



Public Contracts Regulations 2015

Lord Young Reform Frequently Asked Questions

Contract Finder Frequently Asked Questions

1. What is Contracts Finder?

Contracts Finder is the Government's one stop shop for suppliers to find new procurement opportunities totally free of charge.

It is a critical tool for addressing the Government's transparency commitments. The Public Contracts Regulations require most public sector bodies to advertise their new opportunities and contract award information here, so that all suppliers have better, more direct access to Public Sector work.

Contracts Finder allows users to view and search the Government's pipelines of potential procurement activity and awarded contracts. It also has a new facility to publish information relating to pre procurement dialogue.

2. When will Contracts Finder be ready to use?

The site already exists, but it has been fully rebuilt in response to user feedback. The refreshed system goes live on 26 February 2015. Contracting authorities in central government will be required to use this new system from this date for new procurement opportunities, but contracting authorities outside of central government are only required to use the system from 1 April 2015 (however they are recommended to start using the system as soon as possible).

3. How will I know when Contracts Finder is live?

There will be a notice on the former Contracts Finder site, advising that the site is read-only and re-directing users to the new site.

4. Will I need to register to use Contracts Finder?

If you are a procurer then you will need to register, however this is a simple, one time procedure.

Contracts Finder uses the SID4Gov¹ system as its registration platform, providing shared access across government procurement systems with a single sign-on. If you are already registered on SID4Gov, you can use those sign in credentials to access Contracts Finder, you do not need to re-register.

If you are a supplier you can access and search all of the notices on Contracts Finder without registering. However, if you do register, you can set up a profile (including industry type and location preferences) and access additional features including options to receive email alerts based on your profile and the ability to save your searches. Registration is a simple, one time sign up procedure that is free of charge.

5. How do I register on Contracts Finder?

Simply go on to the Contracts Finder homepage and click on the 'Sign In' link.

6. Will the old site be running in parallel with the new Contracts Finder?

No, the old site will close for all new advertisements, as soon as the new Contracts Finder goes live. The old site will then be accessible as a read only site.

¹ SID4Gov is the new web based portal for supplier registration across the public sector - SID4GOV - which replaced the Sid4Health portal that was switched off on 30 April 2014

7. Before 26 February, should I post new procurement advertisements and/or award information on Contracts Finder, or wait until the new site is launched?

That is a policy decision for your organisation to make, noting that live information on the old site will not be transferred.

8. Will I be able to access historical notices?

Yes, the old site will remain available as a read-only site for the foreseeable future.

9. What if I have live opportunities on Contracts Finder? Will I have to re-enter this information?

Live notices will not be transferred automatically to the new Contracts Finder. Therefore, if you have a live procurement, which started before Contracts Finder was re-launched, where you are still anticipating responses, or subsequent activity, we recommend that you leave the advertisement on the old site and publish the contract award information on the new site. Contracting authorities may consider the benefit of delaying publication on new opportunities prior to 26 February until the new system is launched, however this is ultimately a local decision.

10. If a working feed between the portal I currently use and Contracts Finder exists the advertisements will be published automatically – so I don't have to do anything further – is that correct?

Yes, however you need to ensure that the data feed works, and that the minimum data requirements for Contracts Finder have been met. You will want to discuss with your portal provider.

The portal providers we have been working with to ensure that the required links and feeds are in place are listed below, but you will need to check with your own providers directly to ensure that there is a direct link:

- Millstream
- BiP
- MultiQuote
- Emptoris
- Bravo Solutions
- In-Tend
- The Source
- Due North
- Achilles
- EU-Supply
- SAP Ariba
- European Dynamics

11. Will there be a link to TED from Contracts Finder?

No, there is currently no link between these systems, so when you are publishing new, above EU threshold information on TED you will need to ensure that the minimum data required is also published on Contracts Finder. You may have to re-key some information onto Contracts Finder.

We are discussing a long term approach with the TED portal and with portal providers.

12. What are the enhanced features of Contracts Finder?

This new system offers a much enhanced user experience and additional features that are not available on Contracts Finder 1, include:

- An enhanced search engine that produces more relevant and tailored results for users. We will continue to refine and enhance the search function as increasing amounts of data enter the system, and user needs develop;
- A place to start pre-procurement dialogues – where you can provide expertise or experience to develop an idea or initiative; and
- A user interface that is optimised for use on mobiles and tablets.

13. Is there helpdesk support for Contracts Finder?

Yes, there will be a dedicated technical service desk, contact details will be available through the website.

14. I don't use Contracts Finder now, do I have to go forward?

Yes. All contracting authorities will be required to publish their procurement opportunities and contract award information on Contracts Finder from the times set out, regardless of whether they currently use it.

See Procurement Policy Notice here www.gov.uk/government/publications/procurement-policy-note-0315-reforms-to-make-public-procurement-more-accessible-to-smes

15. Where do I publish future opportunities?

You can publish potential future procurement opportunities on the Future Opportunities tab. On this you can define the opportunity, as well as include basic information, where known, on location, value, start and end date and when more information will be made public. You can also advertise whether an opportunity is suitable for SMEs (Small and Medium Enterprises) or VCSEs (Voluntary Community and Social Enterprises). Finally you can include further information on the opportunity and contact details.

Please note: if you are engaging the market to check interest in a potential future opportunity, you may wish to look at the Pre-Procurement Dialogue (PPD) tab, where details of supplier days and pre-procurement activities can be included.

16. How can I provide feedback?

A feedback button on the initial page and all other pages allows you to enter ideas, which can be voted on by other users. This will be fed used to help guide future development of the site.

17. What do I do if my contract/opportunity is for more than one location?

You can enter a main location when entering your contract/opportunity, and then use the free-text description field to provide more detail of locations affected. You may also wish to highlight locations in your title.

18. How can I make my contract/opportunity more accessible to SMEs/ VCSEs?

You may wish to think about whether you can create lots in your contract that will be more attractive to SMEs or VCSEs – either by size by or by specific skills required. You should also avoid using Pre-Qualification Questionnaires, or use a standard version, unless you have a statutory exemption from requirements. Ensure language is plain, and avoid acronyms and jargon. Any insurance requirements should be realistic, but not excessive. You may wish to encourage SMEs or VCSEs through preprocurement activity, which you can also advertise in the Pre-Procurement Dialogue (PPD) tab.

IPL service desk email CF.Support@ipl.com

Prompt Payment Frequently Asked Questions

1. Don't central government already pay in 30 days?

The government made a policy commitment in 2010 that central government should pay 80% of undisputed invoices within 5 days and all undisputed invoices within 30 days and that all new contracts signed by departments would require the main contractor to pay their subcontractors within 30 calendar days.

Some wider public sector organisations and local authorities have also adopted a 30-day or even shorter payment terms. But this new reform applies to the whole of the public sector and makes these payment terms mandatory, ensuring consistency for suppliers whatever part of the public sector they buy from.

2. How does this fit in with the Late Payment legislation³?

The new legislation supports the late payment legislation, which allows a supplier to charge statutory interest if the contracting authority pays after 30 days. The rate is 8% plus the Bank of England base rate for business-to-business transactions. Public sector organisations are not allowed to fix a lower interest rate. As well as being entitled to claim interest arising from late payment, suppliers can also claim a fixed amount, depending on the size of the unpaid debt. The supplier can also charge for reasonable costs in recovering the debt.

For further guidance see the Users' Guide on the recast Late Payment Directive:

<https://www.gov.uk/government/publications/late-payment-directive-user-guide-to-the-recast-directive>

3. How will this benefit small business?

Evidence shows that many prime contractors do not adhere to the standard payment terms used by public bodies (from figures supplied by Dunn and Bradstreet, on average, they are 30% later than their contractual commitment). We want suppliers further down the supply chain to benefit from the same standard payment terms that public bodies offer prime contractors to ensure prompt payment for public sector work. Timely cash flow is critical to the survival of small businesses and they shouldn't have to wait for lengthy periods or chase payments for work they have already completed.

4. How will compliance to the 30-day terms be monitored?

Contracting authorities will be required to publish performance data starting with their performance over financial year 2015/16 which will be published at the end of March 2016 and thereafter at the end of each financial year. The data will demonstrate their performance on paying in 30 days to first tier suppliers /prime contractors over the previous 12 months. The data should be freely available and maintained until replaced by a more recent set of statistics.

Additionally, it will be a requirement to publish the total amount of interest that is liable, i.e. has been incurred but not paid, whether statutory or otherwise, due to a breach of payment legislation. This figure must be published annually in relation to the previous 12-month period from the end of March 2017.

The Crown Commercial Service's Mystery Shopper service will undertake spot checks and will investigate poor procurement practices including late payment.

5. How are you going to make sure prime contractors know about it?

The Crown Commercial Service will ask strategic suppliers to government to publish their average payment days to suppliers on government contracts. Also the Crown Commercial Service's Mystery Shopper service will undertake spot checks and will investigate poor procurement practices including late payment.

6. Where can I go to find out more detail?

Statutory guidance and other advice will be published on GOV.UK.

7. Will there be a model clause that contracting authorities and suppliers can use in their contracts?

Yes there will be an example clause that anyone can use. This will be part of the statutory guidance published on the Internet.

8. When does this reform start?

Contracting authorities will need to comply as soon as the legislation is in force.

Figures showing performance over the financial year 2015/16 will be published at the end of March 2016 and then at the end of each financial year. Amounts of interest liable will be published at the end of March 2017 and then at the end of each financial year and will show the amount incurred over the previous 12-month period.

³The term Late Payment legislation refers to the Late Payments of Commercial Debts (Interest) Act 1998, the Late Payment of Commercial Debts Regulations 2002 and the Late Payment of Commercial Debts Regulations 2013. See BIS guidance at: [supports the Late Payment of Commercial Debts Regulations 2013](#).

PQQ Frequently Asked Questions

1. Why are we changing the way supplier selection is done? What are the changes?

Following transposition of the new EU Procurement Directives a new approach to asking questions relating to suppliers' suitability has been implemented. This is intended to implement Lord Young's reforms to open up public sector procurement and remove barriers for SMEs. The key policy changes are:

- Abolition of supplier pre-qualification questionnaires (PQQ) across the public sector for below threshold procurement
- Single, standardised PQQ and guidance, to be referred to, in procurements where the EU rules apply and a PQQ is needed.

2. The EU rules apply to my procurement, what must I do?

Contracting authorities must refer to the the new PQQ and guidance, whenever supplier selection is being assessed for goods or services.

The PQQ and guidance must be referred to in accordance with the rules of the supplier selection stage of the relevant procurement procedure. For example, in the Open procedure, a number of the the questions within the PQQ may be asked either in the advert, or Invitation to tender as part of the ITT. However, for the Restricted or Competitive Dialogue procedure the PQQ can be used to pre-qualify suppliers to be invited to tender.

3. When do I have to start using the PQQ?

The PQQ and guidance is aimed at contracting authorities across the public sector, and should be referred to for new procurements that commence from the day upon which the Public Contracts Regulations 2015 come into force, the 26th February 2015. It should not be used for procurements which started before that date.

4. Does every public sector body have to use the PQQ?

No, not all. There are a number of exemptions outlined in the public contract regulations.(for example authorities carrying out devolved functions in Scotland, Wales and Northern Ireland, the procurement of health care services for the purposes of the NHS and certain defence procurements). Authorities should look at Regulations 7-17 for full details of exemptions.

5. What are the financial thresholds for using this PQQ?

The EU thresholds for not using a pre-qualification stage in any procurement for goods and services are currently £112,000 in central government and £173,000 outside central government and NHS Trusts. For any goods and services procurement above these thresholds, then the PQQ must be used.

6. Do I have to use the whole PQQ?

No, not all the questions will be necessary for every procurement and you should only include those that are directly relevant to your procurement. Please be aware that for all procurements above the EU threshold, the "pass/fail" mandatory and discretionary criteria as set out in Regulation 57 of the Public Contracts Regulations 2015 should always be asked.

7. What happens if I change or add questions to the PQQ? Do I need to seek approval from the Cabinet Office?

The contracting authority should select from the bank of core and additional module questions contained in the PQQ and must not deviate from the wording in these questions. From 1 September 2015, any deviations from the bank of core and additional module questions are to be reported to the Cabinet Office, within 30 days of the PQQ being made available to candidates on Contracts Finder, by emailing mysteryshopper@crownccommercial.gov.uk, with a full rationale that explains the reason for the deviation(s). This should be signed off by the Commercial Director, Head of Procurement or equivalent.

8. How do I score the PQQ?

There is no specific guidance for scoring the PQQ. The onus is on contracting authorities to develop the scoring methodology. Any scoring methodology should be made available through Contracts Finder at the outset of the procurement.

9. Can I add in questions specific to my procurement i.e. project specific questions?

We advise that any requirements are clearly stated upfront and that suppliers should be allowed to self certify that they meet these. Additional questions can be included at your discretion, however, you need to ensure that these are relevant and proportionate to the particular procurement and be consistent with the selection criteria outlined in the Public Contract Regulations. 60 (9) (b)- (k).

10. What is the difference between a 'project specific question' and 'optional module'?

Project specific questions are those questions that you may ask under the Technical and Professional Ability section. (See Regulation 60 (9) (b)- (k). An 'optional module' are contained in Annex A of the core questions and include wider areas outside of Technical and Professional Ability – such as Insurance and Health and Safety.

11. Can I add in questions specific to my procurement i.e. project specific questions?

We advise that any requirements are clearly stated upfront and that suppliers should be allowed to self certify that they meet these. Additional questions can be included at your discretion, however, you need to ensure that these are relevant and proportionate to the particular procurement and be consistent with the selection criteria outlined in the Public Contract Regulations. 60 (9) (b)-(k).

12. What if I use a credit rating company to outsource the financial assessment? Do I still need to ask financial questions as part of the PQQ?

Credit rating reports are useful for obtaining a snapshot view of potential providers' financial standing and as part of a broader appraisal, but for above threshold contracts, they should not be used as the sole assessment tool. These reports are not a substitute for an examination of the accounts and other documentation provided by potential providers to confirm financial capability. If you are undertaking a financial assessment as part of supplier selection, you should use the questions outlined in this PQQ.

13. We use an eTendering portal, do I have to use the word document version form instead?

No, we have provided an excel spreadsheet containing the same questions as an alternative format for authorities to use and input into their own e-tendering systems. Not all questions will be necessary for every procurement. The onus is on the contracting authority to identify which are appropriate questions to use.

14. We already use SQuID. How does that align with the PQQ and can we continue to use SQuID?

SQuID is a supplier qualification database established in Wales. We are aware that a number of authorities covered by these regulations currently use SQuID. We have aligned as far as possible the core supplier suitability questions to the bank of questions in SQuID.

Authorities may use those questions in SQuID that are mirrored in the core sections of the PQQ and, where relevant to the nature of their procurement can also use SQuID questions that are mirrored in the optional modules of the PQQ.

Authorities must avoid asking for more detail than is permitted in the PQQ when using SQuID unless there is a genuine need to ask a limited number of additional questions due to the nature, risk and complexity of their procurement.

Abolition of PQQs below threshold

15. What does abolition of supplier pre-qualification questionnaires (PQQ) across the public sector for below threshold procurement mean in practice?

This means that contracting authorities must not use a PQQ, a PQQ stage, or any other pre-tender selection process to pre-qualify suppliers to be invited to tender, when procuring goods or services, above £10,000 (central government) and £25, 000 (non central government and NHS Trusts).

Contracting authorities must not impose arbitrary minimum requirements which may have the unintended effect of barring new businesses from bidding. For example, if an authority chooses to evaluate a supplier's financial standing the authority should not rule out a supplier unless there is clear evidence that the supplier's financial position places public money or services at unacceptable risk.

16. Can I still assess supplier suitability during a below OJEU Procurement?

You can assess supplier suitability as part of your invitation to tender or include suitability requirements in your advert. What you must not do is to use a PQQ, a PQQ stage or any other pre-tender selection process to pre-qualify (or reduce the number of suppliers) to be invited to tender, when procuring goods or services and you must not impose arbitrary minimum requirements which may have the unintended effect of barring new businesses from bidding. For example, if you choose to evaluate a supplier's financial standing you should not rule out a supplier unless there is clear evidence that the supplier's financial position places public money or services at unacceptable risk.

As part of your ITT you may:

- Apply the "pass/fail" mandatory and discretionary criteria as set out in Clause 23 of the Public Contracts Regulations 2006.
- Undertake a financial check. This should be conducted in line with the general principles set out in PPN 02/13 supplier financial risk issues.
- Where the capability of an individual is essential to the delivery of the contract, for example, the provision of consultancy, CVs or references may be requested to assure the credibility of delivery as part of assessing quality at the award/ITT stage.

For consistency, if you wish to assess supplier suitability as part of an ITT/ITQ, you should pick from the bank of questions contained in the supplier suitability check.

17. Guidance for supplier selection in procurements to which part 2 of the EU rules do not apply

- Contracting authorities must not use a pre-qualification questionnaire (PQQ), PQQ stage or any other process which involves reducing the number of bidders to be invited to tender, when procuring goods, services or works.
- Contracting authorities must not impose arbitrary minimum requirements which may have the unintended effect of barring new businesses from bidding. For example, if an authority chooses to evaluate a supplier's financial standing the authority should not rule out a supplier unless there is clear evidence that the supplier's financial position places public money or services at unacceptable risk.

As part of their ITT contracting authorities may, if they wish:

- Apply the "pass/fail" mandatory and discretionary criteria as set out in Clause 23 of the Public Contracts Regulations 2006.
- Undertake a financial check. This should be conducted in line with the general principles set out in PPN 02/13 supplier financial risk issues.
- Where the capability of an individual is essential to the delivery of the contract, for example, the provision of consultancy, CVs or references may be requested to assure the credibility of delivery as part of assessing quality at the award/ITT stage.

For consistency, if the authority wishes to assess supplier suitability as part of their advert or ITT the authority should select from the bank of questions contained in the supplier suitability check, but not deviate from the wording in these questions. Any questions selected must be relevant and proportionate.

Contracting authorities may continue to use the industry standard PAS91 for works contracts that are above the EU threshold for goods and services.

18. Without a PQQ will I have far more tenders to evaluate?

No. Government expects procurers to adopt lean procurement methods. This involves spending more time on the pre procurement phase to engage with potential suppliers and improve understanding of the market and what it can deliver, before a procurement is advertised. It also requires procurers to publish all key documents and criteria at the outset, so that potential applicants can easily determine whether they are suitable for the opportunity and rule themselves out if they don't have the capability. Both these approaches should help to reduce the number of tenders to evaluate.

19. A standard PQQ will not always be fully appropriate for different types of procurement; how will you deal with this?

Firstly, we want to encourage more use of the Open procedure where appropriate which does not require a separate PQQ stage at all because all applicants to an opportunity get the chance to submit and demonstrate what they have to offer. However we do recognise that for certain high value, complex requirements, a PQQ may be needed and a limited number of additional optional or project specific questions will be available. In these circumstances the PQQ and guidance should be referred to.

20. What about construction contracts – where the OJEU threshold is very high. Does this mean a PQQ can't be used even where the contract is worth several million?

No. The objective is to tackle the use of PQQs for low value contracts. The limit for works contracts will be the same as for goods and services contracts. Above this limit, where a PQQ is essential, we are proposing that PAS91 can be used

Why are we changing the approach to supplier selection?

This is continuing our programme to implement Lord Young's reforms to open up public sector procurement and remove barriers for SMEs.

What are the changes?

A new approach to asking questions relating to suppliers' suitability has been implemented. The key policy changes are:

- Abolition of supplier pre-qualification questionnaires (PQQ) across the wider public sector for below threshold procurement
- Single, standardised PQQ in procurements where the EU rules apply.

Transposition of the new EU rules has provided a suitable opportunity to implement these improvements.

Do I have to use the whole PQQ?

No, not all the questions will be necessary for every procurement and you should only include those that are directly relevant to your procurement. Please be aware that for all procurements above the EU threshold, the 'pass/fail' mandatory and discretionary criteria as set out in Regulation 57 of the Public Contracts Regulations 2015 should be asked.

Can I add in questions specific to my procurement i.e. project specific questions?

We advise that any requirements are clearly stated upfront and that suppliers should be allowed to self-certify that they meet these. Additional questions can be included at your discretion, however, you need to ensure that these are relevant and proportionate to the particular procurement and be consistent with the selection criteria outlined in the Public Contract Regulations 60 (9) (b)- (k).

What is the difference between a 'project specific question' and 'optional module'?

Project specific questions are those questions that you may ask under the Technical and Professional Ability section. (See Regulation 60 (9) (b)- (k). An 'optional module' is contained in Annex A of the core questions and includes wider areas outside of Technical and Professional Ability – such as Insurance and Health and Safety.

For further information

Please contact the Crown Commercial Service Help Desk on

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Old Hall Street
Liverpool L3 9PP

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125 Kingsway
London WC2B 6SE

Newport Room 2Y92

Concept House
Cardiff Road
Newport NP10 8QQ

Norwich

Rosebery Court
St Andrews Business Park
Norwich NR7 0HS

What if I use a credit rating company to outsource the financial assessment? Do I still need to ask financial questions as part of the PQQ?

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Authorities must avoid asking for more detail than is permitted in the PQQ when using SQuID unless there is a genuine need to ask a limited number of additional questions due to the nature, risk and complexity of their procurement.