# Tool 1: Evaluation Approach for Complex Procurements

*See Glossary at the end of this document for definitions.*

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| **Tools in this series:**   * [Tool 1: Evaluation Approach for Complex Procurements](https://www.mentalhealthcommission.gov.au/publications/tool-1-evaluation-approach-complex-procurements) * [Tool 2: Evaluation Approach for Simple Procurements](https://www.mentalhealthcommission.gov.au/publications/tool-2-evaluation-approach-simple-procurements) * [Tool 3: Example RFT Template](https://www.mentalhealthcommission.gov.au/publications/tool-3-example-rft-template) * [Tool 4: Checklist for Onboarding New Suppliers](https://www.mentalhealthcommission.gov.au/publications/tool-4-checklist-onboarding-new-suppliers) * [Tool 5: Procurement Lifecycle Checklist](https://www.mentalhealthcommission.gov.au/publications/tool-5-procurement-lifecycle-checklist) * [Tool 6: Supplier’s Report – Template](https://www.mentalhealthcommission.gov.au/publications/tool-6-suppliers-report-template) * [Tool 7: Framework for Undertaking a Needs Analysis](https://www.mentalhealthcommission.gov.au/publications/tool-7-framework-undertaking-needs-analysis) |

## Disclaimer

This document was developed by procurement specialists for the National Mental Health Commission (NMHC). The guidance is high level and organisations should adapt this checklist to suit their requirements. Organisations are responsible for ensuring the approach is appropriate for their workforce and engaging any additional expertise as indicated.

This document provides guidance only and should not be considered legal advice. You may wish to obtain independent legal advice if your organisation has concerns about obligations under law.

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What is a complex procurement?

The following matrices are designed to assess and compare multiple bids for varying outcomes in a complex procurement. A complex procurement is a procurement activity where the supports provided are typically valued as varied or high risk, high cost and complex. An example is procuring workplace counselling services: the types of counselling services available vary, are high cost and come with varied levels of risk depending on the service being provided.

This approach illustrates principles that will help organisations evaluate a complex procurement; noting each organisation may have its own specific requirements, statement of works, HR policies etc.

NOTE: As detailed in Procuring Mentally Healthy Workplace Supports: A practical guide the appropriate procurement process may be determined by applicable legislation or policy and should be considered carefully.

This document presents matrix templates for evaluating complex procurements:

* pricing
* technical
* value for money.

The price and technical matrices feed into the value for money matrix. Commercial and compliance matrices also feed into the value for money matrix, but they are not supplied as part of this pack. Users must source commercial and compliance matrices to complete the evaluation and use the value for money matrix.

These matrices are designed to be used with the other evaluation matrices and are most effective after reviewing the Procuring Mentally Healthy Workplace Supports: A practical guide.

What is the pricing evaluation matrix?

The pricing evaluation matrix provides guidance on assessing and comparing prices that suppliers offer in their response and the associated risk.

## How to use this matrix

Use this matrix to compare the pricing and associated risk between different suppliers.

## Steps for completing this matrix:

1. Write the name of the first tenderer in row 1; that is, replace ‘Tenderer A’.
2. Obtain the current prices of products/services from each tenderer’s response and record the prices in the corresponding cells:
   1. If there is a range for the price, for example $100–$200, use the halfway mark ($150).
   2. If the unit of the obtained price differs from unit of the benchmark price, rewrite it for uniformity. For example, if the benchmark price for digital services is measured in price per month, convert a daily rate ($0.50 per day) to a monthly rate:   
      $0.50 x 30 days = $15/month.
3. To obtain a score, compare the price to the benchmark. In the example matrix, do this by substituting the price into the formula in the lefthand column. This produces a score. Record the score in the correct cell.
4. Once all scores are in relevant cells, total the scores and record the number in the relevant total score cell.
5. Once you have calculated all the scores, total up the scores in each column. The highest total represents the supplier who provides the best price.
6. Identify any risks in the relevant columns and explain how the risk can be mitigated in the comments section.
7. In the risk section, score from 0 to 5:
   1. 0 – very high risk
   2. 1 – high risk
   3. 2 – moderate to high risk
   4. 3 – moderate risk
   5. 4 – low risk
   6. 5 – very low or no risk.
8. Explain the risk in the comments section and add how the risk can be mitigated.
9. Complete steps 1 to 8 for each Tenderer.

Pricing evaluation matrix

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | ***Tenderer A*** | | ***Tenderer B*** | | ***Tenderer C*** | |
| **GOODS / SERVICES** | **Pricing benchmark (average price)** | Price per unit ($) | Rating *(relative to benchmark)* | Price per unit ($) | Rating | Price per unit ($) | Rating |
| *Digital services* |  |  |  |  |  |  |  |
| *Speaker and awareness events* |  |  |  |  |  |  |  |
| *Wellness offerings* |  |  |  |  |  |  |  |
| *Consulting services* |  |  |  |  |  |  |  |
| *EAP* |  |  |  |  |  |  |  |
| *Mental health literacy and training programs* |  |  |  |  |  |  |  |
| *Social events at work* |  |  |  |  |  |  |  |
| **Risk rating** *(give a score - from 5 for low/no risk to 0 for very high risk)* |  |  |  |  |  |  |  |
| **COMMENTS** |  |  |  |  |  |  |  |
| **TOTAL SCORE** |  |  |  |  |  |  |  |

### Worked example

The following worked example demonstrates how to apply this matrix when assessing the price of 3 potential suppliers. This matrix is **only an** **example**.

#### Notes

* Example formula (identified by #) is written underneath the good/service in the lefthand column. This formula is an example of the type of formula that could be used. Your organisation could research other scoring methods via discussions with other organisations or a desktop scan.
* Benchmark prices are obtained from a desktop scan of common market prices for these goods and services or they can be obtained from companies. Sometimes benchmark information can be purchased via third party providers. It is up to your organisation to decide how to obtain the benchmark price.
* The benchmark is rated at 5/10 (that is, an average value). By scoring each product/service in this way, the scores are determined relative to the benchmark price.
* $0 is always a score of 10, which is the highest possible score. In this example, a formula is used to derive the score of a product/service, given the price. (This need not always be the case, as there are other methods that can be used, such as statistical methods.)

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | ***Example A*** | | ***Example B*** | | ***Example C*** | |
| ***Example price criteria*** |  | Price per unit ($) | Rating *(Relative to benchmark)* | Price per unit ($) | Rating | Price per unit ($) | Rating |
| **GOODS / SERVICES** | **Pricing benchmark (average price)** |  |  |  |  |  |  |
| *Digital services*  #Score = –5/3(price) + 10 | *$3 per month* | $3 per month subscription | 5 |  |  |  |  |
| *Speaker and awareness events*  #Score = –1/20(price) + 10 | *$100 per hour* | $200 per hour | 0 |  |  |  |  |
| *Wellness offerings*  #Score = –1/10(price) + 10 | *$50 per year per person* | $120 per year per person | -2 |  |  |  |  |
| *Consulting Services*  #Score = –1/40(price) + 10 | *$200 per hour* | $250 per hour | 3.75 |  |  |  |  |
| *EAP*  #Score = –1/10(price) + 10 | *$50 per hour* | $40 per hour | 6 |  |  |  |  |
| *Mental health literacy and training programs*  #Score = –1/60(price) + 10 | *$300 per program* | $200 per program | 6.67 |  |  |  |  |
| *Social events at work*  #Score = –1/6(price) + 10 | *$30 per person* | $5 per person | 9.17 |  |  |  |  |
| *Risk rating (give a score for 10 with no risk, 5 for medium risk, and 0 for extremely high risk)* |  |  | 5 |  |  |  |  |
| ***COMMENTS*** | | The ‘Social events at work’ support has a very high score. Will need to investigate why the price is very low –indicates the service offering does not meet the requirements. To mitigate the risk, a review of the technical evaluation outcomes is required.  Note, the digital services subscription includes an upfront cost of $10. This is an added cost that is not reflected in this pricing. | |  | |  | |
| **TOTAL SCORE (out of 80)** |  |  | 33.59 |  |  |  |  |

Further explanation about calculations:

* The equation to obtain the score is: Score = m x price + 10. ‘m’ (the gradient) differs for each product/service because the middle mark (5) is related to the benchmark which differs for each product/service. This equation forms a linear function that slopes downwards to the right, with a cut at 10 on the y-axis.
* ‘m’ is obtained from 2 points: the halfway point (3, 5) and the point on the y-axis (0,10). The formula m = (y1-y2)/(x1-x2) is used to derive m, which is –5/3 in this case.
* The point-gradient formula was used to derive the formula: y – y1 = m(x-x1) and ‘m’ and a point were substituted. After substitution, the formula was rearranged to appear as y = –5/3x + 10 (where y is the score and x is the price).
* On this matrix, the lower the price, the higher the score. The value for money matrix brings together other technical and commercial components, which means price is not the sole factor determining a tenderer’s suitability (that is, cheaper is not necessarily always better). A holistic determination of price, technical requirements and commercial requirements will determine the ‘best’ tenderer.

# What is the technical evaluation matrix?

The technical evaluation matrix provides guidance when assessing and comparing the technical components that tenderer’s offer.

## How to use this matrix

Use this matrix to compare the scores of different Tenderers, based on their technical and risk requirements.

It has 2 sections: the mandatory section and the other sections. The mandatory section is pass/fail; if a ‘No’ is scored, then that tenderer does not progress further, and there is no need to score further. You must clearly document the reasons for scoring a ‘No’.

A technical evaluation matrix does not always include mandatory requirements, but they are added here in the template. Please create your template to reflect your needs.

## Steps for completing this matrix

1. Write the name of the first tenderer in row 1; that is, replace ‘Tenderer A’.
2. Score the tenderer as ‘Yes’ or ‘No’ for the mandatory requirements. This section is pass/fail; if the tenderer is scored ‘No’, then they are automatically eliminated from the selection process and the technical requirements are scored.
3. Score the tenderer on a scale from 0 to 5 on each technical requirements:
   1. 0 – does not demonstrate
   2. 1 – very little demonstration
   3. 2 – little demonstration
   4. 3 – adequate demonstration
   5. 4 – good demonstration
   6. 5 – excellent demonstration.

For example, for the criterion ‘To what extent does the tenderer meet the goals of the procurement’, the tenderer is rated 5 because they COMPLETELY meet the goals of the procurement.

1. In the risk section, score from 0 to 5:
   1. 0 – very high risk
   2. 1 – high risk
   3. 2 – moderate to high risk
   4. 3 – moderate risk
   5. 4 – low risk
   6. 5 – very low or no risk.
2. Explain the risk in the comments section and add how the risk can be mitigated.
3. Add any other relevant information in the comments section, such as justification of the scoring.
4. Complete steps 1 to 6 for each tenderer.
5. Total your ratings for each tenderer. The tenderer with the highest score ranks the best on the technical evaluation.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Functionality/usability** | ***Tenderer A score*** | ***Tenderer A***  ***comments*** | ***Tenderer***  ***B score*** | ***Tenderer B comments*** | ***Tenderer***  ***C score*** | ***Tenderer C comments*** |
| **Mandatory requirements** | **(Yes/No)** |  | **(Yes/No)** |  | (**Yes/No)** |  |
| All returnable schedules completed including tenderer information and financial documents |  |  |  |  |  |  |
| RFT received on or before advertised closing |  |  |  |  |  |  |
| **Technical requirements** | **(0–5)** |  | **(0–5)** |  | **(0–5)** |  |
| To what extent does the tenderer meet the determined goals of the procurement? |  |  |  |  |  |  |
| To what extent are the technical requirements met? *(****NOTE****: Typically, these requirements would be detailed in the evaluation and considered individually.)* |  |  |  |  |  |  |
| To what extent are the required qualifications and/or standards being met? *(****NOTE****: Typically, the qualifications and/or standards specified in the statement of requirements or statement of works would be detailed here.)* |  |  |  |  |  |  |
| To what extent is evidence provided to support the claims being made about the goods and/or services being offered? |  |  |  |  |  |  |
| **Risk** | **(0–5)** |  | **(0–5)** |  | **(0–5)** |  |
| What is the extent of the technical risks associated with the supports offered? |  |  |  |  |  |  |
| **TOTAL SCORE** |  |  |  |  |  |  |

### Worked example

The following worked example demonstrates how to apply this matrix when assessing the technical requirements of 3 potential suppliers. This matrix is **only an** **example**.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Functionality/usability** | ***Example A score*** | ***Example A comments*** | ***Example B score*** | ***Example B comments*** | ***Example C score*** | ***Example C comments*** |
| **Mandatory requirements** | **(Yes/No)** |  | **(Yes/No)** |  | (**Yes/No)** |  |
| All returnable schedules completed including tenderer information and financial documents | Yes | All schedules completely filled in |  |  |  |  |
| RFT received on or before advertised closing | Yes | Response received 3 business days before closing date |  |  |  |  |
| **Technical requirements** | **(0–5)** |  | **(0–5)** |  | **(0–5)** |  |
| To what extent does the tenderer meet the determined goals of the procurement? | 5 | Tenderer clearly outlines their goals which are in line with the procurement needs |  |  |  |  |
| To what extent are the technical requirements met? *(****NOTE****: Typically, these requirements would be detailed in the evaluation and considered individually.)* | 4 | All but one technical requirement met; financial statement not supplied |  |  |  |  |
| To what extent are the required qualifications and/or standards being met? *(****NOTE****: Typically, the qualifications and/or standards specified in the statement of requirements or statement of works would be detailed here.)* | 5 | Tenderer has sufficient qualifications to provide mental health services |  |  |  |  |
| To what extent is evidence provided to support the claims being made about the goods and/or services being offered? | 1 | Tenderer mentions only one piece of evidence – that they have performed this service in the past. There is no paper evidence. |  |  |  |  |
| **Risk** | **(0–5)** |  | **(0–5)** |  | **(0–5)** |  |
| What is the extent of the technical risks associated with the supports offered? | 3 | The services appear to be medium risk. One risk is the service provider does not perform to standards. |  |  |  |  |
| **TOTAL SCORE (out of 25)** | 18 |  |  |  |  |  |

# What is the value for money evaluation matrix?

The value for money evaluation matrix provides guidance when assessing and comparing the value for money that suppliers can offer. The scores are obtained from 4 matrices: compliance, commercial, technical and pricing, as well as the risk component from each matrix’s value for money and non-financial costs criteria.

## Steps for completing this matrix:

1. Write the name of the first tenderer in row 1; that is, replace ‘Tenderer A’.
2. Score the tenderer on a scale from 0 to 5 for each component:
   1. 0 – non-existent or terrible
   2. 1 – poor
   3. 2 – a little
   4. 3 – adequate
   5. 4 – good
   6. 5 – excellent.
3. Once the scores are determined, add up the scores.
4. Complete this for all sections.
5. In the risk section, obtain the risk score from the 4 other matrices (compliance, commercial, technical and pricing) and populate the score in this section. Risks are scored from 0 to 5:
   1. 0 – very high risk
   2. 1 – high risk
   3. 2 – moderate to high risk
   4. 3 – moderate risk
   5. 4 – low risk
   6. 5 – very low or no risk.
6. Add the total score from the compliance, commercial, price and technical components.
7. Add the total score from the non-financial and value for money components.
8. Add the total score from the risk components.
9. Write in comments next to each score if there is relevant / notable information, such as justification of a score.
10. Explain the risk in the comments section and add how the risk can be mitigated.
11. Complete steps 1 to 10 for each tenderer.
12. Compare the total scores. The tenderer with the highest score offers the best value for money.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | ***Tenderer A*** | | ***Tenderer B*** | | ***Tenderer C*** | |
|  | Score (0–5) | Comments | Score (0–5) | Comments | Score (0–5) | Comments |
| **Compliance** | | | | | | |
| Complies with contract |  |  |  |  |  |  |
| **Technical** | | | | | | |
| Total of technical matrix (NOT including risk section) |  |  |  |  |  |  |
| **Commercial** | | | | | | |
| Total of commercial requirements |  |  |  |  |  |  |
| Value add– the tenderer offered something that is over and above what was asked |  |  |  |  |  |  |
| **Pricing** | | | | | | |
| Total of pricing matrix score |  |  |  |  |  |  |
| **Non-financial costs** | | | | | | |
| Quality of supports |  |  |  |  |  |  |
| Proposal was fit for purpose |  |  |  |  |  |  |
| Relevant experience and performance history |  |  |  |  |  |  |
| Flexibility of the proposal (including innovation and adaptability over the lifecycle of the procurement) |  |  |  |  |  |  |
| Environmental sustainability of the proposed supports |  |  |  |  |  |  |
| Whole-of-life costs |  |  |  |  |  |  |
| **General procurement – value for money** | | | | | | |
| Extent to which the procurement encourages competition and is non-discriminatory |  |  |  |  |  |  |
| Uses public resources in an efficient manner |  |  |  |  |  |  |
| Uses public resources in an effective manner |  |  |  |  |  |  |
| Uses public resources in an economical manner |  |  |  |  |  |  |
| Uses public resources in an ethical manner, where application *(NOTE: Consideration of public resources is a requirement of government organisations or where government funds are being used.)* |  |  |  |  |  |  |
| Facilitates accountable and transparent decision making |  |  |  |  |  |  |
| Encourages appropriate engagement with risk |  |  |  |  |  |  |
| Be commensurate with the scale and scope of the business requirement |  |  |  |  |  |  |
| **Risk** | | | | | | |
| Risk score from technical matrix (convert score to out of 5) |  |  |  |  |  |  |
| Risk score from pricing matrix (convert score to out of 5) |  |  |  |  |  |  |
| Risk from commercial matrix (convert score to out of 5) |  |  |  |  |  |  |
| Risk score from compliance matrix (convert score to out of 5) |  |  |  |  |  |  |
| Overall commercial, compliance, pricing, technical rating |  |  |  |  |  |  |
| Overall non-financial costs and value for money rating |  |  |  |  |  |  |
| Overall risk rating |  |  |  |  |  |  |
| **TOTAL SCORE (add the scores from the top 3 rows)** |  |  |  |  |  |  |

### Worked example

The following worked example demonstrates how to apply this matrix when assessing the value for money of 3 potential suppliers. This matrix is **only an** **example**.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | ***Example A*** | | ***Example B*** | | ***Example C*** | |
|  | Score (0–5) | Comments | Score (0–5) | Comments | Score (0–5) | Comments |
| **Compliance** |  |  |  |  |  |  |
| Complies with contract | 5 | Tenderer fully complies with the terms of the contract |  |  |  |  |
| **Technical** |  |  |  |  |  |  |
| Total of technical requirements (NOT including risk section) | 3 | Total score was approx. 60% of a full score |  |  |  |  |
| **Commercial** |  |  |  |  |  |  |
| Total of commercial requirements | 4 | Total score was approx. 80% of the full score |  |  |  |  |
| Value add – the tenderer offered something that is over and above what was asked. | 4 | Tenderer offered workers can contact services out of work hours |  |  |  |  |
| **Pricing** | | | | | | |
| Total of pricing matrix score | 3 | Prices are relatively high for counselling services |  |  |  |  |
| **Non-financial costs** | | | | | | |
| Quality of supports | 3 | Counselling sessions were of OK quality. They were thorough, but some users did not connect well with counsellors. |  |  |  |  |
| Proposal was fit for purpose | 4 | Tenderer’s services adhere to our organisation’s purpose |  |  |  |  |
| Relevant experience and performance history | 2 | Tenderer did not show written evidence of past performance, only verbal |  |  |  |  |
| Flexibility of the proposal (including innovation and adaptability over the lifecycle of the procurement) | 3 | Proposal is quite flexible; counsellors can alter dates of sessions with workers depending on availability |  |  |  |  |
| Environmental sustainability of the proposed supports | 4 | Conducting mostly face-to-face sessions reduces travel costs |  |  |  |  |
| Whole-of-life costs | 4 | Entire cost of the proposal is moderate |  |  |  |  |
| Be commensurate with the scale and scope of the business requirement | 3 | Workers desire face-to-face sessions counselling services. The tenderer can organise some face-to-face sessions but mostly online sessions. |  |  |  |  |
| **General procurement – value for money** | | | | | | |
| Extent to which the procurement encourages competition and is non-discriminatory | 4 | Multiple organisation provide these mental health services |  |  |  |  |
| Uses public resources in an efficient manner | 3 | Tenderer does not use all staff who specialise in mental health |  |  |  |  |
| Uses public resources in an effective manner | 4 | Most counsellors can address worker issues, apart from some rare exceptions who did not connect with their counsellor |  |  |  |  |
| Uses public resources in an economical manner | 3 | Tenderer uses most staff members, except cheaper counsellors |  |  |  |  |
| Uses public resources in an ethical manner, where application *(NOTE: Consideration of public resources is a requirement of government organisations or where government funds are being used.)* | 5 | No issues of probity, due diligence and integrity |  |  |  |  |
| Facilitates accountable and transparent decision making | 5 | Tenderer was very honest in their dealings |  |  |  |  |
| Encourages appropriate engagement with risk | 3 | There are foreseeable risks, such as counsellors being of low quality. Mitigate the risk by making sure counsellors are qualified with written evidence. |  |  |  |  |
| **Risk** | | | | | | |
| Risk score from technical matrix (convert score to out of 5) | 3.6 | Relatively low risk; tenderer has capabilities in most areas with evidence |  |  |  |  |
| Risk score from pricing matrix (convert score to out of 5) | 2 | Some pricings are not explained, and some pricings have an extra cost that is not reflected in the price |  |  |  |  |
| Risk from commercial matrix (convert score to out of 5) | 3 | Relatively low risk however payment method of pay as you go is not ideal |  |  |  |  |
| Risk score from compliance matrix (convert score to out of 5) | 5 | Tenderer is very compliant with the terms of the contract |  |  |  |  |
| Overall commercial, compliance, pricing, technical rating | 19 |  |  |  |  |  |
| Overall non-financial costs and value for money rating | 50 |  |  |  |  |  |
| Overall risk rating | 13.6 |  |  |  |  |  |
| **TOTAL SCORE (add the scores in the top 3 rows)** | 82.6 |  |  |  |  |  |

# Glossary of Terms

**Benchmarked prices** –The price paid for a product or service either in the past or by other users to set a standard for future reference

**Complex procurement** – A procurement activity where the supports provided are typically valued as varied or high risk, high cost and complex

**Commercial** – Referring to an organisation’s culture, structure and financial viability

**Compliance** –Meeting contract terms and conditions

**Contract** – An undertaking by one person to do something or refrain from doing something if another person does something or refrains from doing something or makes a promise in return in a legally binding manner. A contract may be entered into either in writing or orally.

**Desktop market scan** – Use of external information, reports and data from the market that support the organisation’s sourcing activities. (Also referred to as market analysis)

**Economical** –Providing supports in a way that uses the least amount of resources and minimises cost and waste

**Ethical** –Relates to honesty, integrity, probity, diligence, fairness and consistency

**Fit for purpose** – The ability of a product or service to do what it was designed for

**Mandatory requirement** – Requirements that your organisation **must** have to deliver its Workplace Mental Health Strategy or align with the *Blueprint* pillars

**Market price** – The amount of money an asset can be sold for in a market

**Probity** – Complete and confirmed integrity, uprightness and honesty. Purchasing processes must be carried out in accordance with probity principles to ensure purchasers, tenderers and other providers conduct business fairly, reasonably and with integrity.

**Procurement** – Every activity involved in acquiring goods, services and/or works either outright or by lease (through to subsequent disposal or lease termination) but excluding the acquisition of interest in or for the use of land

**Procurement activities** – The procurement team oversees the steps of the procurement cycle, covering core activities such as market analysis, sourcing, negotiation, contracting and supplier relationship management for goods, works and services, covering both acquisitions from third parties and in-house providers. The process spans the whole procurement cycle from identifying needs, through to the end of a service contract or the end of an asset’s useful life.

**Procurement lifecycle** – Encompasses all the steps involved in obtaining goods and services, from defining your business needs to soliciting bids, awarding contracts and managing supplier relationships. Steps, as outlined in this guide, are simplified to (1) Plan, (2) Engage and (3) Manage.

**Procurement plan** – A plan that provides your organisation and potential suppliers with an overview of what you are planning to buy

**Procurement process** – Methods developed to explain how procurement tasks should be undertaken to implement procurement policy

**Project plan** – Defines project goals and objectives, specifies tasks and how goals will be achieved, and identifies what resources will be needed, associated budgets and timelines for completion

**Request for tender (RFT)** –Invitation to suppliers asking them to send offers

**Risk rating** –The level of risk tolerated. This is an expression of the risk appetite of the project or organisation, applied to specific objectives.

**Statement of requirements (SOR)** – Defines what the procurer wants to buy, and what the supplier is required to provide

**Statement of works (SOW)** – Defines the activities to be undertaken on a program, specifying deliverables, timescales and activities to be completed

**Technical requirements** –Technical issues that must be considered to successfully complete a project**,** including aspects such as performance, reliability and availability

**Value for money** –The most advantageous combination of price and quality that makes a product or service fit for purpose and achieves the buyer’s required outcomes. This needs to be reviewed in terms of whole-life cost.

**Whole-life costs** –A technique used to assess the total cost of an asset over its whole life, accounting for its initial cost and the costs of operation, maintenance, repair, upgrade and disposal