Procurement good practice guidance

29/01/2024

See all updates

If you receive a grant from us, there are processes we expect you to follow when you procure goods or services.

By reading this guidance you'll learn what our requirements are, plus it gives you a template of what you might want to include when asking potential suppliers to tender for work.

Our guidelines

- For all goods, works or services worth more than **£10,000** (excluding VAT), you must get at least three competitive tenders/quotes.
- For all goods, works and services worth more than **£50,000** (excluding VAT), you must provide proof of competitive tendering procedures in the form of a report on the tenders received, together with your decision on which to accept. When you don't select the lowest tender, you will need to give full reasons.?
- If you are a public body grantee or your project is subject to public procurement legislation, you must follow relevant legislation.

We also require you to take our investment principles into account in your procurement, which means your procurement decisions should:

- increase diversity in your supply chain
- strengthen heritage's contribution to local economies by employing local suppliers where possible
- protect the environment

If you are unsure about your obligations, we advise you to take professional or legal advice.

If you have already procured goods, works or services for the project that are worth more than £10,000 (excluding VAT), you will need to tell us how you did it. We cannot pay your grant if you have not followed the correct procedure.

Invitation to Tender template

An Invitation to Tender (ITT) is a formal document that sets out how you want potential suppliers of goods and services to submit their bids or quotes for the goods or services. The following template suggests what you might want to include in your ITTs:

Cover page

This should simply state the title of the work you want to commission.

Overview

Give a description of your organisation and what you do. Include your website address if you have one. Give a description of the work being commissioned including, where relevant, the aim(s) and objectives of the work, and give an outline of the expected delivery timetable. If you're commissioning research/evaluation or specialist advice, include the questions you would like answered. Say how you plan to use the services and who the main audience for the work is.

Methodology

Ask potential suppliers to specify the methodology they plan to use to meet the aims and objectives of the work or specify the approach you would like to be applied to the work. You can also ask suppliers to propose a methodology but state that you anticipate it will include certain principles – and then list the principles, eg: ethical considerations, what groups you want to include in research, what sources of information you will share, etc.

Outputs/deliverables

List the outputs/deliverables you expect the work to generate and by when. Include details on how you expect the these to be completed. For example, will you expect any specific standards followed, things presented in a specific way, any guidelines for style or format adhered to? Do you want the successful bidder to discuss the work with your board or staff?

Include issues that might affect the bidders' response, for example, the consequences to your organisation of a failure to meet deliverable dates and how important deadlines are. Include a description of the skills and knowledge you are looking for, and perhaps qualifications, if that's a technical or statutory requirement.

Contract management

Say when you expect the work to begin and end, and what you anticipate your budget will be. You may wish to specify the fee, especially if you are going for a sole bidder, or ask for tenders to include a cost. Even where you are carrying out a competitive tender it is often worth giving an indication of the scale of budget that you have available. If you don't specify in the brief, the contract should specify a fee, inclusive of VAT and expenses.

It's important to state whether there will be any special terms and conditions included within the contract and say who will lead on managing the contract within your organisation.

Specify a payment schedule based on the nature of the work and the length of the contract. It's a good idea to link payments to significant milestones, for example, X% following a meeting to begin the work and then Y% on receipt of the work.

Award criteria

List what you expect proposals for carrying out the work to include, for example:

- a detailed methodology for undertaking the study
- an outline of internal responsibilities and liaisons
- details of staff allocated to the project, together with experience of the contractor and staff members in carrying out similar projects. The project manager/lead contact should be identified.
- a timescale, for example in the form of a Gantt chart, for carrying out the project

- an overall cost for the work

Include details of how you will judge which proposal is best. You could include a set of criteria and the weighting of each scoring for making your decision. Criteria might include:

- the degree of understanding of the issues demonstrated by the bidder
- the appropriateness of the proposed methodology and methods
- the degree of experience to complete the work demonstrated by the bidder
- how well the bidder has structured a team to successfully manage the contract and deliver the work to the budget and timetable required

You can also add information here about how bidders should detail their quotes. You can specify that costs should include VAT and expenses and include a breakdown of each person who will be working on the project, what their day rate is and how many days each member of the team will be allocated to complete the work.

Procurement timetable

Include a procurement timetable stating the proposal return deadline and the week in which you'll notify bidders of your procurement decision.

Be clear about where you would like proposals to be sent, who they should be addressed to and in what format (for example email or written submission). If you chose to receive proposals via email you should also include a deadline time.

Finally, you may want to hold interviews with shortlisted suppliers so include the dates you intend for these to take place – and whether in person or by phone, Zoom, etc – to ensure availability.