limits apply to <u>all</u> expenditure, including expenditure of monies generated from fundraising.
B. Approval is required at two stages, i.e. prior to commencement of the procurement process, and again prior to contract award.
C. Duplication of Expenditure Authorisation/Evaluation roles is not permitted.
D. The party managing the procurement process (Local/Procurement) will be responsible for all record-keeping. For audit purposes, records should be kept for a period of at least six years.

[7] expenditure above €100,000 to be notified to Finance Committee/SMH Board as appropriate.
[8] Official Journal of the European Union (OJEU) threshold for Supplies and Services (2018-2019): €215,000. OJEU threshold for Works: €5,382,000.

APPENDIX B– Overview of Authorised Limits and Procurement Procedure for Works and Works related Services

Overall contract/ purchase value ex VAT:	Expenditure Authorised by:	Procedure:	Regulation(s):	Managed by:	Minimum Evaluation Team Size (Excl Procurement Manager)	Advertising Time limits
€0- €500	Technical Services / Maintenance / Housing / Administration Manager	Debit Card	National Guidelines	Local	1 person	There are no prescribed time limits for quotation processes. However, sufficient time must be permitted for preparation and submission of quotations to allow for genuine competition and SME's to participate in the quotation process. Requestors should consider the complexity of the contract/purchases when placing time limits on the receipt of quotations.
€501 - €5,000	**Director of Estates** **Residential-** Director of Estates **Non-Residential** Director of Finance & Director of Estates & Director of Operations To meet fortnightly and review / approve capital Expenditure submissions	Seek a minimum of 1 written Quote from one or more interested and competent contractors (Best Practice – Seek a minimum of 3 written quotes)	National Guidelines	Local	1 person	
€5,001 - €50,000	Director of Finance & Director of Estates & Director of Operations To meet fortnightly and review / approve capital Expenditure submissions	Direct Invitation* Seek a minimum of 5 written Tenders/Quotations from interested and competent contractors/consultants.	National Guidelines	Category Owner	2 person	
€50,001* - €100,000	As per above, plus CEO approval required.	Direct Invitation* Seek a minimum of 5 written Tenders/Quotations from interested and competent contractors	National Guidelines	Category Owner	2 persons	Contract award information for all procurement between €50,000 - €200,000 must be published on etenders or provided to the suppliers involved in the competition.
€100,001 - €200,000*	As per above, plus approval from the Finance Committee[9]	Direct Invitation*	National Guidelines	Category Owner	2 persons	

Notes:

M. Approval limits apply to all expenditure, including expenditure of monies generated from **fundraising.**

N. Approval is required at two stages, i.e. prior to commencement of the procurement process, and again prior to contract award.

O. Duplication of Expenditure Authorisation/Evaluation roles is not permitted.

P. The party managing the procurement process (Local/Procurement) will be responsible for all record-keeping. For audit purposes, records should be kept for a period of at least six years.(suggestion: more than three years)

		Seek a minimum of 5 written Tenders/Quotations from interested and competent contractors				
€200,001 - €5,382,000	As per above, plus approval from the Finance Committee[10] and then SMH Board (approval)	Formal advertised Must Advertise on eTenders – **www.etenders.gov.ie** – Open or Restricted Procedure	National Guidelines	Relevant Category Owner, with input and support of Procurement Manager as agreed with responsible Director.	3 persons	21 days (minimum) electronically
€5,382,001 and above (OJEU)	Estates Executive Committee – recommendation to CEO CEO. - approval Finance Committee[11] & SMH Board (approval)	Above threshold must advertise in OJEU via eTenders - **www.etenders.gov.ie** Choice of procedure and MEAT to Award	EU Directives.	Relevant Category Owner, with input and support of Procurement Manager as agreed with responsible Director.	3 persons	30 days (minimum) electronically

Q. *Works-related Services - €215,000 (applies to Local and Regional Authorities and public bodies outside the Utilities sector) (from 01/01/2022).Contracts for works – related services with an estimated value equal or greater than€50,000 (excl of VAT) should be advertised as part of a formal tendering process on eTenders

R. In relation to works projects below €200,000 (excluding VAT), while there is no requirement to advertise on eTenders or elsewhere, the principle of transparency and non-discrimination still needs to be satisfied. So the Contracting Authority should give serious consideration to publishing the Contract Notice for such projects on the eTenders website, bearing in mind that the response might be disproportionate with regard to the value of the project. Where a Contracting Authority does not advertise for projects below €200,000 and has satisfied the principles in some other way, five firms should be invited to tender with the expectation that five tenders will be submitted. If fewer than five firms submit tenders, the Contracting Authority may only proceed with the award if it considers that there has been genuine competition and that the tender selected represents value for money (**https://constructionprocurement.gov.ie/capital-works-management-framework/**)
Circular 05/2023 Click here

Notes:

APPENDIX A – FORM - Procurement Expenditure approval for Goods and Services (purchase value below €50,000 Excl. Vat)

Cost Centre unique number:	Four digits xxxx	
Is this a supply of goods?	Yes / No	
Is this a service?	Yes / No	
Is this a once off purchase or ongoing contract?		
Description of Requirement:		
Estimated Value:	€	
Items for Individual Use by Resident/ Service User		
Who has recommended the Item?		Outcome & Supporting Documentation
Has an application for the Item been made via Resident/Service User's Medical Card?	Yes/No	Outcome & Supporting Documentation
Is the Item available from Asset Track or Another SMH Unit/Service?	Yes/No	Outcome & Supporting Documentation
Has an Application for Supplementary Welfare Allowance Additional Needs Funding been made?	Yes/No	Outcome & Supporting Documentation
Has the Resident/Service User the Financial means to fund the Item?	Yes/No	Outcome & Supporting Documentation
Did you check the HSE/OGP Contracts on: **SMH Intranet/ Downloads Procurement Section?**	**Yes / No**	
Approval from your Line Manager		
Number of quotes sought:		

Quotation Summary & Recommendation (Excl. VAT)		
	Supplier/Service Provider Name	Price Quoted
Quote 1 **Less than < €500 Excl. VAT**		
Quote 2 **More than > €500 Excl VAT**		

Quote 3 € (Excl VAT Less than < €25,000		
Quote 4 € Excl VAT More than > €25,000		
Quote 5 € Excl VAT Less than > €50,000		
Recommendation:		
Explanation (where the lowest price is not recommended):		
Requestor:	Title:	
	Signature:	
	Date:	
Evaluator / Approver 1: *(FD DOO DOE CEO)*	Title:	
	Signature:	
	Date:	
Evaluator / Approver 2: *(FD DOO DOE CEO)*	Title:	
	Signature:	
	Date:	
Evaluator / Approver 3: *(FD DOO DOE CEO)*	Title:	
	Signature:	
	Date:	

Note: All invoices to be email to: accounts@smh.ie
All invoices must be accompanied by a copy of this fully completed approval form.

APPENDIX B FORM - Procurement Expenditure approval for Works (Refurbishment) (Value below €200,000 Excl. VAT)

Event number from QFM/ Purchase Order (where appl.)		
Is this a supply of goods?		**Yes / No**
Is this a service/....?		**Yes / No**
Is this a once off purchase or ongoing contract?		
Description of Requirement:		
Estimated Value (ex VAT)		**€**
Confirm pre-approval from the Budget holder **Housing Manager / Service Manager or Admin. Manager** **Seeking budget approval from your Line Manager**		
Number of quotes sought:		

	Quotation Summary & Recommendation		
	Supplier/Service Provider/Contractor Name invited to quote/tender	**Response Received within tender timeframe (Y/N)**	**Price Quoted**
Quote 1 (Less than €5000 Excl. VAT)			
Quote 2 (Less than €50,000 Excl. VAT)			
Quote 3 (Less than €50,000 Excl. VAT)			
Quote 4 (Less than €200,000 Excl. VAT)			
Quote 5 (Less than €200,000 Excl. VAT)			

Recommendation:			
Explanation (where the lowest price is not recommended):			
Requestor:	**Title:**		
	Signature:		
	Date:		
Evaluator 1/2/3:	**Title:**		
	Signature:		

	Date:		
Approver 1: *(Insert your name)* *(FD* *DOO* *DOE* *CEO)*	**Title:**		
	Signature:		
	Date:		
Approver 2: *(Insert your name)* *(FD* *DOO* *DOE* *CEO)*	**Title:**		
	Signature:		
	Date:		
Approver 3: **(Insert your name)** *(FD* *DOO* *DOE* *CEO)*	**Title:**		
	Signature:		
	Date:		

APPENDIX B1 FORM - Procurement Expenditure approval for Works related services (Value below €50,000 Excl. VAT) Estates Dept. ONLY

Event number from QFM/ Purchase Order (where appl.)		
Is this a service/....?		**Yes / No**
Is this a once off purchase or ongoing contract?		
Description of Requirement:		
Estimated Value (ex VAT)		**€**
Confirm pre-approval from the Budget holder		
Number of quotes sought:		

	Quotation Summary & Recommendation		
	Supplier/Service Provider/Contractor Name invited to quote/tender	**Response Received within tender timeframe (Y/N)**	**Price Quoted**
Quote 1 (Less than €5000 Excl. VAT)			
Quote 2 (Less than €50,000 Excl. VAT)			
Quote 3 (Less than €50,000 Excl. VAT)			
Quote 4 (Less than €50,000 Excl. VAT)			
Quote 5 (Less than €50,000 Excl. VAT)			

Recommendation:			
Explanation (where the lowest price is not recommended):			
Requestor:	**Title:**		
	Signature:		
	Date:		
Evaluator 1/2/3:	**Title:**		
	Signature:		
	Date:		
Approver 1: *(Insert your name)*	**Title:**		
	Signature:		
	Date:		
Approver 2: *(Insert your name)*	**Title:**		
	Signature:		
	Date:		
Approver 3: **(Insert your name)**	**Title:**		
	Signature:		
	Date:		

Appendix C – Expenditure Category Owner(s):

Category Heading	Director/Committee Owner(s)	Notes (if any)
Audit	Finance and Asset Committee	
Banking	Finance Director	
Catering	Administrator Managers SA1, SA2, SA3	
Cleaning and Washing	Director SA1, SA2, SA3	
Drugs and Medicines	Clinical Director and Director of Nursing	
Hardware, Software	Director of Support Services	
Insurance	Finance Director	
Maintenance, Building works, Fire Services, Security Services	Director of Estates	
Medical and Surgical Appliances	Clinical Director & Director of Nursing	
Office Expenses	CEO/Director of Operations ???	
Professional Fees	Relevant Director	This category includes, but is not limited to, external GP Services, locum support and general consultancy services…
Sundries	Relevant Director	
Training Courses	Director of OTC and Training	
Transport and Travel	Director of Operations	This category includes the purchase of any vehicle, maintenance and repairs to vehicles, along with external transport expenditure i.e., contracted drivers, bus routes, taxis etc.
Utilities	Director of Estates	
Medical Services / Agency Staff	Director of Operations Director of Human Resources Director of Nursing Director of Finance SA1 Director SA2 Director SA3 Director	
Recruitment and Advertising	Director of Human Resources	

*****Some categories detailed above have multiple subheadings of expenditure categories, which may be assigned responsibility to the relevant Executive Member(s). *****

APPENDIX D – Contract Award Recommendation Template (contracts valued at/above €50,000)

Contract Award Recommendation

Tender Ref:

Tender Title:

Estimated Annual Value:

Annual Value (as tendered):

Contract Term:

Recommendation:

Outline of Requirements

SMH is seeking to award a contract for the provision of [insert contract title]. In particular, SMH has a requirement for the following:-

- requirement 1
- requirement 2
- requirement 3
- requirement 4
- requirement 5

Approval Confirmed

Approver 1:			
	Signature		**Title**
		Date:	**DD / MM /YEAR**
Approver 2:			
(where required)	**Signature**		**Title**
		Date:	**DD / MM /YEAR**
Approver 3:			
(where required)	**Signature**		**Title**
		Date:	**DD/ MM /YEAR**

SMH Finance Committee	**Meeting Date:**	**/ /**
(where required)	**Minute Reference:**	
SMH Board	**Meeting Date:**	**/ /**
(where required)	**Minute Reference:**	

Contract Award Recommendation

Tender Process

A contract notice was published [on the eTenders portal/in the Official Journal of the European Union (OJEU), delete as appropriate] and the [insert procedure] procedure, as provided for under Directive 2014/24/EU, was used.

A total of [insert number] Prequalification Questionnaires (PQQs)/ RFTs were received. Of these, [insert number] service providers were deemed to have the capacity to deliver on the contract and these were brought forward to the tender stage/Evaluation stage.

Award Criteria

A cost: quality ratio *of 60:40 [amend as appropriate] was applied in the evaluation of tenders*. Specific weightings for each of the award criteria/sub-criteria are outlined below:

AWARD CRITERIA	**WEIGHT**	**MAXIMUM SCORE AVAILABLE**	**MINIMUM SCORE REQUIRED (60%)** [amend as appropriate]
Cost (60%) [amend weightings as appropriate]			
Price	**60%**	**60**	**N/A**
Quality (40%) [amend weightings as appropriate]			
Criterion 1	**20%**	**20**	**12**
Sub-criterion 1	15%	15	9
Sub-criterion 2	5%	5	3
Criterion 2	**20%**	**20**	**12**
Sub-criterion 3	10%	10	6
Sub-criterion 4	5%	5	3
Sub-criterion 5	5%	5	3
TOTAL	**100%**	**100**	

Note: A minimum score of 60% [amend as appropriate] *of marks available under each of the non-cost sub-criteria was required. Tenders scoring below this 60%* [amend as appropriate] *threshold would be eliminated from further consideration.*

Tender Evaluation Team

The evaluation team for this tender process combined administrative and technical functions [amend as appropriate] and was chaired by the Procurement Manager (non-scoring). Team members were as follows:

1. Evaluator 1
2. Evaluator 2
3. Evaluator 3
4. Evaluator 4
5. Procurement Manager (non-scoring chair)

Tender Evaluation Summary

A summary of the prices tendered is outlined below. Please note that a price for the "optional extra" of [insert details of optional extras, if appropriate] was requested at the tender stage, however no commitment has been made to include this element of service in scope. Therefore, the price for this optional extra has not been scored.

Tenderer Name	Tender price per annum	Financial commitment (2 year term)	Optional extra [insert details where appropriate] per annum	Maximum financial commitment (2 year term)
Tenderer 1				
Tenderer 2				
Tenderer 3				
Tenderer 4				
Tenderer 5				

A summary of the overall scores achieved by each of the tenders is outlined in the table below:

	Cost Score (max 60)	Quality Score (max 40)			Total Score (max 100)
Tenderer Name		**Criterion 1**	**Criterion 2**	**Quality Total**	
Tenderer 1					
Tenderer 2					
Tenderer 3					
Tenderer 4					
Tenderer 5					

APPENDIX E – Circular 05/2023: Initiatives to assist SMEs in Public Procurement – issued on 28/03/2023 by the Department of Public Expenditure

An Roinn Caiteachais Phoiblí
Sheachadadh PFN agus Athchóirithe
Department of Public Expenditure
NDP Delivery and Reform

28 March 2023

To Heads of Departments

Circular 05/2023: Initiatives to assist SMEs in Public Procurement

A Dhuine Uasail,

As part of the Public Service Reform Plan, the Government established the Office of Government Procurement (OGP) to drive a new consolidated and integrated approach to public procurement. In the context of its ongoing commitment to ensure that Small and Medium Enterprises (SMEs) are fully engaged with public procurement and the opportunities presenting, the OGP has undertaken a review of Department of Public Expenditure and Reform Circular 10/2014.

The Programme for Government – Our Shared Future identified the role public procurement can play as an instrument to support innovation and allow greater access for SMEs to public procurement. SMEs, as defined in EU Recommendation 2003/361, are enterprises which employ less than 250 persons with an annual turnover not exceeding €50 million, and/or an annual balance sheet total not exceeding €43 million.

This Circular is designed to further enable SMEs in competing for public contracts and replaces Department of Public Expenditure and Reform Circular 10/2014. This Circular should be read in conjunction with the Public Procurement Guidelines for Goods and Services and the Capital Works Management Framework as appropriate.

This Circular applies to all public sector bodies from date of publication.

You are requested to bring this circular to the attention of all staff in your Department who are involved in any aspect of procurement and all Bodies, Offices and Agencies under the aegis of your Department.

Mise le meas,

Paul Quinn
Government Chief Procurement Offic

Government Buildings, Upper Merrion Street, Dublin 2, D02 R583
T +353 1 676 7571
www.per.gov.ie

General Measures

1. 1.1. Good Corporate Governance

Management in Government Departments and Offices should ensure that there is an appropriate focus on good practice in purchasing and that procedures are in place to ensure compliance with all relevant legislation, guidelines and procedures including the Public Financial Procedures and the Public Spending Code.

As a general principle, this Circular sets out positive measures for contracting authorities to take to promote SME participation in public sector procurement.

1.2. Capital Works Management Framework

Contracting authorities should note that the Capital Works Management Framework (CWMF) suite of guidance, standard contracts and template documents will continue to apply to works and works related services as set out in Circular 06/2010.

1.3. EU Principles

Public sector procurements within the EU, irrespective of value, are covered by the principles set out in the Treaty on the Functioning of the European Union (TFEU) of non-discrimination, equal treatment, proportionality and transparency.

1.4. Review

These measures will be kept under review in light of their impact on SME participation and operational efficiency.

2. Transparency

2.1. Advertising of contract opportunities to promote SME participation

The threshold at which contracting authorities are required to advertise all contracts for goods and services on eTenders is now €50,000 (exclusive of VAT).

Contracts with a value between €5,000 (exclusive of VAT) and the new national advertising threshold of €50,000 (exclusive of VAT) may be awarded on the basis of responses to written specifications (for example, by email) issued to at least three suppliers or service providers.[1]

The use of the eTenders website to advertise tenders for low value purchases should continue, where possible. Contracting authorities should note that the eTenders system supports the use of electronic request for quotations (eRFQ) for contracts under €50,000 (exclusive of VAT). This facility is available in an efficient, quick and simple manner utilising data from registered SMEs under a broad range of categories.

[1] Contracts less than €5,000 can be awarded on the basis of verbal or written quotes from one or more competitive supplier. Contracts between €5,000 and €50,000 can be awarded on the basis of responses to written specifications (for example, sent by email) to at least three suppliers or service providers, responses to at least three quotations sought via the electronic request for quotes facility on eTenders or can be advertised on eTenders as part of a more formal tendering process.

Government Departments and Offices should continue to report to the Comptroller and Auditor General on contracts above €25,000 (exclusive of VAT) awarded without a competitive process in accordance with Department of Finance Circular 40/2002: *Public Procurement Guidelines – revision of existing procedures for approval of certain contracts in the Central Government sector*.

2.2. Works and Works-related services thresholds

The Capital Works Management Framework (CWMF) suite of guidance, standard contracts and generic template documents applies to the procurement of all works and works related services as set out in Circular 06/10. The CWMF for works and works-related services includes a suite of standard pre-qualification questionnaires and standard declarations (CWMF Pillar 3) as well as standard Instructions to Tenderers and Forms of Tender (CWMF Pillar 1 for works and Pillar 2 for consultants). These are available to download at www.constructionprocurement.gov.ie.

Works Threshold

The threshold at which contracting authorities are required to advertise all contracts for works on eTenders is now €200,000 (exclusive of VAT). Contracts for works with an estimated value less than €200,000 (exclusive of VAT) may still be advertised on eTenders. However, where it is decided not to advertise on eTenders, contracting authorities should seek a minimum of five written tenders from interested and competent contractors.

Contracts for works with an estimated value equal or greater than €200,000 (exclusive of VAT) should be advertised as part of a formal tendering process on eTenders.

Works-related Services threshold

The threshold at which contracting authorities are required to advertise all contracts for works-related services remains at €50,000 (exclusive of VAT). Contracts for works-related services with an estimated value less than €50,000 (exclusive of VAT) may still be advertised on eTenders. Where it is decided not to advertise the contract, contracting authorities should seek a minimum of five written tenders from interested and competent consultants.

Contracts for works-related services with an estimated value equal or greater than €50,000 (exclusive of VAT) should be advertised as part of a formal tendering process on eTenders.

2.3. Contract award information

Contracting authorities are required to publish contract award information for all procurements over €25,000 (exclusive of VAT), including any contract awarded under a Framework Agreement, on the eTenders website on completion of the award whether the procurement was advertised on eTenders or not (for example, via email). For tenders above the relevant EU thresholds, a Contract Award Notice must be published. For tenders between €25,000 (exclusive of VAT) and the EU thresholds, a separate notice on eTenders should be created. This will facilitate measurement of the impact of the change in the national advertising threshold on SME participation in public procurement.

Contracting authorities should note that this is a separate requirement to other obligations that public bodies have to publish information on contracts derived from other government guidelines.

Procurements not advertised on eTenders

In situations where the procurement competition was managed outside of eTenders, contracting authorities are required to manually create a record of the award on eTenders and complete all relevant fields for contracts over €25,000 (exclusive of VAT).

2.4. Contracting authority websites

To promote transparency and assist SMEs in identifying potential opportunities, contracting authorities should consider publishing details on their websites of what they procure as well as information on existing contacts and future procurement plans.

3. Measures to Promote SME Participation

3.1. Preliminary Market Consultations

Contracting authorities may wish to consider, on a case-by-case basis, undertaking preliminary market consultations prior to tendering in order to better understand matters including the range of goods and services available, market developments, what commercial models are available, the competitive landscape, and the specific capabilities of SMEs, etc.

Preliminary market consultations can also help determine where the potential for innovation lies and facilitate development of the procurement strategy (for example, decision to break down larger contracts into lots and the manner in which they may be broken down).

Preliminary market consultations can include one-to-one consultations or wider market engagement. Contracting authorities can contact suppliers directly or use eTenders to invite input from suppliers by publishing a Request for Information (RFI). When undertaking preliminary market consultations, contracting authorities may involve end users (such as employees and existing or potential clients), subject matter/industry experts and relevant policy leads. Preliminary consultation with the market should not have the effect of distorting competition. Contracting authorities should maintain appropriate records of any engagement with the market. To ensure transparency, any information provided by the contracting authority during this process should be made available to all potential tenderers.

3.2. Use of Lotting

The sub-division of contracts, including framework agreements, into lots supports SME participation in public procurement. Contracting authorities should, where reasonable and without compromising efficiency and value for money, consider separating contracts into lots, thereby enabling smaller businesses to compete for these elements. Depending upon requirements, to be considered on a case-by-case basis, contracts can be divided into lots in range of ways including on the basis of geography, specialism and/or value, thereby encouraging SMEs to bid for contracts appropriate to their capacity, specialism and location.

When deciding to advertise on eTenders and publish in the Official Journal of the European Union (OJEU), contracting authorities must consider the aggregate value of the lots. Where a contracting authority decides not to sub-divide a procurement into lots (for tenders valued above of the relevant

EU thresholds), the contracting authority must provide an indication of the main reasons for that decision in the procurement documents or Regulation 84 Report.[2]

3.3. Consortium Bids

SMEs are encouraged to consider forming a consortium where they are not of sufficient scale to tender in their own right. Suppliers considering forming a consortium to bid for public sector opportunities should seek legal advice in relation to the structure and operation of the consortium to ensure that it is fit for purpose and complies with their legal obligations particularly in relation to competition law. Contracting authorities are encouraged to consider the use of Prior Information Notices (PINs) to provide SMEs with time to consider and form a consortium.

3.4. Greater Use of 'Open' Tendering

Contracting authorities should use the open procedure, where reasonable and without compromising efficiency and value for money, for contracts valued below the EU advertising threshold for Government Departments and Offices in the case of advertised contracts for general goods and services. Above this threshold, contracting authorities should decide which tendering procedure is most appropriate in each case. It is recognised that in certain circumstances, such as the procurement of innovation (see Section 3.7), alternative procedures to open procedure may be more appropriate to promote the participation of SMEs.

3.5. Technical ability and Economic and Financial Requirements

Selection criteria may be comprised of the following: suitability to pursue a professional activity; economic and financial standing; and technical & professional ability. Contracting authorities should ensure that any selection criteria set for candidates/tenderers are relevant and proportionate to the circumstances of a particular contract. For example, where experience is specified as a qualifying or award criterion, it should not be framed in such a way as to unduly narrow a field of eligible tenderers, including SMEs. In the case of newly established start-ups that have yet to establish a track record as a company, contracting authorities may wish to consider the previous experience of the personnel of the start-up.

For contracts valued above the EU threshold, proof of an economic operator's economic and financial standing and technical ability may be provided by one or more of the references specified in Schedule 8 of the 2016 Procurement Regulations. Documentary evidence of financial capacity should not be sought by contracting authorities early in the procurement process. Instead candidates/tenderers should be asked to declare that they meet the minimum standards required by the contracting authority and will produce the necessary documentation when provisionally short- listed in a restricted procedure or when chosen as the successful tenderer in an open procurement competition.

[2] The EU Procurement Directives were transposed into Irish Law in 2016 and 2017 by way of the following Regulations: S.I. No. 284/2016 (the "2016 Regulations"); S.I. No. 286/2016 (the "2016 Utilities Regulations") and S.I. No. 203/2017 (the "2017 Concessions Regulations").

Works and works-related services

The CWMF for works and works-related services includes guidance on minimum standards for pre-qualification for contractors and consultants. GN 1.6.3 – Suitability Assessment of Construction Service Providers – Minimum Standards for Suitability Criteria and GN 2.3.1 – Suitability Assessment of Works Contractors, Restricted Procedure.

3.6. Turnover Requirements

The use of high turnover levels as a measure of financial capacity may provide a barrier to the participation of SMEs.

Contracting authorities are encouraged to consider, on a case-by-case basis, the risk associated with the delivery of the goods or services to ensure that any turnover or financial capacity requirement is proportionate to the level of risk involved. In line with EU and national legislation, and to support SME participation in public procurement, the minimum yearly turnover required of an economic operator shall not exceed (and can be lower than) twice the estimated contract value, except in duly justified cases. For contracts above EU thresholds, where a higher turnover requirement is adopted, this must be justified in the procurement documents or Regulation 84 Report of the 2016 Regulations.

The 2016 Regulations provide alternative means of assessing financial capacity in the form of asset-to-liability ratios. In some instances, these may be more appropriate selection criteria for assessing a supplier's financial capacity.

The CWMF for works and works-related services includes detailed guidance on Minimum Standards for Pre-qualification of Works and Consultants, which are available to download at www.constructionprocurement.gov.ie under Pillar 4 - Guidance.

3.7. Innovation

The Government recognises that creative ideas for new and innovative solutions and products often come from SMEs and the award of a public contract can act as a springboard for emerging SMEs to expand and export. For above EU threshold procurements, the 2016 Regulations provide for the use of procurement procedures that can facilitate innovation including Competitive Procedure with Negotiation, Competitive Dialogue and Innovation Partnership.

Preliminary market consultation can provide insights about the capacity of the market to deliver on the requirements of the contracting authority, the risks involved and identify creative solutions. To promote innovative solutions, contracting authorities may, depending upon the subject matter and the form procurement procedure, indicate in tender documents where they are prepared to accept reasonable variants to the specifications. Alternatively or in addition, requirements may, for example, be set out in terms of a deliverable which allows tenderers to provide creative and innovative solutions which may in turn yield wider society benefits and/or inaugurate green considerations. This output-oriented approach may enable contracting authorities to concentrate on the functional requirements of a product they would like to have but leaves tenderers the freedom to develop new, innovative goods or services which better correspond to the actual need of the contracting authority.

Contracting authorities are also encouraged to consider the use of pre-commercial procurement to promote the development of innovation solutions.

3.8. Prior Information Notices (PINs)

For contracts above EU threshold, contracting authorities may wish to consider the publication of a Prior Information Notice (PIN) on the eTenders website setting out their intentions with respect to planned procurements. This will alert the market to upcoming procurement opportunities.

Communicating long-term procurement plans to the market gives the market time to react and develop solutions. This is particularly important in the case of large and complex contracts and where SMEs might need time to find partners for joint or consortia bidding. PINs may reduce the time required for responses when publishing procurement documents.

Sub-central contracting authorities may use a PIN as a call for competition for contracts above the EU threshold in certain procedures.

3.9. Feedback

In order to prepare for future bids, it is helpful for unsuccessful tenderers to see what aspects of their bids were considered strong and which need improvement. The OGP has published a set of model letters for use in relation to above EU threshold competitions. For other contracts, contracting authorities are strongly encouraged to provide proportionate written feedback as a matter of good practice to assist suppliers in preparing future tenders.

For works and works-related procurements the CWMF, which is available at: https://constructionprocurement.gov.ie/ includes a suite of model form letters to notify Candidates/Tenderers at different stages of the procurement process:

- Works: Pillar 1 - MF 1.2 Letters notifying Candidates/Tenderers.
- Works-related services: Pillar 2 - Letters notifying Candidates/Tenderers.

3.10. Life Cycle Costing

The 2016 Procurement Regulations provide that a contract shall be awarded on the basis of the most economically advantageous tender (MEAT). Contracting authorities, to the extent relevant, should take into account not just the acquisition costs but the whole life-cycle costs. This allows contracting authorities to take account of various elements relating to the subject-matter of the contract. Life cycle costing can include costs borne by the contracting authority or other users and costs imputed to environmental externalities linked to the product, service or works during its life cycle, provided their monetary value can be determined and verified. Where appropriate, contracting authorities should seek full life-cycle costing solutions in their tender documents. The extent of information sought should always be related to what in fact is being procured, that is the work, services or supplies.

3.11. Insurance

Requirements for Supply of Goods and Services

Contracting authorities should only require such types and levels of insurance which are proportionate and reasonable in the context of a particular contract. Factors that may be considered for the supply of goods and general services should include the risks involved, the value of the contract and the subject matter of the contract. The required insurance coverage will vary from contract to contract as will the type of insurance cover available to suppliers, particularly in relation to professional indemnity and cyber risks. Any requirement for insurance cover must be signalled in the tender documentation. Tenderers should be asked to declare that they can obtain such cover

but should not be required to have it in place at the time of tendering. Documentary evidence of the required insurance will only be required when a candidate has been identified as a successful tenderer in a procurement competition. In carrying out competitions for the acquisition of routine low-to-medium-risk goods and services, contracting authorities should use Appendix 1 as a guide to assessing insurance level requirements. For bespoke and or complex competitions or if the contracting authority has concerns with regard to any aspect relating to subject matter of the procurement then contracting authorities, who are covered by the State Claims Agency, should contact this agency for assistance in setting appropriate insurance levels. Public bodies not covered by the State Claims Agency are asked to contact their risk management department or relevant insurance advisor to determine the appropriate levels of cover.

Requirements for Works and works-related services

Guidance for works and works related services are available on www.constructionprocurement.gov.ie under Pillar 4/Guidance Notes:

- GN 1.1.2 – Professional Indemnity Insurance Application in the Capital Works Management Framework
- GN 1.6.3 – Suitability Assessment of Construction Service Providers – Minimum Standards for Suitability Criteria
- GN 2.3.1.3 – Minimum Standards for Suitability Works Contractor Criteria (Open, Restricted Procedure).

3.12. Dynamic Purchasing Systems

Contracting authorities may wish to consider the use of Dynamic Purchasing Systems (DPS) for the procurement of commonly used goods, works or services which are generally available on the market. DPS remain open for economic operators (such as SMEs and new market participants) to apply for admission following its establishment. Any DPS being considered for the procurement of works and works-related services must meet the requirements set out in the CWMF.

3.13. No Charging for Tendering Opportunities

Contracting authorities must not use arrangements where candidates/tenderers are required to pay to access competitions for public contracts. Such charging would represent a barrier to the participation of SMEs.

4. Central Arrangements

The OGP and its sector sourcing partners (known as central purchasing bodies) in Education, Health, Defence and Local Government establish a range of Framework Agreements and Dynamic Purchasing Systems for use by contracting authorities. These central arrangements facilitate more efficient and better procurement practice, optimise value-for-money possibilities and help contracting authorities meet their obligations to consider more strategic considerations including green, social and SME-friendly conditions. As set out in Circular 16/2013 *Revision of Arrangements Concerning the Use of Central Contracts* contracting authorities should continue to make use of all such central arrangements, where they are available.

5. eTenders

5.1. eTenders

The OGP will continue to promote the optimum use of the eTenders portal as a tool for supporting the participation of SMEs in public procurement. Contracting authorities are encouraged to use the full range of eProcurement solutions available to make public procurement more accessible to SMEs and limit the administrative burden on all suppliers.

5.2. Tender Finalisation

Contracting authorities should ensure that all tender notices and relevant data fields in eTenders are completed in a timely manner. For contracts above the EU threshold, Contracting authorities are obliged to send contract award notices to the OJEU via eTenders within 30 days of the award of the contract. These measures will provide for better data capture and facilitate future assessment of the impact of the change in the national advertising threshold.

5.3. Registration and Email Alerts

Contracting authorities should encourage suppliers to register accurate and detailed business information on www.etenders.gov.ie to ensure maximum exposure to tendering opportunities within their sector. Email alerts are provided to registered suppliers based on the Common Procurement Vocabulary (CPV) codes suppliers have indicated on their eTenders' business profiles. Registered suppliers are encouraged to critically analyse the range of CPV codes attached to their registration to maximise the receipt of relevant alerts and ensure their selection in the relevant eRFQ. The more information provided the more exposure a supplier will have to opportunities. Contracting authorities also use eTenders to search for relevant suppliers to provide an eRFQ.

5.4. Supplier Documents

Suppliers can upload documents and information to their profile (such as insurance, health and safety and financial documents) on eTenders. Suppliers can then attach these documents when submitting a response to a tender. This facility is aimed at easing the administrative burden on suppliers competing for multiple tenders.

6. Enquiries

Any queries in relation to the operation of this Circular regarding goods and general services can be addressed to support@ogp.gov.ie.

Queries in relation to works and works related services should be emailed to construction@per.gov.ie.

Appendix 1

Guide to Setting Insurance level requirements routine low-to-medium-risk goods and services

The table below sets out the types of insurance and associated minimum indemnity limits and which should be considered/maintained for setting insurance level requirements for routine low-to-medium-risk goods and services.

Selection of insurance and limits should be based on a risk assessment of the services/goods provided. Further guidance for setting and checking insurance is available on SCA website: https://stateclaims.ie/learning-events/guidance-on-indemnity-and-insurance.

Type of Insurance	**Minimum Indemnity Limit**
Employer's Liability	€12.7m any one claim or series of claims arising out of a single occurrence (if self-employed this is not necessary)
Public Liability	€6.5m any one claim or series of claims arising out of a single occurrence.

Other typical insurances contract dependent (non-exhaustive list)

Product Liability	€6.5m any one occurrence and in the aggregate per insurance year
Professional Indemnity	Risk assess based on potential damage and/or loss (refer to SCA guidance)
Cyber insurance	Risk assess based on potential damage and/or loss (refer to SCA guidance)

Once the relevant insurance documents are received, they should be reviewed to ensure they are appropriate. The third party may only provide an overview of cover in the form of a policy schedule and not provide the full insurance policy; however, the following should be confirmed:

- Scope/business description
- Name of insured
- Renewal date
- Limit of indemnity
- Territorial limits and jurisdiction
- Insurer authorisation
- Excess and inner limits
- Restrictions/conditions/warranties
- Sub-contractors and indemnity to principals clause (employers, public and product liability policies). Please refer to SCA guidance for full details.