

# **Supplier Qualification Information Database (SQuID)**

## **Part 1 – Introduction**

## SQuID DOCUMENTATION SET

This is one of three documents that describe the SQuID.

**Part 1 – Introduction**

**Part 2 – Guidance on selecting questions**

**Part 3 - Question catalogue**

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## INTRODUCTION

This guidance aims to help buyers decide how to qualify bidders either through use of a pre-qualification questionnaire (PQQ) or by including qualification questions in an invitation to tender (ITT).

These three documents explain some of the reasons why the Supplier Qualification Information Database (SQuID) has been developed along with some general guidance (Part 1), a more in-depth paper version of the guidance that is available on the [www.sell2wales.gov.uk](http://www.sell2wales.gov.uk) website (Part 2) and the list of the standard questions (part 3).

In summary, this is how best to use the documents:

- ❶ Read part 1, so you are familiar with the needs of public sector buyers and the general points (section 2).
- ❷ Read parts 2 and 3 in parallel, using the guidance in part 2 to decide on the optimum set of questions to ask and how the answers should be assessed.

### Version 3

The Public Contracts Regulations 2015 brought in a number of changes affecting the selection stage of procurement. As a result, changes have been made to a large proportion the questions included in the SQuID Version 3. The most important changes in Version 3 are.

- The question set is around 30% shorter than version 2;
- The Supplier Acceptability questions have been amended to align with the new Regulations;
- In most cases questions requiring textual or numeric answers are replaced by “yes/no” questions confirming that suppliers meet criteria that must be set out clearly by buyers in the “guidance for bidders”. Suppliers are then advised that they *“must be in a position to provide evidence, if required, and without delay to confirm this prior to contract award”*. In many cases suppliers are then given the option to submit their evidence immediately if they wish. This is in line with the Regulations referring to the forthcoming ESPD document which allows bidders the opportunity to self-certify that they meet the necessary criteria. Evidence should be collected and assessed on the successful bidder prior to contract award.
- Functionality to allow suppliers to demonstrate any self-cleaning they have done – even for mandatory exclusions - on a case by case basis.

### Readability

In order to be clear and concise we have used the following terms throughout this document.

**Selection** The process used to determine which bidders will be invited to tender or which tenders will be considered. This is **pre-qualification** if using the restricted process. The term **qualification** is sometimes also used in place of **selection**.

<b>Award</b>	The process used to determine which tender is (or tenders are) successful and to whom to award the contract.
<b>Bidders</b>	The organisations responding to a pre-qualification questionnaire or a tender.
<b>Contractor</b>	An organisation that is under contract as a result of winning a competition.
<b>Buyer</b>	The person (or persons) within the public body responsible for carrying out the procurement exercise. This may include procurement professionals and/or service managers.

### **What is the SQuID?**

The SQuID is in the process of being built into the National Procurement Website, [www.Sell2Wales.gov.uk](http://www.Sell2Wales.gov.uk) and will consist of three elements. First, a set of the SQuID questions. Second, a database of suppliers' answers stored for re-use. Third, a tool for buyers to generate a selection questionnaire using a risk-based wizard, for each procurement project.

The idea is that working together these elements deliver a number of benefits:

- Increased **efficiency** for both suppliers and buyers, by allowing standard questions and answers to be stored for future use, by keeping the number of questions to a minimum, and also by encouraging buyers only to seek information from suppliers if they can be clear about exactly how the information will be used.
- Greater **standardisation** of the selection stage, whilst also allowing for **tailoring** of questions to meet the individual requirements of each procurement.
- Increased **transparency** of the selection process and how responses will be evaluated – so that suppliers are able to work out easily whether or not they wish to bid for a particular opportunity, how to optimise their proposal and how to present it in an effective way.
- An open, fair and transparent process for all - resulting in improved **opportunities** for SMEs and local businesses to compete on an equal footing as a result of a carefully considered question set that removes some of any unnecessary barriers to entry for them.

The SQuID is designed to help buyers to balance the management of risks (of failure to deliver) with relevant and proportional questioning. A small scale, short-term contract where the costs and other risks of failure are low will require a comparatively light touch and therefore more efficient procurement exercise.

### **When is the SQuID used?**

The SQuID can be used during the selection stage of any procurement. If you are using the restricted process this will be the pre-qualification stage; you will want to use the SQuID to select which questions to include in your PQQ. If you are using the open process this will be the tender stage; you will want to use the SQuID to decide which selection questions to include in your ITT. You can also use the SQuID for procurements that fall below EU thresholds – essentially any time you need to question bidders on their financial and technical competency and their track record, the SQuID can be used.

### **How does the SQuID work?**

At the time of writing an on-line version of SQuID is being developed on Sell2Wales website. However, most of the planned functionality described below is already live and in use on the eTenderwales tool - <https://etenderwales.bravosolution.co.uk/home.html>. Buyers are increasingly using the SQuID questions stored on the system to generate their question sets, and suppliers are storing answers to standard questions for re-use in other procurement exercises.

For buyers, the SQuID “process” begins with use of a risk-based system for choosing the questions most suitable for every procurement exercise. This has now been built into Sell2Wales website. It is known as the “Squizard” and is based on Part 2 of this guidance. The SQuID itself is a set of standard questions, each with some **guidance to bidders** on how each of their answers will be assessed or scored.

### **SQuID on Sell2Wales**

Buy-side SQuID functionality is now available on Sell2Wales. Buyers are prompted to fill in a short tick-box questionnaire which auto-generates a suggested set of selection questions. The system is flexible so suggested questions can be removed, and other standard questions can be added if necessary. Requirement-specific questions can also be added. After selecting each question, buyers tailor the guidance for bidders. The guidance in part 2 of this document set is designed to help buyers select the best set of questions for every procurement.

For bidders, the SQuID will be a database that allows them to store and re-use their response to standard questions. They can fill in their answers to questions at any time, but also in response to specific procurement opportunities advertised on the Sell2Wales site. When responding to a questionnaire they will be able to re-use any responses they have previously authored for the same question. They will be able to modify their answer to standard questions and save it, or they will be able to respond directly to buyers’ questions and not store their answer in the database.

This is shown as an illustration below.

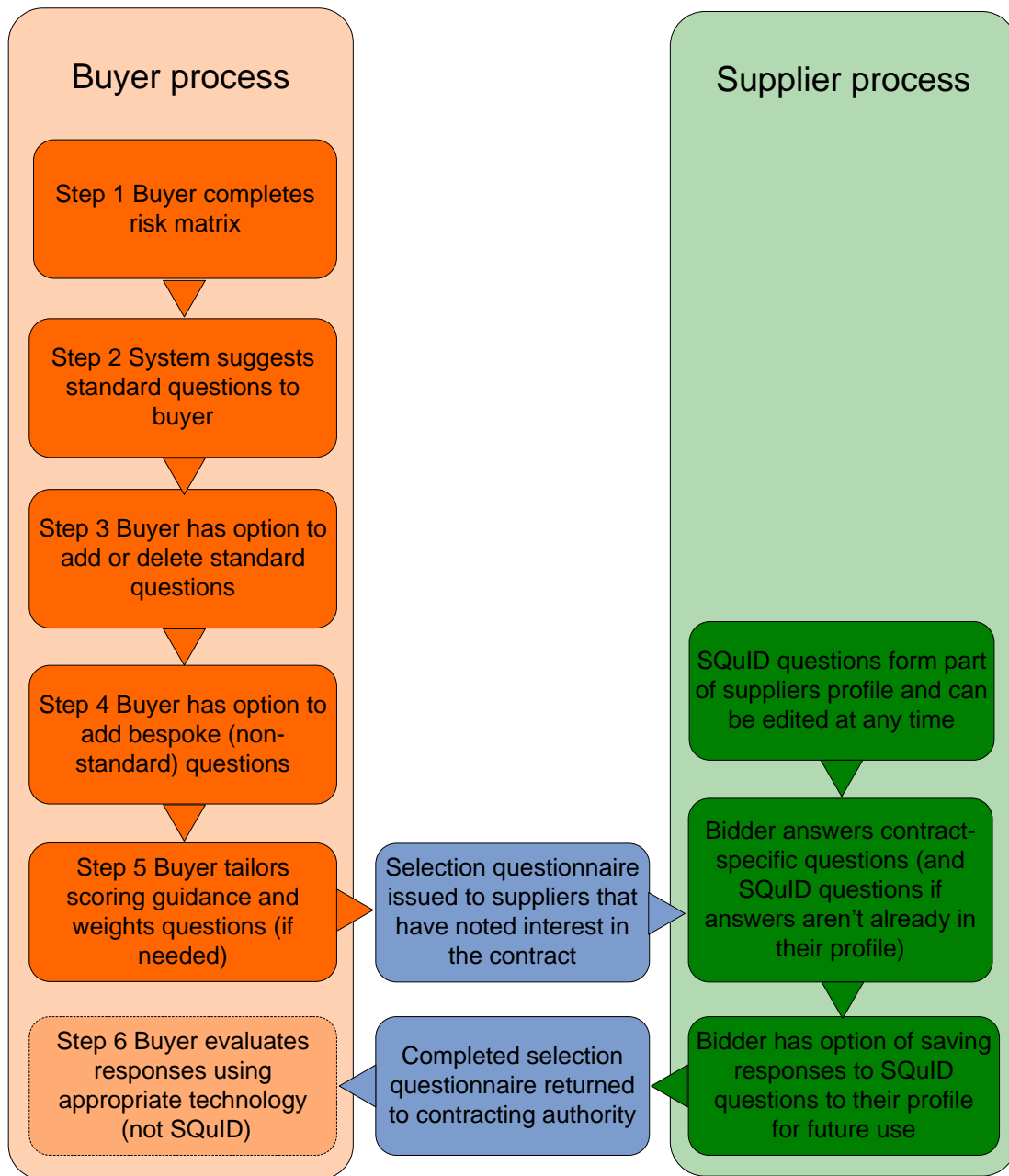


Figure 1: How the SQuID will work

## SECTION 1: BUYER'S NEEDS – A RISK-BASED APPROACH

The approach taken in this guidance is **risk-based**. Questions should be asked only where doing so helps to avoid any risk of failing to achieve the needs of the buyer. The table below describes the high-level *generic* needs of public-sector buyers and uses them to present a structure for the selection questions included in the database. It does *not* describe the *specific* needs that are driving the procurement – i.e. the requirements for the goods, services or works being bought.

<u>Value for Money</u>	<p>The buyer is spending public money and has a responsibility to do so in a way that delivers value for money to the taxpayer.</p> <p>This need means the Buyer will need to investigate:</p> <ul style="list-style-type: none"> <li>→ <b>Value for Money</b></li> </ul> <p>However, this is considered at the award (or tender) stage of a procurement. This document is concerned only with the selection (or PQQ) stage.</p>
<u>Efficiency; mitigated risk of additional costs</u>	<p>The Buyer is spending public money and must manage the risk of incurring additional cost and inconvenience as a result of a supplier failing to deliver against an agreed contract. A supplier may fail to deliver if the legal entity fails financially, if it does not have the capacity or capability to deliver the relevant goods, services or works, or if it does not have the appropriate management systems in place to ensure a quality product or service is delivered on time.</p> <p>This need means the Buyer will need to investigate:</p> <ul style="list-style-type: none"> <li>→ <b>Economic / Financial Standing</b></li> <li>→ <b>Capacity &amp; Capability</b></li> <li>→ <b>Management</b></li> </ul>
<u>Safety</u>	<p>The public body (and employer), must ensure the safety of the products, services and works that it buys from third parties that might be handled by its staff or used by the public. How this is done will depend to a large extent on the nature of the product, service or works being bought. Sometimes specific quality standards will apply and the public body will need to ensure that the supplier is capable of meeting these standards.</p> <p>This need means the public body will need to address, in line with its corporate governance arrangements:</p> <ul style="list-style-type: none"> <li>→ <b>Health and Safety</b></li> </ul>
<u>Compliance with Legislation</u>	<p>The Buyer has a responsibility to comply with all relevant legislation when it procures goods, services and works, and may need to seek legal advice. The primary regulations are the Public Contracts Regulations 2015, but the public body may also need to address other regulations, as well as any relating specifically to the requirement. Examples include:</p> <ul style="list-style-type: none"> <li>→ <b>Equal Opportunities</b></li> <li>→ <b>Environment &amp; Sustainability</b></li> <li>→ <b>Health and Safety</b></li> </ul>
<u>Meet targets</u>	<p>The Buyer has a need to meet relevant policies / targets set by its organisation or by the Welsh Government.</p> <p>This need means the Buyer may need to investigate:</p>

	<ul style="list-style-type: none"><li>→ <b>Equal Opportunities</b></li><li>→ <b>Environment &amp; Sustainability</b></li></ul>
<u>Public Image</u>	<p>The Buyer must manage and maintain an appropriate public image, and be careful to avoid association with suppliers who may damage this image.</p> <p>This need means the public body may need to investigate, alongside the technical experts:</p> <ul style="list-style-type: none"><li>→ <b>Equal Opportunities</b></li><li>→ <b>Environment &amp; Sustainability</b></li><li>→ <b>Health and Safety</b></li></ul>

This set of generic buyer's needs indicates that the following areas should be addressed as part of the procurement process; part 2 and part 3 are organised by these areas.

- **A - Regulation 57** (Supplier acceptability)
- **B** - Economic / Financial Standing
- **C** - Capacity and Capability
- **D** - Management
- **E** - Equal Opportunities
- **F** - Sustainability
- **G** - Health & Safety



## SECTION 2: BUYER'S GENERAL GUIDANCE

### What should be addressed as part of selection, and what as part of the award stage?

The SQuID is designed for use for selection (or pre-qualification) of bidders during procurement. It can be used when the open procedure, restricted, competitive dialogue or other procedures are being used. It can be used during the procurement of Part B services, and may also be used for sub-threshold procurements.

NB. More detailed guidance on selection and award is available on the Procurement Routeplanner on the Welsh Government website: [www.prp.wales.gov.uk](http://www.prp.wales.gov.uk)

### **Selection (pre-qualification)**

The selection stage is used to identify those bidders with which it would be acceptable to form a contract, and that have the financial and technical ability (in principle) to deliver the required product or service. This is done by asking backwards-looking questions about the bidder's past experience, record and current situation. The answers given by bidders at this stage do not normally form part of the contract.

### **Award**

The award stage is used to evaluate the specific proposals being put forward, in order to work out how effective the solutions will be, and their relative value for money. The proposal put forward by the successful bidder(s) at this stage will normally form the basis of the contract, which is why it is important that bidders are asked to describe how they will actually meet the requirement.

Various legal judgments over the last few years have firmly established two principles:

- The *capability* of the bidder to undertake the contract should always be assessed as part of the selection criteria (in either the open, restricted or other procedures).
- It is important not to mix up selection and award criteria – and to make sure that questions are asked in the appropriate way at the right stage. It is possible, and sometimes necessary, to address the same issues at both selection and award, but it is important to take a different approach.

For example, for a piece of consultancy work, at the selection stage you need to know whether the company has suitable geographical coverage and whether there are enough consultants with the necessary skills. At award stage you ask about how the project will be delivered, and who will be delivering it.

### **Early publication of full specifications and minimum requirements**

A major objective of the SQuID is promoting efficiency. There is strong evidence that when you describe the requirement clearly at the selection stage you will reduce the number of bidders you need to evaluate, saving time and money for the buyer and bidders. This is because unsuitable or uninterested bidders can identify themselves straight away and self-deselect. Early publication also allows you to investigate the relevance of the bidder's experience and track record to your requirement. If you do not do this, you will be forced to select your bidders purely on their general previous experience.

It is also worth noting that the restricted procedure (with pre-qualification) is sometimes used when the open procedure would have been a better alternative. Buyers are often concerned that there may be a large number of bidders and therefore a pre-qualification stage is necessary. However, this is often self-fulfilling: the large number of bidders results from insufficient information about the specification and the minimum requirements expected of bidders.

**The new Public Contracts Regulations make provision for bidders to self-certify that they meet the selection criteria. This in turn forces buyers to be more specific about selection criteria and this should mean that one-stage procedures (e.g. Open procedure) are used more frequently.**

### **The need to choose and add questions, and tailor the guidance**

In order to maximise the benefits to bidders, a wide range of commonly-asked questions have been included in the SQuID. This is to maximise the opportunity for "re-use" of the answers, but it means that in most procurements, many of the questions will not be relevant. For this reason it is important to choose carefully the relevant questions for a particular PQQ. **The full set of questions should NOT be considered to comprise the "standard PQQ"**. Part 2 helps buyers to choose relevant questions and some further guidance on developing requirement-specific questions.

Part 3 (and the on-line database) includes generalised guidance for bidders against each question to help them understand why the question is commonly asked and how their answers are likely to be scored. **This guidance will always need to be tailored to each procurement**, so that bidders understand in more detail what the pass/fail threshold is and if (and how) the question will be scored. Parts 2 and 3 include guidance on doing this against the specific questions. This guidance is critical to bidders; it helps them decide whether to bid in the first place, how best to meet the needs of the buyer, and how best to present their response. Suppliers' feedback demonstrates that this is one of the most useful outcomes of the SQuID project.

### **Scoring and weighting the responses**

The principal reason for the selection stage is to identify suppliers capable of delivering the contract, and not to shortlist them. However, there are times when shortlisting may be necessary. The scoring and weighting mechanisms for this must be set out clearly in line with the Public Contracts Regulations 2015.

**NB. Bidders must always have full visibility of how questions will be scored and weighted before they submit their responses. Therefore the scoring and weighting mechanism (if used) must be set out in the PQQ (restricted procedure, competitive dialogue) or the ITT (open procedure).**

Using scoring and weighting on large parts of the selection questionnaire can cause difficulties for bidders. First, unless very clear information is provided, it can be difficult for bidders to understand what would constitute a “perfect” answer; and second, it often (and sometimes inadvertently) works against smaller, less established firms, and those with less bidding experience. So, if possible, those areas of the selection stage that attract a score should be kept to a minimum, and should be in areas that genuinely address the capability of the bidder to deliver the requirement. They should also be chosen carefully to avoid favouring larger businesses, unless there are good reasons for doing so. Any scoring or weighting must be thought through very carefully, preferably using some form of sensitivity analysis, and then described in full to bidders.

### **Prime contractors and subcontractors**

When a bidder (normally the prime contractor) responds to the selection questions, it may not have finalised the choice of subcontractors, if they are to be used at all. Hence, it may not be possible to ask bidders to answer questions about subcontractors at the selection stage.

The approach taken in the SQuID is therefore to ensure the bidder is *prepared* to flow-down, to any subcontractors later engaged, the same qualification requirements as were applied to the bidder themselves. This means that at the tender stage, appropriate questions should be asked to ensure that bidders have chosen appropriately-qualified subcontractors.

### **Consortium Bids**

The Welsh Government has produced new guidance on consortium bidding for public contracts, entitled the Joint Bidding Guide. This guide can be found on the website [www.wales.gov.uk/jointbidding](http://www.wales.gov.uk/jointbidding). **Version 2 of the SQuID had several amendments designed to make it easier for a consortium to bid and these changes have been pulled through into version three.** Some questions have been changed to give consortia an opportunity to present consolidated information (for example on finances) rather than submit separate responses from each of a consortium’s members.