

CFAMLE16

Select suppliers through a tendering process



Overview

This unit is about selecting suppliers to supply products and/or services through a formal tendering process against a specification.

In larger organisations there are often specialist departments which handle the supply-chain management and procurement functions across the organisation, working to specialist supply-chain management standards.

However, in many smaller organisations, non-specialist managers are required to draw up specifications for products and services, invite tenders and evaluate these against clear and fair criteria – the function described in this unit. To do so effectively, managers need a good understanding of their organisation's procurement policy and procedures (where these exist) and the relevant statutory and sector-specific requirements. They also need the cognitive skills to be able to make fair assessments against established criteria and the interpersonal skills to maintain effective working relationships with suppliers.

The unit is for non-specialist managers who are required to select suppliers through a formal tendering process. It is **not** intended for purchasing and supply-chain management specialists, for whom specialist supply-chain management standards are available.

This unit is linked to units:

E15 Procure supplies

E17 Outsource business processes

in the overall suite of National Occupational Standards for Management and Leadership.

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Performance criteria

- You must be able to:*
- P1 comply with relevant organisational procedures and legal and ethical requirements when selecting suppliers
 - P2 seek support from colleagues or procurement or legal specialists on any aspects of tendering about which you are unsure
 - P3 draw up a specification which clearly describes the products/services required, including information on quality, time and cost constraints, where appropriate
 - P4 invite suitably-qualified prospective suppliers to tender, selecting a number proportionate to the value of the contract and a range which is sufficiently broad to reflect the diversity of suppliers available
 - P5 include full information about the tendering process, deadlines for receipt of tenders, contract details and how pre-tender queries will be dealt with
 - P6 answer pre-tender queries in ways which ensure all prospective suppliers have the same information available to them
 - P7 establish clear criteria to allow tenders to be evaluated fairly and the supplier that provides the optimal mix of quality, cost, timeliness and reliability to be selected
 - P8 receive, record and open tenders in line with the stated tendering process
 - P9 evaluate tenders, by yourself or with others as required, rigorously applying established criteria and seeking clarification from prospective suppliers where necessary
 - P10 offer a contract to supply the products/services to the supplier whose tender was evaluated most highly
 - P11 inform unsuccessful prospective suppliers of the outcome of the evaluation and provide them with clear and specific feedback where appropriate
 - P12 resolve any post-tender queries with unsuccessful suppliers promptly and effectively

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Knowledge and understanding

You need to know and understand:

General knowledge and understanding

- K1 the importance of following relevant organisational procedures and legal and ethical requirements when selecting suppliers
- K2 how to draw up a specification that clearly describes the products/services required, including information on quality, time and cost constraints, where appropriate
- K3 the importance of communicating information clearly, concisely and accurately, and how to do so
- K4 how to identify suitably-qualified prospective suppliers to tender and the importance of inviting them and selecting a number proportionate to the value of the contract and a range that is sufficiently broad to reflect the diversity of suppliers available
- K5 the importance of including full information about the tendering process, deadlines for receipt of tenders, contract details and how pre-tender queries will be dealt with
- K6 how to deal with pre-tender queries in ways which ensure all prospective suppliers have the same information available to them
- K7 how to establish clear criteria and how to evaluate the tenders fairly, using the criteria, and select the supplier that provides the optimal mix of quality, cost, timeliness and reliability
- K8 the importance of receiving, recording and opening tenders in line with the stated tendering process
- K9 how to evaluate tenders rigorously and the importance of seeking clarification from prospective suppliers, where necessary
- K10 the importance of offering a contract to supply the products/services to the supplier whose tender was evaluated most highly
- K11 the importance of informing unsuccessful prospective suppliers of the outcome of the evaluation and providing them with clear and specific feedback, where appropriate
- K12 how to resolve any post-tender queries with unsuccessful suppliers promptly and effectively

You need to know and understand:

Industry/sector specific knowledge and understanding

- K13 industry/sector requirements for selecting suppliers

You need to know and understand:

Context specific knowledge and understanding

- K14 relevant organisational procedures and legal and ethical requirements for selecting suppliers
- K15 sources of advice, guidance and support from colleagues or procurement or legal specialists on any aspects of tendering for supplies about which you are unsure
- K16 the limits of your own knowledge, skills and competence

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K17 the details of the specifications and products/services required

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Additional Information

Behaviours

1. You listen actively, ask questions, clarify points and rephrase others' statements to check mutual understanding
2. You present information clearly, concisely, accurately and in ways that promote understanding.
3. You comply with, and ensure others comply with, legal requirements, industry regulations, organisational policies and professional codes.
4. You show integrity, fairness and consistency in decision-making.
5. You focus personal attention on specific details that are critical to achieving successful results.
6. You check the validity and reliability of information.
7. You make appropriate information and knowledge available promptly to those who need it and have a right to it.
8. You identify the range of elements in a situation and how they relate to each other.
9. You build a total and valid picture from restricted or incomplete data.
10. You take timely decisions that are realistic for the situation.

Skills

Listed below are the main generic 'skills' that need to be applied in inviting tenders to supply products/services to specifications. These skills are explicit/implicit in the detailed content of the unit and are listed here as additional information.

Assessing
Communicating
Decision-making
Evaluating
Presenting information
Problem-solving
Providing feedback
Questioning
Researching
Reviewing
Setting objectives
Time management

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Developed by	CFA Business Skills @ Work
Version number	1
Date approved	March 2009
Indicative review date	March 2011
Validity	Current
Status	Original
Originating organisation	Management Standards Centre
Original URN	E16
Relevant occupations	Managers and Senior Officials; Business management; Operations Manager
Suite	Management and Leadership National Occupational Standards 2008; Animal Technology
Key words	management, leadership, suppliers, tendering
