

Annex B

BALANCED SCORECARD STRATEGIC THEMES AND CRITICAL SUCCESS FACTORS IN RELATION TO THE PROCUREMENT PROCESS

Strategic Theme	Critical Success Factor	Situations where this may be useful	At which stage of the process might it apply? ¹	Potential impacts	Examples of how it might be implemented
ST1 Solution Quality	CSF1 Output Quality	The degree to which the core project requirements for functionality, performance, reliability etc. are met will be a facet of all projects.	Selection/PQQ, Award and/ or Contract Performance Conditions	The extent to which core requirements are met will affect the degree to which target benefits are achieved.	At Selection/PQQ stage you may require examples of past comparable contracts providing assurance of the supplier's relevant technical capabilities. At the Award stage, via specification requirements, the award criteria and potentially through contract

¹This column suggests the stages of the procedure where a CSF-related requirement might be appropriate if you decide it is relevant. You do not have to assess the CSF at each of the suggested stages. You must avoid assessments that conflict with the PCR - for example award criteria related to a CSF can only be used to assess the bid tendered, not the bidder itself

					performance conditions.
ST1 Solution Quality	CSF2 Production/Delivery/Construction Process	Where you have project objectives that require the production/delivery/construction process to have specific characteristics that bear on the achievement of those objectives.	Award and/ or Contract Performance Condition	Can be used in relation to management of potential environmental impacts or where there are requirements for adoption of specific best practice methods eg BIM for construction projects.	At the Award stage via specification requirements, award criteria and contract performance conditions.
ST1 Solution Quality	CSF3 On-time Delivery	Timely delivery will be a consideration for most contracts but effective project management will be a key consideration for contracts with complex implementation demands	At Selection/PQQ stage in relation to supplier's track record, where project management is a key required capability. At Award stage in relation to specific project requirements and/ or contract performance conditions	Assurance that desired outputs will be delivered to time to budget in a controlled, risk-managed manner	At the Selection/ PQQ stage you may request examples of past contracts exhibiting required project management capabilities. At the Award stage, your award criteria may assess the supplier's specific project management approach to the project as well as their approach to planning and risk

					management.
ST2	CSF1 Cost	All projects	Award stage	Value for Money/Affordability. The price or cost assessment part of the evaluation of bids should be on a whole life cost basis, and, as provided for by the PCR, the entire cost-effectiveness of the project should be examined, not just the initial price.	Award Criteria – appropriate weighting given to cost based on whole life costing and not just price
ST3 Supply Chain	CSF1 Supply Chain Accessibility	Where there is a need to attract a more diverse supplier base	Award and / or contract performance conditions	<p>Could allow wider market opportunities, e.g. encouraging smaller firms and start-ups. This helps to provide a more diverse and sustainable supplier base.</p> <p>Providing greater opportunities to bid for work by encouraging diversity of supply chain for the Tier 1</p>	<p>Award criteria in relation to requirements for suppliers to inform you how they will i. ensure SME accessibility, ii. assess potential subcontractors, iii ensure fair treatment for subcontractors</p> <p>Contract conditions, which require Tier 1 contractors to advertise subcontracts on a</p>

				contractor.	transparent portal, and by holding industry days at regular intervals during the life of the project.
ST3 Supply Chain	CSF2 Supply Chain Management	Where successful delivery and achievement of project objectives will critically depend on the Tier 1 supplier's ability to effectively manage a supply chain	Selection/PQQ Stage, Award and/ or contract performance conditions	Good supply chain management will reduce the risk of supply chain failure and optimise collective supply chain performance.	<p>At Selection/PQQ stage, Suppliers should meet minimum capability requirements by provision of appropriate examples of comparable projects</p> <p>At the award stage, you may evaluate Tier 1 bidders' proposals in relation to the systems and procedures they will use for the project including managing compliance with the specification, managing the continuing fulfilment of contract performance</p>

					requirements, and methods of reducing risk of supply chain failure.
ST3 Supply Chain	CSF3 Organisational Learning/Continuous Improvement	Longer term contracts in which you will need the supplier to adapt to a changing environment, where innovation and improvement are essential required supplier capabilities, and/or circumstances in which the supplier must drive out efficiencies, and continuously improve VFM	Selection/PQQ stage, Award stage with reference to specific project requirements and/ or contract performance conditions	Assurance of supplier focus on continuous improvement and capability development to improve delivery to the customer	<p>At Selection/PQQ stage - providing evidence of previous comparable projects and the required ability to adapt and improve.</p> <p>At the Award stage, award criteria in relation to specification requirements for this project and continuous improvement and proposals for capturing lessons learnt and improving performance, potentially contract performance conditions.</p>
ST4	CSF1 Employment	This is particularly relevant to contracts	Award criteria and / or	Helps to support	Award criteria

Employment/Skills		<p>where there are opportunities to employ the long term unemployed in order to deliver the project.</p> <p>In situations in which quality of service will critically depend on an engaged, well-managed and motivated workforce</p>	<p>contract performance conditions</p>	<p>growth through offering opportunities to the long term unemployed and the further development of skills and training.</p> <p>Provides assurance of service quality</p>	<p>evaluated on the basis of training new workers for delivery of the contract.</p> <p>Contract clause that requires the contractor to advertise new employment, as appropriate.</p> <p>Award criteria evaluated on the basis of evidence of the suppliers commitment to good employment practices relevant to the contract.</p> <p>Contract performance conditions that cover fair and equal pay, promotion of equality & diversity and effective engagement of the workforce on the project.</p>
ST4	CSF2 Workforce Skills	To ensure a more skilled and productive	Selection stage,	In addition to	Examples are

Employment/Skills	.	workforce is delivering the project through continued 'on the job' training and up-skilling of new workers.	Award stage and/ or contract performance conditions, as appropriate.	direct benefits to the contract being delivered, this may also help to support growth in particular industries, by providing a more sustainable workforce with relevant skills and training.	provided in PPN 14/15 – Supporting Apprenticeships and Skills Through Public Procurement.
ST5 Sustainability	CSF1 Energy Efficiency/Climate Change Impact	Where performance of the contract has significant potential impacts in terms of energy consumption and greenhouse gas emissions	At Selection, Award Stages and/ or contract performance conditions.	Assurance that supplier's impact in areas associated with performance of the contract will be actively managed on a trajectory congruent with government sustainability policies	At Selection/PQQ stage, require indications of the environmental management measures from previous comparable projects or practices. At Award stage, award criteria relating to specific requirements on the suppliers approach to energy management, managing the project carbon footprint in

					<p>delivering the project.</p> <p>Contract performance conditions requiring the supplier to implement an energy efficiency policy</p>
ST5 Sustainability	CSF2 Resource Efficiency	In circumstances in which performance of the contract will require significant inputs in terms of materials, water etc	At Selection , Award Stages and/ or contract conditions	Assurance that supplier's impact in associated with performance of the contract will be actively managed on a trajectory congruent with government sustainability policies	<p>At Selection/PQQ stage, require indications of the environmental management measures from previous comparable projects or practices.</p> <p>Award criteria in relation to the supplier's response to specification requirements demanding details of how they will maximise resource efficiency.</p> <p>Contract performance</p>

					conditions requiring production of a contract resource management plan driving continuous improvement.
ST5 Sustainability	CSF3 Waste/Recycling	Where the performance of the supplier's contractual obligations has the potential for generation of significant amounts of waste.	At Selection, Award Stages and/ or contract performance conditions	Assurance that supplier's impact in associated with performance of the contract will be actively managed on a trajectory congruent with government sustainability policies	<p>At Selection/PQQ stage, require indications of the environmental management measures from previous comparable projects or practices..</p> <p>Award criteria in relation to specific requirements for supplier proposals on minimising waste/maximising recycling.</p> <p>Contract performance conditions requiring implementation of a recycling policy.</p>
ST6 Health and Safety	CSF 1Health and Safety	To assess the Tier 1 contractor in relation to compliance with health and safety requirements.	Selection/ PQQ Stage,	Assesses the Tier 1 contractor in relation to projects	At selection stage, ask in the PQQ about previous

				<p>delivered, including any members of its supply chain. Requires demonstration of minimum standards in relation to health and safety.</p> <p>Expecting the same standards of health and safety from the supply chain as those required of the Tier 1 contractor.</p> <p>Will provide supply chain security and be of benefit to the workforce engaged on the contract. Demonstration of minimum standards in relation to health and safety, and transmission of the same standards down the supply chain.</p>	<p>breaches of health and safety in relation to comparable projects.</p> <p>Agreeing contract conditions that require specified standards of health and safety for the project, which is cascaded down the supply chain. This could include reporting on incidents and follow up with further training requirements, as appropriate.</p>
		<p>To evaluate the standards of health and safety expected to be delivered on the project. This will help guarantee quality of the delivery along with risk assessment and management of the supply chain.</p>	<p>Award stages and/ or contract conditions</p>		

ST7 Outcome Benefits	CSF1 Community benefits	This is particularly relevant to contracts where there are opportunities to deliver benefits to the community affected or engaged with the project.	Contract Conditions	Encouraging community engagement through sharing of skills, knowledge and opportunities.	Contract conditions that agree to offer work experience opportunities or training days to those in the community affected or engaged with the project.
ST7 Outcome Benefits	CSF2 Legacy	Where the implementation of the contract has the potential to deliver longer term residual economic/social/environmental benefits beyond contract completion	Award and/ or contract performance conditions	Potential longer term benefits to the relevant area, after the contract has been completed	Award criteria relating to suppliers proposals for benefits assessed against specific, transparent parameters

Note: all stages of the procurement process must comply with the EU Treaty, including principles of equal treatment, proportionality and non-discrimination, the EU procurement directives and the PCR 2015.