

## FAQs

### Groups of Bidders

**Q1: How does this criterion apply to consortia bids?**

*A: All members of a consortium are required to provide the information required. See standard SQ guidance in PPN 08/16 for further guidance on groups of bidders.*

### New Entrants

**Q2. How do you assess a bidder's payment history if they are new to the market or are a special purpose vehicle (SPV) or joint venture (JV) set up for the purpose of delivering the contract?**

*A. Any bidders (e.g. new entrants, SPVs or JVs) who do not have a payment history record (as required by question 7) should not be disadvantaged in the procurement and are able to explain their circumstances in their responses. New entrants to the market will still be expected to demonstrate that they meet or (in the case of a bidder that has not yet traded), will meet the requirements of questions 2, 3, 5 (if relevant). For a JV, formed of a group of independent organisations, all members of the JV should each respond to the questions. (See question 1)*

### Construction Projects

**Q3. How does this work with PAS91? These payment questions aren't included.**

*A. Where relevant, contracting authorities should continue to use the PAS91 PQQ for works contracts (including the procurement of goods and services needed in relation to the works). However, contracting authorities should consider whether this payment selection criterion should be incorporated as a project specific question in PAS91 for all in-scope organisations.*

### Commercial Agreements

**Q4. Does this criterion apply to Framework Agreements and Dynamic Purchasing Systems?**

*A. Yes. It applies in relation to framework agreements and dynamic purchasing systems but only where it is anticipated that the value of each contract to be awarded under the framework agreement or dynamic purchasing system is anticipated to be in excess of £5m per annum (excluding VAT). Verification should take place both prior to entering into the framework agreement/dynamic purchasing system and prior to entering into any contract awarded under the framework agreement/dynamic purchasing system.*

### Statutory Reporting Requirement - 'Duty to Report'

**Q5. What if a bidder has filed responses - can this data be used?**

*A. Yes, provided it reflects the last two six month periods. The data will still need to be verified as described in the guidance.*

**Q6. What if its parent company or another company within its group has filed responses - can this data be used?**

*A. Responses are required from the legal entity tendering for the contract in question. If it has already filed data, then (subject to the answer to question 5) this may be used in the response. However, if the entity that has filed data is not the same entity tendering for the contract, then the filed data will not be relevant and the bidder must respond to the questions.*

**Q7. What if the bidder's response to question 7 does not match the payment data publicly available online?**

*A. In the event that the response to question 7 does not appear consistent with payment data that is publicly available, the contracting authority should clarify this with the bidder.*

**Supply Chains**

**Q8. What happens if a bidder at the point of bidding does not have a supply chain / use sub-contractors, but does at a later stage?**

*A. If this occurs after the procurement has concluded, then this is not relevant as the contract will have already been awarded, although contract managers will still be expected to monitor compliance with PCR 2015, regulation 113. If this occurs before the contract is awarded, the bidder should be asked to provide a response to the questions (to the extent that it can, given that it may not have a history of payments to a supply chain / sub-contractors (see question 2)).*

**Invoices**

**Q9. When reporting on percentage of invoices – does this include disputed invoices or is this undisputed invoices only?**

*A. This includes all invoices. This approach is consistent with the [‘Duty to report’](#) whereby businesses include disputed invoices which fall due in the reporting period and are not paid.*

**Q10. What if there is no invoice presented for payment? Should situations where payment is due but there is no invoice be counted?**

*A. Yes. If there is no invoice, then the date when payment would otherwise become due is the relevant date. This could arise, for example, where payment is triggered by the receipt of a timesheet setting out work carried out under an on-going contract for services. These should still be included as part of the response, with the first day after receipt of the timesheet being equivalent to the first day after receipt of an invoice. This is consistent with the reporting requirements under the Small Business, Enterprise and Employment Act 2015 (“SBEE”) or the Limited Liability Partnerships Act 2000 (“LLPA”) and further guidance can be found here: [Duty to report - Para 61, 62](#) for further information.*

**Q11. How does this fit with a supply chain finance (or similar) scheme?**

*A. Bidders must demonstrate that they meet the payment terms set out in question 6 and the standard set out in question 7. If a supplier chooses to enter into a supply chain finance agreement in order to be paid earlier than the payment terms set out in question 6 or the standard set out in question 7, then that would be acceptable and a matter for the supplier. However, suppliers should not be required to do so in order for the payment terms or period for payment to meet the required standard. This is consistent with the reporting requirements under the SBEE and the LLPA and further guidance can be found here: [see para 59](#).*

**Q12. Is it value or volume of invoices in response to question 7?**

*A. By volume. This is consistent with the BEIS reporting requirements (which implement the reporting requirements for large companies under the Small Business, Enterprise and Employment Act 2015 and the Limited Liability Partnerships Act 2000).*