

# Thrive Trafford Commissioning and Procurement Jargon Buster

## What is Commissioning and Procurement?

In outline, commissioning is a whole strategic process for deciding how public services are to be delivered in the most efficient and cost-effective way, often known as the Commissioning Cycle. This is a detailed step-by-step approach, from assessing need for a service, through sourcing a supplier, to evaluating the outcomes achieved. Procurement is a specific aspect that refers to the actual purchasing function within that process.

With an increasing number of third sector organisations in Trafford seeking to deliver public sector contracts, get onto commissioning frameworks and engage with commissioners, the need to understand the language and acronyms used is essential.

The following list presents some of the more commonplace language used within commissioning and procurement.

## Commonplace Language

### A

**Agent** – A person or organisation acting on behalf of the Council or on behalf of another organisation.

**Alcatel** – See 'Standstill Period'.

**Approved List** – A buyer's regularly reviewed list usually of potential suppliers, usually for lower-value contracts.

**Approved Supplier List** – A list of contractors who have been assessed and approved to carry out work/deliver services to the Purchasing Authority.

**Award** – The issue of an order or contract to a supplier.

### B

**BAME** – Black, Asian Minority Ethnic

**Benchmarking** – A process to test whether both the standard and price of services is in line with an equivalent standard. Benchmarks may be drawn from an organisation's own

experience, from the experience of other organisations in the sector or from groups of organisations who collaborate on such information.

**Best Value** – Robust performance management is at the heart of any drive to secure continuous improvement and delivery of high quality services. Best Value provides the statutory basis upon which councils plan, review and manage their performance in order to deliver continuous improvement in all services and to meet the needs and expectations of service users.

## C

**Call Off Contract** – An agreement with one or more suppliers for a pre-defined range of works, goods or services under which buyers 'call off' to meet their requirements. This type of contract is known as a Framework Agreement where there is no commitment to quantity or value.

**Common Procurement Vocabulary** – A hierarchical list of procurement codes used to categorise EU public tenders, for example 8532300 refers to Community Health Services.

**Competitive Tendering** – Awarding contracts by the process of seeking competing tenders.

**Consortia Bid** – A group of organisations that engage in joint procurement for a contract.

**Contractor** – A firm or person who has made a contract to supply goods and/or services.

## D

**Deed** – A formal document "executed under seal" or in a particular way.

**Default Notice** – A notice issued to inform that a breach of contract has occurred.

**DPA** – Data Protection Act.

## E

**Expression of Interest (EOI)** – This is a means of registering an interest in a particular project or procurement exercise. Organisations registering an EOI will be invited to tender. In procurement processes with more than one stage then this may include completion of a pre – qualification questionnaire (PQQ).

## F

**Framework Agreement** – An agreement where the Purchasing Authority can call off goods/services from a number of suppliers.

## I

**Invitation to Tender (ITT)** – Tender documentation to enable the supplier to make a detailed proposal to demonstrate they can meet the requirements of the buyer.

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**ITQ** – Invitation to Quote.

## K

**KPI** – Key Performance Indicator. KPIs are placed against certain elements of an SLA and indicate that they will be monitored more closely than others to help us measure the performance of suppliers against their contractual obligations to identify that service levels are being met

**Letter of acceptance (Successful Letter)** – A letter that creates an immediate binding contractual relationship between the Council and the successful tenderer prior to entering into a formal contract

**Letter of intent** – This is a letter informing a successful tenderer that it is the Council's intention to enter into a contract with her/him in the future, but creates no liability in regard to that future contract.

## M

**MEAT** – Most Economically Advantageous Tender.

**Method Statement** – A statement which describes how the goods, services or works will be delivered.

## P

**Preferred Supplier List** – See Approved List

**Pre-Qualification Questionnaire (PQQ)** – A tender document to enable the supplier to provide basic information such as an outline of business activities and insurances so that the buyer can develop a short list of suppliers that meet the minimum requirements to deliver a service.

**Public Sector** – A series of bodies such as National Health Service and local authorities that deliver and purchase services, goods and works.

## S

**Shortlist** – A list of suitable prospective suppliers that has been drawn up through a preliminary evaluation exercise for a particular contract or procurement activity.

**SME** (Small or Medium Enterprise) – A Company that employs no more than 249 permanent members of staff.

**Specification** – The document detailing the requirements of the works/goods/services to be purchased.

**Standstill Period** – A standstill period usually of at least 10 days once a contract has been awarded to the successful supplier to enable unsuccessful suppliers to receive feedback and make an appeal before the contract is acted upon.

**Supply Chain** – A network of companies/organisations who are directly or indirectly interlinked and interdependent in serving the same or customer.

**Sustainable Procurement** – The environmental, social and economic issues that must be considered in procurement exercise in order to meet the Purchasing Authorities objectives.

## T

**Tender Documentation** – A set of documents issued by a buyer, which normally includes a Business Questionnaire, Instructions to Tenderers, Contract Conditions, Specification, Pricing Document, Form of Tendering and Tenderers' Responses, for the delivery of goods, services or works.

**Thresholds** – The EC Public Procurement Directives apply to contracts above certain thresholds. Up to date values are available at [www.ogc.gov.uk](http://www.ogc.gov.uk)

**TUPE** – Transfer of Undertakings (Protection of Employment) Regulations. The purpose is to preserve continuity of employment and to safeguard employment rights of all employees whose employment transfers to a new employer as a result of a relevant transfer.

## V

**Value for Money** – Optimum combination of whole-life costs and benefits to meet the customer's requirement.

## W

**Whole Life Costs** – A principle that takes into account the total cost of the service throughout its commissioning cycle.

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